Crisis and austerity.

Disintegration of the welfare state

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1. Facets of Euro-Crisis, Austerity Policies and Global Imbalances

After the outbreak of the 2008 global economic crisis, the European project has entered its second, less optimistic phase. Cross-country differentials in growth and inflation, persistent current account (or financial account) imbalances, real effective rate appreciation (mostly for countries with current account deficits), a sharp rise in the sovereign debt overhang of several European countries, culminating in a European debt crisis and the setting up of a leveraged and highly integrated banking system were the most striking developments. Political authorities in the European Union (EU) and the Euro-area (EA) put forward austerity policies to tame the crisis processes in the EA and the EU.

Austerity is considered to be a vehicle suitable to promote competitiveness through "internal devaluation" of wages, which shall reflect in reduction of prices of tradable goods, and thus in a positive current account balance and a process of export oriented growth. According to the *European Economic Forecast,* of Winter 2015,[2] the current account balance of both the EU and the EA has been improved for all countries during recent years and it is expected to reach 3.0% of the GDP of the EA in

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[2] http://ec.europa.eu/danmark/documents/alle_emner/finanser/wf15ee1_en.pdf

2016, with Germany keeping the lead with a current account surplus of 8% of the GDP.

This apparently positive outcome coincides, though, with a negative performance as regards other crucial indexes of economic and social development:

Unemployment has risen since the 2008 financial meltdown in the EU and the EA more than in other regions of the developed capitalist world, still remaining above 11% (as compared to 5.0% in the USA and 3.3% in Japan), despite some mild improvement since 2013.

GDP growth rates remain below 0.5% (as compared to 3.5% in the USA and 1.3% in Japan).

The inflation rate (Harmonized Index of Consumer Prices) reached negative values this year, trapping investment and growth.

Last but not least, the sovereign debt overhang in the EA cannot be contained by the methods implicit in the austerity strategy, i.e. increasing primary surpluses and privatizations. The debt ratio of the EA increases in recent years, and this is especially the case for the higher indebted EA countries like Greece, Italy, Portugal, Cyprus, Belgium, Spain and France.[3]

Austerity has been criticized as an irrational policy, which further deteriorates the economic crisis by creating a vicious cycle of falling effective demand, recession and over-indebtedness. Moreover, European austerity policies have been accused of dragging the global economy into recession and a liquidity trap,[4] by exacerbating global imbalances.

Given that since the 2008 financial meltdown, the U.S. current account deficit was reduced by more than 50%, Japan's current account surplus almost disappeared,

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[3] Eurostat Statistics Explained. Structure of Government Debt, http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Structure_of_government_debt&stable=0&redirect=no See also Table 1, below.

[4] "Right now, German 5-year bonds offer a yield of zero – an implicit firm forecast that Europe will be in a liquidity trap for the foreseeable future […] investors see so little in the way of profitable investment opportunities that they're willing to pay the German government to protect their wealth, and they expect something like 0.3 percent inflation over the next five years, which is catastrophically below target", Paul Krugman: "Europe's Trap", *The New York Times*, January 5, 2015.

http://krugman.blogs.nytimes.com/2015/01/05/europes-trap/?_r=0 while China's current account surplus was considerably reduced,[5] austerity led European current account surpluses are seen as the main mechanism creating global imbalances.

As a cure to the vicious cycle of austerity-recession-indebtedness-global imbalances, many prominent economists propose a shift in European economic policies, through abandoning austerity, increasing public spending and curtailing German and European current account surplusses. A raise in wages in Germany (and Europe) should be the starting point of this policy shift. As former Chairman of the Board of Governors of the Federal Reserve System (Fed), Ben Bernanke, put it:

> "German workers deserve a substantial raise, and the cooperation of the government, employers, and unions could give them one. Higher German wages would both speed the adjustment of relative production costs and increase domestic income and consumption. Both would tend to reduce the trade surplus".[6]

However, these criticisms can hardly explain why austerity and fiscal consolidation, this allegedly 'irrational' or 'wrong' policy, persists despite its 'failures'. In the next section of this paper, we will try to formulate a first answer to this discrepancy.

