

GREECE STORY



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**Greece has been in the news
because of its economic problems.
What are these problems?
Let's understand**

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To understand this let's imagine
Greece, Portugal, Spain, Italy,
Ireland, Germany, France, are
not countries but brothers



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Interestingly, the brothers share a common pool account named “EURO”.

In short the brothers would contribute into and spend from the common account.



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Amongst the brothers, Greece happened to be a spendthrift person. In order to maintain his lifestyle Greece had been borrowing money from his friends.

While Greece had been spending recklessly his earnings did not keep pace with the same.

Hence he was on a perpetual debt. To pay this debt he had been taking additional debt from his friends.



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Each time he took a new debt he agreed to a higher interest rate. Friends would lend him money because they knew he was sharing the common pool account with his brothers.



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Hence he was on a
perpetual debt.



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This poor track record of Greece worried his brothers because they shared the common family pool account with him.

Because of Greece's spending ways, the credibility of the family pool account suffered.



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In order to protect the family name the brothers had no choice but to bail out Greece time and again.

The brothers were unhappy with this situation. They felt that it is unfair for them to bail out their spendthrift brother Greece time and again.



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They threatened to take strict action against Greece unless he changed his spendthrift attitude.

They ordered Greece to change his lifestyle and lead a simpler life thereby increasing his “savings” to repay his debt.



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**This is the Greece story.
The family pool account is
nothing but the common
currency EURO.**



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The brothers are the countries of the European Union who are afraid that because of Greece the value of their currency will depreciate.

The frugal lifestyle being imposed are the economic reforms for austerity that was passed by the Greece parliament.



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Hope you now understand
the “Greece” story

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