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European Commission

TritonMUN XII

Chaired by: Brian Cox

Topic: Greek Sovereign Debt Crisis

I. Background

Greece has been a member of the Eurozone since January 1, 2001.[1] It was admitted before physical Euro currency existed, and preceded seven countries which followed it. Greece, under the terms of the Maastricht Treaty, was obligated to join the Euro once it met the Maastricht criteria. The adoption of the Euro ushered in an era of prosperity for Greece, prompting extensive foreign investment, as well as internal investment into infrastructure projects, notably those related to the 2004 Athens Olympics.[2] Throughout this time period the increased government spending, along with various other factors, such as tax evasion, led to a large increase in Greek debt, which had been mounting since the mid-1990s, when deficit spending began. The Greek government, however, significantly under-reported their deficit – although this was unknown until they reported it in an appeal to the EU in 2009. By 2008 both its Debt-to-GDP ratio, as well as its ratio of Budget deficit to GDP were well above the levels mandated by the Stability and Growth Pact (SGP), an EU institution dedicated to maintaining financial stability within the EU. The SGP includes all members, including those with Euro op-outs, such as Denmark and the United Kingdom. As the Global Financial crisis of 2008-2009 occurred, Greece was particularly negatively affected.[3]

In late 2009 it became clear that Greece was in financial distress. The Greek budget deficit reached over 12 percent of GDP, well over the three percent the SGP mandates, as well as well outside of the criteria mandated by the Maastricht criteria. Greece was not unique in this

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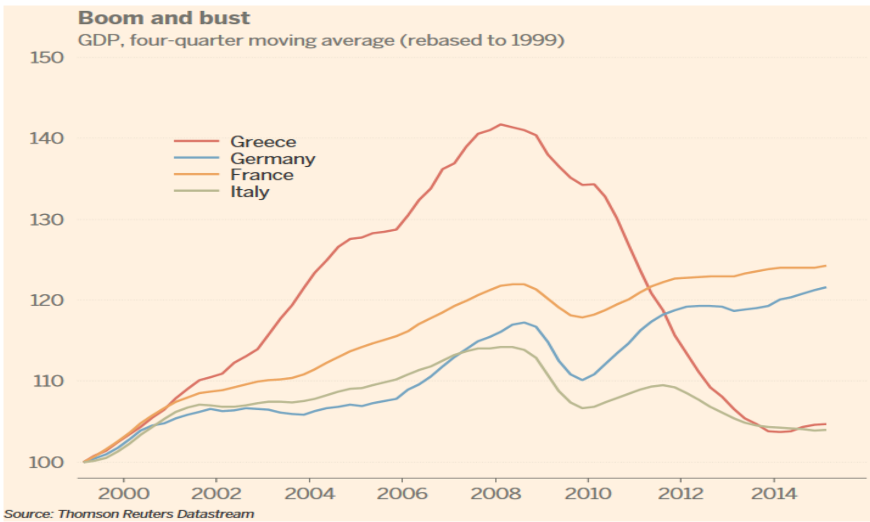
[1] "Greece's Debt Crisis Explained." The New York Times. The New York Times, 11 Aug. 2015. Web. 17 Aug. 2015.
[2] Papadopoulos, Theodoros, and Antonios Roumpakis. "The Greek Welfare State in the Age of Austerity: Anti-social Policy and the Politico-economic Crisis." Analysis and Debate in Social Policy, 2012 Social Policy Review 24 (2012): 205-30. Web.
[3] Žižek, Slavoj, and Srećko Horvat. What Does Europe Want?: The Union and Its Discontents. N.p.: n.p., n.d. Print.

regard. By this time numerous Eurozone countries were beginning to have debt problems. Sometimes referred to as PIIGS (Portugal, Italy, Ireland, Greece, Spain), all of these countries were bailed out by the EU, and most have recovered. Cyprus still faces significant debt even after a €10 billion bailout by the European Central Bank (ECB), but due to the relatively small size of its economy concerns have largely subsided.[4]



By early 2010 the debt and the interest on it were causing major internal problems in Greece. The debt-rating agencies rapidly downgraded Greek debt from generally good ratings to near-trash levels. Meanwhile in an attempt to rein in spending and keep the deficit from expanding, the Greek government passed the first in what would be many austerity measures. While on their own these measures were not very drastic, in combination these led to a substantial decrease in public spending, as well as a moderate increase in tax rates. The financial crisis also brought a decrease in tourism, which was a large source of revenue.[5] By early 2010, after a few austerity measures, it had become clear that Greece could no longer sustain its levels

[4] Kashyap, Anil. "A Primer on the Greek Crisis: The Things You Need to Know from the Start until Now." University of Chicago Booth School. N.p., 29 June 2015. Web. 15 July 2015.

