# Greek Financial Crisis Talk at the Faculty of Social Sciences

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Few topics are messier to discuss than the Greek economic crisis and the Eurozone. It's one big interconnected, overlapping, multi-dimensional, fuzzy and frustrating mess, with many bright minds currently engaged in untangling the layers. Amidst the brightest, and most highly respected is Professor Nikolaos Zahariadis of the University of Alabama, Birmingham, USA. A specialist in comparative European Policy and International economy, he has written extensively on the Greek sovereign debt crisis in the context of European Integration.

Speaking at the CESES in the Faculty of Social Sciences on Wednesday, 2nd of April, Professor Zahariadis presented his analysis of the Greek crisis in a lecture entitled: "Greece's Fiscal Debt Crisis: Wither European Integration?" He began by analysing the Greek problem, starting with the causes and triggers of the crisis. He outlined the causes of Greece's woes as being high debt plus high deficit plus high private debt, coupled with leadership failure inevitably leading to trouble. An appetite for risky investments and a highly valued euro acted as triggers, and things quickly went pear-shaped. <blockquote class="rightfloat"> <p> The medicine may be more toxic than the illness </p> <cite>Prof. Zahariadis</cite> </blockquote>

From there the professor went on to describe how the Greek troubles were a problem for all of Europe. Drawing from Elinor Ostrom's work on common pool resources and the tragedy of the commons he described the fear of contagion and the possible cascade of other weak, peripheral European economies that could possibly follow the path of Greece; the dangers of interconnected loans which left Germany holding much of the Greek debt; and the culture of taking Stability and Growth Package and European Monetary fund's guidelines as friendly advice rather than rules to be followed. His conclusion was that the EU could never conceivably have let Greece fall, and that by dawdling over the syntax (to paraphrase Prof. Zahariadis) they failed to put a band-aid on the wound in time, and so it became infected, becoming a much bigger problem.

And so, what has all this meant for Greece and its people? Prof. Zahariadis painted a bleak picture of brutal cuts, which were not suitable and have failed to achieve the desired results. Exacerbated by weak leadership and a failure to negotiate better terms Greece has been left with plummeting employment and soaring suicides, growing radicalism and a fleeing of its skilled workforce – with devastating long term results. To sum: "the medicine may be more toxic than the illness". The professor certainly did not see the situation improving anytime soon, and put no faith in the hopes of European Leaders that the 2012 second bailout package would improve things by 2015.

And the future? During the closing question and answer session the professor was asked what he would do if he were the president of Greece. Rather than resign immediately, as I suspect be most people's answer, he outlined two key issues that the Greek leadership should prioritize: regaining the trust of a betrayed electorate, and building a new economic model for the country – one that is not a rehash of the old one, and one with job creation at its forefront. Unfortunately, both aims are easier said than done, and Professor Zahariadis will probably be busy giving lectures on the Greek economic crisis for a good while yet.

**Elan Grug Muse** is in her second year studying for a BA in Politics at the University of Nottingham, and is studying for a year at the Faculty of Social Sciences in Charles University, Prague. She is interested in international politics, music and literature, and was motivated to write for iForum because it offered a good opportunity to improve her journalism skills.