

# The Euro Crisis from a German Perspective

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- Origins of the Euro Crisis
- Present Situation
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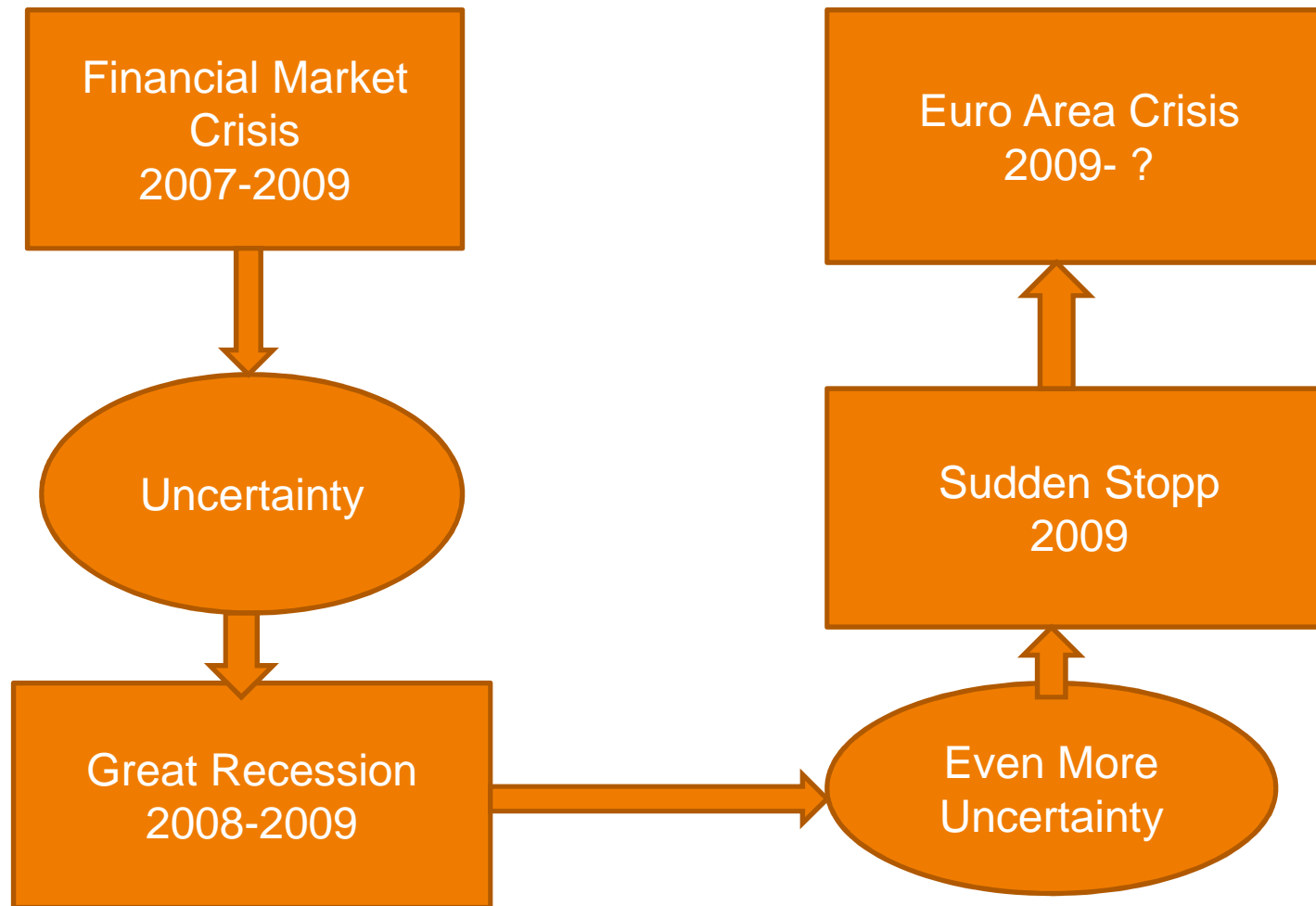
# Preliminary Remark: What is a Currency Union?

