

## Apocalypse in about 6 months (Part I)

I was recently invited by Computer Weekly, the dead-trees sibling of this web magazine, to chair a conference on EMU. This turned out to be a most successful and enjoyable day (or at least I thought so, but then, in Mandy Rice-Davis's immortal words, I would, wouldn't I).

In the evening there was a dinner, at which there was a lively debate on the subject of EMU collapse. This was considered 'impossible' on the one hand, and 'highly likely' on the other. And the difference created plenty of heat, but just about no light.

The question, however, is a most interesting one. It boils down to the degree to which we should consider EMU collapse as part of our development planning.

Typically, when building banking systems, we tend not to program in functionality which would deal with the US dollar suddenly loses all its value. On the other hand, we do try to build 'business continuity programmes' (read – disaster recovery) which allow for things like the entire electrical supply failing or all the phones going out.

Personally I incline to the Matthew Paris tendency (no not that tendency, the EMU one). I frankly do not know whether it's 'A good thing'. And I am completely confident that no-one else does either. I can certainly see many benefits, and I can see some very serious problems. About all I am sure of, is that this is a bigger undertaking than is ever discussed.

But the important (i.e. financial) question, is the degree to which we should spend money on building in functionality for the collapse of the system. Should we build in the capacity to redenominate Italian debt (say – and why do we pick on the poor Italians, they've probably paid more for 'convergence' than anyone else).

It is my experience that it is considered 'in scope' to consider catastrophic single site failure (read 'bomb', takes out, say, Canary Wharf), but no-one thinks much about multi-site failure (flooding of London to a depth of 2 metres – taking out the City and Docklands and probably Twickenham at the same time).

So what are the euro-catastrophes?

In principle they range from the relatively banal – UK does not enter – to the strategically interesting (à la Chinese curse) – French Revolution II. But what should we spend money on, and what are the real questions?

Here are a few:

- 1) What would be the consequence of Italian, or Portuguese, or Spanish exit?
- 2) What would be different if only the Germans, Dutch, Belgians, Austrians and Luxembourggeois stayed 'in'?
- 3) To what degree do you think that the political ruling classes of Europe are willing to accept short-term national discomfort for the success of *le grand projet*?
- 4) To what degree are the peoples of Europe prepared to accept short-term national discomfort for the success of *le grand projet*? (and don't forget that some of them think that the EU has ended the millennium and a half long European civil war).

I shall consider the likelihood, and the appropriate actions, in my next paper.