PLAN :

1.Economic state since the financial crisis:

- Italian economic situation
- Portuguese economic situation since 2014
- Spanish economic situation since 2014
- Greek economic situation following covid and changes after conditionality programs

2. New challenges with the pandemic

- Greece
- Portugal
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3. NextGenerationEU programs

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4. Adaptation to NextGen programs and opportunities

- Greece
- Portugal
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5. Euro convergence

Notes and context: we firstly wanted to create a wikipedia page about the economic perspectives of Greece following the sovereign debt crisis and the COVID-19 crisis. During our topic presentation, the professor suggested to create a page about the adaptation of PIGS countries to the post-COVID situation and the recovery plans put in place by the European Union.

We started thinking about the design of our pages. We firstly think that it would be interesting to create a section about the economic difficulties that these countries have experienced following the financial crisis. However, after further research on wikipedia, we saw that these sections were already well developed for most of the country. However, following our research, we saw that the economic situation during the sovereign debt crisis in Italy was not developed. We will therefore write a cross-section about it, probably in the wikipedia country page of the country or in the sovereign debt crisis dedicated page. It will therefore be an external link put in our page. Next to that, we saw that the economic situation after the year 2014 was not well developed for Spain and Portugal, we will therefore also focus on it. For us, it is important to draw the general situation of these countries because it can have an impact of their adaptation to recovery policies.

A next section directly in our page dedicated to PIGS countries could be the challenges established by the pandemic for these countries. It would be interesting to focus on that issue to better understand the way these countries will use recovery programs to have a more efficient economy.

Following that, we will create a section about the specific programs of countries in the field of the NextGenerationEU. It will maybe stand in the NextGenerationEU wiki page because some countries have already well developed. Indeed, we will create text for Greece and Portugal because Italy and Spain section in the NextGenerationEU page are already well developed.

The more important section will therefore stand after with the adaptation of these countries since the first payment of the recovery programs. We will analyze documents and try to not be too much descriptive.

A last small section will be on the economic convergence within the Euro-area following the establishment of recovery programs. Is it possible that the covid has given the chance to have more convergence within the Eurozone than without it? The problem of this section is that it is a hypothesis, and therefore maybe not acceptable on wikipedia.

1.Economic state since the financial crisis:

1.1. Italian economic situation

1.1.1. Sovereign debt crisis

The economic crisis of Italy was mostly driven by three fundamental economic weaknesses:

- a high debt to GDP ratio
- An increasing and volatile costs of servicing debt
- A slow economic growth

Indeed, even if the financial crisis has weakened the Italian economy, structural weaknesses are behind its almost bankrupt. The Deep causes were therefore long-term structural issues that have leaved the Italian economy vulnerable to external shocks.
As a reaction to counter the effect of the crisis, austerity measures were implemented by the government. However, by November 2011, Italy had not yet implemented adapted austerity measures to counter the effect of the economic crisis and deep causes of the weaknesses of the Italian economy were not tackled, leaving international markets into panic according to a report of the guardian.

The political instability of the country in November 2011 when Mario Monti replaced Silvio Berlusconi can also be considered as a triggering element of the economic crisis even if it is not its root cause.
At the beginning of the same month, the spread measuring the difference between the 10-year treasury bond yields of Italy and Germany was at 574 basis points, being 400 basis point lower at the beginning of the year. These performances gave negative view of the economic situation of the country at the international level. The negative expectations of the international investors about the weaknesses of the Italian public finances had contributed to the plunge of the country into its second and longer recession since the 2008 crisis.
The economic situation of other southern european countries, known as PIGS, and beliefs of investors concerning these countries has contributed to the development of the crisis in Italy since it has weakened international confidence on the country's finances. However, national characteristics such as a mistrust towards the government and long-term structural weaknesses of the economy has enormously fueled the lack of confidence towards the Italian economy and capacity of recovery. Following that lack of confidence from international markets, the price of the Italian treasury bonds collapsed, leading to an increase of interest rate applied on the debt, therefore increasing the challenges faced by Italy and worsen the economic state of the country.

However, differences existed between PIGS crisis during the sovereign debt crisis. Indeed, the ECB has given advice to the Italian government, but the country was not submitted to a conditionality program driven by the Troika as for Greece, Portugal and Spain. Indeed, Italy did not receive any financial assistance and had therefore no external authority directly deciding or monitoring its recovery policy.

The Italian response was called the « Salva Italia » decree. This decree was made by three objectives: public budget, social security, and growth. The aim was a reducing of spending while increasing new revenues driven by taxes and other instruments.
This program was therefore made to address different structural issues such as mistrust towards government, low productivity growth, high level of unemployment and inefficient labor market, tax avoidance, corruption, lack of competition and economic growth, tax avoidance and evasion, lack of foreign and home private capitals and moreover, passiveness at addressing structural problems.

1.1.2. COVID-19 economic effect

At the macroeconomic level, GDP growth has partly recovered since the 2008 crisis, thanks to measures implemented by the government, but remains still below the level of 2000 when related to capita. Moreover, public debt already being a major issue for a decade, it increases even more with the pandemic attaining a record level of 155% of the GDP in December 2020.

1.2. Spanish economic situation since 2014 and COVID effect

Before the pandemic, Spain has had the highest GDP growth in the euro area. Indeed, the economic recovery for the period 2012-2018 has been a success with a reduction of the deficit of 9% mainly driven by interior demand. However, COVID-19 strongly hit the country with an unemployment rate of 14.1% in 2019 and of 16.1% in 2020. Recession was also stronger than in other European countries with a reduction of the GDP of 12.8%. It is important to note that the importance of the tourism industry in the country has probably highly contribute to the impressive recession.

However, despite the economic issue driven by the pandemic Spain has succeeded in the transformation of its economy after the sovereign debt crisis. Indeed, the numerous reforms put in place have contributed to the good economic performance of the pre-covid era.

1.3. Portuguese economic situation since 2014 and covid effect

Economic recovery of the country has begun in 2014 thank to its exports and increase in private consumption. GDP growth of Portugal has surpassed the European average in 2016 and was accompanied by an almost zero deficit before the pandemic. Next to that, employment has increased, and Portugal became an attractive environment for investors. However, the country is still characterized by an extremely high public debt which constitute an important risk given its past crises. Indeed, the public debt of the country was at 117.7% of the GDP in 2019 and 133.6% in 2020.
Economic performances are slowed by difficulties faced by the country in terms of excessive bureaucracy and corruption. However, Portugal has been considered as a miracle and an example since the end of austerity measures for its European counterparts.

1.4. Greek economic situation following the covid crisis

Greece has suffered a lot from the pandemic at the sanitary level, however the economic consequences were enormous. Indeed, the pandemic has plunged the country into a new recession after some signs of economic recovery these past few years. GDP growth has decreased by 8.248% in 2020 while the euro-zone has suffered from a reduction of 6.684% of its GDP. One more time, Greece is part of the bad pupils in terms of economic performances.

In terms of debt, despite a reduction of its debt level until de pandemic, Greece is one of the countries that has experienced the highest increase in public debt following the COVID-19 crisis with an increase of 29% between 2019 and 2020, compared to 22% for the Spanish economy for example.