

## AND NOW WHAT?

by

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The current financial crisis is unfortunately affecting the whole globe, placing people regardless of having or having not contributed to its creation in a practically impossible position. It would be challenging to compare Greece, one of the countries that has been radically affected by the economic crisis, with other European nations only to find out that similar problems can be traced elsewhere.

At first, it was difficult for me to put my thoughts together due to the overload of information that is daily transmitted by the media regarding the economic crisis in the whole of Europe. However, the shock was quite evident, when I came across the online article “Global financial crisis threatens to drag the world back to the 1930s” in the *Daily Mail*, published on January 13<sup>th</sup> 2012. Even the first sentence of the article – “The financial crisis threatens to drag the world back to the dark days of the 1930s and wipe out the gains of globalization”– fills the reader with feelings of disappointment and fear, and this is exactly the way I felt when I read it. But before mentioning what was stated in the article, I was quite drawn to the tremendous effects the crisis in the 1930s triggered for the western world, in order to fully understand the severity of the current economic situation. From a historical perspective, the first signs of the 1930’s upcoming worldwide economic crisis became obvious in Greece in 1929. The peak of this situation was the declaration of World War II. These two horrible and interdependent events were then attributed to the constantly declining request of Greek products abroad and the reduction of incoming money to the country by the immigrants. The internal economy was based on these two sources which knocked down the country’s budget. In turn, the crisis created debts due to loans, deficiency in the state’s budget due to the non-existent taxation of the upper classes, deterioration of the lower classes’ economic state, inaccurate elective results, uprisings of the lower class and regimes incapable of fulfilling their duties. It is supposed that the history of each country should show its generations what mistakes were made so as not to be repeated; however, no one seems to think about that.

While reading the online newspaper article, I was struck by the information provided about the mismanagement of the finances both in Greece and in Europe that has led to the elimination of the middle class and the radical augmentation of the lower and upper classes. The poor have become poorer and the rich richer. However, in Aristotle’s work and especially in his *Politics*, where he deals with the ideal regime and the behavior of citizens towards society, there is a statement in which he claims that a society cannot survive without the existence of a middle class. He also says that the lower class works in order to make ends meet while helping the middle class retain its status. In turn, the middle class aids both the lower and the upper one by providing what each one needs. A properly organized society cannot exist if there is no middle class, which hence leads to social balance. However, I wonder why governments nowadays are only interested in reinforcing their political and financial power by maintaining social injustice through the widening of the gaps that exist between the various social strata. The feeling of collectivity between people has been

lost through the years and everyone works for his or her own profit. The continuity of this behavior in our current situation will have even more tremendous effects on the Greek way of life, causing serious problems that will be too difficult to solve and consequently affect the generations to come.

Italy and Spain have lately been facing problems similar to our own, as their governments have been quite reckless with the management of the countries' finances. As a result, severe austerity measures have been imposed on citizens. In addition, political popularity is at stake and the lower and middle classes have to put up with some of the worst laws that could ever be implemented, just because no high-profile politician wants to be punished. In the online newspaper article, there is a particular reference made by Sir Mervyn King who states that "Bank of England Governor Sir Mervyn King has warned that a rerun of those policies would have 'ruinous consequences' for the global economy." For example, in Spain, one of the countries that recently needed help from the European Union, the situation that people have been called to face is equally grave as well. The statistics, regarding the deficit of the state's budget were proven wrong and the country is now placed in a severe situation, having to try even harder in order to survive.

As I was looking at the statistics in the article with regard to unemployment, Austria possesses 4%, Luxemburg 4.9%, Holland 4.9%, Lithuania 15.3%, Greece 18.8% and Spain 22.9%.<sup>1</sup> As a result, I have been thinking of all my friends who have been struggling for years after graduating from university to find a job and they are considered lucky if they finally do, regardless of the wages they receive. The conditions under which they work get even more humiliating, since they are obliged to receive wages that do not correspond to their qualifications. This made me wonder whether opportunities for young people can ever be created in such an ominous financial climate. This is confirmed by the following statement, mentioned in the article and made by the World Economic Forum: "It warned that without action to tackle youth unemployment and support an ageing population the world would become 'a place where life is full of hardship and devoid of hope.'" The overall picture of employment in Europe looks like an hourglass: as the number of unemployed people in the countries that compete with Greece's economy, such as Germany, Denmark and the Netherlands, is reducing, the respective number of countries that are under the ostensible aid of the European Union and its mechanisms, as is the case of Greece, Spain and Ireland, is increasing. In particular, the article writes: "The growing number of young people who cannot find a job and the increasing number of the elderly depending on debt-ridden states are 'fuelling resentment worldwide,' it said in the Global Risks 2012 report." This terrible situation, combined with the fact that old people deny to quit or get their pension on time, creates an even more chaotic environment, in which young people have to survive.

