Srdjan Furtula[1], Nenad Stanisic[2], Nemanja Lojanica[3]

DISSIMILARITY IN ACHIEVING THE CONVERGENCE CRITERIA IN EMU EX POST AND EX ANTE GLOBAL FINANCIAL CRISIS

During the 10 years of the preparation for entering European monetary "family" all the countries have consistently performed cost-benefit analysis, comparing all the advantages and disadvantages of this union. Since the EMU is a unique creation, a theoretical analysis of the effects of monetary integration could not accurately project all the potential effects of the EMU functioning and the advantages and disadvantages for the member states. Consequently, the necessity of analyzing the EMU functioning during these 12 years arises. The paper consists of the values of basic economic indicators (which present the conditions for joining EMU) before and during the crisis (average values) are presented. Based on these findings, the conclusion is drawn about euro winners and euro losers.

Keywords: *EMU, euro, convergence criteria, global financial crisis.*

Срджан Фуртула, Ненад Станішич, Неманя Лояніца

ВІДМІННОСТІ В ПРОЦЕСІ ДОСЯГНЕННЯ КРИТЕРІЇВ КОНВЕРГЕНЦІЇ В РАМКАХ ЄВРОПЕЙСЬКОГО ЕКОНОМІЧНОГО І ВАЛЮТНОГО СОЮЗУ ДО І ПІСЛЯ СВІТОВОЇ ФІНАНСОВОЇ КРИЗИ

У статті підкреслено, що за 10 років підготовки до вступу в Європейський монетарний союз країни послідовно виконували аналіз витрат і вигод, порівнювали переваги та недоліки такого об'єднання. ЕВС — унікальне явище, тому теоретичний аналіз впливу валютно-фінансової інтеграції не міг точно спрогнозувати всі можливі наслідки функціонування ЕВС, переваги і недоліки для його членів. Отже, виникає необхідність аналізу функціонування ЕВС протягом цих 12 років. У статті представлено значення основних економічних показників (які представляють умови для входження до ЕВС) до і під час кризи (середні значення). Грунтуючись на них, можна зробити висновок, яким країнам цей союз вигідний, а яким — ні.

Ключові слова: *ЕВС, євро, критерії конвергенції, світова фінансова криза.*

Таб. 5. Літ. 15.

Срджан Фуртула, Ненад Станишич, Неманя Лояница

РАЗЛИЧИЯ В ПРОЦЕССЕ ДОСТИЖЕНИЯ КРИТЕРИЕВ КОНВЕРГЕНЦИИ В РАМКАХ ЕВРОПЕЙСКОГО ЭКОНОМИЧЕСКОГО И ВАЛЮТНОГО СОЮЗА ДО И ПОСЛЕ МИРОВОГО ФИНАНСОВОГО КРИЗИСА

В статье подчеркнуто, что за 10 лет подготовки ко вступлению в Европейский монетарный союз страны последовательно выполняли анализ затрат и выгод, сравнивали все преимущества и недостатки такого объединения. ЭВС — уникальное явление, поэтому теоретический анализ влияния валютно-финансовой интеграции не мог точно спрогнозировать все возможные последствия функционирования ЭВС, преимущества и недостатки для его членов. Следовательно, возникает необходимость анализа функционирования ЭВС в течение этих 12 лет. В статье представлены значения

[1] PhD, Assistant Professor, Faculty of Economics, University of Kragujevac, Serbia.
[2] PhD, Assistant Professor, Faculty of Economics, University of Kragujevac, Serbia.
[3] Faculty of Economics, University of Kragujevac, Serbia.

основных экономических показателей (которые представляют условия для вхождения в ЭВС) до и во время кризиса (средние значения). Основываясь на них, можно сделать вывод, каким странам этот союз выгоден, а каким — нет.

Ключевые слова: *ЭВС, евро, критерии конвергенции, мировой финансовый кризис.*

Introduction. On January, 1, 2002 the Europeans welcomed the new currency. It was the time when euro banknotes and coins were released into circulation and the euro had been previously used in transactions on financial markets since 1999. The opinions were divided then as they are now when more than 300 mln people use the euro. From the point of view of the European Commission, the euro provides a tangible symbol of European identity. The euro was consolidating the largest trading area in the world and rivaling the dollar in its global supremacy.

