Title: The EU through a Fiscal Lens: Overview of the Euro and the Central Bank
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With the inflation rate rising to 27%, the EuroZone Crisis displays the European Union (EU) at its worse. Greece's radical safety net spending and tax cuts forced them to declare being on the brinkmanship of defaulting on its debt. However, the EU couldn't intervene and take fiscal changes because the EU central bank can only modify interest rates for all countries in the EU, not just Greece. Therefore, any change in fiscal policy wouldn't be able to maximize benefits due to the Central Bank's lack of mobility in interest rates, leading to excess inflation in some countries and deflation in others. The financial crash left the EU paralyzed and prolonged their recovery. The European Central Bank is unable to take proper fiscal attention, hindering every country in the EU over the long term. As evident during the EuroZone Crisis, the EU was forced to pay back Greece's loans. Greece's financial problems were hurting all eighteen countries because they share a common currency: the euro. Thus, they also share the same interest rates. For example, Greece may favor low-interest rates in order to spur growth. In contrast, Romania will be hindered by it and instead support higher rates. The EU Bank then has two conflicting possibilities: one would benefit at the cost of the other. Furthermore, because they share a common currency, if a policy were to favor one country, their spending power would still decrease due to the economic dislocation created by the other, as evident in the EuroZone Crisis.

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