

Section «PoliticalScience»

Creative Crisis - Greece's bailout as an opportunity for institutional change

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This study looks at the rationale behind the EU's decision to protect Greece from default. I will discuss the drawbacks of the EU's financial system that led to the current situation and the flaws of the EMU structure. The aim is to approach the problem from a different view point that sheds light on possible reforms of the current EU financial structure. By paying particular attention to the potential of the European Financial Stability Facility and the moral hazard issue, this research highlights how the crisis is arguably an opportunity for institutional change.