Analysts note that the powerful original members of the EEC, such as Germany, were eager to develop a large and competitive euro area, and so allowed less solvent EU nations adopt the euro even if they had failed to fulfill the criteria outlined by Maastricht. Today, after more than 11 years of operation of the EMU, it can be concluded that the requirements of the Maastricht Treaty, in its original form, are not fully met. Notwithstanding the unclear definition of ex post realization of convergence criteria after the accession to the EMU, many countries have diametrically opposing results. Gradualism replaced urgency, so that not even met the convergence criteria ex ante, and it is primarily the fiscal convergence criteria (the deficit and public debt). Today, all the EU member states with the exception of the UK, Denmark, and Sweden are required to join the euro area when they meet the criteria.

Now, when the debt crisis threatens to push into recession the richest euro-zone members, the euro is a tangible symbol of great political and economic uncertainty. The aims of forming the European Monetary Union include: creating a more competitive European economy, increasing economic growth and reducing the impact of the dollar and the US economy in Europe. 12 member states (now there are 17) decided to take part in European experiment, expecting an increase in economic growth, improvement of market efficiency, price stability, and public finance, the elimination of the uncertainty of exchange rate changes, and exchange rate stability etc.

The accumulation of massive and unsustainable deficits and public debt levels in a number of peripheral economies threatened the euro area's viability, triggering the euro area sovereign debt crisis. The crisis highlighted the economic interdependence of the EU, while also underscoring the lack of political integration needed to provide a coordinated fiscal and monetary response. The euro area's wealthiest members called on weaker states to embrace strict austerity measures, inciting popular unrest and toppling governments in Portugal, Spain, Greece, and Italy. Yet in spite of a number of euro rescue deals agreed upon by the EU leaders, market volatility persisted into 2012, calling into question the future of the euro.

1. Budget/GDP. Public deficit/surplus is defined in the Maastricht Treaty as general government net borrowing/lending according to the European System of Accounts (ESA95). The general government sector comprises central government, state government, local government, and social security funds. The relevant definitions are provided in Council Regulation 479/2009, as amended by Council

Regulation 679/2010. Data for the general government sector are consolidated between subsectors at the national level. The series are measured in euro and presented as % of GDP[4].

From 2000-2007, the average deficit for all the countries except Greece and Portugal was within the allowable values. Average deficit exceeded target value by 200% in case of Greece and 18% in case of Portugal. If we focus on the values per year, we may conclude that Germany had already surpassed the value of 3% in 2001, maintaining the trend until 2006. Still, it can be concluded that Germany lost. France and Italy were very close to the target value but they still exceeded it if observed based on a value per year.

Table 1. **Average values of budget deficit/surplus as the percentage of GDP, before and during the crisis**

Country	Average budget deficit/surplus (2000-2007)	Average budget deficit/surplus (2008-2010)	Budget deficit/surplus in 2010 (% of GDP)
Belgium	-0,4	-3,8	-4,1
Germany	-2,3	-2,4	-4,3
Ireland	1,5	-17,6	-31,3
Greece	-5,5	-12,1	-10,6
Spain	0,5	-8,3	-9,3
France	-2,7	-6	-7,1
Italy	-2,9	-4,2	-4,6
Luxembourg	2,3	0,3	-1,1
Netherlands	-0,6	-3,4	-5,1
Austria	-1,6	-3,1	-4,4
Portugal	-3,7	-7,8	-9,8
Finland	4,2	-0,3	-2,5
Great Britain	-1,7	-8,8	-10,3
Denmark	2,7	-0,7	-2,6
Sweden	1,4	0,5	0,0

Source: http://epp.eurostat.ec.europa.eu.

The budget surplus in this period was recorded in Ireland, Luxemburg and Finland and they are the winners according to this criterion. However, in all these 3 countries a decline in surplus and transition into deficit was recorded for some years especially in the first 2. At the end of 2007, Finland had the highest surplus of 5.7% GDP. In Belgium, Spain and the Netherlands, a deficit which is considerably beyond allowable maximum was also reported. The crisis has brought changes in the field of deficit, but in 2009 all the countries except Finland and Luxemburg had deficits higher by 3%. It has to be taken into account that Finland and Luxemburg had surplus before the crisis and despite the positive final outcome these 2 countries also lost. In terms of euro winners and euro losers the biggest change hit Ireland and Spain. Before the crisis, Ireland had the biggest improvement in terms of the relation between budget and GDP. In 2003, Ireland entered the surplus zone but in 2008 the deficit of 7.3% was recorded. Due to the increase in unemployment, in these countries the drastic increase in expenditure for social security was recorded increasing the deficit. The

[4] http://epp.eurostat.ec.europa.eu/tgm/web/table/description/jsp.

impaired situation in Ireland, Spain, Greece, and Portugal was also the result of investors' loss of confidence which manifested as the growth of borrowing costs. In 2011 these countries penetrated targeted deficit values. In 2012 the Eurozone finance ministers allowed the increase of planned deficit for Spain from 4,4% to 5,3% in 2012. Deficit for Ireland was planned to be 8,6% in 2012.

