Committee: Economic and Social Council (ECOSOC)

Issue: Evaluating austerity in overcoming recession and unsustainable debt

Student Officer: Danae – Maria Karantanou

Position: Deputy President

INTRODUCTION

Austerity is an economic term that refers to government policies aiming at reducing government budget deficits via a reduction in government spending, an increase in taxes or a combination of both. Consequently, austerity can take on different forms, such as higher taxes, more job cuts, higher retirement age and fewer state benefits. Austerity measures are undertaken by governments either voluntarily and unilaterally, or as part of a compromise between a government and its creditors. More specifically, austerity measures often constitute a significant condition for creditors to provide loans to a government, if there is the prospect of the government no longer being able to honor its debt obligations. International financial institutions, such as the International Monetary Fund (IMF), tend to ask governments to impose austerity measures as part of "Structural Adjustment Programs".

Several European countries have either already imposed austerity measures or are planning to introduce them. In the aftermath of the 2007-2008 financial crisis and the global recession of 2008, numerous governments opted for fiscal stimulus, followed by fiscal consolidation, after governments became highly indebted. Consequently, the increasing budget deficits created a fiscal crisis for many countries, including Greece, Ireland, Spain and the United Kingdom. In October 2012 the IMF announced that its predictions for countries that have recently implemented austerity programs have been "overoptimistic" and that austerity policies (increased taxes and spending cuts) had more negative effects on the economies than expected, also due to mistakes in the design of the imposed fiscal consolidation programs. However, in countries such as Germany and Austria, where the fiscal consolidation path had been implemented voluntarily, the results were better that expected.

In macroeconomic models, austerity policies indirectly increase unemployment, which typically is already high in a country that is forced to implement austerity measures. This happens because austerity leads to lower aggregate demand and in turn lower output and GDP and thus higher unemployment. Moreover, the quality and quantity of government services are reduced due to the imposed spending cuts. Thus, austerity policies lead in many

European countries to citizens expressing their dissatisfaction via numerous protests and strikes, which result in political tension.

Nevertheless, some economists claim that austerity measures eventually boost an economy, since individuals may also change their attitude towards taxes and government spending and thus private consumption will increase. In other words, austerity is a controversial issue. While the main goal of austerity programs is to address a country's debt burden via the reduction of deficits and the achievement of primary surpluses, their efficiency is still a matter of heated debate worldwide.

DEFINITION OF KEY TERMS

Austerity

Austerity involves policies to reduce government spending, often combined with higher taxes to try and reduce government budget deficits. Furthermore, measures of fiscal adjustment are often combined with a set of bread structural reforms.

However, there are different degrees of austerity. Countries like Greece, Portugal and Spain have pursued very obvious austerity – let's call it 'Deep Austerity'. In these countries, there has been a combination of clear cuts in government spending and higher taxes in an attempt to reduce the structural deficit. In other countries, there has been a less stringent form of austerity – let's call it 'austerity light'. Here government spending may have not fallen in real terms – or the fall may be very marginal. However, in these countries pursuing

'austerity light' there has been an attempt to reduce spending government commitments; the net impact of the government's fiscal position has been to reduce aggregate demand and limit the growth of real GDP.[1]

Recession

A recession is a significant decline in activity across the economy, lasting longer than a few months. It is visible in industrial production, employment, real income and wholesale-retail trade. The technical indicator of a recession is two consecutive quarters of negative economic growth as measured by a country's gross domestic product (GDP).[2]

Fiscal Policy

Fiscal policy involves the decisions that a government makes regarding collection of revenue, through taxation and about spending that revenue. It is often contrasted with monetary policy, in which a central bank (like the Federal Reserve in the United States) sets interest rates and determines the level of money supply.[3]

Unsustainable Debt

An economic situation where the cost of debt maintenance is so great that incoming revenues are not sufficient to continue servicing the debt and sustain essential costs of living, or in the case of a nation, to sustain essential services.[4]

Expansionary Fiscal Policy

An expansionary policy is a macroeconomic policy that seeks to expand the money supply to encourage economic growth or combat inflationary price increases. One form of expansionary policy is fiscal policy, which comes in the form of tax cuts, transfer payments, rebates and increased government spending. Another form is monetary policy, which is enacted by central banks and comes about through open market operations, reserve requirements and interest rates.[5]