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[5] Ricardo J. Caballero, Emmanuel Farhi and Pierre-Olivier Gourinchas: "Global Imbalances and Currency Wars at the ZLB", Draft Paper, October 22, 2015. http://economics.mit.edu/files/10839

[6] Ben Bernanke, "Germany's trade surplus is a problem", April 3, 2015, Brookings Institution, http://www.brookings.edu/blogs/ben-bernanke/posts/2015/04/03-germany-trade-surplus-problem

Many economists share exactly the same view. E.g.: "The eurozone needs to address its internal and external imbalances more seriously. This can't be achieved by fiscal consolidation, structural reforms and devaluations. It has to involve not only fiscal expansion in countries that can afford it most, but also a sustained rise in wages across the euro area to boost domestic demand", Shahin Vallée: "How the Eurozone Exports Deflation. Fiscal devaluation without wage growth will trigger bad side effects both at home and abroad", *The Wall Street Journal*, November 5, 2015.

http://www.wsj.com/articles/how-the-eurozone-exports-deflation-1446757311

2. The causal interdependence between economic crisis and austerity

Austerity is neither a "false" nor a "correct" policy.[7] In reality it is a policy promoting the (economic, social, political) interests of certain social groups, as opposed to others, especially after he outbreak of the global financial crisis.

Economic crises express themselves not only in a lack of effective demand, but above all in a reduction of profitability of the entrepreneur (capitalist) class. Austerity constitutes a strategy for raising again capital's profit rate.

Austerity constitutes the cornerstone of neoliberal policies. On the surface, it works as a strategy of reducing entrepreneurial cost. Austerity reduces labour costs of the private sector, increases profit per (labour) unit cost and thereon boosts the profit rate. [8] It is complemented by "economy in the use of material capital" (alas, another demand curtailing strategy!) and by institutional changes that on the one hand enhance capital mobility and competition and on the other strengthen the power of managers in the enterprise and share- and bondholders in society. As regards fiscal consolidation, austerity gives priority to budget cuts over public revenue, reducing taxes on capital and high incomes, and downsizing the welfare state.

However, what is cost for the capitalist class is the living standard of the working majority of society. This applies also to the welfare state, whose services can be perceived as a form of "social wage".

It is clear therefore that austerity is primarily a class policy: It constantly promotes the interests of capital against those of the workers, professionals, pensioners, unemployed and economically vulnerable groups. On the long run it aims at creating a model of labour with fewer rights and less social protection, with low and flexible wages and the absence of any substantial bargaining power for wage earners.

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[7] For a critique of these approaches see D. P. Sotiropoulos, J. Milios, S. Lapatsioras, "Addressing the Rationality of 'Irrational' European Responses to the Crisis. A Political Economy of the Euro Area and the Need for a Progressive Alternative", in A. Bitzenis, N. Karagiannis, J. Marangos (eds.) *Europe in Crisis*, Palgrave/McMillan 2015: 67-76.

[8] It sounds, therefore, absurd to the capitalist class, to urge it to give away money to their workers and employees, so that they may then buy more of their products.

Austerity does lead, of course, to recession; however, recession puts pressure to every individual entrepreneur, both capitalists or middle bourgeoisie, to reduce all forms of costs, i.e. to try to consolidate her/his profit margins through wage cuts, intensification of the labour process, infringement of labour regulations and workers' rights, massive redundancies, etc. From the perspective of big capitals' interests, recession gives thus birth to a "process of creative destruction": Redistribution of income and power to the benefit of capital, concentration of wealth in fewer hands (as small and medium enterprises, especially in retail trade, are being "cleared up" by big enterprises and shopping malls).

This strategy has its own rationality which is not completely obvious at a first glance. It perceives the crisis as an opportunity for a historic shift in the correlations of forces to the benefit of the capitalist power, subjecting European societies to the conditions of the unfettered functioning of financial markets, attempting to place all consequences of the systemic capitalist crisis on the shoulders of the working people.

