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SETTLEMENT OF THE DEBT CRISIS IN A MEMBER STATE OF THE MONETARY UNION AND IN A COUNTRY HAVING ITS OWN CURRENCY

Krste SAJNOSKI, PhD[1]
Tatjana BOSKOV, PhD[2]
Antonija JOSIFOVSKA, PhD[3]

ABSTRACT

This paper is focused on settling the debt crisis in a member state of the Monetary Union (for instance, Greece) and it presents the arguments that the settlement for overcoming the debt crisis must rise out of its causes. They are present both in the weaknesses of the Monetary Union's functioning and the irresponsible behaviour of the government in the country. Therefore, the resolution must endanger neither the euro nor the stability of the country. It is unacceptable the resolution which can help the crisis to be overcome smoothly (by writing off the debts) if it violates the relations in the euro zone and if it endangers the future of the single currency. The burden of overcoming the crisis has to be borne both by the debtor and the creditors according to their "merits". In this context, the author has elaborated the achievements of the pro and contra austerity measures.

KEYWORDS: debt crisis, common currency, Monetary union, euro, eurozone, austerity measures, internal devaluation

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[1] CEO and founder of „FAKTOR.MK" - website for business and economy - Skopje, R. Macedonia, e-mail: krste@fbe.edu.mk
[2] assoc. prof. Faculty of Economics in Stip, University Goce Delcev – Stip
[3] Full-time professor, Integrated Business Faculty, e-mail: antonija@fbe.edu.mk

INTRODUCTION

What is characteristic about the numerous discussions and comments on the debt crisis in the eurozone, especially in Greece, is the fact that in most of the cases the economic and political aspects of the problems have been analyzed separately. This leads to drawing unilateral conclusions about the causes of the crisis and the way of overcoming it. When it comes to the causes of the debt crisis and the weaknesses of the euro, it is given a dominant significance to the incomplete and inconsistent model of introducing a common currency (a unique monetary system, with no common fiscal policy)[4], which leads simultaneously towards "building" debts in separate countries and surplus in others, and to sharpening their interrelationships as a result of the internal contradictions. There are practically no opposing opinions on this. But, albeit this fact has been acknowledged, there are observations which attach a greater importance for the outbreak of the debt crisis to the irresponsible behavior of the political élites in separate countries, and to their non-compliance of the contractual criteria for the functioning of the Monetary Union. However, when it comes to the way of overcoming the debt problems in separate countries in the eurozone (particularly in Greece) and saving the euro, not only as a common, but as an international currency, in the past few years there have been crystallized two economical views (that means solutions irrespective of the political dimension of the problem) – pro and contra austerity measures. It was also presented a new option not long ago.[5]

In a more detailed elaboration, it will be pointed out the achievement of the pro and contra austerity measures so that the unilaterality of solutions can be seen.

[4] The problem was perceived even before the introduction of the common currency. Milton Friedman wrote: „The drive for the Euro has been motivated by politics not economics. The aim has been to link Germany and France so closely as to make a future European war impossible, and to set the stage for a federal United States of Europe. I believe that adoption of the Euro would have the opposite effect. It would exacerbate political tensions by converting divergent shocks that could have been readily accommodated by exchange rate changes into divisive political issues. Political unity can pave the way for monetary unity. Monetary unity imposed under unfavorable conditions will prove a barrier to the achievement of political unity. "(Milton Friedman, The Euro: Monetary Unity To Political Disunity? Project Syndicate, Aug 28, 1997)

[5] „Greece was offered two stark choices: Leave the eurozone without financing, or remain and receive support at the price of further austerity. But Greece should have been offered a third option: Leave the euro, but with generous financing "(Arvind Subramanian, How the IMF Failed Greece, Project Syndicate, AUG 13, 2015). This wasn't requested by the debtor, and it was not commented by the creditor. They probably consider it as unattainable.

