Faculty of Economics, University of Niš, 18 October 2013

International Scientific Conference

THE GLOBAL ECONOMIC CRISIS AND THE FUTURE OF EUROPEAN INTEGRATION

EURO ZONE DEBT CRISIS AND FISCAL UNION AS A POTENTIAL SOLUTION

Marina Malenović*

Ivana Avramović*

Valentina Nestorov*

Abstract: *In the last years the European monetary union is faced with the biggest challenge since it was founded. The global economic crisis has accelerated the telling the truth about the state of public finances and indebtedness of some euro zone countries. The debt crisis in euro zone was caused by numerous factors, that derives from the period of the creation of the monetary union. What is especially characteristic for the European monetary union is the existence of the unique monetary policy, on one side, and the decentralized economic and fiscal policy, on the other. The combination of those has proved problematic. As a result, unsustainable public finances led to problems in the implementation of the monetary policy. For stronger economic growth in the euro zone, it is required the closer coordination of economic policies of member states. One way to solve the debt crisis is to create the fiscal union, which is natural extension of European integration.*

Keywords: *euro zone, debt crisis, fiscal union*

1. The Debt Crisis in the Euro Zone

The debt crisis is a situation where countries are unable to meet their contractual obligations on loans obtained from foreign banks, governments of some countries and financial institutions ie. they are not able to return their debts to various creditors where they had borrowed. Debt crisis has been known since ancient times but the debt crisis that has gripped some euro zone member states has become a serious political and economic problems for whole euro zone. The economic and financial crisis has shaken the foundations of European construction, its strongest and most visible symbol of success - the common currency, the euro. The European Union as a significant integration of European

* PhD Students, University of Nis, Faculty of Economics, Serbia;
marinavujicic@rocketmail.com, ivanajovanovic@rocketmail.com, nikolicvalentina@ymail.com
UDC 338.23:336.74(4-672EU)

countries, a respectable economic and trading power on the international stage (summing all member states), met one of the most serious crisis since its foundation. Has the global economic crisis accelerated displaying of the truth about the state of public finances and debt in some countries of the European Union or would the truth sooner or later came out?

The debt crisis in the European Union firstly affected Greece. Problems with repayments due debts first came to light in Greece although it was not most indebted country in the eurozone if we look at debts of the countries in absolute terms. Next country which has requested help from the European Union, because of unsound public finances, was Ireland. Only the outbreak of such a serious crisis in the European Union led to the rediscuss the problem of the lack of adequate mechanisms and instruments to help countries that are experiencing financial difficulties.

During the first decade, the euro has fulfilled all its promises. Economic and Monetary Union has led to a strong integration between its member states. Poor periphery countries have begun to catch up with the rich countries due to overflow of capital. The apparent success of the monetary union threw it into oblivion some initial doubts. Is this really the optimal currency union? Does the state have the flexibility to handle shocks without an independent monetary policy? Does the imbalance in the current account does not really affect the monetary union?

These issues have come back with a vengeance. Of course the imbalance in the balance of payments is important.Many countries due to problems with large public and private debt have led their domestic markets to collapse. Private capital escaped from peripheral countries faster than it arrived. Pressure spilled over the rest of the eurozone, leaving policymakers to face the wide, almost existential crisis.

In order to understand why the euro has turned into a disaster, you should recognize why he came. EMU has functioned quite well. For entry into the EU currency, the countries committed to achieve fiscal reform and inflation standards, which are essential for the EU. This improvement of policies and eliminating exchange rate risk have led to a reduction in borrowing costs for countries that have adopted the euro and help these countries to maintain fiscal stability. Very favorable growth forecast for the periphery countries have drawn a lot of capital in the period of macroeconomic stability and high growth rates in most eurozone countries.

