

Crisis, Threats and Ways Out for the Greek Economy

Nicos Christodoulakis

Athens University of Economics and Business

Abstract

The article describes how the unprecedented public and current account deficits that occurred in Greece over the last few years led to the current debt crisis in the aftermath of the global financial crisis of 2008. Some policy directions for achieving fiscal stability and restoring growth and competitiveness in the Greek economy are also discussed. The fact that the twin deficits became unmanageable only recently suggests that the underlying factors of the debt process can be feasibly adjusted back to sustainable levels, so that default or debt restructuring options are completely avoided.

Keywords: debt, public deficits, debt crisis, Greece.