From the above analysis becomes clear that stopping austerity, raising wages, developing the welfare state etc. cannot be a simple issue of "the cooperation of the government, employers and the unions" (as Bernanke suggests), but an outcome of a radical shift in the social and political relation of forces, i.e. an outcome of labour struggle.

3. Current Account Balance plus Capital Balance: Reflective vs. Structural causality

The agenda of recession-led reforms across Europe is based on a (necessarily) wrong theoretical explanation of European crisis. It focuses on the Current Account Balance and regards the Capital Account Balance as a mere reflection of the Current Account.

The post-crisis official narrative gradually targeted the economies in deficit as solely responsible for the imbalances because of private sector *dis*-saving, public sector *dis*-saving, or both. This is a moralistic kind of reasoning, suggesting that these economies are "profligate", "reckless", and "incontinent" living "beyond their means". This argument is the result of a particular reading of the causality determining the current account balance, while practically ignoring the role of the *capital balance*. Let us say it favours a *reflective causality*.

Negative current account is seen as the result of aggregate consumption (living standards) that exceeds the productive capacities of the economy. In this line of thought, a current account deficit can hold because over-borrowing from abroad either boosts domestic demand at levels that overtake productive capacity or, alternatively, masks the structural gaps in competiveness and productivity. "Cheap" finance or risk mispricing is the necessary closure of the argument.

Therefore the suggested cure for the rebalancing of negative current account positions is domestic deflationary policies in the deficit countries (asymmetric responses in the context of the EA). This in turn implies the curbing of wages and public spending (public benefits) and the privatization of public goods. Imbalances are "bad" on the part of deficit countries and therefore attacking interests of labour must be the proper economic response. The resulting policy mix should reflect the neo-liberal agenda. Recession is seen as the proper way to bring profligate countries back to the path of economic virtue. We clearly deal here with a recession-led political agenda. The logic is summarized by Figure 1.

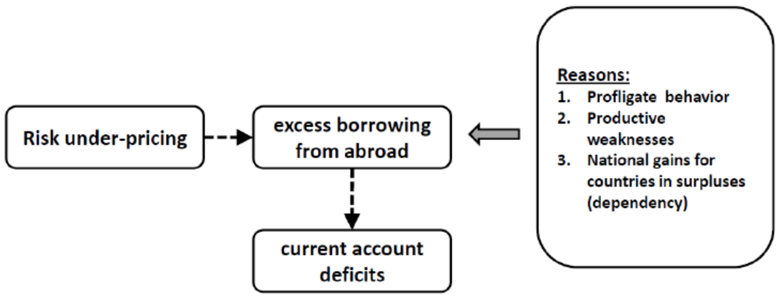

Figure 1. The "mainstream" approach to European Crisis

It is a political project that gradually reshapes EA economic and social institutions to the benefit of capital: it totally reorganizes the conditions of reproduction of labour power. In doing so it creates different monetary tiers within the EA. It thereby undermines what it claims to be its basic target: the unity and singularity of the common currency.

The above post-crisis official argument fails to capture the dynamics of contemporary global economy. This is because it treats the financial (capital) side of the balance of payments as a passive reflection of either the current account balance or of the autonomous investment decisions of private and public agents. This is a line of reasoning that neglects the real workings of modern finance, e.g. the high portfolio capital import in fast growing EA countries (Ireland, Greece, Spain etc.) before 2008, due to (the expectation of) high rates of return in exactly those countries.

However, first, the financial account has its own autonomy and does not simply fill the gaps of the current account trends. Second, the financial account imbalances create their own dynamics both in surplus and deficit countries.

Besides, it takes two to tango: for reckless borrowing, a reckless lending is required; therefore, reckless finance. However, finance cannot be reckless for such a long period (covering the first phase of Euro). Finance may aggravate existing contradictions making contemporary economies vulnerable. But finance is also a particular technology of power that provides a setting for the organization of capitalism.