Furthermore, it will be pointed out the role of the common currency of the member states in the eurozone in order to be seen that the membership in the Monetary Union is not a daily, but it is a long-term interest to whose realization it has to make a contribution each member state. Finally, it will be highlighted that a permanent solution of the debt crisis has to be searched in the elimination of the complex of causes that has led to crises in separate countries of the eurozone and the euro.

THE ACHIEVEMENT OF PRO AUSTERITY MEASURES

The essence of the pro austerity measures as a solution to the debt crisis in Greece consists in the fact that the debtor has to pay off the finances borrowed from the creditor without any concessions. The debtor has to repay as much as he borrowed with the agreed interest as it is, actually, the case for the majority of countries. Therefore, the debt has to be paid off in a way that corresponds to the obligations which the country has as a member state of the Monetary Union, due to the fact that the country gets into debts by acknowledging itself which means for paying off the debt are available to it.

By having accepted the euro as its own currency, Greece, actually, determined the way of overcoming the external imbalance of the country. Thus, it agreed to abstain from the opportunity to solve the issue of the price competitiveness of the national economy by devaluating the national currency, because it accepted the euro as its own currency. This means that it has accepted to maintain the price competitiveness either by increasing the production, and/or by lowering the prices of the products and services, by lowering the amount of salaries, pensions and the income received on other bases, by reducing the ponderous and ineffective administration, i.e. by increasing the unemployment… These are all measures which reduce the expenses in the work of the economic subjects, thus increasing their competitive ability at the foreign markets, and in this way providing a bigger inflow of finances for paying off the debts. These are measures (of "internal depreciation") which essentially realize the effects of devaluation that can be carried out in a country having its own currency due to the fact that the process of devaluation stimulates the export, and it discourages the import. The difference can be seen in the fact that the measures of "internal devaluation" put some deflationary pressure on the member state's economy, whereas the nominal devaluation puts some inflationary pressure on the value of the national currency. In the first case, the burden of the debt's repayment falls basically upon the users of public debt (budgetary users) and upon the taxpayers (if the taxes rise), whereas in the second case, the burden falls upon the whole population because of the more expensive import and the increase in repayments in the national currency due to the credit indebtedness towards the foreign countries. The final objective of both approaches is to bring into balance the economic relations of the state with the foreign countries, which presents a condition for achieving a maintainable development for a longer period of time and for paying off the debts on time.

Here, it should be taken into account that in a complete Monetary Union (with a unique currency and a common fiscal policy), the member states do not have a concrete obligation to bring into balance their economic relations with the foreign countries in order to achieve an external balance in the union and stability of the euro exchange rate. This is the case with the US which does not take care about that. It is the duty of the Treasury and the Federal reserves.

Why is the implementation of the measures of "internal devaluation" formally and legally suitable for the countries in the eurozone when they get into a debt crisis?

The defense of the austerity measures in the countries of the eurozone which have fallen into a debt crisis arises from the established rules of the functioning of the Monetary Union. The Maastricht Treaty obligates the member states not to surpass the limit of the budget deficit more than 3% annually, and the public debt – not more than 60% of the GDP. This means that all the countries which have been brought into a situation of not being able to fulfill their liabilities to the creditors because of having surpassed the already mentioned limits should bear all the consequences of their own behavior. They will have to gather up their strength in order to provide finances for paying off the mature debts on time, regardless of the price that should be paid for that, because they had to contemplate about it when they borrowed and spent foreign finances. It is well-known that a good share of the borrowed finances was spent irrationally i.e. unproductively.[6]

How did it happen to the Greek government to have surpassed the limits in the budgetary expenditure and in the increase of the public debt nearly twice in spite of their determination?

In the response to this question it should be looked for the most suitable way of overcoming the debt crisis in Greece and the crisis of the Monetary Union and the euro.

