Beat: Politics

Can Europe expelling Greece?

The EC has a plan B if leaving the Euro

Madrid, 08.07.2015, 10:46 Time

USPA NEWS - The negotiations between Greece and its creditors -the European Commission, the ECB and the International Monetary Fund- seem to have entered a dead end, as much as from both parties insist on the proximity of an agreement. In this situation, Europe already has a plan B if Greece leaves the Euro.

The European Union has given a new ultimatum to Greece to present a reform plan and an official ransom by Friday, so that the Troika can study them that day, the Eurogroup Saturday and the European Council Sunday. From Brussels noted at day 12 as the deadline for reaching an agreement date, but the truth is that no progress was made in negotiations with Greece since last June 26. That day an agreement was reached and Greek Prime Minister Alexis Tsipras announced the call for a referendum on the terms of the Troika. The consultation was held on July 5 and three days later, nothing has changed.

The meeting of the new Economy minister of Greece with their European counterparts did not provide news. Nor Tsipras subsequent meeting with the heads of Government of the Euro countries. There was no Greek proposal or formal request for a third rescue, although this itself was announced by head of Greek Economy. The days pass and the disagreement between Brussels and Athens is prolonged. And the feeling that runs through the community capital is that Greece is playing with its partners and does not intend to commit the necessary reforms of its economy nor to pay its debts.

What Athens wants is a third bailout worth 50,000 million euros that allows capitalize their banks, pay their employees and maintain the functioning of its institutions for several months, during which hopes to continue negotiating a debt reduction of its debt and a moratorium on repayment. German Chancellor Angela Merkel was very clear about things first: in any case there will be removed, the entire debts are paid. The heads of Government of the EU were very clear about the latter: Greece and was offered a grace period of 20 years during which only pay interest. And everyone is willing to negotiate the granting of a third rescue.

But something has changed in the EU. Before the meeting with Tsipras, President of the European Commission, Jean-Claude Juncker, he expressed his hope that Greece remains in the Euro zone. After the meeting, however, he stated otherwise: the EC has a scenario in case Greece leaves the Euro. The question is: can Europe expel Greece from the Euro zone? EU treaties do not allow expulsion of a member State. But the Lisbon Treaty provides in Chapter 5 the conditions under which the output of a country could occur.

The problem is that the output should request Greece. And the Greek Prime Minister, Alexis Tsipras, has tirelessly repeated that his country wants to remain part of Europe. The reason is clear: if Greece leaves the Euro and return to the Drachma, which would allow it to devalue its currency, inflation would soar and current situation of the country that would be suicide. An intermediate solution would be to have two currencies: the Drachma for domestic transactions and the Euro for international trade. But this possibility seems too complicated.

Some sectors of the EU itself above all -the Baltic countries as well- as from the German press increasingly important ballast warning voices representing Greece for joint EU stand. And it aims to close the tap of aid to the Greek Government and banking, leading the country to bankruptcy. And in that situation, Athens would be forced to leave the Euro.

Article online:
https://www.uspa24.com/bericht-4455/can-europe-expelling-greece.html

Editorial office and responsibility:
V.i.S.d.P. & Sect. 6 MDStV (German Interstate Media Services Agreement): Jose A. Martin

Exemption from liability:
The publisher shall assume no liability for the accuracy or completeness of the published report and is merely providing space for the submission of and access to third-party content. Liability for the content of a report lies solely with the author of such report. Jose A. Martin

Editorial program service of General News Agency:
UPA United Press Agency LTD
483 Green Lanes
UK, London N13NV 4BS
contact (at) unitedpressagency.com
Official Federal Reg. No. 7442619