Budget Deficit

[1] http://www.investopedia.com/terms/a/austerity.asp
http://www.economics help.org/blog/6254/economics/what-is-austerity
[2] http://www.Investopedia.com/terms/r/recession.asp
[3] http://study.com/academy/lesson/what-is-fiscal-policy-definition-effects-example.html
[4] http://www.businessdictionary.com/definition/unsustainable-debt.html
[5] http://www.investopedia.com/terms/e/expansionary_policy.asp

A status of financial health in which expenditures exceed revenue. The term "budget deficit" is most commonly used to refer to government spending rather than business or individual spending. When referring to accrued federal government deficits, the term "national debt" is used. The opposite of a budget deficit is a budget surplus, and when inflows equal outflows, the budget is said to be balanced.[6]

European Sovereign Debt Crisis

The European sovereign debt crisis occurred during a period of time in which several European countries faced the collapse of financial institutions, high government debt and rapidly rising bond yield spreads in government securities. The European sovereign debt crisis was brought to heel by the financial guarantees by European countries, who feared the collapse of the euro and financial contagion, and by the International Monetary Fund (IMF).[7]

Subsidy

A subsidy is a benefit given by the government to groups or individuals, usually in the form of a cash payment or a tax reduction. The subsidy is typically given to remove some type of burden, and it is often considered to be in the overall interest of the public.[8]

Bond yield

A bond yield is the amount of return an investor realizes on a bond. Several types of bond yields exist, including nominal yield, interest paid divided by the face value of the bond, and current yield, annual earnings of the bond divided by its current market price. Additionally, required yield refers to the amount of yield a bond issuer must offer to attract investors.[9]

BACKGROUND INFORMATION

The austerity debate

The issue of austerity appears to be a very controversial one, not only in European countries, but globally. On the one hand, supporters of austerity point to the relationship

---

[6] http://www.investopedia.com/terms/b/budget-deficit.asp

[7] http://www.investopedia.com/terms/e/european-sovereign-debt-crisis.asp

[8] http://www.investopedia.com/terms/s/subsidy.asp

[9] http://www.investopedia.com/terms/b/bond-yield.asp

between government budget deficits, government bond yields, interest rates and private investment. Governments fund their budget deficits through government bonds; When national economies are sound, markets face a low risk factor and have trust in the credit ability of the respective government, rendering government bond yields low. This automatically implies that the government borrows at a low interest rate. However, growing budget deficits hurt the market's confidence in the credit ability of the government and lead to the selling of the government bonds in question, leading to higher government bond yields, thus making it harder and more expensive for governments to borrow. Additionally, some macroeconomists point to the concept of "crowding out", where government budget deficits that are financed through government bonds can result to higher interest rates, thus crowding out private investment and further hindering economic growth. Austerity, as a policy to reduce budget deficits, thus enables governments to achieve and maintain lower government bond yields, i.e lower interest rates on its borrowing, by ensuring the market's faith in the credit ability of the government. This, in turn, enables the government to service its debt cost, as well as to exhibit better economic performance in the long term and attract foreign investment. Within this framework, proponents argue that there have been several successful cases of fiscal austerity; they point to examples of countries who have pursued austerity programs and later showed great economic growth. More specifically, they point to the case of Canada in 1993-1996, where the government decided to cut fiscal deficit and maintained economic growth. Moreover, Latvia and Estonia managed to overcome their financial instability, with Latvia showing fastest economic growth of 5.1% in a short period of one year.