[5] Papadopoulos, Theodoros, and Antonios Roumpakis. "The Greek Welfare State in the Age of Austerity: Anti-social Policy and the Politico-economic Crisis." Analysis and Debate in Social Policy, 2012 Social Policy Review 24 (2012): 205-30. Web.

of debt. Attempts to raise money via the selling of government bonds raised capital in the short run but also raised debt, as Greece was obligated to offer 14-15% annual returns. As debt rose, their credit rating was downgraded even further.[6] Much of their debt and had been borrowed from Germany and France to finance projects such as the Olympics. Greece reached out for a bailout, amidst speculation that default was possible. At this point the concept of the Troika, which will be elaborated on later, was formed. This pseudo-body comprised of the European Commission, European Central Bank, and International Monetary Fund intervened with a €128 billion bailout which aimed to stop it from defaulting on its sovereign debt.[7] This bailout was meant to cover all necessary funding until 2013, and just like following bailout agreements was approved contingent upon numerous reforms and aspects of austerity that were to be implemented by Greece. The justification for this bailout was largely that with reform, Greece could afford all of its debts, including that which was imposed by this first bailout package. To be clear, this package did not absolve Greece of responsibility of debt, it simply provided a means for Greece to supply payments for its ongoing debts. This in itself, however, burdened Greece with additional debt. This justification which was endorsed by an IMF report was after the fact found to be rather incorrect. Some have ascribed political motive to the original report, but whatever the cause its conclusion was later found to be mistaken by a 2013 IMF report.[8]

Shortly after this agreement was reached a “Haircut” was implemented for Greece. In October 2011 an agreement between the Greek government and the Troika absolved Greece of responsibility for 50% of the interest on the debt which they had accumulated thus far. Some

[6] Kashyap, Anil. "A Primer on the Greek Crisis: The Things You Need to Know from the Start until Now." University of Chicago Booth School. N.p., 29 June 2015. Web. 15 July 2015.
[7] Peston, Robert. "Would a Third Greek Bailout Work?" BBC News. BBC, 10 Aug. 2015. Web. 14 Aug. 2015.
[8] Graham-Harrison, Emma. "Greece Needs Further Debt Relief after Third Bailout Deal in Five Years, Says IMF Chief." The Guardian. N.p., 16 Aug. 2015. Web. 16 Aug. 2015.

requested a larger "haircut" of sixty percent or greater.[9] When the government agreed to the haircut they also agreed to further reforms and further austerity. They initially claimed that they would send the haircut deal to a referendum, but then reneged on the promise after the global community's anxiety that the deal would be rejected became apparent. However this broken promise led to the fall of the Pan-Hellenic Socialist Party, a left of center democratic socialist party.[10]

The second bailout in Greece occurred in 2012, after it became apparent that the quantity of loans provided was inadequate to offset the Greek debt. This second program was largely similar to the first program and provided €28 billion of loans, although it did not provide debt relief. This bailout also came from the troika.[11]

To the EU, the most substantial change to core policy was the decision of the European Central Bank (ECB) to commit itself to stabilizing the financial markets of members of the Eurozone. This was previously not assumed to be true, but with this policy shift throughout Europe, there was a relief as it became apparent that the ECB would take actions to stabilize markets. The ECB also promoted policies that made Greek debt much more attractive to investors by more or less committing the ECB to back it.[12] This allowed individuals to loan money to Greece without fear that they would not get repaid if the Greek economy fell again – the ECB would take responsibility for the debt.

