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# EURO ZONE CONVERGENCE, DIVERGENCE AND THEN WHAT?







# *Introduction*

**The Euro Zone has witnessed up's and down's in its business cycle from the time that The euro was introduced in 1999. The case is titled: Euro Zone Convergence, Divergence and then what? further discusses problems of convergence and divergence in the economies of member countries, which has been a focus of this paper.**



# *Convergence and Divergence*

**At the start, the Euro Zone had intended to pursue Latin American style economic integration of member countries for stability and growth. But it was the global financial crisis of 2008 that revealed some fundamental weaknesses and caused a particularly strong manifestation of this discrepancy.**





The background of the slide is a detailed historical painting of a coastal city, likely Constantinople, viewed from a high vantage point. The city is built on a hillside overlooking a large harbor. In the foreground, several large sailing ships with multiple masts and sails are docked or moving through the water. To the left, a group of smaller, traditional wooden boats is visible. The city's architecture includes domed buildings and a prominent minaret. The sky is filled with soft, golden light, suggesting a sunrise or sunset. The overall style is characteristic of 19th-century historical painting.

# *Implications for Policy*

**The case therefore points to the exigency of a new look at policies in the Euro Zone for a new outlook on enhanced economic stability. Achieving greater parity of member nations is required if the euro is to remain a viable long-term international currency.**



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# *Conclusion*

**As the Euro Zone grapples with the challenges of convergence and divergence, the question remains: what lies ahead? The authorities have to pay much attention to the cooperation processes that take into account the relations between all the members interested.**





# *Resource*

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