IMK

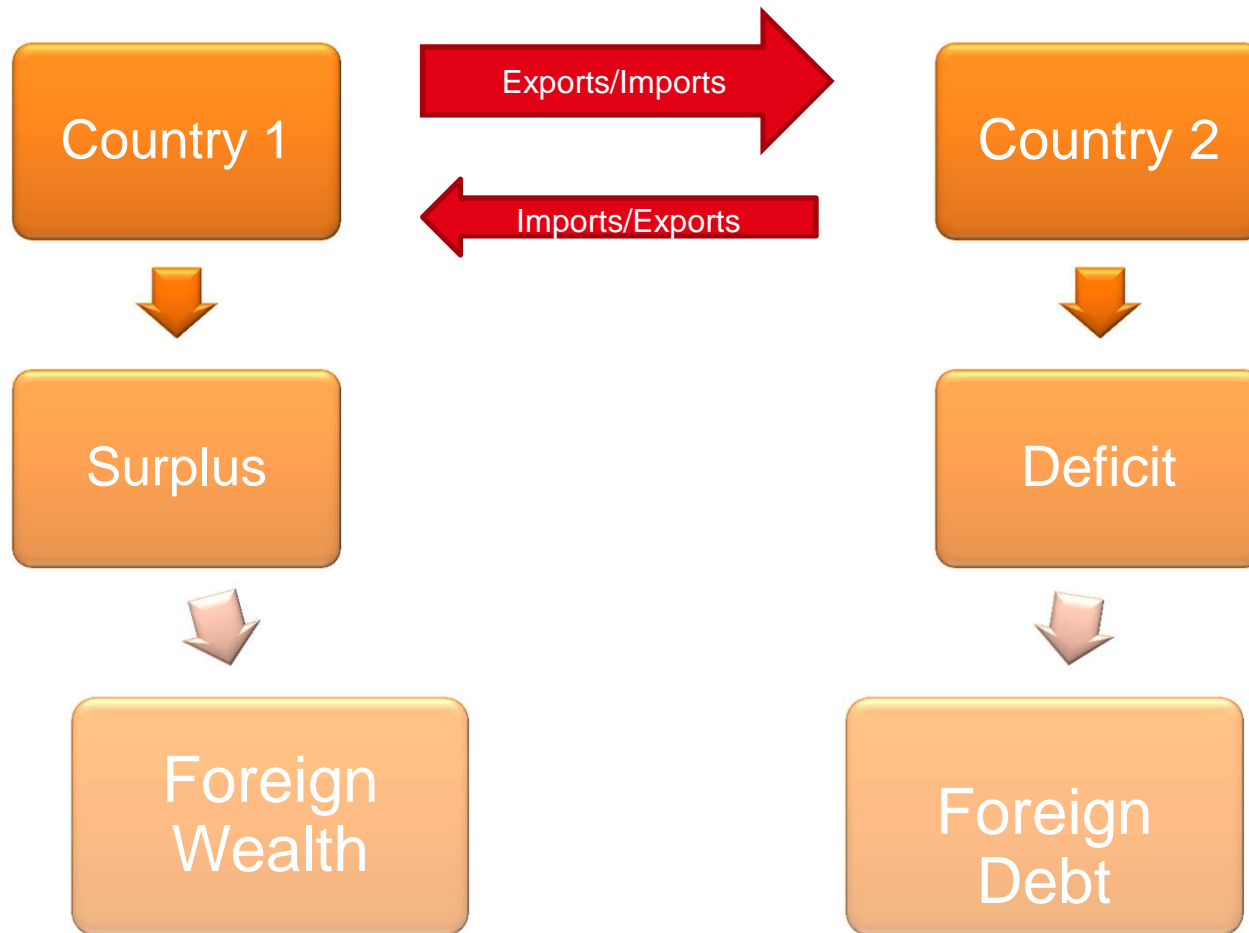
Hans Böckler  
Stiftung

A Currency Union is an agreement on a joint Monetary Policy with a joint Inflation Rate.