Notably, these changes allowed the initial holders of Greek debt, namely large German and French banks to sell their Greek liabilities to other parties. Some individuals (largely Greek politicians, but also politicians and economists elsewhere) claimed that once these liabilities

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[9] Kashyap, Anil. "A Primer on the Greek Crisis: The Things You Need to Know from the Start until Now." University of Chicago Booth School. N.p., 29 June 2015. Web. 15 July 2015.
[10] "Greece's Debt Crisis Explained." The New York Times. The New York Times, 11 Aug. 2015. Web. 17 Aug. 2015.
[11] Peston, Robert. "Would a Third Greek Bailout Work?" BBC News. BBC, 10 Aug. 2015. Web. 14 Aug. 2015
[12] Pelagidēs, Theodōros K., and Michalēs Mētsopoulos. Greece: From Exit to Recovery? N.p.: n.p., n.d. Print.

were off German and French balance sheets, Germany and France simply wanted to rid themselves of the Greek debt.[13]

After Mario Draghi made the statement committing the ECB to maintaining stability there were several important shifts in the state of the Greek economy. For the first time whilst a member of the Eurozone, Greece was finally not operating a yearly deficit. However, simultaneously the Greek economy contracted, and the reforms which were implemented did not provide the promised growth. There is no clear consensus among economists whether the reforms could have delivered the promised growth, but in practice they did not.[14][15]

Again, a political shift gave way for another crisis. Political unrest in Greece caused the SYRIZA coalition, a radical left coalition of parties, to gain control of the Greek parliament. The SYRIZA party was largely elected on the platform that it would push back harder at the troika and Greece's creditors. SYRIZA aimed to raise government spending and lower taxes, policies which would have raised the amount of debt Greece was responsible for.[16] After lengthy negotiations with creditors, a stalemate was reached. Bank closures were mandated and capital controls were imposed. Greece missed several payments which were mandated under the terms of its previous bailout agreements, the largest of which was supposed to be paid to the IMF. In response to the troika's offers, SYRIZA launched a referendum which asked voters to vote on their support of the terms offered by the troika in late June 2015.[17] This referendum was soundly defeated, but nonetheless the SYRIZA government agreed to similar terms shortly thereafter. However major concerns regarding the ability of Greece to pay back its debt in the long-run, as

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[13] Pelagidēs, Theodōros K., and Michalēs Mētsopoulos. Greece: From Exit to Recovery? N.p.: n.p., n.d. Print.
[14] Walker, Andrew. "Would Grexit Have Been a Better Deal?" BBC News. BBC, 15 July 2015. Web. 3 Aug. 2015.
[15] Kashyap, Anil. "A Primer on the Greek Crisis: The Things You Need to Know from the Start until Now." University of Chicago Booth School. N.p., 29 June 2015. Web. 15 July 2015.
[16] "Greece's Debt Crisis Explained." The New York Times. The New York Times, 11 Aug. 2015. Web. 17 Aug. 2015.
[17] Peston, Robert. "Would a Third Greek Bailout Work?" BBC News. BBC, 10 Aug. 2015. Web. 14 Aug. 2015

well as to the stability of the ruling SYRIZA party remain. The following section will discuss in more detail the actions taken by the EU and Troika to stabilize Greece, as well as the importance of the latest negotiations going forwards.

II. Primarily Recent EU/EU Central Bank Involvement

Recently, the Greek financial crisis came to a head when negotiations between the SYRIZA-led Greek government and the Troika stalled.[18] When SYRIZA came to power on a platform of anti-austerity and renegotiation, it temporarily extended the terms of the prior agreements. When no progress was made on June 4, Greece made a formal request to the IMF to postpone a payment due as part of the prior bailouts from June 5 to the end of the month. Negotiations between European Finance Ministers and Greece continued until June 26. Although all parties had agreed to continue negotiations until a suitable conclusion was reached, Greece broke off negotiations late on June 26. On June 27 a referendum on the acceptance of a set of terms offered by the EU negotiators was proposed.[19] The negotiations had largely stalled, and the SYRIZA led government attempted to demonstrate to the EU that there was a strong consensus against accepting the best terms which had been offered. This action angered many negotiators, most notably Germany. As the end of the month neared and the IMF payment deadline loomed, the government approved the referendum, but also had to impose capital controls. These capital controls were crucial, and shaped negotiations for the next two to three weeks. Individuals were only allowed to withdraw €60 per day, and most transfers of money out of the country were

