

Will the euro survive

Business



Why are Greece, Ireland, Italy, Portugal, and Spain sometimes referred to as the Euro zone's " peripheral countries"? Greece, Ireland, Italy, Portugal, and Spain are the poorest in European Union. They are poor because of the inefficient and unsporting system of the country to join the EX.

one-currency and trading system. Greece, Ireland, Italy, Portugal, and Spain are exploited by the centre E countries. Their contribution in developing and maintaining the welfare of E countries is too small compared to the contributions of other EX. countries. . Why did the European Commission bail out banks in Ireland and Greece? Why not let them default? The European Commission bailed out banks in Ireland and Greece for some reasons.

First, it was done to keep EX. existing and to keep Euro as hard currency. If banks in Ireland and Greece couldn't pay their debts, a domino-effect would happen to banks in other countries. That would lead to worse condition of E economy. 3. Investors demand that Portugal Jose Socrates and other leaders make big spending cuts.

However, Socrates and other socialist prime ministers would prefer to generate economic growth via government spending. Does this make Socrates, Separate, and like-minded leaders Keynesian? Or are they following Hake's principles? Policies that are taken by Socrates and Separate tend to follow Keynesian point of view, which mainly states that optimal economic performance could be achieved-and economic slumps prevented-by influencing aggregate demand wrought activist stabilization and economic intervention policies by the government. . Why do citizens in France, Great Britain, and elsewhere stage protests when the government

Imposes austerity measures? We think that the protests show a growing concern towards cuts in public spending despite of rising unemployment. The governments can already see that austerity policies in Europe will lead to recession, so they will need to start a movement against these policies, which will lead their countries into failure and recession.