The idea was that a common currency would make everyone feel richer. Poor countries PIIGS (Portigal, Ireland, Italy, Greece, Spain) wanted to share a currency with Germany, because they are so able to borrow at affordable prices. Germany had wanted the euro, as if her neighbors feel wealthier, they will buy more German products. And that's essentially what happened. Frugal Germany had a surplus, which is thought to be sufficient for growth. Germany has thrived through export to the peripheral economies that have borrowed money at low interest rates.

However, the environment with low interest rates resulted in overborrowing and inflating the bubble in some peripheral countries, that began to live beyond their means accumulating debts to other countries. That would have been right if they had used the borrowed funds for construction of generating capacity, including the export sector. But a large part of these investments has gone into real estate and other sectors that are not intended for international trade, and into consumption of households and government. The capital inflows in these countries have caused a boom, which has dramatically raised costs and prices. When a country becomes richer, costs and prices go up. But now that there are no inflows, finance of PIGS proved to be unsustainable. Higher wages and prices,caused by increase in domestic demand, reduced competitiveness compared to other countries. The integration of China and other emerging economies in global production chains led to a decrease in market share of peripheral countries.

The simplest solution would be to break up the EU to let Greece and other economies to return to their own currencies to devalue and go along the path of its growth. But the market likes certainty, and you can not just leave ten-year experiment in economic union without a call to the financial crisis. And maybe European monetary union come to the point where there is no choice.

2. Factors that Contributed to the Debt Crisis

Many factors have contributed to the crisis. In order to find the roots of the crisis, the events should be analyzed for years, even decades. Some believe that the crisis in the euro zone have to happen definitely because of the way the union works, because it reacts ex post.

The European debt crisis is the result of a combination of complex factors, including the globalization of finance, favorable credit terms during 2002-2008, that encouraged high-risk debt, international trade imbalances, bubbles in the housing market that came to shooting, slow economic growth in 2008, inadequate fiscal policies and approaches used the rescue of the banking industry.

National policies and institutions, financial markets and the lack of adequate policy coordination in the euro zone have contributed to the imbalance. Policymakers have adopted a short-term perspective. Some countries have overstated the consumption with stimulating demand for loans. In other countries, governments have failed to stop the growth of private demand. As often happens, a temporary increase in production by the exaggeration of the real estate sector and increasing tax revenues have led to a misconception about the constant improvement of the budgetary position and are used for financing tax incentives and for increasing expenditures, which proved unsustainable during the global economic crisis.

Furthermore, structure of product markets and labor markets have often contributed to the increase of wages and prices. Especially in the periphery, limited competition in the service sector has enabled companies to charge high margins and to increse wages, because the costs can be transferred to customers through higher prices. Widespread indexation of wage by inflation also contributed to the persistence of high inflation in some countries.

Moreover, financial markets have failed to impose discipline on the market. Regardless of the growth that has become less and less sustainable and increase of external debts of peripheral countries, financial markets have shown a little worry until mid 2007. This is due to the global decline in risk aversion in this period. Financial crises are seen only as a remote possibility, which has led to more risky behavior of investors. Also, with the appearance of EMU, it was believed that the external deficits do not matter, that the mechanism of EMU relating to budget deficit and public debt, is sufficient to prevent the crisis.

The appearance of imbalance is the result of the failure of adequate policy coordination on the euro area level. Pact for Stability and Growth-SGP is inconsistently applied, even the rules was violated by the largest counties. The inability of euro zone to monitor and enforce the SGP led to the debt crisis in Greece.

Tax cuts led to structural deficit, which was masked by rapid economic growth created by bubble in the housing market. When the bubble burst and the economy came to a standstill, strength structural deficit appeared in its full intensity. Public deficits in the PIIGS are the result of reduced state revenues, not increase spending. This is the reason why the public policies of these countries are deeply wrong, they reduced public spending with the wrong assumption that the cause of the deficit is excessive public spending.

