

# Chapter 14

## Social Impact of the Fiscal Crisis Upon the Livelihood Conditions of the Children of Greece

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### ABSTRACT

*This chapter focuses on the effects of the fiscal crisis, which is assumed as a stressor or traumatic event, on children's emotional, physical and developmental well-being. Emphasis is placed on how individual, family and community risk factors and resources might be critical in increasing children's psychological vulnerability in times of such acute crisis. The key issues related to the provision of mental health services in times of increased pressure put upon them are discussed.*

### INTRODUCTION

The global economic crisis that started in late 2008 is still ongoing in Greece. The country undergoes the sixth consecutive year of economic recession, with its economy shrinking by 25% between 2008 and 2012, and with a few prospects of recovery. For the general public, the direct effects of the economic crisis are the losses of jobs and income, and pay cuts. Unemployment has more than tripled, as the total number of the employed population is standing at 3.482.345 (March, 2014) and the unemployed were recorded as standing at 1.274.843 while the economically inactive population was registered at 3.393.042 (Roussos, 2014). According to the statistics produced by the Public Employment Service (OAED) the unemployment figure was 1.077.876 in 2013; this year a decline was recorded to 993.118 – down by 84.758 less unemployed (Roussos, 2014). The difference in the labor employment accounts between the official statistics of the Hellenic Statistical Authority (EL.STAT) and the Public Employment Service (Ministry of Labor and Social Solidarity) represents a unique Greek variability among EU member-states

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worth considering when considering issues of social and institutional convergence among EU States (Tsobanoglou, 2014).

But the uniqueness of the Greek labor situation does not stop there. In April 2014 the unemployment insurance benefits administration was to cover only 102.026 unemployed persons. From those receiving such benefits the 89.46% (91.273 persons) were regular categories of the unemployed, while the 10.54% (10.753 persons) were seasonal workers engaged in the tourism sector. Seasonality at work is an important situation in the Greek work environment involving also many undocumented workers in the rural communities sector, agriculture and tourism being key employment categories. Regarding the unemployed who seek work the 41.39% (342.861) are men and the 58.71% (485.438) are women. In the category under 30 year olds, the total number of the unemployed was standing at 24.86% (205.904), while in the age category “from 30 to 54” was standing at 62.72% (519.486 persons). The age category of “55- over” was 12.42% or 102.909 persons (Roussos, 2014). We see here a dramatically low number unemployed, who do not receive any statutory benefits at all.

Previous research on the consequences of economic crisis and prolonged recession on people's health has focused primarily on adults, and to a lesser extent on children and adolescents, who are particularly vulnerable to stress. The increase in child morbidity and mortality, child labor, child abuse and neglect, violence against children and women and other forms of abuse, in addition to reduced school attendance, decrease in quality of education, as well as the quality of child care, are only some of the indicators of negative effects of economic crisis on children's well-being. For example, the latest available data suggest a 19% increase in the number of low-birthweight babies between 2008 and 2010. 23 Researchers from the Greek National School of Public Health reported a 21% rise in stillbirths between 2008 and 2011, which they attributed to reduced access to prenatal health services for pregnant women (Simou et al, 2013).

Researchers have stressed the close relationship between poverty and poor mental and that the effects of economic crisis may be irreversible for the children's long-term well-being outcome. For example, children who are underfed (undernourished), leave prematurely school, or are forced to work, or become victims of neglect or abuse, are at increased risk of adverse effects on their cognitive and socio-emotional development, which is associated with worse outcome in adulthood. Among other things, poor mental health in childhood is associated with other health problems in young adulthood (e.g., substance abuse, violence, less educational progress, poor reproductive and sexual life), while higher rates of psychiatric disorders in adulthood are associated with multiple disadvantages during childhood (e.g., loss of parents through break-ups, financial hardship, mental disorder in parent) (Harper, 2005).

In this review, through examining risk factors at different levels, we will try to illustrate how the economic crisis has been affecting children in Greece.

## **AT ADULT INDIVIDUAL LEVEL**

The psychological and physical health outcomes of job and income loss are not uniform, but vary depending on several cognitive, personality, and social factors. During times of economic crisis and prolonged recession, people experience elevated levels of stress. Economic challenges pose even a greater risk to parental mental and physical health, if job or income loss is defined as a negative, crisis-producing event that may result in impaired ability to regulate emotional reactions leading to loss of self-control, increased consumption of alcohol or drug abuse, increase in psychosomatic symptoms, eating and sleep problems, which all in turn adversely affect psychosocial functioning and parenting ability (Price et al.

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