

Let F be the number of 'fallen' member-states. Then, the total amount of debt that the rest must service till the end of the Crisis equals $\sum_{j=1}^F D_j$. Each of the still solvent member-states will then be asked to guarantee a portion of that sum in proportion to its own GDP. Suppose that member-state i has GDP equal to y_i . Then, its contribution to the EFSF will be αy_i such that all the contributions taken together must equal $\sum_{j=1}^F D_j$. In short, $\sum_{i=1}^{N-F} \alpha y_i = \sum_{j=1}^F D_j$ or $a = \frac{\sum_{j=1}^F D_j}{\sum_{i=1}^{N-F} y_i}$. In words, the portion of a solvent state's GDP that is committed to loan guarantees on behalf of the 'fallen' equals the ratio of the aggregate debts of the 'fallen' and of the aggregate national income of the insolvent.