[18] Kashyap, Anil. "A Primer on the Greek Crisis: The Things You Need to Know from the Start until Now." University of Chicago Booth School. N.p., 29 June 2015. Web. 15 July 2015.
[19] "Greece’s Debt Crisis Explained." The New York Times. The New York Times, 11 Aug. 2015. Web. 17 Aug. 2015

banned to stop individuals from moving their currency outside of Greece to protect against a Greek exit from the euro (most often referred to as a Grexit).[20]

When the Greek referendum was proposed, there were many concerns as to its validity. Many contested that it was unconstitutional, and many admitted that the terms were unclear. A yes vote accepted the terms set forth by the Troika, while a no vote rejected them.[21] The Council of Europe stated that the Greek referendum did not "meet European Standards." The outcome of negotiations in the event of either of these outcomes was hotly contested. Those in SYRIZA said that a no vote would give Greek negotiators, led by Yanis Varoufakis, a strong position at the negotiating table, while EU nations such as Germany and France likened the vote to a yes/no vote to the Euro, with a yes vote keeping Greece in the Euro, and a no vote leading to a Grexit. Commentators extensively speculated on what a no vote would mean for Greece.[22] Some plans involved bringing back the old Greek currency, the drachma, whilst the generally accepted approach would have had Greece circulating IOUs which were theoretically equivalent to the Euro. However, the IOUs would have been seen as unstable, Euros would have been as superior, and the currency valuations could have split. If such an event happened there was widespread thinking that there would be a massive collapse in Greece. A Greek default and exit from the Euro never really threatened Euro integrity, but it did threaten stability.[23]

Prior to the referendum Greece missed the aforementioned IMF deadline.[24] Greece fell into arrears with the IMF, and this meant that the ECB emergency funds were no longer available

[20] Walker, Andrew. "Would Grexit Have Been a Better Deal?" BBC News. BBC, 15 July 2015. Web. 3 Aug. 2015.
[21] Lowen, Mark. "Greece Debt Crisis: Greek Voters Reject Bailout Offer." BBC News. BBC, 6 July 2015. Web. 02 Sept. 2015.
[22] Ibid
[23] Kashyap, Anil. "A Primer on the Greek Crisis: The Things You Need to Know from the Start until Now." University of Chicago Booth School. N.p., 29 June 2015. Web. 15 July 2015.
[24] Wearden, Graeme, and Nick Fletcher. "Eurozone Finance Ministers Agree to Third Greek Bailout - as It Happened." The Guardian. N.p., 14 Aug. 2015. Web. 15 Aug. 2015.

to Greece. Although not a default, falling into arrears meant that functionally, Greece could no longer buy money. The outcome of the referendum was No, with voters rejecting the bailout terms by a roughly 60/40 split No/Yes and turnout around 62.5%.[25] This was preceded by widespread rallies in favor of both no and yes votes. In the aftermath of the vote, Greece voted to extend capital controls through July 8. The controversial and oftentimes combative motorcycle-riding Greek finance minister Yanis Varoufakis was replaced by Euclid Tsakalotos, in what was seen as a conciliatory move by the SYRIZA leader Alexis Tsipras.[26]

The odds of Greece remaining in the Euro at this point were still seen as being very low. However, after a long round of negotiations, in which all parties were cautiously optimistic, Greece agreed to a bailout package which was fairly similar to the one rejected in the referendum.[27] The EU states approved this, and on July 13 a €128 billion bailout package was announced, the third such package. This package allowed for repayment of the IMF and other Greek creditors and attempted to regain normalcy in Greece. On July 20 banks reopened, and by August 14 all of the conditions which came with the newest round of bailouts were approved by the Greek parliament with substantial opposition support. However, the aftermath of the negotiations has led to a very weak SYRIZA coalition and a major cabinet restructuring. Though all of the EU parliaments have approved the deal, it has still left some finance ministers, such as Germany's Wolfgang Schäuble critical of the agreement.[28]

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[25] Lowen, Mark. "Greece Debt Crisis: Greek Voters Reject Bailout Offer." BBC News. BBC, 6 July 2015. Web. 02 Sept. 2015.