Capital imports in the "Euro-periphery" to a large extent referred to autonomous capital investment (portfolio investment, mainly). Investment capitals in the more developed countries of the "European-core" sought higher profitability in the financial system of the countries of the "European periphery", which before 2008 was growing with considerably higher rates. In this way they reinforced the already significant rates of growth of the GDP in the latter.[9] The flow of capitals to the "European periphery" on the one hand offset the cost of participation in the single market while at the same time restrained the improvement of competitiveness (as higher inflation boosted the price of domestically produced commodities). This, in general terms, was the situation that emerged as social formations that coexisted under the same monetary policy (i.e. essentially the same nominal interest rates) were on different real growth trajectories.

[9] During the period 1995–2000 Greece experienced a real increase of GDP amounting to 61.0 per cent, Spain 56.0 per cent and Ireland 124.1 per cent, quite contrary to what happened to the more developed European economies. The GDP growth over the same time period was 19.5 per cent for Germany, 17.8 per cent for Italy and 30.8 per cent for France.

In the case of the EA, the market-based rebalancing after 2008 took the form of a typical balance of payments crisis (because of a sudden stop in financing). Thus, the financial side of the story should not be underestimated, especially in an historical era of significant cross-border financial flows. It also gives another dimension to the discussion: Current account imbalances set a vulnerable symbiosis between economies in surplus and deficit. It is a problem whose roots and consequences concern the pattern of economic symbiosis in the EA, along with the institutions that hold this symbiosis together.[10]

Causality in this context is a structural one: it is defined by the dynamics of economic development. This means that there are no straightforward causality relations between the two factors of the balance of payments, the current account balance and the financial (capital) balance.

4. The dangerous trade off: More discipline in exchange for more instability

A single currency area is not identical with a zone of fixed exchange rates. One usual mistake in the relevant discussions is the following: Many scholars seem to think that EA states just peg their national currencies to the euro as if the latter was a mere foreign currency. This assumption usually leads to the most grotesque explanations. Nevertheless, the euro *is* the national currency of each and every member state of the EA. But it is more than that: It is a national currency of a peculiar kind. It is a currency without traditional central banking. And this is a major change.

In the usual nation state setting, a single national fiscal authority stands behind a single national central bank. As we know, this is not the case with the EA: there is no solid and uniform fiscal authority behind the European Central Bank (ECB). Member states issue debt in a currency that they do not control in terms of central banking.[11] In

[10] For a more elaborated discussion of the same argument see D. P. Sotiropoulos, J. Milios, and S. Lapatsioras (2013), *A Political Economy of Contemporary Capitalism and Its Crisis: Demystifying Finance*, London and New York: Routledge.

[11] Under the Emergency Liquidity Assistance (ELA) – integral part of the European System of Central Banks – national central banks can in exceptional circumstances provide liquidity (against collateral) to

this context, governments will not always have the necessary liquidity to pay off bondholders. Financial stability can be thus safeguarded only through fiscal discipline, i.e. through preserving the neoliberal policy agenda.

This should not be taken as a real sacrifice on the part of sovereign states, i.e. the ruling economic elites. On the contrary, it is considered as a welcome condition for the organization of neoliberal strategies, because *the disintegration of the welfare aspect of the state can be presented by the political elites as the only route to financial stability*. Nevertheless, this institutional arrangement comes with a serious cost. The economies of the EA have voluntarily subjected themselves to elevated default risk:

When a EA government with a large amount of sovereign debt faces a change in the "mood" of the markets – that is, a re-pricing of risks associated with its assets and liabilities, possibly expressed as a sudden freezing of the inflow of capital (a liquidity crisis, let's say) – it will experience an explosion of debt servicing costs and the derailment of its budget balance. This is bad news for debt sustainability (and financial stability). The government must immediately tighten fiscal policy in the midst of a recession (an economic recession is likely to be the result of such risk revaluation since the terms of state borrowing reflect the terms of private borrowing), communicating to the markets its ability and willingness to continue servicing its foreign debt. The government has to convince the markets that it can secure a social consensus to the neoliberal corset; or, in other words, policy makers must ensure that they can impose fiscal prudence *in the way markets dictate it, according to the mainstream line of reasoning* (securing the interests of capital). Such policies, in the midst of a recession, are not unlikely to lead to a severe crisis.