It is evident from the previously mentioned that the arsenal measures of internal devaluation are inevitable in the Monetary Union. In the concrete case, it should not be implemented only such kind of measures because it is unfair the debt's burden to be borne only by the debtor. Nevertheless, it is normal the bigger part of the debt to be borne by the debtor. And how big it will be that part, depends on the amounts that the member states of the eurozone are ready to write off and on the financial support they want to provide in order to reconstruct the economy. The bigger they are, the better for the country because they improve the starting position of the Greek economy in overcoming the crisis (they spare the indebted country from even tougher austerity measures). However, if both the amounts of debts that have been written off and the amounts of resources for financial support are lower, then the debtor country takes the responsibility of providing the initially required level of competitiveness by implementing more intensive measures of internal devaluation (by reducing salaries, pensions, prices etc), and appropriate structural reforms.

It is a fact that the austerity measures are suitable for acquiring a position of a member state in the European Monetary Union. However, when bringing up a solution for the debt crisis, it should not be underestimated the fact that the member state has accumulated so big debts that it is not able to pay them off due to the weaknesses and defaults within the functioning of the union. For that reason, a part

[6] "Rather than describing current government spending as "austere," it would be more correct to view it as an end to years of fiscal profligacy, culminating in 2013, when the government's budget deficit reached 12.3% of GDP and public debt climbed to 175% of GDP." (Edmund S. Phelps, What Greece Needs to Prosper, Project Syndicate, AUG 6, 2015).

of the debt's burden should also be borne by the other members. How big it will be, depends on the mutual contract, and on the objective evaluation of their guilt about the accumulation of debts.

By justifying the implementation of austerity measures for overcoming the debt crisis in Greece, it has been emphasized the necessity for maintaining the euro's value and for disciplining the member states to keep to the rules for functioning of the Monetary Union. Within the persistence of those measures, it can be seen an opportunity for increasing the credibility in the euro, and there is a warning that the disobedience of rules is not worth at all. The debtors have to pay off the debts due to the fact that their socialization is unacceptable among the subjects in separate countries, and it cannot be sustained within the current model of organization and functioning among separate countries in the eurozone. It is not a coincidence that some of them contradict to the propositions for writing off debts by giving reasonable and comprehensive arguments. It is important to find out a way how to assist the countries which receive higher income nowadays (salaries, pensions …) and which have a more favorable status of some social structures (because they were previously financed by credits they are not able to pay off now) in relation to some members of the eurozone which have proportioned their work and life with their own achievements. Can the union exist if it is tolerated and supported the practice of living by the sweat of other men's brows?

THE ACHIEVEMENT OF CONTRA AUSTERITY MEASURES

Whereas the supporters of the austerity measures for overcoming the debt crisis in Greece (and the other countries in the eurozone) are form the European countries which are more developed, the opponents are numerous and they are present in most of the countries. The Americans are the ones who are predominant, especially the Nobelists Paul Krugman, Joseph Stiglitz[7] and other prominent economists such as Jeffrey Sachs, Kenneth Rogoff, Ben Bernanke... The IMF has

[7] They even suggested that at the referendum, the Greek citizens should commit themselves against the proposition for saving Greece form bankruptcy, being based on austerity measures and financial support of structural reforms. (Joseph E. Stiglitz, Europe's Attack on Greek Democracy, Project Syndicate, Jun 29, 2015; Paul Krugman, Greece Over The Brink, The New York Times, June 29, 2015)

changed its attitude towards the austerity measures in terms of Greece, despite the fact that it hasn't evaded those measures in disciplining the authorities of the countries falling into "a fundamental imbalance" for decades. There is no explanation if it is an exception or whether it will be implemented in other countries in future. Or, maybe, it is easier to criticize the austerity measures when it comes to a country which is a member of the eurozone and there is someone who can bear part of its debt's burden (by writing off credits and by reprogramming debts with lower interests), thus enabling it to overcome the recession and to service its liabilities to the foreign countries (and of course, to the IMF as well). The fine idea of saving the euro is used as an argument although it is problematic to achieve that if there has been set a precedent of "painless" or less painful resolution for the debt crisis in the countries of the eurozone. Isn't it, on one hand, "a condition" for spreading "the disease" called irresponsible indebtedness of the other countries in the eurozone, and on the other hand, "a condition" for granting credits in a relaxed way. However, this approach is not a way of strengthening the euro. It's the opposite of that.