[26] Graham-Harrison, Emma. "Greece Needs Further Debt Relief after Third Bailout Deal in Five Years, Says IMF Chief." The Guardian. N.p., 16 Aug. 2015. Web. 16 Aug. 2015.

[27] Peston, Robert. "Would a Third Greek Bailout Work?" BBC News. BBC, 10 Aug. 2015. Web. 14 Aug. 2015

[28] Walker, Andrew. "Would Grexit Have Been a Better Deal?" BBC News. BBC, 15 July 2015. Web. 3 Aug. 2015.

The Euro group, which manages the Euro has stated that this means that "Greece is and will irreversibly remain a member of the Euro area."[29] Yet the IMF has repeatedly called for Greek debt relief. Leader of the IMF Christine Lagarde spoke positively about the third bailout deal but said that the country needed debt reduction "well beyond what has been considered."[30] Yet in Europe there is a strong feeling that such a move would be politically infeasible. Those who have provided a large amount of the bailout funds, including Germany, face populations which are widely opposed to such bailout deals. Greece is still running a yearly deficit, and its debt is still at 200% of GDP, a thoroughly unsustainable number. Should such a Greek debt write-off occur many populist parties will claim that their best course of action is to fight the EU and force them into debt relief. With Greece facing an unsustainable quantity of debt and most of the EU against giving Greece a haircut, how this situation will resolve has yet to be seen. The third bailout is seen by most as temporary. Greece is still feeling the effects of capital controls and bank shutdowns. How the EU and IMF plan to deal with this Pandora's box has yet to be seen, and it is a question you will need to address in committee. It is an extraordinary problem which will require a large degree of coordination and compromise.

[29] Cook, Lorne, and John-Thor Dahlburg. "Greece's Euro Partners Approve Billions in New Loans to Help Rebuild Its Shattered Economy." US News. U.S.News & World Report, 14 Aug. 2015. Web. 02 Sept. 2015.
[30] Ibid

III. Bloc Positions

Throughout negotiations finance ministers from a variety of nations have presented a variety of solutions to Greece's debt problems. Debate in the EU was oftentimes heated with some Eurosceptic MEPs encouraging withdrawal from the Euro, and some anti-austerity parties arguing that Greece should take an even harder line against its creditors. Within Europe, it is difficult to form blocs of countries, per se, but it is important to be able to figure out the general trends. Following this, I have provided a brief overview of the trends which can be seen among EU nations positions on the bailout, the feasibility of a haircut, and other key factors.[31]

When the EU was established the European Central bank was given a singular mandate: to "maintain price stability."[32] This translates into an attempt to keep inflation low. For a long time Germany experienced substantial growth and largely attributed it to their hardline position on inflation. While the United States Federal Reserve has what is termed the "dual mandate" to both help growth and curb inflation, there is no growth aspect to the ECB. Countries like Germany and Finland have for a long time been extremely paranoid about inflation. They are generally industrialized powers who benefit from a strong Euro. A strong Euro improves their purchasing power abroad, and helps maintain a high standard of living for their residents.[33] When Greece was on the edge of default, many individuals voiced concerns about the effect Greece was having on the integrity of the Euro.[34]

Several countries are worth discussion on their own. German Chancellor Angela Merkel has faced widespread criticism, and the majority opinion in Germany at the time a deal was reached was that Greece should exit the Eurozone. Merkel took a hard line, stating that Greece

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[31] "Greece's Debt Crisis Explained." The New York Times. The New York Times, 11 Aug. 2015. Web. 17 Aug. 2015.
[32] "Price Stability, Why Is It Important for You?" IMF. N.p., n.d. Web. 1 Sept. 2015.
[33] Ibid
[34] Kashyap, Anil. "A Primer on the Greek Crisis: The Things You Need to Know from the Start until Now." University of Chicago Booth School. N.p., 29 June 2015. Web. 15 July 2015.

had “no basis for negotiations” past the deal already offered. Nonetheless Germany insisted that it was looking for a solution with Greece, and eventually agreed to one.