By adopting the euro as their new common currency, participating countries (i.e. their ruling classes) have made a "dangerous" choice. They have voluntarily curtailed their capacity to deploy meaningful welfare policies, subjecting themselves at the same time to a high degree of sovereign default risk. This has turned out to be a risky trade-off. A moderate exodus from the sovereign debt market (i.e. a moderate risk re-pricing) now distorts the liquidity conditions in the economy and leaves the state with

distressed credit institutions under terms which are not publicly disclosed. During the recent crisis this liquidity channel was put in motion with the cases of Greece and Ireland as the most indicative examples.

only one path: fiscal tightening, high interest rates, recession, debt un-sustainability, crisis, and default. Economies that face liquidity problems in their sovereign debt markets may not go all the way down this path (given the policy responses at a European level) but, in any case, recessionary policies are the only route suggested by the existing shape of the EA. If sovereign states are massively caught by the unfortunate spin of this vortex, *crisis is just the other way to implement the neoliberal strategies*, more unorthodoxly and violently this time. European states (in other words European ruling elites) have voluntarily placed themselves in a predicament where markets can actually force them into default but this is an issue within the European policy setting.

Concluding this part of our analysis, we may say that the struggle of labour for higher wages and the rebuild of the welfare state must be supplemented by a (political) struggle to change the workings of European institutions and especially the role of the ECB.

5. The ECB as Vehicle of a Progressive Alternative

As mentioned above, austerity policies are not only unable but they actually do not mainly aim at resolving recession, high unemployment or the sovereign debt overhang in the EA. Austerity strategies use debt as means to reinforce neo-liberal reforms throughout Europe.

Technically, there are three alternative ways to deal with the problem of debt: (i) persistent primary surpluses, which cannot be achieved in an environment of falling incomes, recession and contracting demand caused by austerity programs; (ii) nominal growth rates well higher than implicit interest rates, which again cannot be the case in the present environment; (iii) unconventional policies and debt restructuring. Growth prospects are weak and fragile, in particular under the current predicament in the EA. Hence, a serious solution to the debt problem should necessarily come from debt restructuring and unconventional policies.

The case of Greece is a very good example to illustrate why a trivial debt hair-cut may be an inappropriate solution for debt sustainability, especially when it takes place in a deflationary environment and does not protect pension funds and individual depositors. Furthermore, as bank balance sheets contain a significant portion of existing public debts, traditional debt write-offs will leave the economies with vulnerable financial sectors. In the worst scenario, debt write-offs will trigger a new financial crisis. Governments will need to seek resources for bank recapitalization. This would easily cancel any relief offered by the write-offs, paving the way for fundamentalist neo-liberal policies that would seek outside "help" and "supervision", that is, would condition this outside "help" to a new austerity agenda.

A progressive European political agenda should pursue the strategy of sovereign debt restructuring in the context of a comprehensive political shift, which can create room for alternative anti-austerity policies at the European level. This political strategy should focus on the status of the ECB. There are two basic reasons for proceeding in this manner. First, the ECB is the only institution that can easily implement interventions on a massive scale in the sovereign debt market. Second, the ECB substantively faces no solvency constraint and cannot go bankrupt; it enjoys unique credibility, which hinges partially upon its ability for self-recapitalization (i.e. writing checks to itself). However, a radical change in the policy orientation of the ECB has to take place. For this to happen, a new relation of political forces in Europe is necessary.

In the wake of the crisis, monetary policies in most of the advanced capitalist economies are widely seen as "unconventional." The ECB, like other central banks in the wake of the crisis, has been engaged in "unconventional" monetary policies, adopting the much wider range of instruments made feasible by its balance sheet. Nevertheless, unconventional monetary policies can be effective only when executed by conventional central banks. This describes the trap that the ECB has fallen into. The ECB is called on to take unconventional action while lacking the institutional standard tools of conventional central banking.

The ECB has expanded its balance sheet by taking on long-term refinancing operations. Practically, these are liquidity injections into the financial sector equivalent to the quantitative easing pursued by the Fed and the Bank of England.