# What was the Sequences of Crises ?

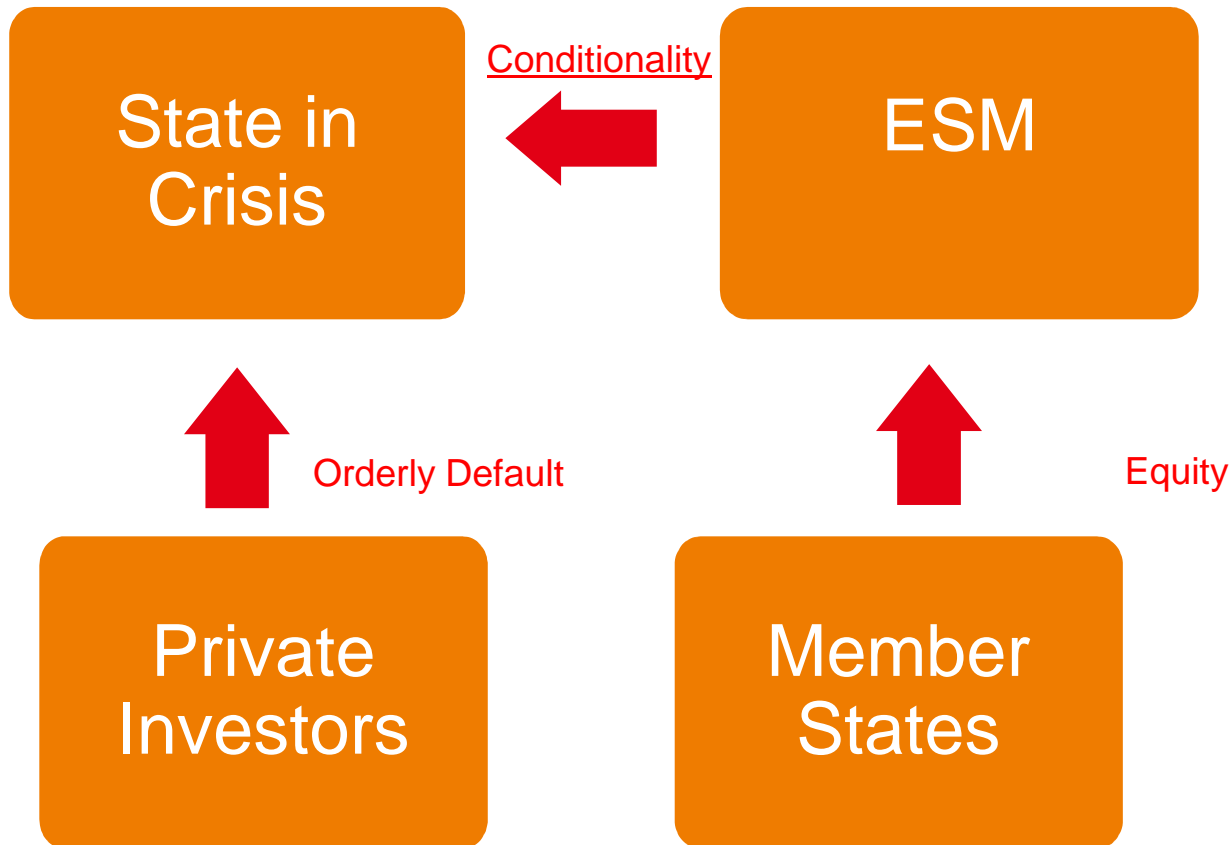


# What Caused the Sudden Stopp?



# How to save the Euro Area?

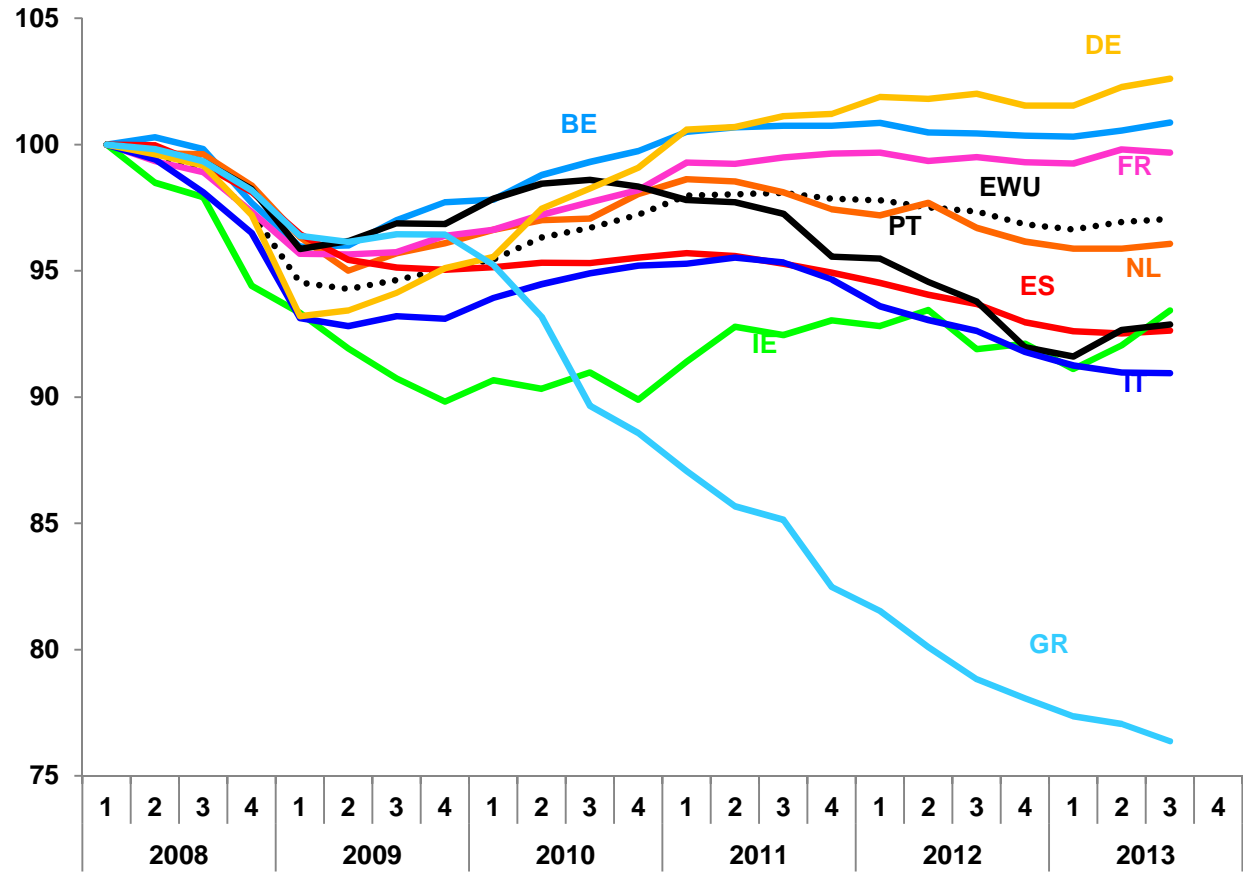