Another vitally important matter that has been torturing people all over Europe is the health system. It is widely-known that Greece has to deal with great problems in this field as well. Due to newly-introduced legislations by the Parliament, there is no longer the possibility for free hospitalization. The radical decline in their annually offered budgets has caused serious functional problems. Things got worse when

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<sup>1</sup> Some of these percentages may have already changed on the basis of current statistics.

hospitals started demanding lots of money from the patients in order to provide them with a single bed and the necessary attention from staff. As a result, people's health has deteriorated. In the online edition of *Daily Mail*, there was an article with the title "Suicides in Greece rise by a third as financial crisis takes its toll." As it is obvious, attention was paid to the increasing number of suicides, which highlights the hopelessness and desperation of people. Additionally, as John Drizk, chief executive of management consultants in Oliver Wyman stated, "Individuals are increasingly being asked to bear risks previously assumed by governments and companies to obtain a secure retirement and access to quality healthcare," it is clear that there are also other countries that face great problems with their health system.

Based on information taken from *WHO*, the official site of World Health Organization, the last years there has been a rise in the budget needed to cover health care in Sweden and, as a consequence, there is a huge amount of complaints from citizens, since governors never seems to keep their promises. In addition, Bulgaria seems to be facing a similar situation as well: corruption and inequality are some of the problems citizens face there, as they have prevented Bulgarians from having access to modern medicine. Also, the fact that infants cannot even get the minimum of health care, such as vaccination, tends to lower the standard of living.

What the situation described above has achieved though, is to forge solidarity among people. People who own clothes, shoes, medicine or even food they do not need, give them away for free. However, the economic crisis has not only influenced our lives on a practical but also on a quality level with regard to our way of living in terms of education, children's extra-curricular activities and entertainment. As stated in the online newspaper article, "Lee Howell, managing director of the WEF, said: 'For the first time in generations, many people no longer believe that their children will grow up to enjoy a higher standard of living than theirs.'" What is mentioned here may seem less important, but actually it is the most important of all. The "higher standard of living" highlighted in the previous lines, is not only associated with economic but also it is directly connected to educational status as well. The education that we get is the fundamental element which forms our character, knowledge and behavior towards the world. A child that has not even been given the chance to receive such an education will not be able to confront certain issues effectively in his later life. Education should not only be focusing on historical events, mathematics or writing. Education should consist of extra-curricular activities as well. A child, for example, who paints or practices a musical instrument or plays sports broadens his or her horizons and learns more things than a child who constantly spends time indoors after school. I already see children being unable to attend extra-curricular activities and the difference in the development of their behavior and character is obvious, compared to other children that still have the ability to broaden their horizons.

In addition, according to the same article, "Both young and old could face an income gap as well as a skills gap so wide as to threaten social and political stability,' said the WEF." Another point to consider is that social stability is really influenced by both children's and parents' entertainment. When nowadays everyone is thinking about money and does not share quality time with friends or relatives, the results are going to be destructive. Children will not have the ability to socialize with other children and, as a consequence, they will become introvert with the false impression that they do not need other people in their lives. As for parents, the constant stress of handling

both their family and job matters will heighten the tension within the family environment if there is no real outlet. As a result, husbands and wives as well as children will function as “punching bags” since there will be no other way of releasing tension. Actually, it is obvious that the psychology and mental state of people play a really important role in how life is formed.

Thus, it is obvious that the current economic situation affects all of us to a smaller or larger extent. Society, health, work, education, and entertainment are just some of the areas affected. These effects have already started becoming obvious in almost all the families in Greece and in some other European countries. Radical measures should be taken, as it is really important to maintain a good standard of living, so as to ensure that the next generations will grow in an atmosphere fuelled by hope, creativity and optimism. I believe that if we all put our strength together to create a less ominous but much brighter future, we will succeed in doing so. The only thing that we have to make sure of is that we make the right decisions, considering the progress of our country’s economy and its welfare. So, let’s give it a shot!

#### **Works Cited**

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