Nominally, the opponents of the austerity measures for overcoming the debt crisis in Greece have a soundly scientific and economic guarantee, but not in the concrete case of the debt crisis in Greece. First of all, the debt is enormous and more projections indicate that it cannot be paid off by implementing austerity measures (which have been brought down to measures of internal devaluation) because they endanger the dynamics of the growth and sharpen the social tensions, and at the same time the opportunities for servicing repayments. Afterwards, it has been stated that the country as a member of the eurozone, having the euro as its national currency, does not have any opportunities for using its own monetary policy for overcoming the debt crisis, including here the policy of the exchange rate and devaluation as a measure for improving the price competitiveness of the domestic production at the foreign markets. By determining "the object of analysis" in a way like this one, it has been stated the Keynesian argument: an economy in recession cannot recover itself if the macroeconomic policy undertakes austerity measures because by doing so it reduces the consumption, thus affecting the dynamics of economic growth and it also decreases the opportunities for servicing debts. The way out is possible only if the consumption increases. For Krugman: „It's astonishing even now how blithely top European officials dismissed warnings that slashing government spending and raising taxes would cause deep recessions, how they insisted that all would be well because fiscal discipline would inspire confidence. (It didn't.) The truth is that trying to deal with large debts through austerity alone — in particular, while simultaneously pursuing a hard-money policy — has never worked. It didn't work for Britain after World War I, despite immense sacrifices; why would anyone expect it to work for Greece?"[8]

However, the credibility of this argument does not correspond to the case of overcoming the debt crisis in Greece. The Keynesian attitude refers to the way out of Great Depression of the developed national economies (1929-1933). He solved the problem of insufficient demand which had arisen either because of the insufficient propensity to consumption or because of the unfavourable allocation of income within the national economies (increase in inequality).

As a result of this, it has appeared the necessity for the economies to save money in a period of flowering in order to have finances for stimulating the consumption in a period of crisis. The Greek crisis is not a crisis of overproduction. In fact, it is a crisis which has emerged as a result of the excessively unproductive and extravagant spending of finances it does not possess, but which were borrowed under conditions when the member states of the Monetary Union didn't have a mutual responsibility or at the level of the Union (from a fiscal union) in order to service the national debts as debts of the Union. Therefore, in this context, by increasing the spending the exit from recession makes itself look like a treatment of an alcoholic with more alcohol.

It is understandable that the intention of the authors of contra austerity measures is to provide a more favourable and sustainable solution so that Greece can get out of debt crisis. It is a fact that the Greek economy is not able to pay off the enormous debts it has been accumulating for a longer period of time to the creditors. This means that it has to be made a decision about reducing the Greek debt by writing it off and/or by reprogramming permanently the liabilities with

[8] Paul Krugman, Europe's Impossible Dream, The New York Times, July 20, 2015

favorable interests, and about bringing it down to such a level where it can be serviced along with the projected economic growth of the country. If this won't be fulfilled, the Greek cannot overcome the debt crisis. The settlement of the crisis will be only postponed for a while if the opportunities for repayment are not properly measured.

The economic logic of this approach is undeniable, but it cannot resist the economic and political considerations emerging from the possible precedent of such a decision in the relations of the eurozone. This will raise questions which are not obviously in favour of the justification and coverage of the irresponsible indebtedness of the Greek authorities in the past period.[9] Furthermore, by taking up austerity measures some member states of the eurozone (Portugal, Ireland, Latvia, Estonia) and others (Iceland), have managed to recover their economies for a period of few years. It turned out that despite the austerity measures, it is possible an economic growth, but with significant casualties.

THE ROLE OF THE COMMON CURRENCY FOR A MEMBER STATE IN THE MONETARY UNION

As the supporters of contra austerity measures have been trying to find an optimal solution at all costs (including the debt write-off and the withdrawal from the euro), they have overlooked the role of the common currency for a member state in the Monetary Union, not taking into consideration the fact that the countries join the union in order to accomplish some long-term economic and political objectives.