On the other hand, opponents argue that austerity measures tend to slow down a country's economic growth, by negatively affecting aggregate demand and thus output, GDP and employment. More specifically, in line with Keynesian economics, it is argued that recession and slow economic growth is a time that requires an active, expansionary state aiming at full employment and offsetting the losses of private income, instead of austerity policies known to increase unemployment and further burden the population. Additionally, they argue that austerity can often be self- defeating, as it can lead to higher unemployment and reduced citizens' income. For opponents, unemployment and reduced incomes renders citizens incapable of paying their increased tax obligations, and thus leaves the state with reduced tax revenues. Additionally, increased unemployment resulting from austerity also renders increased unemployment benefits a necessity, leaving the state with increased spending, which offsets the benefits of reduced government spending. Within this context, opponents argue that austerity can thus be counterproductive, with the cost of reduced tax

revenues and increased unemployment benefit spending significantly outweighing and undermining the reduced government spending inherent in austerity policies. It is argued that as a consequence of increased spending and decreased revenues, the country's economic performance and growth worsens, upsetting the market's faith in the credit ability of the government, thereby making government bond yields rise and government borrowing even more expensive in the long term. Opponents also point to national lower-middle classes, that bear the weight of austerity through unemployment, reduced incomes and increased obligations, raising questions regarding the fairness of the distributional effects of austerity. Furthermore, in a more empirical framework, opponents also point to cases, such as Greece, where austerity policies that have been implemented in response to economic recession, financial crisis and unsustainable debt, turned out inefficient in overcoming recession and public debt, by hindering the nation's economic growth and recovery.

In conclusion, austerity measures raise several important concerns regarding the protection of economic, social and cultural rights. Therefore, acknowledging the various impacts of the global financial crisis and austerity policies on the society, on employment and on human rights generally, all States should be reminded of their obligations to use all available resources in order to fulfil the economic, social and cultural rights of their citizens, even in times of crisis. Last but not least, we should keep in mind that the goal of austerity policies is to decrease government debt, however, their effectiveness remains a controversial issue.

Timing of austerity

There are numerous examples (see: Canada, 1993-1996) of governments managing to overcome economic recession and unsustainable debt via the implementation of strict austerity measures (spending cuts, tax increases and structural reforms); however, when arguing about the effectiveness of such policies, one must not forget that just because a specific policy-program was successful in the 1960s, 1980s, 1990s, it does not guarantee that it will work in the society of the 21st century and in the present "economic climate". More specifically, back then we didn't have to deal with today's extremely high unemployment rates (in some countries there is unemployment of over 40%) or a nearly ten-year-old global economic recession.

Impact of austerity

Austerity can affect a country's economy in various ways; for example, if a government decides to reduce government spending by raising the retirement age, then this

measure will not directly lead to lower and slower economic growth. But if a government decides, alongside the retirement age raise, to also reduce existing pensions, then it may benefit the state finances, due to the nominal reduction in government spending, but it will also reduce the available income of pensioners and by extent their purchasing power. In other words, a reduction in government spending in combination with an increase in taxes will most probably lead to lower economic growth for a period of time, since the goal is the reduction of the budgetary deficit.

However, there is a hope that austerity measures will enhance competitiveness, due to the fact that they will contribute to pressure for the reduction of the costs. Regaining competitiveness is needed in times of recession. However, this effort to enhance and improve competitiveness may last several years, during which lower growth and higher unemployment rates will challenge the economic state of a country and test the cohesion of the society.

In addition to that, concerning the effects of austerity measures, certain countries implement direct freezes and cuts in public spending. This could also include e.g. the reduction of wages in the public sector, while also enforcing measures on the minimum wage limits for the private sector. Minimum wages were cut in Greece and Ireland, while Portugal and Spain opted to freeze them. Hence, in the period of austerity (2010-12), wages have shrunk, with a record-high 20% reduction in Greece. However, many economists claim that the reduction of the minimum wage is a significant step towards the lifting of a barrier in the labor market, since it will lead to greater flexibility and will allow employers, under certain circumstances, to take on more employees.

Of course, in times of recession and while the country is trying to bounce back, the implementation of austerity measures can lead to unpleasant effects on many citizens, since the economic state of the country calls for direct interventions, both on their available income and on social services. Of course, not all citizens are affected the same way. Therefore, countries, which find themselves implementing austerity measures, need to create the necessary framework for the protection of those citizens, including equal access to the labor market, proper healthcare, education and also goods, such as water and the provision of energy.

However, there have been many cases, as shown in the next pages, that many countries implementing austerity measures because of a crisis of some kind, were able to bounce back, despite the hard times they had, while implementing unpleasant measures.

Therefore, in many ways, austerity measures are combined with structural reforms in the norms of a country, thus improving its long-term performance ability.