Now it is often said that the countries lived beyond their means. However, for example data shows that Spain had a GDP per capita at 94% of the average for the euro zone, and that its public spending per capita was 72% of the average for the euro zone. Spain has the resources, but the problem is that the state has not collected them because its fiscal policy was regressive and fiscal frauds are widespread among the citizens with high income and among economic and financial corporations.

Decline in government revenues as a result of tax cuts forced the government to borrow from banks, where the rich citizens deposited their money saved due to the reduction of taxes. Government debt and the need for borrowing were clearly associated with a reduction in taxes. When the economy is stopped due to burst of the bubble, there was a structural deficit. Public deficit as a percentage of GDP in the four countries has increased significantly from 2007 to 2009, as a result. Spain from a surplus of 1.9% of GDP in 2005 to public deficit of 11.1 in 2009, Greecefrom deficit of 6.4 2007. came to a deficit of 15.4 2009th and Ireland from 0% deficit came to 14%. In all these countries, the growth of public deficits was based on an extremely regressive nature of state revenues. the most revenue comes from personal income tax and consumption tax. In a situation where there is a growth of unemployment and reduction of consumption, public deficits have dramatically escalated.

Let's go back 14 years ago when EMU was formed . for entry into the Union, it was necessary to fulfill certain criteria, Maastricht criteria. However, the situation was a little loose, not actually was important what are the sizes of parameters to but what are the tendencies in their movement. many countries from the start violated this rules.

Violation of of criteria of budget deficit and public debt has become a major problem for bodies of the European Union since very beginning of EMU. Since these two criteria are fiscal rather than monetary side of criteria, they mostly dealt with European Council, European Commission and the EU Council of Ministers and not the ECB. it is primarily responsible for monetary criteria. Realizing that there are gross violations of fiscal convergence criteria, the bodies of the European Union have pressured national governments of those countries that violate these criteria over several years. The main requirement was to reduce government spending in order to reduce the budget deficit primarily and then the public debt of the countries.

EU bodies have not quickly responded to urgent issues and have not punished countries that violated the established rules in order to solve the problems . They began to lead the debate on what should be done. Instead of concrete solutions for the high public debt and budget deficits of individual countries, the European Council, following the publication of data on the deficit and public debt to 2004th , decided on loosening rather than tightening the criteria. The decision was made on extending the deadlines for eliminating violations before they could launch criminal proceedings. Loosening the criteria is a very bad sign for future atmosphere in the eurozone.

In the year 2004 the budget deficit and public debt of the three largest economies in the euro zone were worrying (France public debt 64.4%, budget deficit -3.7; Germany: Public debt 65.7%, budget deficit -3.7; Italy public debt 103.8%, the budget deficit - 3.4). This behavior of the largest member states in the EMU has undoubtedly created inflationary pressures in the euro area as a whole and because of of inadequate fiscal behavior, the ECB had to react and to raise the discount rate since 2005. and onwards reduce pressure on prices. The goal of the ECB is to maintain price stability, ie. inflation below 2% in the euro zone so that practically this institution with its monetary policy neutralizes the effects of expansionary fiscal policies of individual eurozone members.

The lack of progress towards fiscal federalism can also be partial blame for the appearance of imbalances - Currency Union was not well equipped to be able to smooth the regional economic disturbances.

3. Solving the Debt Crisis

The debt crisis has certainly highlighted the shortcomings of European Monetary Union and therefore it is necessary to remove them. In addition to the single currency, there is a need for strong economic pillar, which would be built on the improved management and greater fiscal discipline in order to achieve stronger economic growth and more competitiveness. For eurozone members states it is important to recognize that sharing a currency means sharing responsibility for the entire eurozone.

Member States would have to determine jointly the actions that will be taken to stimulate growth, competitiveness and to ensure fiscal stability. It is necessary to do some progress on financial regulation, convergence and harmonization of the tax base.