For the national economies in the eurozone, the euro represents a currency with a single and stable rate giving such effects as those of the country's policy of a single, stable and real rate of exchange in the systems of fixed exchange rates. If it is real, that rate of exchange leads towards bringing into balance the economic relations of the state with the foreign countries, it instigates the economic growth under conditions of stability, and it intensifies the involvement in the international

[9]„ Austerity is thus the result of policy makers' past inability to take timely decisions, in other words it's the result of their short sightedness – and stupidity " (Lorenzo Bani Smaghi, Austerity and Stupidity, Vox CEPR's Policy Portal, 06 November 2013)

labor division. The already mentioned effects are also carried out in the eurozone. Despite the fact that separate countries can be deficient in terms of the currency, the eurozone will be in a state of balance if it is led a policy for maintaining the real value of the common currency in the Monetary Union, and that can be achieved with the floating exchange rate of the euro. It can be stated form this point of view that there is no difference in the way of leading a macroeconomic policy between a country which is a member of the Monetary Union and which accepted the common currency as its own, and a country which has its own currency with a fixed rate of exchange according to one of the leading currencies. The difference is the fact that the member state of the Monetary Union has no opportunity for implementing depreciation and it is forced to use measures of internal devaluation, whereas the country with its own currency has such an opportunity. However, the difference vanishes if it doesn't use that opportunity. The relations between these two countries and some foreign ones can be brought into balance by taking measures of internal devaluation, in the first country by force (because there are no other opportunities apart from leaving the common currency), and in the second one consciously and voluntarily (because the government believes that the effects of the eventual devaluation of the national currency will be more unfavorable than the ones of carrying out the process of balancing through measures of internal devaluation).

The aim of the policy on maintaining a single, stable and real rate of exchange is to achieve a more rational involvement of the national economies with their own currency or of the joint ones in the Monetary Union with a common currency in the international labor division. In both cases, the macroeconomic policies of the countries have to pay attention to keep an account of maintaining the exchange rate single, stable and real (the reality in the international regime of floating exchange rates is provided by offering and demanding the currency at the foreign exchange market). This is not a problem for the eurozone. The euro presents a currency with a single rate of exchange for all member states and all sectors of the member states' economies, and on the basis of that there has been carried out a rational labor division among the national economies in the eurozone, and at the same time in the global economy.

By joining the eurozone the member states expose themselves to conditions of improving the competitive ability of their economies either by constantly increasing the labor productivity or by lowering the expenses in the process of working. They don't have the chance to use the manipulation of the exchange rate in order to improve the competitive ability of the national economy. Therefore, the stagnation of labor productivity and/or the country's extravagant spending worsens the position of the national economy in terms of the union's average, whereas the will and insistence of the government to improve the population's living standard (in order to fulfil the election promises) leads towards indebtedness in other countries. However, if the credits are not used rationally, the country gets into debt crisis because it starts servicing the payment of mature liabilities by providing new credits.[10]

An advantage of the member states of the Monetary Union (if it is followed by a fiscal union) is the fact that they don't have any dilemmas how to improve their competitive ability. Only real economic moves are at their disposal: they will either increase the productivity and/or reduce the expenses. In contrast with them, the countries with their own currency are often exposed to pressure of improving the economy's competitive position by increasing its price competitiveness, and by devaluing the national currency. However, this is not an advantage. In fact, it is a result of making insufficient efforts for maintaining the reality of the exchange rate by increasing the process of innovation, the labor productivity and the profitability of working.