Austerity in Europe

Something we constantly hear about on the news is that many European countries have implemented a range of austerity measures aiming to reduce their budget deficits. However, the question is: a) Why have governments decided to implement austerity measures? And b) What is the impact of those on the economic activity of the EU?

Firstly, investor confidence has been significantly affected by the extremely high and unsustainable debt levels in several European (Euro-zone) countries. Secondly, the financial crisis of 2007-2008 was followed by an increase in budget deficits of European countries, which were extremely hard to finance. Pointing to cases such as the one of Ireland, the governments may be forced to take on private bank debt and thus become overly-indebted themselves. This will create a need for a reduction in government spending. The main reason why the Irish government took on national bank debt, is that other European banks could have been significantly affected (contingency or domino effect) if the Irish banks had failed, while the Irish state itself would find it hard not to default. In many cases the implementation of austerity policies is combined with an ideological mantra a government should not spend money it doesn't have.

And finally, the most important question is: What is the impact of austerity on European Economy? It is a fact, that many key indicators of the Eurozone economy were badly affected after the emergence of the crisis in many member-nations and the necessity for fiscal consolidation measures. In some member-states, the financial hardship continues, despite the austerity programs being implemented. But, after some years, the aforementioned indicators have returned to a positive course. Unemployment is still at high levels, but is steadily reducing, growth rates have stabilized and even the PMI index (manufacturing activity) is on track after a large surge.

Following the crisis of 2007-2008, the real estate market crisis as well as the difficult state, at which the European banks found themselves, the European Union experienced the European Sovereign Debt Crisis (also referred as the Eurozone Crisis or the European Debt Crisis), which was a "global financial shock" that has been taking place in the EU since the end of 2009, with the Eurozone trying to create tools to combat it.

In the spring of 2010 Greece followed by Ireland after some months, required a bailout and so did Portugal in May 2011. Other highly vulnerable countries were Italy and

Spain, with Spain necessitating official assistance in June 2012 together with Cyprus. By 2014 due to various budgetary reforms, domestic rigor measures and other economic factors, the situation in countries like Ireland, Portugal and Spain displayed a significant improvement. However particular events such as the emerging banking crisis in Italy and the instabilities caused by Brexit threaten the still vulnerable recovery rates of the Eurozone, if not dealt with appropriately.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

Eurozone

Due to the European debt crisis of 2007-2008, several Member States requested for bail-out programs, due to their obligation to reduce budget deficits relative to their country's GDP according to the Lisbon Treaty, since those deficits were running out of control. More specifically, Greece reduced its budget deficit from 10.4% of GDP in 2010 to 9.6% in 2011. Iceland, Italy, Ireland, Portugal, France, and Spain also successfully reduced their budget deficits from 2010 to 2011. They have continued to do so in the following years as well, with many of those countries being able to turn their deficits into surpluses, while some of them returned to the bond markets. Furthermore, the austerity policy of the Euro zone achieves much more than that. The goal of economic consolidation influences the future development of the European Social Model.

Greece

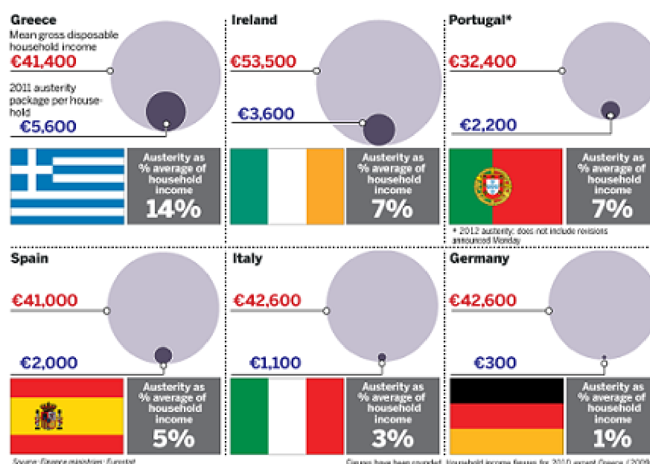
The Greek government-debt crisis was followed by a package of austerity measures and structural reforms, put forth by the EU and the IMF; it was met with great dissatisfaction by the Greek public, leading to social unrest. Several demonstrations were organized throughout Greece, aiming to pressure the members of the Greek parliament into voting against the package. Around 2011, the IMF started issuing guidance suggesting that austerity could be harmful when applied without regard to an economy's underlying fundamentals, however it was the Fund itself that it had co-designed the Greek programs alongside with the European institutions and had underestimated the effect of austerity measures on economic activity.