The crisis led to the turning point in the position of Spain and Ireland. These countries became eurolosers. After 2008, average deficit value for Great Britain was 2 times higher than for the eurozone.

2. Debt/GDP. Public debt is defined in the Maastricht Treaty as consolidated general government gross debt at nominal value, outstanding at the end of the year. The general government sector comprises central government, state government, local government, and social security funds. The relevant definitions are provided in Council Regulation 479/2009, as amended by Council Regulation 679/2010. Data for the general government sector are consolidated between subsectors at the national level. The series are measured in euro and presented as % of GDP[5].

Table 2. **Average Debt/GDP ratio, before and during the crisis**

Country	Debt/GDP average 2000-2007	Debt/GDP average 2008-2010	Debt/GDP 2010	% increase in average Debt/GDP(2000-2007 vs. 2008-2010)	% increase in Debt/GDP (2010 vs. average 2000-2007)
Belgium	96,8	93,8	96,2	-3,1	-0,6
Germany	64,1	74,8	83,2	16,7	29,8
Ireland	30,2	67,3	92,5	123,0	206,5
Greece	102,3	129,1	144,9	26,2	41,7
Spain	47,7	51,6	61	8,2	27,9
France	61,9	76,5	82,3	23,6	33
Italy	105,5	113,2	118,4	7,4	12,3
Luxembourg	6,3	15,9	19,1	150,4	201,4
Netherlands	50,5	60,7	62,9	20,3	24,6
Austria	64,5	68,4	71,8	6,0	11,3
Portugal	57,8	82,6	93,3	43,1	61,6
Finland	41,7	41,8	48,3	0,4	16
Sweden	49,84	40,4	39,7	-18,9	-20,3
Denmark	42,65	40	43,7	-6,2	2,46
Great Britain	40,8	68,1	79,9	66,9	95,8

Source: http://epp.eurostat.ec.europa.eu.

As can be seen in Table 2, since 2001 Germany had a steady growth of this ratio which amounted to 83,2 in 2010. In other words, German public debt represents 83,2% of its GDP. Comparing average values for this ratio before and during the crisis we can conclude that the situation was impaired by 16,7%. A negative impact of the crisis on Germany can be best seen by comparing the ratio debt/GDP in 2010 and before the crisis, when there was an increase by 30%.

The similar situation is in France where after joining the EMU the ratio increased and this trend continued through the crisis. According to this factor, Ireland also lost even though it was within the limits of Maastricht criteria (public

[5] http://epp.eurostat.ec.europa.eu/tgm/web/table/description/jsp.

debt at 60% of GDP) until 2008. In comparison to the values recorded before the crisis, the value of the bebt/GDP increased by 123%. Debt/GDP ratio for Greece was too high even when Greece joined the EMU and in 2010 its public debt exceeded GDP by 144%. The same ratio for Italy equaled 118%.

Before the crisis, Finland was the most serious candidate for the absolute euro winner as the country fulfilled all the criteria defined in the Maastricht Treaty. During the crisis, Finland also suffered some negative consequences of the crisis but the change in this factor is not significant. Countries that did not join the EMU (Denmark and Sweden) improved public debt/GDP ratio by 6.2% and 18% respectively during the crisis. On the other hand, there is a steady increase of the public debt in Great Britain.

3. Inflation. Harmonized indices of consumer prices (HICPs) are designed for international comparisons of consumer price inflation. HICP is used for example by the European Central Bank for monitoring inflation in the Economic and Monetary Union and for the assessment of inflation convergence as required under Article 121 of the Treaty of Amsterdam[6].