The leaders of the eurozone member states have already made a number of important steps to stop the debt crisis that has undermined the confidence of the financial markets in the world. The main achievements include the establishment of the European Financial Stability Facility (EFSF) / European Stability Mechanism (ESM), an agreement on the harmonization of approaches for recapitalization of the banks and the establishment of the Board for the systemic risk, governance reforms to ensure a stronger and more effective fiscal discipline and the ECB's decision to make available to banks long-term liquid assets. These steps are only part of a comprehensive solution.

To deal with the debt crisis, it is proposed the creation of a European Monetary Fund. The idea was that the euro zone countries must follow the principle of mutual solidarity and thus every country can expect help from other countries in the event of financial difficulties. To avoid the risk of moral hazard which is necessarily connected with this system of insurance, it is proposed for the European Monetary Fund to be supplied exclusively by countries that break the Maastricht rules. In particular, the contribution would be equal to 1% of the debt exceeding the limit of 60% of GDP and also 1% of the deficit over the limit of 3% of GDP. Fund Intervention to states that are in trouble could be implemented either through lending or guarantee the approval of new issues of government bonds. The withdrawal of funds would be without any conditions up to a certain limit, and all over that limit could be taken with the prior approval of the Commission and the Eurogroup. The ECB may decide to stop accepting collateral for new bonds offending countries.

Another suggestion for dealing with the debt crisis provides issuance of Eurobonds. Member states should draw up its own debts not exceeding 60% of GDP and to finance them together issuing the Eurobonds, which will significantly reduce costs. And for debt above 60% of GDP member states must be itself responsible with higher costs, which will be an incentive to apply stricter fiscal discipline.

A little more advanced proposal is focused on the development of the European Debt Agency. Tensions on the market pointed out the limits of monetary union and the lack of economic governance and therefore member states should form a common treasury in the eurozone or debt agency. The Agency will act as a European institution in charge of issues of government debt in the euro zone, under the authority of finance ministers and the ECB. The European Investment Bank will act as the secretariat of the agency. The agency will be able to take the burden of excisting debt, but each state will have to pay market interest rate depending on its degree of liquidity. In this way, it avoids that weak countries act as free riders and shift the burden of their debt to the strong countries.

The European Debt Agency could fulfil three main objectives: 1) enhancement of the budgetary coordination within the euro area; 2) reinforcement of the euro area financial stability; and 3) financing of euro area member states at optimal costs, the traditional mandate of a national debt agency. [1]

Almost all member states have adopted to incorporate in national legislation binding procedures to reduce the public debt when it exceeds the limit of 60% of GDP. In addition, it was agreed to limit structural fiscal deficit at a low level of 0.5% of GDP. Structural fiscal deficit can be interpreted as a systematic fiscal deficit, which reflects continuing imbalance between incomes and expenditures, as well as long-term macro-economic and demographic trends. In fact, the structural fiscal deficit can be defined as the actual fiscal deficit which is off the impact of cyclical and one-off factors.

4. The Idea of Fiscal Union

The financial and sovereign debt crises in the euro area has not only focused attention on the necessity of reforms in the member states, but also raised questions about institutional shortcomings and the necessity of a greater role for fiscal policy at the E(M)U level.

As a monetary union, the eurozone pursues a single monetary policy, but has only few instruments for shaping fiscal policy. This becomes a problem when-ever a member state is hit by an asymmetric shock. In a heterogeneous monetary union the central bank cannot respond to purely country-specific shocks. Since shock absorption via market mechanisms does not function particularly well in the eurozone, unlike in the United States, effective stabilisation would only be possible by means of fiscal policy instruments.

Member states together make decisions related to monetary policy, but when it comes to taxes and government spending, it remain at the national level. Control over fiscal policy has traditionally been considered as a central part of national sovereignty and even today there is no fiscal union between independent countries. within such a framework, it is essential to ensure a high degree of self-responsibility, or in other words, to ensure that unsound national policy will not endanger the stability of the common currency.