The second major player, France, has taken a much more sympathetic view of the Greek situation. France is not nearly as keen to cite examples of Greece’s past financial missteps. Although the French are far from pushing for an absolution from their debt obligations, France has said there is a need for credible proposals and credible acceptance of those terms from both sides of the negotiating table. France’s economy is also still suffering from the 2008 financial crisis. Unlike Germany, which has the ability to withstand the effects of a Grexit, France is concerned that if Grexit was to occur they could be pushed back into recession. Another country faced with similar issues is Italy. Italy has generally supported a similar position to that of France. Both France and Italy have criticized the tone of the talks as being harmful.[35][36]

Countries which have been bailed out in the past have generally taken views that although negotiation with Greece is of the utmost importance, rules are rules, and must be followed. This is largely due to the fact that they all agreed to austerity packages in order to receive their bailout, and many from those countries view a change in the formulation of EU bailouts to be unfair. If the EU was to allow the dramatic reduction of austerity in Greece only, some fear that a lack of cooperation would appear to be rewarded. Ireland and Portugal have operated along the same lines as Spain. Cyprus, a nation that is still dealing with extensive debt issues and whose banks nearly collapsed in 2013, has backed Greek requests for the restructuring

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[35] Cook, Lorne, and John-Thor Dahlburg. "Greece's Euro Partners Approve Billions in New Loans to Help Rebuild Its Shattered Economy." US News. U.S.News & World Report, 14 Aug. 2015. Web. 02 Sept. 2015.
[36] "Greek Debt Crisis: Where Do Other Eurozone Countries Stand?" BBC News. BBC, 8 July 2015. Web. 02 Sept. 2015.

and reduction of debt. Notably, a major causal effect for the collapse in Cyprus was the holding of Greek bonds.[37]

The Baltics states took a more hardline view of the Greek attempts for compromise, pointing out that their GDP per capita is significantly lower than the GDP per capita of Greece, and that austerity must be implemented. Latvia is a good example of a country which implemented austerity and reforms, and then experienced growth. Another grouping of countries, Finland, the Netherlands, Austria, and Belgium can be seen as being rather similar to Germany. They have continually emphasized the importance of following EU rules, and the necessity of Greece to cede to EU demands rather than the other way around.[38]

It's difficult to know exactly how these views have shifted following the bailout of Greece, but popular opinion has largely remained unchanged in the EU, even after the bailout package was agreed on.[39] The package was agreed on because Greece made the unexpected move of largely folding to creditors' demands. Many of these statements were made in a context where such an action by Greece was seen as highly unlikely. Greece's initial demands were considerably more ambitious than what they finally agreed to. As Greece attempts to pay off its various bailout packages and loans, it remains to be seen whether any of these nations are willing to provide debt reduction if Greece agrees to uphold its end of the deal, and yet struggles to repay. In general it can be concluded that those which were more willing to renegotiate austerity with Greece in June and July 2015 will be more willing to do so going forward.

There are several members of the EU, that although not Eurozone members have strong opinions on the future of Greece and the Eurozone. Poland has refused to enter the Eurozone so

[37] "Greek Debt Crisis: Where Do Other Eurozone Countries Stand?" BBC News. BBC, 8 July 2015. Web. 02 Sept. 2015.
[38] Ibid
[39] Ibid

long as the debt crisis was ongoing. Countries such as Denmark and the United Kingdom have also been highly critical of the handling of the Greek debt crisis, although they were not involved in the majority of negotiations. Both Denmark and the United Kingdom have exemptions from the Euro, and both nations are skeptical towards the euro, with some politicians in both countries pointing to the crisis as a strong reason why their respective countries have stayed out of the Eurozone.[40]

Furthermore, the impact of ongoing elections cannot be understated. As elections occur the ruling parties may change. It is important to be aware of any such changes. For example, the Podemos party in Spain is deeply anti-austerity, and called for the renegotiation of Greek austerity packages, as well as the renegotiation of Spain's bailout package. If such an event were to occur it could potentially raise many more questions regarding the necessity of debt restructuring, and it could signal the beginning of a surge of anti-austerity parties in Europe. As we approach the conference, it is important to be cognizant of such issues. While all nations would like to preserve the stability of the Eurozone, the lengths to which they are willing to go vary significantly.[41]

IV. Current proposals

At the present time the situation in Greece has largely stabilized although there are many possible causes of destabilization going forward. It is important to be familiar with the terms of the Third Greek bailout, as agreed to between the SYRIZA led Greek government and the Troika in July 2015.