Table 3. **Average inflation rate, before and during the crisis**

Country	Average inflation 2000-2007	Average inflation 2008-2011	Inflation 2011	% increase in average inflation (2008-2011 vs. 2000-2007)	% increase in inflation (2011 vs. average 2000-2007)
Belgium	2,09	2,58	3,5	23	67
Germany	1,69	1,69	2,5	0	48
Ireland	3,51	0,25	1,2	-93	-66
Greece	3,34	3,34	3,1	0	-7
Spain	3,24	2,25	3,1	-31	-4
France	1,92	1,82	2,3	-5	20
Italy	2,38	2,2	2,9	-8	22
Luxembourg	2,94	2,65	3,7	-9	26
Netherland	2,46	1,65	2,5	-33	2
Austria	1,91	2,22	3,6	16	88
Portugal	3,0	1,7	3,6	-43	20
Finland	1,59	2,62	3,3	65	107
Sweden	1,65	2,1	1,4	27	-15
Denmark	2,08	2,4	2,7	15	30
Great Britain	1,59	3,4	4,5	114	158

Source: http://epp.eurostat.ec.europa.eu.

Observing the inflation rate in 2001 and holding to the ECB criteria whose main goal is price stability (keep inflation below 2%) no country, except for Ireland (1,2%), had the value of inflation below 2% (Slovenia is the closest to the target value with 2,1%). If we focus on the inflation parameter that presents the ratio between the inflation in 2001 and average inflation from 2000/2007, we will see that inflation increased by 48% in Germany, 22% in Italy, 20% in France and 67% in Belgium. Of all the countries of euro area, the biggest changes were recorded in Austria (88%) and Finland (107%). On the other hand, there is Great Britain with the increase of inflation by 158%. Positive example found among the countries of the eurozone is defi-

[6] http://epp.eurostat.ec.europa.eu/tgm/web/table/description/jsp.

nitely Ireland with inflation decrease by 66% and among non-members Sweden stand out with the inflation decrease by 15%.

4. Interest rate. The interest rate is the only convergence criterion which is respected ex post. Namely, all member states have decreased long-term interest rates by approximately 20% before crisis.

Table 4. **Average interest rate before and during the crisis**

Country	Average interest rate, 2000-2007	Average interest rate, 2008-2012	Interest rate, 2012	% increase in average interest rate (2008-2012 vs. 2000-2007)	% increase in interest rate (2012 vs. average 2000-2007)
Belgium	4,26	4,08	4,11	-4	-3,5
Germany	4,13	3,04	1,82	-26	-56
Ireland	4,2	6,15	7,71	46,4	84
Greece	4,42	10,73	25,91	142,7	486
Spain	4,22	4,62	5,41	9,5	28,2
France	4,18	3,58	3,18	-14,4	-24
Italy	4,36	4,87	6,54	11,6	50
Luxembourg	3,68	3,56	2,07	-3,3	-43,8
Netherlands	4,17	3,36	2,2	-19,4	-47,3
Austria	4,23	3,76	3,27	-11,2	-22,7
Portugal	4,28	6,72	13,85	57	223
Finland	4,29	3,41	2,28	-21,2	-47
Sweden	4,37	3,05	1,7	-31,2	-61
Denmark	4,66	3,35	1,47	-28,1	-69
Great Britain	4,29	3,19	1,74	-25,6	-59,4

Source: http://epp.eurostat.ec.europa.eu.

Comparison between the average values before and during the crisis, provides an insight into the continuing trend mentioned above with following values: 26% in Germany, 14,4% in France, 19,4% in the Netherlands, 11,2% in Austria, and 21,2% in Finland. Under the influence of the crisis, the interest rate increased by 142,7% in Greece, 46,4% in Ireland, 11,6% in Italy, and 57% in Portugal. In non-EMU member states (Sweden, Denmark, Great Britain) the interest rates reduced by 31,2%, 28,1%, 25,6%, respectively.

5. Unemployment rate. The unemployment rate is defined as the convergence criteria, but it is necessary to analyze and its movement, as one of the key macroeconomic indicators. The unemployment rate represents unemployed persons as a percentage of the labor force based on the International Labor Office (ILO) definition. The labor force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who were:

- without work during the reference week;
- currently available to start working within the next 2 weeks;
- actively seeking work in the past 4 weeks or had already found a job to start within the next 3 months[7].