Many economists and politicans seen fiscal union as a natural extension of european integration, but also as the solution of the debt crisis of 2010. In combination with the European monetary union, fiscal union would complete economic integration. Yet 2007 former ECB President Trichet suggested to the EU to adopt some form of fiscal union to ensure surveillance of fiscal policies of all countries.

A fiscal union enables a federal state or a federation of several countries to conduct a coordinated fiscal policy and typically shows some of the following components:

a) a common set of fiscal rules;
b) mechanisms for crisis intervention;
c) fiscal equalisation and transfer mechanisms between countries and
d) a common budget.

The first two components have already seen relatively widespread implementation in the eurozone. A common set of fiscal rules exists consisting of the Stability and Growth Pact (SGP) and the supplementary legislation in the EU's Economic Governance Package (called the “six-pack”). The banking union is aimed at securing the member states against risks from financial institutions, and the EFSF and ESM were created as crisis intervention mechanisms. Combined, these components have the objective of making the eurozone less vulnerable to financial and liquidity crises.

By contrast, EMU has so far had neither jointly guaranteed debt instruments, nor fiscal equalisation and transfer mechanisms nor a common budget. Points 3) and 4) are found solely at the national level. The extent to which these components should be integrated into the architecture of the eurozone is a matter of dispute, however. The so-called Van Rompuy report2 advocates the creation of a fiscal capacity for EMU in order to be able to better neutralise country-specific shocks.

At the end of 2010 it was proposed to reform the rules of the Stability and Growth Pact in order to strengthen the coordination of fiscal policies. In February 2011, Germany and France have proposed Competitiveness pact to strengthen economic coordination in the euro zone. Spain has adopted the pact. In the public Germany supported more and more the idea of fiscal union. In March 2011, new reform of the Stability and Growth Pact was initiated aimed at strengthening the rules by adopting automatic procedure for imposing penalties in the case of exceeding the rules of the budget deficit or public debt. By the end of 2011, Germany and France have gone a step further in exposing firm promise to create European fiscal union with strict fiscal rules, and the European Commission should play an important role in ensuring compliance with the rules. On December the 9th, 2011 at the European Council meeting all eurozone member states have agreed that they should adopt a new intergovernmental agreement on stricter rules for government spending and public debt, and on sanctions for countries that violate the rules. Sanctions will be fully automatic, because each country will pass through process of answering the demands and explanations of reasons. European Commission may bring the financial sanctions immediately if the country has repeatedly violated the rules. The sanctions will be suspended if a qualified majority of countries vote for it.

In January 2012 was adopted agreement aimed at strengthening budgetary discipline through the creation of a fiscal union and at strengthening coordination of national economic policy. The general view is that the budgetary position of the country has to be balanced or in surplus. It will be considered that this rule is respected if the general government deficit is in line with the medium specific goal for each country. The limit for structural deficit is 0.5% of GDP at market prices. Also, exceptional circumstances in which the state will be allowed deviation from the medium-term objectives have been defined. If country has a significantly lower debt to GDP ratio than 60% and if there are small risks associated with long-term sustainability of public finances, its structural deficit should be maximum 1% of GDP at market prices. If there is significant deviation from this goal, the government will immediately get instruction to implement measures that will eliminate the variation over time. Exceptional circumstances can be unexpected events that are beyond the control of the country, and have a major impact on the financial position of the state. Those States that are in the process of resolving the excessive deficit will establish budgetary and economic partnership program including a detailed description of the structural reforms that have to to be introduced and implemented to ensure the effective and durable correction of their excessive deficits. The content and format of these programs will be prescribed by EU law, and the implementation of programs and annual budget plans will be monitored by the Commission and the Council. The plan was that the Treaty enters into force on January 1st, 2013, if it is ratified by at least twelve members of the eurozone. All EU Member States have indicated that they intend to sign the contract, except the UK and the Czech Republic.