In a different context, this kind of elaboration of the currency's role of a member state of the Monetary Union and of a country with its own currency poses a question about the way of resolving the debt crisis in Greece. Greece is a member

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[10] In this context, the results from the evaluations of economic benefits of the economic and political integration are indicative. They are negative only for the Greek „Using the synthetic counterfactuals method, we estimate how GDP per capita and labour productivity would have behaved for the countries that joined the European Union (EU) in the 1973, 1980s, 1995 and 2004 enlargements, if those countries had not joined the EU. We find large positive effects from EU membership but these differ across countries and over time (they are only negative for Greece). We calculate that without deep economic and political integration, per capita incomes would have been, on average, approximately 12 percent lower." (Nauro F Campos, Fabrizio Coricelli, Luigi Moretti, Economic Growth and Political Integration: Estimating the Benefits from Membership in the European Union Using the Synthetic Counterfactuals Method, www.cepr.org/active/publications/discussion_papers/dp.php?dpno=9968)

of the union with rights and obligations towards the other member states of the eurozone, and with a full responsibility for its own development under the conditions of the euro's functionality. After it had joined the Monetary Union, it couldn't choose the way of solving its debt problem. The choice of interventions for increasing the competitive ability of the national economy (either by increasing the labor productivity and/or by reducing all kinds of expenses – measures of internal devaluation) is restricted. It is excluded the opportunity which the countries with their own currency have it in hand i.e. improving the price competitiveness of the export-oriented economy by carrying out a devaluation. However, they bear all the consequences arising from its unsuccessful implementation, especially from falling into the well-known vicious circle of depreciation and inflation. After all, the aim of joining the Monetary Union (and maintaining a fixed rate of the national currency in relation to a currency which has an international role) is to turn the interest of the national economies of making a bigger profit towards taking economic measures, and not towards measures for distribution of the national income (as it is the devaluation).

THE SOLUTION FOR GETTING OUT OF DEBT CRISIS HAS TO ARISE FROM ITS CAUSES

The settlement of the debt crisis in the eurozone, especially in Greece, has forced to be carried out a fundamental search of the functioning of the European Monetary Union and the euro as a common currency. There can be found the reasons for the outbreak of the debt crisis. The cause cannot be evaded while searching for a permanent solution for overcoming the crisis because if it is not eliminated, it will create conditions for breaking out again, but at another place and with different intensity.

It is a matter of the concept of formation of the Monetary Union, given the fact that it is not complete. In spite of the single monetary policy, it has need of a mutual and coordinated fiscal policy in order to function effectively (not to mention the fact that it also has need of a political union in order to be completely effective). This lack has given the member states a great freedom of planning and spending the budgetary funds under the conditions of free movement of capital.

The contractual solution which had to compensate the lack of fiscal policy coordinated at a higher level has proven itself as not effective enough to bridle the appetites of the member states' governments for spending. Most of them have surpassed the contractual limitations on the growth of the budget deficit of 3% and the public debt of 60% of the GDP.

The breach of contractual limitations has objectively imposed the question of subjective (ir)responsibility on causing a debt crisis in the countries of the eurozone. No evidence is needed to prove that the eurozone wouldn't have fallen into a crisis of such dimensions and depth if all had held on to the determined limits (not to mention the information of "masking" the Greek debt even after the country had joined the eurozone). However, it is a matter of question whether the observance of those limitations wouldn't be a restriction of the consumption as a result of what the economic growth would be delayed in separate countries and in the eurozone as a whole. It is a matter of question whether and how adequate the solution of setting similar limitations on the restriction of indebtedness is, regardless of the effects which have been achieved with the borrowed funds.

In outlining the solution for overcoming the debt crisis in Greece, it has to be taken into consideration the irresponsible behavior of the creditors. They have been crediting not taking into account the creditworthiness of the debtors. In the race for profit, they forgot that the countries can bankrupt although there is no standardized procedure.

In this context, it is evident that the acute problem of being not able to service the liabilities to creditors has to be solved not as a problem in itself (as it is the case with Greece), but within the context of overcoming the causes of debt crisis in the eurozone for a longer period of time. The solution will be good if it manages to provide an effective settlement of the debt crisis in Greece and at the same time to generate conditions which will prohibit the practice of irresponsible borrowing and crediting, and which will possibly "socialize the losses". This problem undermines both the Monetary Union and the euro.