Unemployment rates as an important indicator of social and economic development showed large discrepancies in the number of unemployed people among the member states even when the EU was established. The countries with decreasing

[7] http://epp.eurostat.ec.europa.eu/tgm/web/table/description/jsp.

unemployment rates after joining the EMU were Spain, Greece, Italy and Finland. The largest increase in employment rate was recorded in Italy where unemployment rate had been constantly declining since 2002. For instance, in 2002 it was 10.1% and in 2007 it decreased to 6.1%. These countries had the unemployment rates higher than the average values for the euro area before joining the EMU.

Table 5. **Average unemployment rate before and during the crisis**

Country	% increase in unemployment rate, 2007-2010	Average unemployment rate, 2000-2007	Average unemployment rate, 2008-2010	Unemployment rate, 2010	% increase in unemployment rate (2008-2010 vs. 2000-2007)	% increase in unemployment rate (2010 vs. 2000-2007)
Belgium	9%	7,7	7,7	8,3	0	8
Germany	16%	9,1	7,5	7,4	-18	-19
Ireland	10%	4,4	10,6	13,7	141	211
Greece	-26%	9,9	9,9	12,6	0	27
Spain	-25%	10,1	16,5	20,1	63	99
France	-7%	8,9	9	9,7	1	9
Italy	-34%	8,1	7,6	8,4	-6	4
Luxembourg	90%	3,6	4,8	4,5	33	25
Netherlands	16%	3,9	3,8	4,5	-3	15
Austria	22%	4,4	4,3	4,4	-2	0
Portugal	102%	6,2	9,4	11	52	77
Finland	-30%	8,6	7,7	8,4	-10	-2
Great Britain	-2%	5,1	7	7,8	37	53
Denmark	-11%	4,6	5,6	7,4	22	61
Sweden	9%	6,5	7,6	8,4	17	29

Source: http://epp.eurostat.ec.europa.eu.

On the other hand, the biggest losers based on this criterion are Portugal, Luxembourg, the Netherlands and Austria. The average unemployment rate for these countries was approximately 3% in 2000 (2,2% Luxembourg, 3,1% the Netherlands, 3,6% Austria, 4% Portugal) which is twice lower than the average unemployment rate for the euro area. Over the next year, after the initial stagnation or decline, the unemployment increased significantly in Luxemburg and Portugal where it almost doubled. The number of the unemployed increased also in Germany, especially in 2005 and 2006.

The unemployment rate was slightly lower in the euro area from 2000-2004 in comparison to the EU and after that the situation changed. In the second quarter of 2008, there was an increasing average unemployment rate in the EU after reaching the minimum value of 6,7% in the first quarter. The global economic crisis brought changes in the field of winners and losers of the euro area. Recession that affected all the countries have led to an increase of unemployment in all the countries. In case of Spain and Ireland there was a major turning point. In Spain unemployment rate doubled, the trend continued, equaled 20,1% in 2010 and reached the record value of 23,3% in January 2012. It should be noted that 1/3 of the unemployed in Spain are construction workers who lost their job positions when the crisis reduced construction by half (Murado, 2012). In Greece, the unemployment rate increased by 12,6% in 2010 and this was only the beginning of the increasing trend. Due to debt crisis and reforms, the unemployment increase was 19,9% in November 2011. A major problem in these countries, as in the whole euro area is youth unemployment (people who are less than 25). In January 2012 it was close to 50% (Spain – 49,9%, Greece – 48,1%). Portugal and Luxembourg were losers before and during the crisis. Their unemployment rates increased at slow rate. The average unemployment rate in Luxembourg was several times less in comparison to European average in 2005 and 2006. In this case, the size of the country should be taken into consideration.

The most drastic increase in unemployment occurred in Ireland, where unemployment rate almost tripled. Ireland was one of the countries with the lowest unemployment rate before joining EMU and now its unemployment rate is by 3% higher than the eurozone average. The increase of unemployment in Ireland was the result of Ireland's major companies leaving the country. Losing job positions was a major punch to its economy, if we take into account the small population of Ireland (Guatdian Media, 2011). The majority of people who lost the job were men. The unemployment rate for men was 4,6% in 2005, and increased to 16,9% in 2010, while for female population this number doubled from 4,1% to 9,7% during the same period. In Spain and Ireland 13% of the total unemployed labor force was engaged in the construction of property in 2007, and then under the influence of the crisis these markets faced increasing deterioration which resulted in unemployment increase. Germany, one of the losers during the period before the crisis, according to this indicator, was the absolute winner during the crisis. Germany was one of the few countries with the decrease in unemployment rate in this period. Its unemployment rate was 7,4% in February 2012. Together with Austria and the Netherlands, Germany has the lowest youth unemployment rate, and is now even closer to the historical minimum from December 1991. Germany recovered quickly from the recession, and there is a widespread belief that it made a profit from this crisis due to the fact that its reputation of the last resort in the euro area brought billions of dollars of new investments.