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[40] "Greek Debt Crisis: Where Do Other Eurozone Countries Stand?" BBC News. BBC, 8 July 2015. Web. 02 Sept. 2015.

[41] Wearden, Graeme, and Nick Fletcher. "Eurozone Finance Ministers Agree to Third Greek Bailout - as It Happened." The Guardian. N.p., 14 Aug. 2015. Web. 15 Aug. 2015.

Details can be found at:

http://ec.europa.eu/economy_finance/assistance_eu_ms/documents/2015-07-10_greece_art__13_eligibility_assessment_esm_en.pdf

In summary, it approved the eleventh austerity package to affect Greece in exchange for Troika assistance. It was largely similar to the initial Troika demands, but was nonetheless approved as previously discussed.[42]

Somewhat more importantly the IMF has been persistent in calling for a large reduction in the Greek debt. Even the latest deal did not reduce the amount that Greece owed, simply provided additional funds so that Greece could make its payments. The number of economists arguing for such a reduction has substantially grown with many saying that there are only two options in the long run: Greek default or a reduction of Greek held liabilities. Regardless of this, however, many argue that such a haircut would give Greece a free pass for their prior spending, and reaching equilibrium on this will be extremely important.[43]

[42] Graham-Harrison, Emma. "Greece Needs Further Debt Relief after Third Bailout Deal in Five Years, Says IMF Chief." The Guardian. N.p., 16 Aug. 2015. Web. 16 Aug. 2015.
[43] Ibid

V. Questions to consider

1. Is it in the interests of the EU to keep Greece in the Eurozone?
2. Is the Greek debt sustainable in the long run? If it is not, how should it be addressed?
3. What key changes can stabilize Greece's economy?
4. What actions can the EU and the ECB take to reintegrate the Greek economy?
5. Should the EU recommend that states that Greece owes money to take a haircut on their debt?
6. What are potential consequences of a Greek withdrawal from the Eurozone?
7. How can Greece demonstrate its commitment to austerity?
8. Is austerity necessarily the right direction for Greece?
9. Are nation states justified in taking punitive action against Greece due to their prior indiscretions? Is this just in a general sense? Is it fair to give Greece a haircut when other nations such as Ireland, Italy, and Spain faced similar debt issues but were not given any such relief?
10. What effect has the near-Grexit had on EU stability? How should the EU treat future calls to leave the Euro?
11. What can be done in the future to ensure that nations entering the Eurozone are compliant with the Maastricht criteria?
12. In the case of further Greek incompliance what actions need to be taken?

VI. Suggested Sites

For general information regarding international affairs and country profiles:

CIA World Factbook: https://www.cia.gov/library/publications/the-world-factbook/

BBC World News Country Profiles:
http://news.bbc.co.uk/2/hi/country_profiles/default.stm

For more information regarding the Eurozone and Greek Debt Crisis:

Greek Perspective: www.greekcrisis.net

Economist: http://www.economist.com/greekcrisis

New York Times:http://www.nytimes.com/interactive/2015/business/international/greece-debt-crisis-euro.html

Greek Prime Minister on the Debt Crisis:
https://www.youtube.com/watch?v=XO1Gpg8cf1A Tsipras pledges end to 'vicious cycle of austerity' at victory speech in Greece

Nigel Farage's Euroskeptic viewpoint:https://www.youtube.com/watch?v=94UcyJnRcGU

Greek Economic Analysts on the Crisis:
http://www.brookings.edu/research/books/2014/greecefromexittorecovery

Website/ blog of ex-Greek finance minister Yanis Varoufakis: http://yanisvaroufakis.eu/

Profile on Yanis Varoufakis: http://www.bbc.com/news/world-europe-31452402

Interview with Yanis Varoufakis, a view from SYRIZA
https://www.themonthly.com.au/issue/2015/august/1438351200/christos-tsiolkas/greek-tragedy

German Perspective: http://www.nytimes.com/2015/07/17/world/europe/eurozone-greece-debt-germany.html and http://time.com/3980384/germany-europe-greece-crisis/

Attempting to offset debt with WWII reparations: http://www.bbc.co.uk/news/world-europe-31849430

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