## The Official Plan



# Conditionality

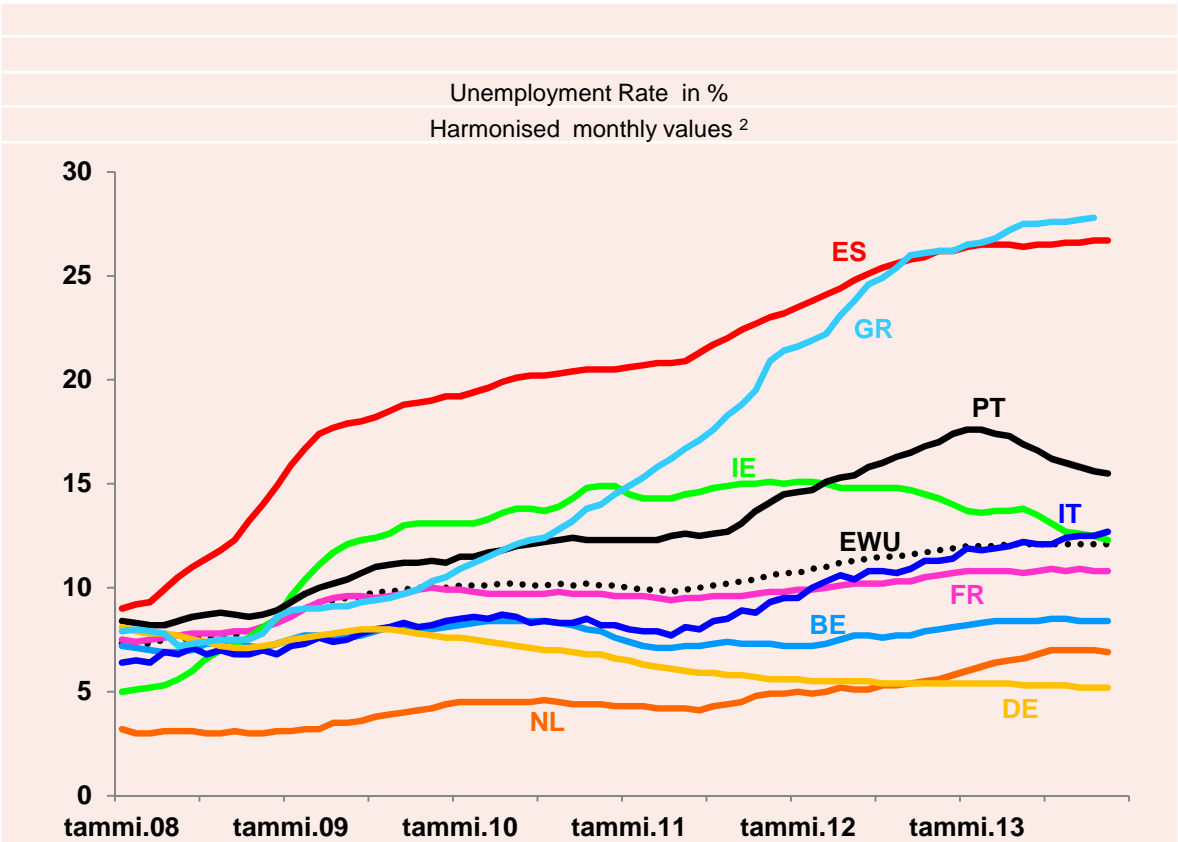
- Improving Competitiveness
- Supply Side Policies only
- Fiscal Restraint
- Wage Restraint
- Structural Reforms