The crisis also had an impact on the unemployment rate gap between sexes. Women unemployment rate was traditionally higher for approximately 1,5%. However, in 2008 these rates became closer and during the second quarter of 2009 the male unemployment rate exceeded female unemployment rate in the whole EU. This can be explained by the fact that the crisis had a stronger impact on those industries employing predominantly male. Again, it should be mentioned that in the case of Germany, the women unemployment rate (6.6%) was lower than men unemployment (7,5%). Finland also had the increase of employment rate and higher men unemployment rate (9,1%) in comparison to women unemployment rate (7,6%).

Conclusion. Finally, based on the data presented above, it can be concluded that before the crisis euro winners were Finland, Ireland, Spain, and Italy, while all the other countries were losers. Based on the data we can also conclude that Great Britain and Sweden definitely lost, with their decision to not become part of the EMU, because they had the worst performance comparing to all the EMU states.

The global financial crisis has disrupted a lot of things, and if we compare the results of eurowinners from previous period with the period after 2008, we can conclude that only Finland preserved its winning position, while Ireland had the deficit of 31,3% of GDP in 2010, increasing the debt/GDP ratio to 123%, interest rate by 84%, and unemployment rate by 141%. Spain had the deficit of 9,3% of GDP, increase in debt/GDP ratio by 8,2%, interest rate by 28,2% and unemployment rate by 63%. Italy had the deficit of 4,6% of GDP, and the debt/GDP ratio increased by 7,4% and interest rate by 50%. On the other hand, of all non-member states (referring to Denmark, Sweden, Great Britain), only Sweden has improved its results, with the surplus of 0,5% of GDP, debt/GDP ratio decreased by 20%, inflation rate by 15% and interest rate decreased by 61%. Sweden's main problem is the constantly increasing unemployment. After 10 years, non-member states of the EMU do not envy member states. Polls show that the British are interested in the euro less than ever, neither are the Danes or the Swedes.

Definitely, a fact that should concern the EMU leaders is the worst position of Germany. Germany can be described as the biggest loser in the EMU. As a country with the average savings per capita of 60000 euro per year, whose GDP represents a quarter of the total GDP in the EMU, and whose Central bank and currency had a dominant influence on the ECB creation, Germany is considered to be the EMU backbone. Numerous concessions were made for Germany to join the EMU, and despite some skepticism, nobody in Germany could imagine such developments. In the last decade, Germany realized GDP growth by only 18%, increase of inflation by 30% and the unemployment rate by 17%. The alarming data is that 50% of the Germans want to leave the EMU, and if we add the pronouncement of Germans officials, who pointed out that there was the possibility to return to the Deutsche mark, the situation becomes even more complex.

On the other hand, the euro has enabled Germany to improve its competitiveness against other eurozone members, while the other currencies have not been devaluated. The disappearance of exchange rate risk in the euro zone has favored the countries' productive specialization, and hence the concentration of European industry in Germany. Once the euro had been implemented, it become rational to implement the structural reforms that are currently favorable for Germany; reduction in wage costs, change in labor market rules, and tax reform.

Also, a huge problem in the EMU is the lack of crisis management, or adequate response to the financial crisis. In the case of Ireland, it may be noted that in the period before global financial crisis in 2008, Ireland had a budget surplus and public debt which is twice smaller than required by the Pact of stability and growth. After the crisis, bank debts and huge budget deficit threatened to endanger not only Ireland, but also the euro zone. The EU finance ministers, contrary to the Maastricht Treaty, brought the package of support in the form of loans to Ireland (85 bln euro).

As a final conclusion regarding eurowinners and eurolosers, we must point out that there is no harmonized action of certain factors and criteria in the EMU. Although the EMU is defined as a harmonized entity, only the interest rate shows a correlation between the member states, but if we look real interest rates correlation is negative. This can be explained by large asymmetries and differences between the countries. Ireland, Greece and Spain, on one hand, and Germany, Portugal, Luxemburg and the Netherlands, on the other, have diametrically opposed economic cycle. The tables above could rather represent the states from different continents than the EMU states with the single monetary policy.

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