This type of liquidity injection to the financial sector has been primarily absorbed by the banking systems. However, liquidity seeks for safe havens, eventually flowing to the core economies as is obvious from the deposit drains and the cumulative TARGET2 imbalances. Large portions of this liquidity thus return as overnight deposits to the ECB. Bank loans are contracting in the economies under recession while domestic banking sectors are increasing their exposure to sovereign debt that cannot be purchased by the ECB. It is quite obvious that the bond purchase program of the ECB and the liquidity provision (co-opting banks into securing funds for fiscal distressed governments) is not enough to deal with the problem. The different financial tiers that emerge within the EA undermine the results of the ECB monetary interventions.

ECB monetary policy is thus not expansionary enough, not unconventional enough and is implemented in a heterogeneous context that undermines its effectiveness, having significant effects on demand, growth, and employment. This framework is only suitable for the continuation of austerity policies that reorganize European societies according to the neo-liberal agenda and the interests of capital.

While the aim of this paper is not to go through the details of an alternative progressive plan as regards the ECB, the basic principles of a past co-authored analysis on dealing with the EA debt overhang can be outlined here:[12]

Our proposal can be summarized by the phrase: *suspend the debt burden for five years, overthrow austerity forever*. At a technical level, it can take many alternative versions but it is based on the economic firepower of the ECB to curtail the workings of financial markets, thus securing a vital fiscal space for the development of alternative welfare policies.

The ECB undertakes the long-term management of a significant part of the EA sovereign debt, without direct fiscal transfers and without any actual upfront haircut.

The ECB acquires and capitalizes in the form of zero-coupon bonds (i) debt maturing in the years 2016–2020 and (ii) all interest payments of the same period. In other words, the debt burden will be suspended for five years. This amounts about to 55% of the outstanding Spanish debt. *To be taken as the rule for all EA countries*. Each EA country agrees to buy back from the ECB the zero-coupon bonds when their values will have been reduced to 20% of GDP, jointly accepting a (nominal) discounting rate of 1%. (In case of a restructuring of the Greek sovereign debt, the issuing of an ESM-backed Greek Government Bond will be necessary).

[12] D. P. Sotiropoulos, J. Milios, and S. Lapatsioras (2014), "An Outline of a Progressive Resolution to the Euro-area Sovereign Debt Overhang: How a Five-year Suspension of the Debt Burden Could Overthrow Austerity", Levy Economics Institute of Bard College, Working Paper No 819. http://users.ntua.gr/jmilios/wp_819.pdf

This model of an unconventional monetary intervention would give progressive governments in the EA the necessary basis for developing social and welfare policies to the benefit of the working classes. It would reverse present-day policy priorities and replace the neoliberal agenda with a program of social and economic reconstruction, with the elites paying for the crisis. The perspective taken here favours social justice and coherence, having as its priority the social needs and the interests of the working majority.

Our proposal hangs austerity forever at an overall cost which is much lower than the private sector quantitative easing already undertaken by the ECB. It thus offers a powerful economic argument to progressive political forces: We will not sacrifice the welfare state to debt. The European social model must be re-founded!

General government gross debt - annual data

Percentage of gross domestic product (GDP)

