

'Devils' Lays Debt Crisis Blame on Corrupt Banks, Not Profligate Governments

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With only two remaining episodes, the financial conspiracy of *Devils* will soon be fully revealed. In the meantime, the show continues to blame investment bankers for ruining ordinary people and causing suffering and death.

The latest episode also portrayed the 2011 Italian debt crisis as the fault of corruption and trickery by banks, rather than bad governance, overspending and other economic problems.

In the episode, Massimo Ruggero returns to the Italian fishing village where he grew up in poverty. His estranged and dying father asked him to come home because the banks are trying to take his boats. Trying to fulfill his father's dying wish, Massimo goes to see the mayor, Vincenzo, a boyhood friend of his.

Massimo: "My father says the banks are foreclosing on him"

Vincenzo: Massimo, your father is not the only one having troubles. The whole town is on its knees. I had to cut subsidies, the kindergarten, the school. All because of these deals. The previous administration signed them. Bankers came here and started talking about "derivatives" and stuff like that. All I know is we have to pay 50K euros a year that we don't have.

Massimo [looking at the documents]: What? It's not 50K.

Vincenzo: What do you mean?

Massimo: It's more like half a million. If interest goes up, and it could, it will be even harder to service the debt.

A little while later, Sofia (the Subterranea journalist trying to take down NYL bank and Massimo's boss) reinforces the point. She tells Massimo, "This town is exactly just like the place where I grew up in Argentina. And the story's the same story. Banks came in, took all the money, and people suffered and died, people like my brother."

Only the "Devil" of the show cited factors of the real-life 2011 Italian debt crisis, including Italy's failure to implement substantive cuts to spending or waste. That Devil was of course NYL CEO Dominic Morgan, who may be the murderer of Ed Stuart. (Massimo accused Dominic of the murder in episode seven. Dominic didn't confess, but did threaten his protegee telling him to obey or "I'll annihilate you.")

Yet, government spending had a huge role in the real crisis. In 2011, *The Atlantic's* Jordan Weissmann wrote that the four major reasons Italy's economy was a "disaster" began with its massive debt. He explained that Italy's debt to GDP ratios were over 100% for 20 years "thanks largely to a government spending binge way back in the 1980s," which became a big problem

when economic growth slowed. Other factors were lack of productivity caused by regulations like employment laws, the government and mafia and cultural divides.

The Cato Institute also noted in 2012, when people began blaming austerity for Italy's lack of economic growth, the country **wasn't really cutting spending** just raising taxes. The EU also failed to enforce its 3% deficit limits on eurozone countries and **Italy was non-compliant** for more years than it was compliant.