

GLOBAL RECESSION AND UNEMPLOYMENT

GLOBAL RECESSION AND UNEMPLOYMENT

By : tahir139

A LOOK AT RECESSION AND UNEMPLOYMENT

Published on
Booksie

booksie.com/tahir139

Copyright © tahir139, 2015

Publish your writing on Booksie.com.

GLOBAL RECESSION AND UNEMPLOYMENT

Global Recession and Unemployment

By Tahir Hamid

The present global recession saw the closure of millions of businesses and multi million people were unfortunately left unemployed. It was a time when economies crumbled and banks and corporations collapsed. Houses were foreclosed and many people were soon left homeless. One read about people living in tent cities in Philadelphia.

The impact of this catastrophe was felt more in societies where people did not own their own apartments or houses or those who had not saved anything for the rainy day. The financial mess in Greece was attributed to people spending more and saving less. As a consequence the IMF had to dole out 147 Billion dollars to rescue the Greek Economy.

It is this global meltdown that triggered unrest in the Middle East as well and had people clamoring for a change. Fortunately nations where people don't purchase everything on credit were spared the impact that people in USA and Europe experienced.

People in Nations such as Pakistan where every day brings in a new political or economic catastrophe are somewhat immune to bad news. However in Pakistan, the closure of textile businesses due to massive power outages and gas shortages and increased hikes in the price of fuel and necessary raw material and inputs led to massive layoffs and technicians who once worked for textile mills were soon fighting for survival as there was no unemployment compensation.

In such an environment where savings are generally negative with inflation exceeding economic growth, the sudden rise in the prices of food and fuel were catastrophic to say the least. This is a poor country where 60 percent of the nations of 190 million souls live below the poverty line. And for families depending upon single bread winners, the impact of unemployment was immense with so many people committing suicide.

Even the educated in the country experienced unemployment. I was unemployed for three years. And I was lucky too belong to a well to do family. Instead of me supporting my wife and parents it was the other way around. My wife was teaching and my parents were supporting me. I was lucky to have someone to fall back upon.

And thousands across the globe may have suffered from similar circumstances and may not have had the benefit of falling back upon someone to support them through this painful and trying time.

The dignity associated with labor and the sense of having accomplished something or looking forward to spending your time with your colleagues is often lost during unemployment. It is a moment when you are

GLOBAL RECESSION AND UNEMPLOYMENT

generally helpless. Unluckily in Pakistan, there are very few human resource agencies that help search jobs for you making finding jobs that much harder at times for you.

I had many relatives at good positions working in banks or having their own businesses but alas I found out that they were least bothered or concerned or empathetic towards my circumstances.

In the so called civilized world businesses and banks work together to make the purchase of every consumer item easier via credit cards and paying regular monthly installments. As consumer spending increases, the businesses do fine and banks also make a lot. However the loser is the regular john doe who owns virtually nothing; he or she owe a lot to the bank. And as soon as recessionary trends touch the globe, the crash begins. It is like a tsunami that spares neither businesses not individuals. And in this domino effect, there seems no way to reverse the damage.

Perhaps purchasing luxury goods on credit should be eliminated and people should learn to live within the incomes they generate. Each family within the United States owns four or more credit cards. And the credit card is often marketed as being the ultimate convenience. However with people having so many desires, most people lose sight of controlling their urge to overspend. Too many suckers fall for that wonderful bait and trap that has been laid for them.

If people could learn to control that wild urge and necessity of buying less and saving more, they can perhaps ride out recessions.

Economists and financial geniuses should ideally be putting their heads together and providing solutions for ways and means that can help averting a recession especially a global recession. It is a disaster which if averted can rescue businesses from collapsing and people from losing their jobs.

It is time that governments introduced stringent measures that would curtail individuals from using credit and installments for paying for luxury goods. However the purchase of necessities such as food, clothing, shoes, medicine, etc may be allowed.

Banks often collapse when they are unable to recover credit owed to them from individuals especially. To save banks and businesses from collapse and to save people from owing enormous debt to the banks, there must be policies introduced that would help dampen the impact of a recession.

GLOBAL RECESSION AND UNEMPLOYMENT

GLOBAL RECESSION AND UNEMPLOYMENT

Created from Booksie.com

Generated: 2015-02-01 14:46:17