If we would think about the optimal features of a fiscal union in Europe, they had been based on the shortcomings revealed in the current policy coordination framework in the euro area. Fiscal union that meets the needs of the euro could be built on three pillars:

- stronger constraints relating to member state deficits and debt, including public financial management processes, which would reduce the risk of idiosyncratic fiscal policy shocks;
- a larger central budget, as this would both provide the tools for risk sharing and contribute to reducing some key economic differences across countries;
- and increasing the harmonization of non fiscal policy, starting with the priority of setting up a banking union with an appropriate fiscal backstop to sever the sovereign-bank links that have slowed a resolution of the crisis. [5]

The underlying reason for stronger constraints on the fiscal policies of member countries is to prevent unsustainable fiscal behavior at the local level from exerting negative effects over the entire union.

Enforcement of these fiscal constraints requires effective surveillance of fiscal developments at the member state level. This requires: common accounting standards across member states to ensure consistent application of state fiscal rules; frequent and timely reporting of fiscal data to enable pro-active enforcement of those rules; and effective audit arrangements to ensure the credibility of reported data. These preconditions are not always met even in some of the most advanced federal states.

One advantage, over the longer run, of a larger central budget is that it reduces the risk of idiosyncratic fiscal policies at the state level, and so supports the first pillar discussed above. The larger is the share of the spending responsibilities that are centralized, the lower is the likelihood that large fiscal imbalances arise at the local level. This is because the opportunities to spend locally are reduced if some spending categories are transferred to the center.

Another advantage of a sizable central budget is that it would allow for a much better coordination of fiscal policy in response to common shocks. centralizing some spending and revenue policies would contribute to fostering economic convergence across member states, as fiscal policies can importantly affect economic incentives and behaviors.

The third component of a well functioning fiscal union in the long run relates to the harmonization, centralization or coordination of other (non fiscal) policies. Harmonizing these policies is critical for the working of a monetary and fiscal union and can have synergic effects with the strengthening of a central budget.

5. Arguments for and Against Fiscal Union

The first argument for fiscal union is that debt crisis has evidently shown that monetary union cannot work successfully. The euro zone is clearly unable to manage its macro-economic imbalances without some sort of federal structure to oversee revenue collection and expenditure. Without it, the euro will always be vulnerable to asymmetric shocks.

Second argument refers to sizes of economies of euro zone member states before and now. In 1990, EU nations made up half the world's ten biggest economies. According to some estimates, by 2050, Europeans will struggle to have two in the top flight. Closer economic union is the only way to halt Europe's decline in the new global environment. Fiscal union would raise Europe's market credibility. Fiscal union would be a major step towards a true political union. It would have to be administered by real federal bodies.

Despite these positive attitudes, there are also arguments against fiscal union. The first, as long as the European Union is made up of independent nations with their own elected governments, their problems are going to be essentially local and they will need local solutions.Their joining into the monetary union has turned out wrong, and move to fiscal union maybe would just exacerbate an already unsustainable situation. It's probably a recipe for gridlock.

Further, fiscal union is another attack on national independence. Setting budgets is a core responsibility of sovereign parliaments. Transferring that power to some distance is unpopular. History tells us citizens will not accept taxation without representation.

Finally, fiscal union oozes moral hazard. States that spend over their means will be given an maybe everlasting bailout fed by disciplined nations, led by Germany. Thus, the fiscal union will become a transfer union that punishes budgetary righteousness. [4]

The mention of fiscal union often refers to something else, than what a fiscal union really is. The discussion on the matter centers around fiscal discipline and mechanisms/ ways of enforcing/achieving stricter fiscal rules. This is a Stability and Growth Pact with an expanded scope of application, but is it fiscal union? A real fiscal union implies fiscal transfers, a surplus recycling mechanism, a unified banking sector, a treasury. The point is that it is not just about fiscal discipline. Of course common rules are needed and of course fiscal union in its proper sense, but this means that surplus of the countries will stop being as surplus as they are, because their surpluses will be transfered to deficit regions to achieve balanced growth and convergence.

