

Greece is in the Grip of Denial.  
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Greece is on the verge of bankruptcy and the rest of the European Union is much alarmed. The very currency of the EU, the Euro, is endangered by this and Germany, an economic giant in Europe, may have to bail Greece out to prevent a cascade of disasters.

Not only is Greece in trouble, but so are Portugal, Spain, and Italy. Suddenly, all of the optimistic predictions about the European community overtaking us and making the Euro replace the dollar as the world's major currency are crumbling. Why is this so?

For the past few hundred years, Northern Europe has soared to world power with an acceleration of industrialization and prosperity. Southern Europe, however, remained poor and even the imperial powers of Spain and Portugal did nothing toward creating or sustaining real national wealth.

The great sociologist, Max Weber, author of The Protestant Ethic, commented on the different attitudes toward work in the Protestant and Catholic worlds. Although Greece is not Catholic, but is Orthodox, it shares with its other southern European neighbors a love of life, celebration, as many holidays (saints' days and more) as possible. Work was a necessary evil, not a form of prayer (as the Puritans regarded it). Protestant Europe thrived and Catholic Europe declined into its pre-Renaissance state.

All of this changed as the European Community, born after World War II, began to thrive and despite objections from some doubters, opted to bring the southern European nations into the community. The objectors noted the disparity between southern and northern European economies and values, but the integration went forward. At first, those poorer countries provided labor to their northern neighbors. However, in time, all of these countries began to prosper. Industries were begun; agriculture was modernized; genuine middle classes emerged where there had been not much before. And all of the social benefits of the north became mandatory in the south too.

High wages, powerful unions, increasing size of government and government services, became not only the norm, but burgeoned. For a period, all Europeans were enjoying the good life that they had never known before. Their defense budgets melted because the US provided their protection. This enabled them to spend much more money on social benefits—a cradle to grave system of benefits. In many of these countries, the right to a free college education was guaranteed too and some even provided subsidies to perennial students. Why work when you can go to college forever?

So why are the southern countries deteriorating into basket cases again? They have spent more money than they were taking in. As their populations were democratized and voted (and conducted demonstrations and strikes), they mandated benefits without thought to how to pay for them. With these populations having the most declining birthrate in Europe, there are just not enough workers to support the lavish social services.

Now Greece is in crisis. Although the population voted out the moderately conservative government they had, the socialist government is faced with the collapse of the country's economy and are doing what must be done: cutting back everything. But the public (demonstrating loudly in the streets) are not having any of it! One communist demonstrator called the austerity campaign "an assault on workers," the majority of whom are working in government.

Where do these mobs expect to get money when there isn't any? If they survive without bankruptcy, it will be because Germany and/or the EU enforces austerity in return for emergency money.

California is having a similar crisis. Much less money is coming in than going out, a consequence of bad politics and the referendum system in which citizens vote for benefits without funding. University students and civil servants can demonstrate as loudly as they like but there is no money for their lavish benefits any more. The cupboard is bare.

It is terrible to live in poverty, but much worse to rise out of it only to be plunged back again. Something has to change in that (and our own) society to put us

all back on solid ground and sustainable values.

681 words

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