The main characteristics of the Greek crisis include a sharp decline in GDP, a deep economic recession and alarming unemployment rates. The state finances were at a bad shape even before the adoption of austerity measures, but they also resulted in a steady

decline of the GDP. Unfortunately, these measures were implemented without being accompanied by a certain strategic plan to simultaneously help the economy grow, or create new employment opportunities, since structural reforms were not pursued at the same tempo as spending cuts and tax raises. Therefore, the Greek crisis could serve as an economic lesson to the international community and the country finds itself in crisis for the seventh consecutive year.

Iceland

Iceland, a member of the European Economic Area but not the EU or the Eurozone, suffered perhaps the most spectacular crash, having massively expanded into banking. The country's economy that depended on fishing and tourism for years was devastated when all three of its major banks failed. Relative to the size of its economy it was the largest banking collapse in history. Iceland accepted an IMF package and financial support from several other countries, and capital controls were introduced in 2008 limiting how much money could be taken abroad. The economy has, however, returned to growth and it is also boosted by the country's tourism and fishing sectors.



Ireland

Ireland is one of the most successful countries that have embarked on austerity. The country's government believed that it was responsible for an "economic miracle", as the economy was booming for a notable duration; unfortunately, it turned out to be little more than a huge property bubble. Therefore, when the credit crunch shrunk, the country's property market immediately dropped. The banks that had lent money to builders and home owners then collapsed and the government had to bail them out, since it took on their enormous debts and nearly went bust itself. As a result, the country had to be rescued by the Troika (the IMF, ECB and EU) but it has reduced spending, changed tax policies by increasing taxes, and generally reformed the Irish economy and is now on the road to recovery.

Portugal

Portugal had similar problems to Ireland but they were intensified by the fact that for decades it had failed to reform a bloated civil service and had also spent much of its budget on items deemed non-essential. Its banks suffered "heavy blows" after the recession, and as Portugal was unable to recover by itself, help was needed; Portugal deems as an example of consensus between the leading political parties of the country and the terms of the bailout programs were implemented, but not without an important effect on the Portuguese people. However, the country has returned to positive growth rates and primary surpluses, but it has to be noted that the new Portuguese government has refused to strictly follow the surplus targets that have to be achieved according to the program, thus laying more emphasis on social services. Lisbon finds itself on a collision course with the Commission, which has proposed sanctions according to the Lisbon Treaty, which may have been ratified by the Eurogroup and ECOFIN, but have not yet been implemented, mainly for political reasons.

International Monetary Fund (IMF)

The International Monetary Fund (IMF) is an international organization created for the purpose of fostering global monetary cooperation, securing financial stability, facilitating international trade, promoting high employment and sustainable economic growth, as well as reducing poverty around the world. The IMF monitors the global economy, and its main goal is to economically support and strengthen its member countries. It also provides support to countries that are undergoing economic troubles, such as a large negative balance of payments. This financial assistance is being provided on the condition that the government implements the fiscal policies recommended by the IMF, which aim to improve the country's economy. However, many economists blame the austerity measures the IMF has proposed and implemented for the continuous decline in the world economy.

TIMELINE OF EVENTS

Date	**Description of Event**
1873	The Long Depression was a worldwide price recession, beginning in 1873 and running through the spring of 1879.
1920s- World War II	The Great Depression was a severe worldwide economic depression that took place during the 1930s.

2007- 2008	The financial crisis of 2007–08, also known as the global financial crisis and the 2008 financial crisis, is considered by many economists to have been the worst financial crisis since the Great Depression of the 1930s. It is also referred to as the Great Recession.
2008	The European sovereign debt crisis started in 2008, with the collapse of Iceland's banking system, and spread primarily to Greece, Ireland, and Portugal in 2009. The debt crisis led to the confidence and trust that the worldwide economy had placed in European businesses and economies to waver.
2009- Today	European countries, including Greece, Spain and Ireland, started implementing austerity programs in order to stabilize their economies after the massive credit crisis and global recession of 2007-8.