6. Conclusion

Euro zone member states together make decisions related to monetary policy, but when it comes to taxes and government spending, it remain at the national level. Control over fiscal policy has traditionally been considered as a central part of national sovereignty and even today there is no fiscal union between independent countries. Within such a framework, it is essential to ensure a high degree of self-responsibility, or in other words, to ensure that unsound national policy will not endanger the stability of the common currency.

The crisis revealed that a monetary union can be put at risk when the economies of member states remain so different, and when adequate processes for risk sharing are not available. Economic differences were exacerbated by coordination failures resulting in idiosyncratic fiscal (and non fiscal) policies (insufficient fiscal discipline and opacity of the fiscal accounts for both flows and stocks, unreformed labor markets and lack of productivity growth and competition). More Europe, not less Europe, is needed to reduce these idiosyncrasies and imbalances across countries. A wide range of risk exposure across countries is harmful to a monetary union. But, equally important, as these disparities are reduced, there is also a need for better sharing of the residual risk. The underlying reason for stronger constraints on the fiscal policies of member countries is to prevent unsustainable fiscal behavior at the local level from exerting negative effects over the entire union.

Among other things, the crisis showed that, with growing interconnectedness among member states, the spillovers from country-specific shocks have gained the potential to reach systemic levels. There is the need for better risk-sharing tools that could help member states hit by idiosyncratic shocks overcome their temporary difficulties.

Although there are the arguments for and against fiscal union, combination supranational monetary policies with national fiscal policies is unsustainable. The euro zone is clearly unable to manage its macro-economic imbalances without some sort of federal structure to oversee revenue collection and expenditure. Without it, the euro will always be vulnerable to asymmetric shocks.

References

1. Diev, P., Daniel, L. (2011) What Prospects for a European Debt Agency ? *Revue économique*, 62 (6): 1147-1162.
2. Gärtner, M., Griesbach, B., Jung, F. (2011) PIGS or Lambs? The European Sovereign Debt Crisis and the Role of Rating Agencies, *Int Adv Econ Res* 17:288–299.
3. Schnabl, G., Zemanek, H. (2011) Inter-temporal Savings, Current Account Trends and Asymmetric Shocks in a Heterogeneous European Monetary Union, *Intereconomics.*
4. Debating Europe, www.debatingeurope.eu (20.07.2013.)
5. European Union, www.europa.eu (20.05.2013.)
6. International Monetary Fund, www.imf.org (15.04.2013.)
7. STATEMENT BY THE EURO AREA HEADS OF STATE OR GOVERNMENT, www.consilium.europa.eu (15.03.2013.)

DUŽNIČKA KRIZA U EVRO ZONI I FISKALNA UNIJA KAO MOGUĆE REŠENJE

Rezime: *Poslednjih godina Evropska monetarna unija se suočila sa najvećim izazovom otkad je osnovana. Svetska ekonomska kriza ubrzala je prikazivanje istine o stanju javnih finanisja i zaduženosti nekih zemalja evro zone. Dužnička kriza u evro zoni uzrokovana je brojnim faktorima, koji potiču još iz perioda nastanka monetarne unije. Ono što posebno karakteriše Evropsku monetarnu uniju je postojanje jedinstvene monetarne politike, s jedne strane, i decentralizovanih ekonomskih i fiskalnih politika, s druge. Ova kombinacija se pokazala problematičnom. Kao rezultat, neodržive javne finansije dovele su do problema u sprovođenju monetrane politike. Za veći ekonomski rast u evro zoni neophodna je bolja koordinacija ekonomskih politika zemalja članica. Jedan od načina da se reši dužnička kriza jeste da se stvori fiskalna unija, što predstavlja logičan nastavak evropskih integracija.*

Ključne reči: *evro zona, dužnička kriza, fiskalna unija*