



Debt Crises: Is a Global Restructuring Implementable?

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Figures show that, during the last thirty years, the economic growth in developed countries was linked to the capacity of borrowers to engage the savings of the creditors in the productive system. The rise of private debts, boosted by the housing bubble in Spain, Britain, United States... helped the consumption spending, whereas the rise of public debts in Germany, France, Italy... maintained a minimal economic growth in continental Europe. With the 2008 crisis, this mechanism is over and so is the economic growth. The policy of European leaders is to solve the debt crisis by paying back, hoping that the stock of debts will decrease in proportion with the GDP. Unfortunately, the opposite phenomena is appearing, pushed by the reduction of GDP. In our paper we argue that if this solution is inefficient, it may be possible to implement a global debt restructuring. Although it may damage the savings of millions, restructuring the debts has the slight advantage to preserve the capacity of our economic system to produce goods.

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