# Economic Situation:GDP

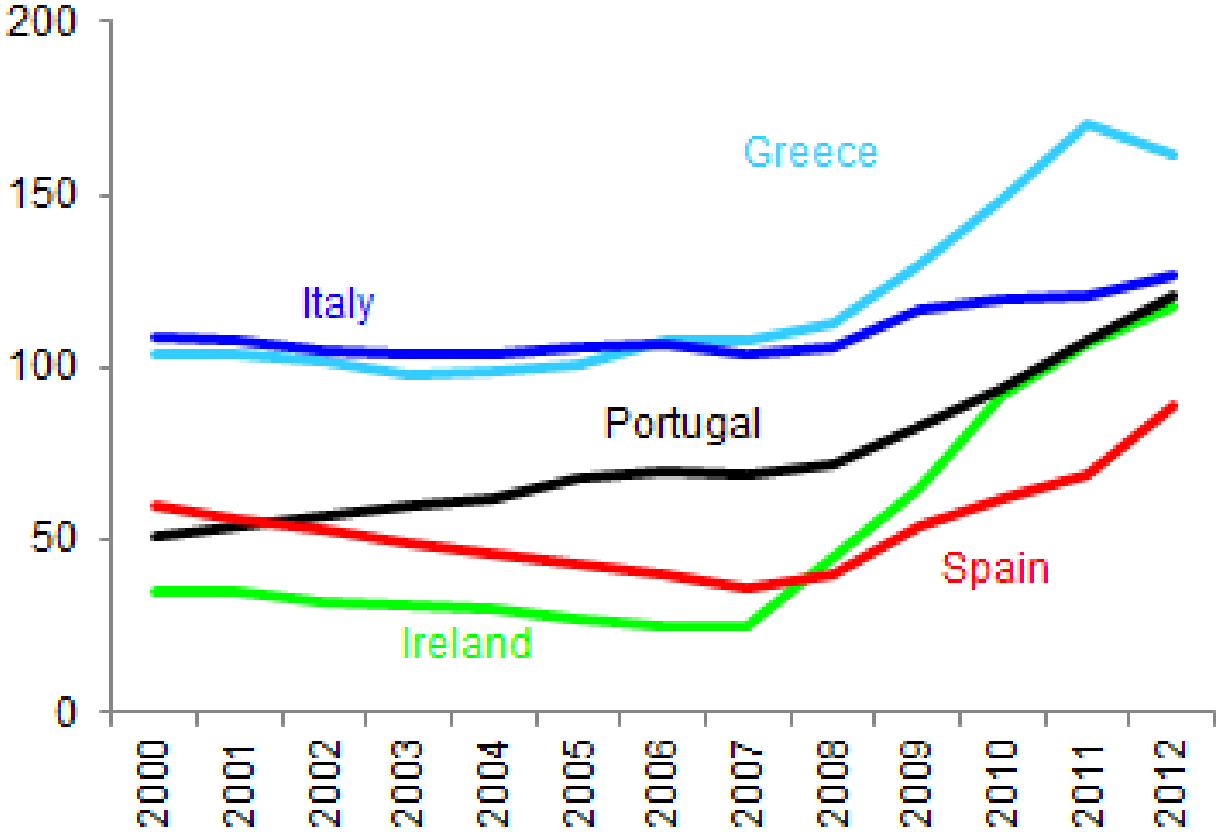




# International comparison: Unemployment

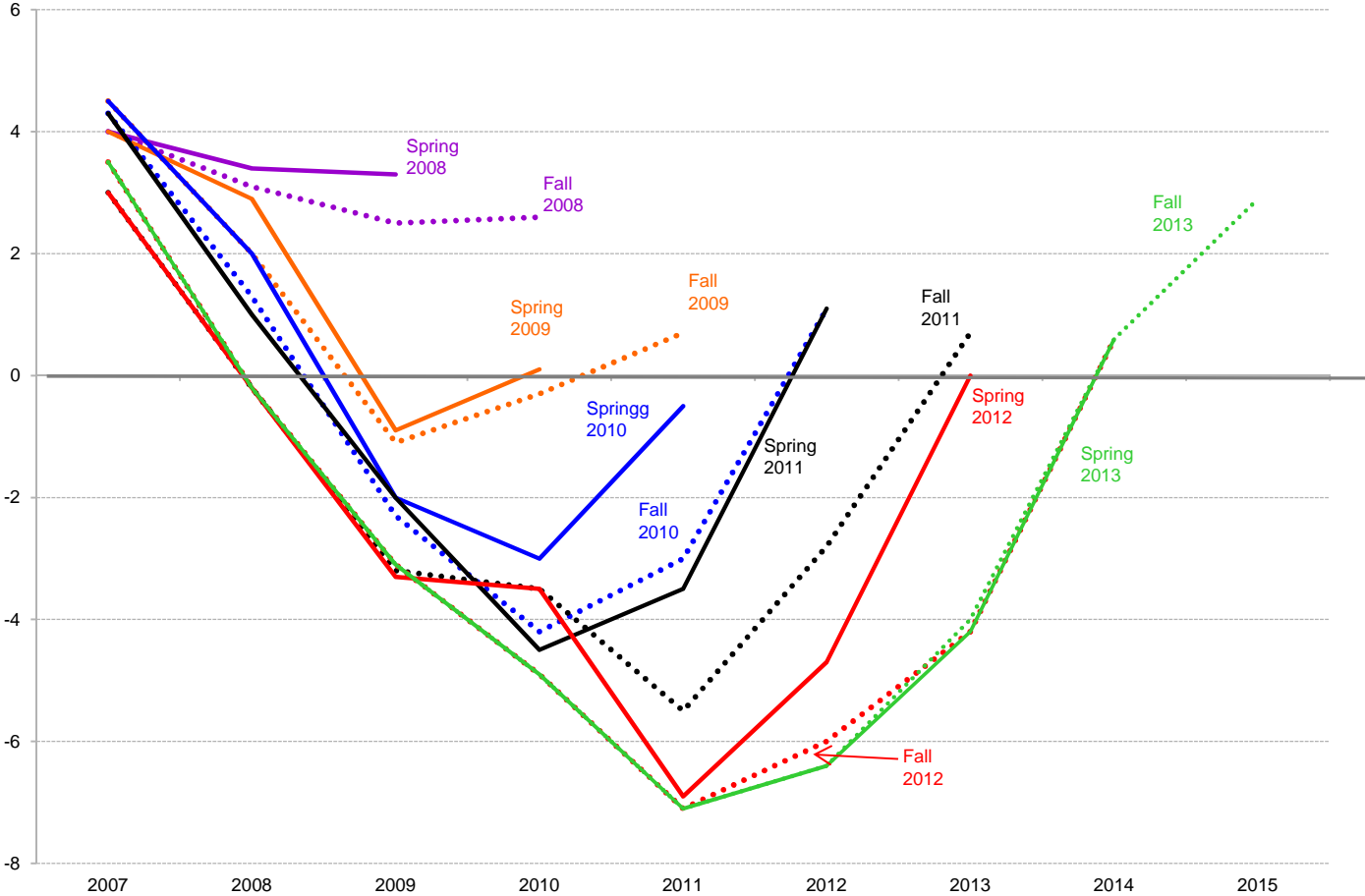


# Economic Situation in the Euro Area: Debt ratio

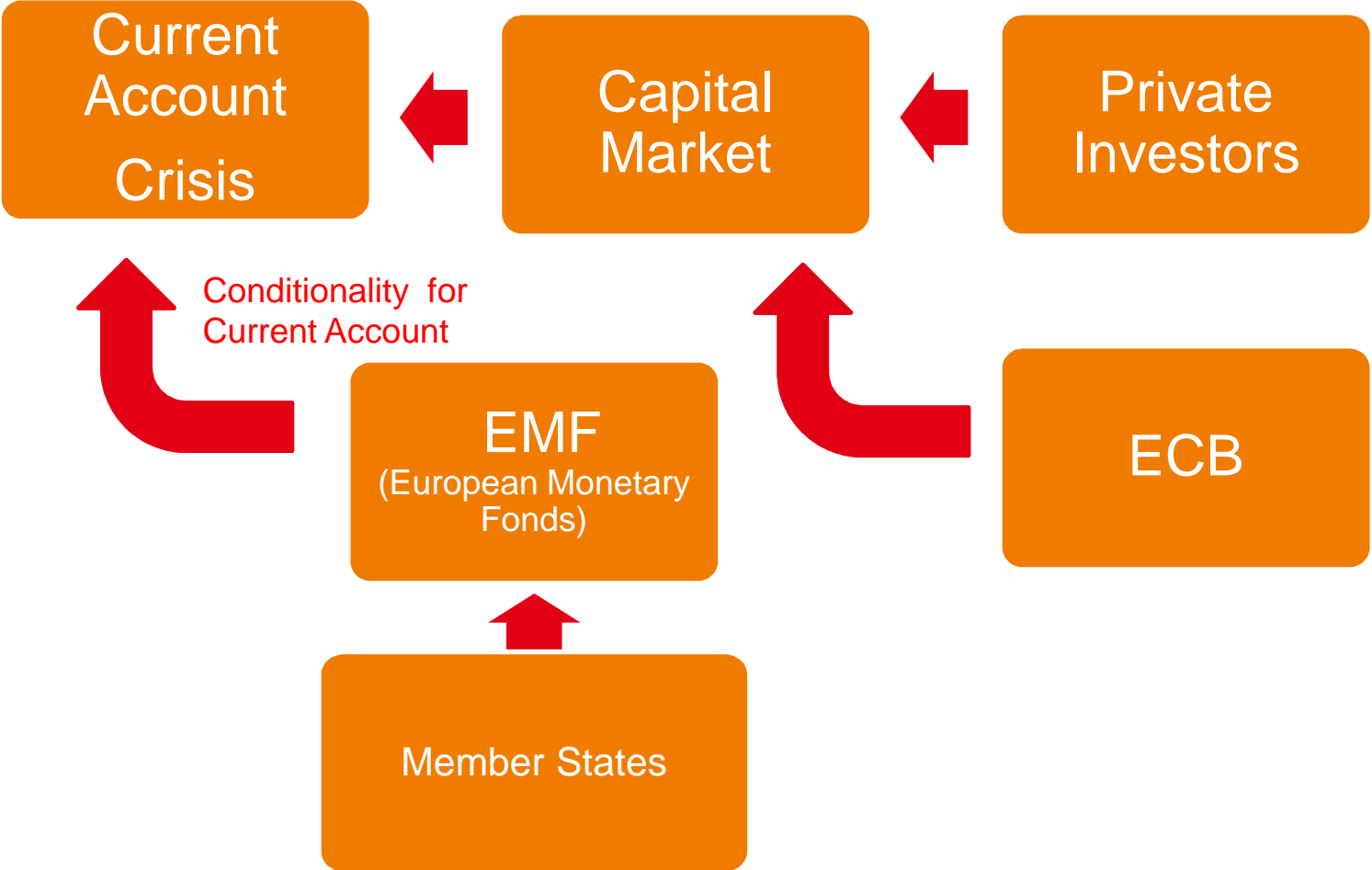


# Forecast Errors on Greek GDP by EU Commission

Quelle: EU Commission



# How should the Euro be saved ?



# Conclusion

- Austerity Approach failed
- Policy Shift Necessary
- Combination of Supply and Demand Policies
- Symmetric Adjustment necessary

# An Alternative Approach

- Policy Mix according to Current Account Balance
- Deficit: Supply Side Policies and appropriate Restraint
- Surplus: Demand Policies and appropriate Expansion

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