UN INVOLVEMENT: RELEVANT RESOLUTIONS, TREATIES AND EVENTS

- International Labor Conventions

ILO Conventions are legally binding international treaties which establish global labor standards. During periods of crisis, the International Labor Organization made a number of observations and direct requests for application of its conventions.

- European Social Charter (ESC)

The ESC is a Council of Europe Treaty which aims to protect human rights, especially during times of civil unrest, and is legally binding for states which have ratified it. Countries such as Greece, Spain, Ireland and Portugal have ratified the 1961 Charter, and particularly Ireland and Portugal have also ratified its revised version of 1996, which came into force in 1999 and has replaced the 1961 treaty.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

As said previously, the Eurozone tried to tackle the massive credit crunch, which affected member-states, by creating new conditions. Countries could now be bailed out by institutions (EU Commission, the ECB, the IMF and lately the European Stability Mechanism),

by given large loans in exchange for programs of fiscal consolidation, including measures, such as but not limited to, the reduction of public spending, the broadening of the tax base, the improvement of the tax-collecting mechanisms of the state and the implementation of structural reforms in the economy. Of course, those policies were not met with great joy by the citizens being affected, by governments and institutions insist that this is the right path for countries that have deviated from the commonly accepted goals (described in the Lisbon Treaty) to return on course. Furthermore and on a global level, the IMF serves as the main pillar for the support of heavily indebted countries in exchange for fiscal consolidation, while many criticize its practices and the success of its tools.

POSSIBLE SOLUTIONS

Developing economic policies and strategies that are appropriate to the new international financial system and global economy of the 21st century should be defined by balance and perspective. More specifically, the possible solutions may include the reduction and elimination of the duplication in government services, the modernization of the economic governance, the fostering of the national and international economy by supporting international trade relations, the enhancement of innovation and production, the encouragement of strategic and credible investments and the creation new employment opportunities.

Governments need to find a new balance between the reforms proposed by international organizations, especially when they reflect the best global practices. Furthermore, highly indebted countries will need to undergo deep structural reforms-each case is different and so are the necessary measures- in order to correct the flaws in their function. However, it also essential that there is protection for the weaker parts of the population and that basic services are provided, so that the cohesion of societies is not distorted.

Additionally, new alternatives such as a human rights-based approach to the crisis would call for accountability in both the public and the private sector, for social investment and for national and international job training and job creation policies. This response is stemming from “the right of all persons to an adequate standard of living”, as mentioned in the Universal Declaration of Human Rights, other international human rights treaties, and International Labor Organization (ILO) conventions. Furthermore, policy responses to the crisis should be formulated and implemented based on the international human rights law. It

is a matter of fact that austerity measures which reduce government spending for significant social welfare programs during times of crisis can threaten human rights and especially the most vulnerable members of the international community.

Governments are likely to use a combination of policies and they should introduce austerity measures only after the most careful consideration of all other alternatives. An example would be the changes in the tax policy. For instance, cutting taxes can increase consumer disposable income. On the one hand, such a policy would increase consumer spending, on the other hand it will cause higher government borrowing, in case of reduced tax revenues.

Therefore, if this policy was to be implemented in cases like Greece, Ireland and Italy who have little scope for implementing the so-called “Expansionary Fiscal Policy”, it should be combined with an effective tax-collection mechanism, possible spending cuts in the public sector and structural reforms in many fields of the economy. An alternative, if reduced taxation is not a working scenario, would be the increase of certain tax rates, however it has to be taken into consideration that excessive debt obligations for individuals and corporations could lead to a reduction of the overall economic activity, due to the reduction of the disposable income.

When adopting austerity measures, states should ensure that they are not directly or indirectly discriminatory or unfair to certain groups of people. Austerity measures should ensure that the citizens of a country are entitled to the fundamental provisions of the social state (especially those belonging vulnerable groups). Access to basic social services, protection, food, healthcare, shelter and empowerment of the poor and vulnerable ones should be ensured.

