'Beautifully written and surprisingly easy to digest'

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Edited by BRIAN LUCEY, CHARLES LARKIN and CONSTANTIN GURDGIEV

What if Ireland Defaults?

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Michael Taft, research officer with UNIT

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edited by

Brian Lucey, Charles Larkin and Constantin Gurdgiev



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Brian – To my wife, Mary, my support in all

Charles – To my parents and Jane for their help and support

Constantin – To my wife, Jennifer Hord, for her infinite patience and support

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Please note that all dollar amounts are in US dollars unless stated otherwise.

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About the Book

List of Acronyms

BIS Bank for International Settlements

CADTM Committee for the Abolition of Third World Debt

CBI Central Bank of Iceland

CIS Commonwealth of Independent States

COMECON the common trade area of the former Warsaw Pact

DCU Dublin City University
ECB European Central Bank

EFSF European Financial Stability Facility

EFSM European Financial Stability Mechanism

ESM European Stability Mechanism

FÁS Irish National Training and Employment Authority

FDI foreign direct investment GDP gross domestic product GGD general government debt

GKOs Russian state-issued short-term bills

GNI gross national income GNP gross national product

HIPC Heavily Indebted Poor Countries
HIRC Highly Indebted Rich Countries

IBRC Irish Bank Resolution Corporation

IMF International Monetary Fund

ISK Icelandic krona LTV loan to value

MAC Municipal Assistance Corporation (New York)

MNC multinational corporation

NAMA National Asset Management Agency

NPRF National Pension Reserve Fund

NTMA National Treasury Management Agency

NYC New York City

OECD Organisation for Economic Co-Operation and Development

PSI private sector involvement

S&P Standard and Poor's

SDRM Sovereign Debt Restructuring Mechanism

UCD University College Dublin

UDC Urban Development Corporation (New York)
WPPSS Washington Public Power System Supply

About the Contributors



Brian Lucey is professor of Finance in Trinity College Dublin and a prolific author and commentator on financial and banking issues. He has worked at Trinity since 1992. Prior to that he was an economist at the Central Bank of Ireland (1987–1992), and before that an administrative officer in the Department of Health (1985–1992). He has a BA in Economics from Trinity College Dublin (1985), an MA in International Economics, Trade and Politics from University College Dublin (1988) and a PhD in Finance from Stirling University (2003).



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Sean Barrett is the current senior lecturer in the Department of Economics, Trinity College Dublin and has enjoyed a distinguished career in academic circles along with holding highranking positions outside of the college, many of which have had a direct effect on transport policy and the tourism industry of Ireland. After graduating from University College Dublin in 1973, Sean went on to obtain a Masters at the highly regarded McMasters University in Canada before returning to UCD to gain his PhD in Economics. Following the completion of his studies, Sean took up the post of lecturer in the Department of Economics in Trinity College Dublin in 1977 and has gone on to enjoy a 34-year-long career in the college. Over the course of his career Sean has made a reputation for himself as one of the foremost economists in Ireland. With over eighty-five different publications, mostly on his expert topics of transport and social policy, he is one of the most published economists in Ireland. However his achievements in economics have not just been limited to academic discourse, as he has been a key figure in legislation, most notably in his role as director of Bord Fáilte in 1984, where he was instrumental in the successful deregulation of Irish airlines, and his role as a vital member of the National Economic and Social Council since 2005. He was elected to Seanad Éireann by Trinity College graduates in April 2011.



Peter Brown is former chief dealer and head of the treasury team in Barclays Bank. He is also the co-founder of the Irish Institute of Financial Trading. Peter is currently the main lecturer in the Irish Institute of Financial Trading, specialising in trading courses. His media profile as a financial commentator has led to him being highly sought after by media in Ireland, the UK and continental Europe. Peter gained his extensive trading knowledge working in Citi Bank, Banque National de Paris, Ulster Bank and ten years in Barclays Bank. He experienced firsthand the British pound crisis of 1990s, giving him deep insight as to how the markets will react to the current Eurozone debt crisis.



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Seamus Coffey is a lecturer in the School of Economics in University College Cork. His teaching ranges across undergraduate and postgraduate courses with a particular emphasis on the relationship between government and the economy for undergraduates and applied statistical techniques for postgraduates. He is the programme director for the MSc in Health Economics, which has been running since 2007. His primary research area focuses on access to and utilisation of health services in Ireland and he is currently undertaking a PhD on this topic with the University of Manchester. He is a frequent contributor to the broadcast and print media on the ongoing crisis in the Irish economy.



Karl Deeter is a native of Los Angeles who now calls Ireland home. He has spent his career in financial services, having started in insurance and then moving to retail brokerage and accountancy. He is known for mortgage commentary on behalf of Irish Mortgage Brokers. He is also the head of client advice at accountancy firm Advisors.ie. Karl is a qualified financial advisor; he holds a Mortgage Diploma and a Certificate in Compliance, he is a part-qualified accountant, and he is also working towards a qualification in Islamic Finance. Prior to professional qualifications he studied at Dublin Institute of Technology, obtaining a Certificate and Diploma in Management.



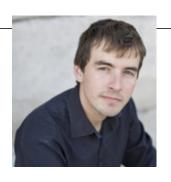
Michael Dowling is a lecturer in Finance in Dublin City University since 2011, with previous employment including positions in the University of Essex and Trinity College Dublin. He holds a Masters in Banking and Finance from the University of Stirling, and a PhD, awarded in 2007, in Behavioural Finance from Trinity College Dublin. His research concentrates on psychological influences on investors and companies, and exploring how culture plays a role in societal and individual economic decision making. Among his publications include research published in the *International Review of Financial Analysis*, *Journal of Economic Surveys* and *Journal of Multinational Financial Management*.



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Megan Greene is the head of the Western Europe macroeconomics team at Roubini Global Economics and one of the leading voices in interpreting developments in the Eurozone crisis. At RGE, Megan conducts and coordinates macroeconomic forecasts on the Eurozone's most significant economies and responds to policy decisions (or the lack thereof) in Greece, Portugal, Ireland, Italy, Spain and Germany as well as at the EU level. She regularly appears in print and broadcast media, including the *Financial Times* and *Newsnight*. From 2007 to 2011 Megan worked as the Eurozone crisis expert at the Economist Intelligence Unit. Prior to working as an economist, Megan was an investment banking analyst at JP Morgan Chase and an advisor to the Liechtenstein royal family on eradicating money laundering from the principality's financial services industry. Megan received a BA in Political Economy from Princeton University and an MSc in European Studies from Nuffield College, Oxford University. You can read some of her analysis at www.economistmeg.com and follow her on Twitter (@economistmeg).



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