geo time	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Euro area (19 countries)	68.1	68.4	69.2	67.3	64.9	68.5	78.3	83.8	86	89.3	91.1	92.1
Euro area (18 countries)	68.2	68.5	69.3	67.4	65.1	68.7	78.5	84	86.1	89.5	91.3	92.3
EU (28 countries)	60.7	61.2	61.8	60.4	57.8	61	73	78.4	81	83.8	85.5	86.8
EU (27 countries)	60.8	61.3	61.9	60.5	57.9	61	73.1	78.5	81.1	83.8	85.5	86.8
Belgium	101.1	96.5	94.6	90.9	86.9	92.4	99.5	99.6	102.2	104.1	105.1	106.7
Bulgaria	43.5	35.8	26.6	20.9	16.2	13	13.7	15.5	15.3	17.6	18	27
Czech Republic	28.1	28.5	28	27.9	27.8	28.7	34.1	38.2	39.9	44.7	45.2	42.7
Denmark	46.2	44.2	37.4	31.5	27.3	33.4	40.4	42.9	46.4	45.6	45	45.1
Germany	63	64.7	66.9	66.4	63.6	65	72.5	81	78.4	79.7	77.4	74.9
Estonia	5.6	5.1	4.5	4.4	3.7	4.5	7	6.6	5.9	9.5	9.9	10.4
Ireland	29.9	28.2	26.1	23.6	23.9	42.4	61.8	86.8	109.3	120.2	120	107.5
Greece	101.2	102.7	107.3	103.5	103.1	109.4	126.7	146.2	172	159.4	177	178.6
Spain	47.6	45.3	42.3	38.9	35.5	39.4	52.7	60.1	69.5	85.4	93.7	99.3
France	64.2	65.7	67.2	64.4	64.4	68.1	79	81.7	85.2	89.6	92.3	95.6
Croatia	37.5	39.8	40.7	38.3	37.1	38.9	48	57	63.7	69.2	80.8	85.1
Italy	100.4	100	101.9	102.5	99.7	102.3	112.5	115.3	116.4	123.2	128.8	132.3
Cyprus	63.5	64.5	63.2	59.1	53.9	45.1	53.9	56.3	65.8	79.3	102.5	108.2
Latvia	13.9	14.3	11.8	9.9	8.4	18.7	36.6	47.5	42.8	41.4	39.1	40.6
Lithuania	20.4	18.7	17.6	17.2	15.9	14.6	29	36.2	37.2	39.8	38.8	40.7
Luxembourg	6.4	6.5	6.3	7	7.2	14.4	15.5	19.6	19.2	22.1	23.4	23
Hungary	57.6	58.5	60.5	64.7	65.6	71.6	78	80.6	80.8	78.3	76.8	76.2
Malta	69.1	72	70.1	64.6	62.4	62.7	67.8	67.6	69.8	67.6	69.6	68.3
Netherlands	49.3	49.6	48.9	44.5	42.4	54.5	56.5	59	61.7	66.4	67.9	68.2
Austria	65.5	64.8	68.3	67	64.8	68.5	79.7	82.4	82.2	81.6	80.8	84.2
Poland	46.6	45.3	46.7	47.1	44.2	46.6	49.8	53.3	54.4	54	55.9	50.4
Portugal	58.7	62	67.4	69.2	68.4	71.7	83.6	96.2	111.4	126.2	129	130.2
Romania	21.3	18.6	15.7	12.3	12.7	13.2	23.2	29.9	34.2	37.4	38	39.9
Slovenia	26.7	26.8	26.3	26	22.7	21.6	34.5	38.2	46.4	53.7	70.8	80.8
Slovakia	41.6	40.6	33.9	30.8	29.9	28.2	36	40.8	43.3	51.9	54.6	53.5
Finland	42.8	42.7	40	38.2	34	32.7	41.7	47.1	48.5	52.9	55.6	59.3
Sweden	48.9	47.9	48.2	43.2	38.3	36.8	40.4	37.6	36.9	37.2	39.8	44.9
United Kingdom	37.3	40.2	41.5	42.4	43.5	51.7	65.7	76.6	81.8	85.3	86.2	88.2
Norway	:	:	:	:	:	:	:	:	27.5	29.2	29.3	26.6

:=not available

Source of Data Eurostat
Last update: 11.11.2015
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Hyperlink to the table: http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=teina225
General Disclaimer of the EC website: http://ec.europa.eu/geninfo/legal_notices_en.htm
Short Description: The indicator is defined (in the Maastricht Treaty) as consolidated general government gross debt at nominal (face) value, outstanding at the end of the year in the following categories of government liabilities (as defined in ESA2010): currency and deposits, debt securities and loans. The general government sector comprises the subsectors: central government, state government, local government and social security funds.
Code: teina225

Table 1: Debt to GDP ratio for EU and EA countries (2003-2014).