BIBLIOGRAPHY

"About the IMF." IMF. N.p., n.d. Web. 03 Aug. 2016.

<http://www.imf.org/external/about.htm>

"Austerity, Debt-Deleveraging, And Why 'Muddle-Through' Fails." Zero Hedge. N.p., n.d. Web. 03 Aug. 2016. <http://www.zerohedge.com/news/austerity-debt-deleveraging-and-why-muddle-through-fails>

"Austerity in Europe: What Does It Mean for Ordinary People?" The Guardian. Guardian News and Media, 08 May 2012. Web. 25 Oct. 2016.

<https://www.theguardian.com/business/2012/may/08/austerity-europe-what-does-it-mean>

"Definition of Austerity Measures." DaveManuel.com. N.p., n.d. Web. 25 Oct. 2016. <http://www.davemanuel.com/investor-dictionary/austerity-measures/>

"Economics.fundamentalfinance.com." Fiscal Policy. N.p., n.d. Web. 03 Aug. 2016.

<http://economics.fundamentalfinance.com/fiscal-policy.php>

"European Sovereign Debt Crisis Definition | Investopedia." Investopedia. N.p., 11 July 2011. Web. 03 Aug. 2016.

<http://www.investopedia.com/terms/e/european-sovereign-debt-crisis.asp>

"Fiscal Policy": The Concise Encyclopedia of Economics. N.p., n.d. Web. 03 Aug. 2016.

<http://www.econlib.org/library/Enc/FiscalPolicy.html>

Chakrabortty, Aditya. "A Short History of Austerity: It Almost Never Works | Aditya Chakrabortty." The Guardian. Guardian News and Media, 11 Mar. 2013. Web. 03 Aug. 2016. <https://www.theguardian.com/commentisfree/2013/mar/11/austerity-almost-never-works>

"Global Recession Definition | Investopedia." Investopedia. N.p., 04 Feb. 2009. Web. 03 Aug. 2016. <http://www.investopedia.com/terms/g/global-recession.asp>

"Greek Government Austerity Measures." BBC News. N.p., n.d. Web. 03 Aug. 2016.

<http://www.bbc.com/news/business-13940431>

Bloom, Jonty. "How Has Austerity worked out for Eurozone Countries?" BBC News. N.p., n.d. Web. 03 Aug. 2016. <http://www.bbc.com/news/business-33470220>

"Keynesian Economics Definition | Investopedia." Investopedia. N.p., 23 Nov. 2003. Web. 03 Aug. 2016. <http://www.investopedia.com/terms/k/keynesianeconomics.asp>

"One Hundred Years of Austerity." Bloomberg.com. Bloomberg, n.d. Web. 03 Aug. 2016. <http://www.bloomberg.com/news/articles/2015-02-13/one-hundred-years-of-austerity>

Pettinger, Tejvan. "Austerity in Europe." Economics Help. N.p., n.d. Web. 25 Oct. 2016. <http://www.economicshelp.org/blog/4457/economics/austerity-in-europe/>

"The Political Theory of Austerity: History of a Dangerous Idea (Mark Blyth)."School of Arts & Sciences. N.p., n.d. Web. 03 Aug. 2016.

<https://www.sas.upenn.edu/sspf/event/2012/political-theory-austerity-history-dangerous-idea-mark-blyth>

"What Is Austerity?" Economics Help. N.p., n.d. Web. 03 Aug. 2016. <http://www.economicshelp.org/blog/6254/economics/what-is-austerity/>

"What Is Fiscal Policy? - Definition, Effects & Example - Video & Lesson Transcript | Study.com." Study.com. N.p., n.d. Web. 03 Aug. 2016.

<http://study.com/academy/lesson/what-is-fiscal-policy-definition-effects-example.html>

"What Is Unsustainable Debt? Definition and Meaning."BusinessDictionary.com. N.p., n.d. Web. 03 Aug. 2016.

<http://www.businessdictionary.com/definition/unsustainable-debt.html>

"World Bank Group." World Bank Group. N.p., n.d. Web. 03 Aug. 2016.

<http://www.worldbank.org/>