By admitting the objective faults made upon the introduction of the euro and the subjective weaknesses (of both the debtor and the creditors) in the functioning of the Monetary Union, there are created conditions for overcoming the consequences of the debt crisis in Greece and the uncertainties of the euro's future. The agreement on the objective faults is an assumption of implementing reforms which are essential for the consequent functioning of the common currency in the eurozone whereas the mutual recognition of the debtor's and creditors' faults is a basis for establishing a sustainable level of the national debt of Greece in such a way that it doesn't cause any dissatisfaction of the other member states of the eurozone.

It can be insisted upon paying off the debts entirely, but if the debtor is not objectively able to do that, the crisis won't be settled. In fact, it will be only postponed. It is also problematic the insistence upon ceasing the implementation of austerity measures and enabling the debtor to pay off the debts by stimulating the economic growth, and not by saving which leads to deceleration of the growth. At worst the pro austerity measures have been putting off the real settlement of the country's debt crisis (although it has its own price) whereas the contra austerity measures can endanger both the union and the euro if they are reduced to writing off the country's debts regardless of the reasons leading to that. Such a solution will be quite properly required by the other indebted countries which have already made an approach to saving and reforms for overcoming the debt crisis. It is a question if there will be such countries that are willing to finance that kind of approach, at least until it is not established a fiscal union or achieved a greater coordination of the fiscal policies of the eurozone member states.

Therefore, it should be kept in mind that the entry in and the exit from the Monetary Union is not a matter of a daily interest, but rather of a long-term decision. It means that every member state of the Monetary Union has to reassess its decisions of joining the eurozone and of undertaking the euro as its own currency because the eurozone and the euro are not the only solution for the members' developmental problems, but rather an opportunity (by political and economic integration) for a more rational involvement of the national economies in the labor division in the eurozone and in the global economy. In accordance with that, they will have to lead the developing policy in the country, using the benefits from uniting and taking into account the losses it suffers from as a result of the lower level of development in relation to the other countries in the integration.

CONCLUSION

In the process of overcoming the debt crisis in Greece and in the eurozone, it was underestimated the complexity of the problem, and there were created two different solutions: pro and contra austerity measures (including here and the abandonment of the eurozone and the euro). It is as a matter of realizing the daily interests of the member states rather than making a decision for joining the Monetary Union in order to realize the long-term interests of each of the member states individually and as a part of the eurozone.

The way of giving precedence to the liability of repaying debts regardless of the country's objective possibilities and the conditions in which they have accumulated, and the insistence on ceasing the implementation of austerity measures because they deepen the crisis in the country, are unilateral approaches. However, it has been overlooked that the debt crisis is not a natural disaster. In fact, it is an occurrence with deep socio-economic and political causes. Without their elimination, there is a great possibility for not overcoming the debt crisis. In other words, it can be postponed, and it can break out again and definitely endanger the Monetary Union and the euro.

By entwining the economic and political aspects of the debt crisis in the eurozone, it is imposed a more fundamental intervention in the eurozone (establishing a political and/or at least a fiscal union despite the monetary one) and in separate countries (a consequently marketable behavior including "the bankruptcy" of incompetent and irresponsible governments) in order to avoid the future crises, and to help the euro continue along the way of enhancing its international role.

By relying only on the pro and contra austerity measures, there can be satisfied some current short-term interests of the actors in the settlement of the debt crisis in Greece, but they won't be functional in terms of the work promotion of the European Monetary Union and the further affirmation of the euro.

The reasonable solution has to satisfy the justice, and at the same time to open space for strengthening the integrative processes in Europe, and the euro in the in the intercurrency relation in the world. This means that the burden of overcoming the crisis has to be borne by both the debtor and the creditors according to their "merits". It has to be avoided the enforcement of solution out of the powerful position of the creditors having an aim of covering up their responsibility for bad crediting, or out of an extortionate position of leaving the common currency in order to sustain the rights acquired by credits that the country is not able to pay off.

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