

The Sovereign Debt Crisis in Europe Seminar

Starting in Greece in early 2010, debt problems have developed into a trans-European financial crisis. Banks have loaned countries bailout funds to help them stabilize their debts. However, the problems still persist and can serve as an important lesson to other countries worldwide. On November 29th, DTU held a seminar on this topic, with attendees from DTU and other institutions nationwide.



Professor Do Hoai Nam addresses the seminar

The global financial problems are commonly believed to have started with a credit crunch, when a loss of confidence by US investors in the value of sub-prime mortgages caused a liquidity crisis, which had a tremendous impact on the EU economies also, and countries were forced to request bailout funds. The Euro zone countries and the International Monetary Fund agreed to a 110 billion euro loan to Greece. In return, Greece agreed to harsh austerity measures. Europe's Finance Ministers approved a comprehensive rescue package of 750 billion Euros. The sovereign debt crisis led to the loss of billions of dollars and the collapse of the Euro.

Recently, public debt in Vietnam has increased and impacted the economy. Dr. Doan Hong Le, Director of the DTU Center for Socio-Economic Research, said: *“Although the Vietnamese economy has enjoyed positive growth, its public debt to GDP ratio still increases, due to persistent public overspending. The government also has to spend a large part of the state budget on management system. State-owned enterprises have lost much money because of poor management. To alleviate public debt, we need to implement conformable, strict financial controls, improve our management systems, take the initiative and responsibility to prevent a Vietnamese debt crisis, decrease public spending and fight corruption.”*



Many academics attended the seminar

Thirty-eight papers were presented by research institutes nationwide, including the Institute for European Studies, the Central Economic Committee, the Institute of World Economics and Politics, the Central Region Institute of Social Sciences, the Danang Institute of Socio Economic Development, the University of Marketing - Finance, and Banking University in Ho Chi Minh City, the Danang University of Economics, Duy Tan University, SHB Danang and Vinh Dinh High School in Quang Tri province.

Professor Do Hoai Nam, Chairman of the Vietnam Social Sciences Institute at the Vietnam Academy of Social Sciences (VASS) said: *“The influence of the debt crisis in Europe has stalled the development of many other countries. Many conferences have been organized to examine this issue. Duy Tan University has successfully held this important seminar for academics to share constructive ideas about alleviating Vietnam’s public debt. Thirty-eight papers presented at the seminar were precious references for experts from financial management departments, policy makers and lecturers. I anticipate that there will be more seminars like this one in the near future, so that we can come together in a forum to exchange information about public debt and come up with constructive ideas for the development of our country.”*

(Media Center)