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Social Effects Of The Economic Crisis And Of The Reforms In The Labour Market And The Industrial Relations In The Countries Under Fiscal Adjustment: A Comparative Analysis

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ABSTRACT
The purpose of this article is to highlight the social consequences of the acute economic crisis and of the reforms adopted in the countries that signed Memoranda of Understanding. The indices of employment, unemployment and in particular youth unemployment, poverty or social exclusion, labour poverty, income inequality and employee rights are mentioned in comparison for the countries under Memoranda. It is studied whether similarities or differences are observed among the individual countries and what their causes are.
KEYWORDS: *memoranda, employment, unemployment, poverty or social exclusion*

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I. INTRODUCTION

The great global economic crisis of 2007 that has affected the countries of the European Union, and especially the countries under Memoranda, is one of the greatest in the history of capitalism and may be proven even greater than the 1929-1931 crisis. This is a crisis with the deeper contradictions of the capitalist reproduction with new features which are also at the same time an *economic mechanism* crisis of the capitalist economy (neoliberal management model). The new crisis consists, as Marx would say, "a violent eruption" of the system's contradictions (Marx, 1978), questioning the dominant structures of the globalized capitalism and the new imperialist "order" imposed by the United States and their allies in the last 20 years in the world (Tolios, 2010). It has brought to light the crisis of Economic and Monetary Unification (EMU) of the EU and the inability to achieve economic convergence and cohesion of the European economies. It was also an appropriate opportunity for the imposition of long-term reforms on the daily agenda, for which there had been no "appropriate ground" for implementation. In particular, going back, the course of deregulation and disintegration in the labour market is already taking place in the international arena and presents strong features in Europe in the early 1980s, a region with a strong tradition of labour and social fights, under the influence of neoliberal beliefs, which intensify their presence and dominate over the next decades, when the EU's official policy, with its central role in Europe, embraces neoliberalism as a dominant ideology, echoing also the political correlations within the countries that compose the European structure. Undoubtedly, the acute economic crisis and the reforms adopted have shaped a new situation in the labour market and in the social environment, strongly differentiated compared to what applied before the onset of the economic crisis and the signing of the loan contracts to the countries of the Memoranda. The social effects of the crisis and labour market reforms adopted in the countries that signed Memoranda of Understanding are summarized in the reduction of employment, the steep rise of unemployment and in particular youth unemployment, the increase of the labour poverty, the overall worsening of poverty and social exclusion phenomena, the enquiry of the inequality in income and the weakening of workers' rights. This article is an attempt for a comparative analysis of these effects, according to the official available secondary data of Eurostat. The data cover the years from 2010 to 2014, the peak of the economic crisis in the countries under memoranda.

II. EMPLOYMENT AND UNEMPLOYMENT

From the beginning of the crisis and until 2013 the number of jobs in the Eurozone recorded the lowest levels ever (European Commission, 2013). However, in the second quarter of 2014, employment rates were 68.8% in the category of people aged 20-64, proving that the "Europe 2020" Strategy proved too ambitious in setting a high employment rate target of 75% for the 20–64 age group by 2020.

Since 2010, employment rates, due to the economic crisis, have remained anything but stable in most EU countries, while the countries of the Memoranda were those most affected. At the EU-28 level employment rates increased from 2010-2014 by 0.3%.

Comparatively, employment rates from 2010-2014 for the countries that signed Memoranda of Understanding were recorded as follows: In Greece the rate had a dramatic drop of 10.5%, in Cyprus of 7.2% and in Portugal there was a decrease of 2.6%. On the contrary, in Ireland the rate increased by 2.1% (see below tables 1a and 1b).

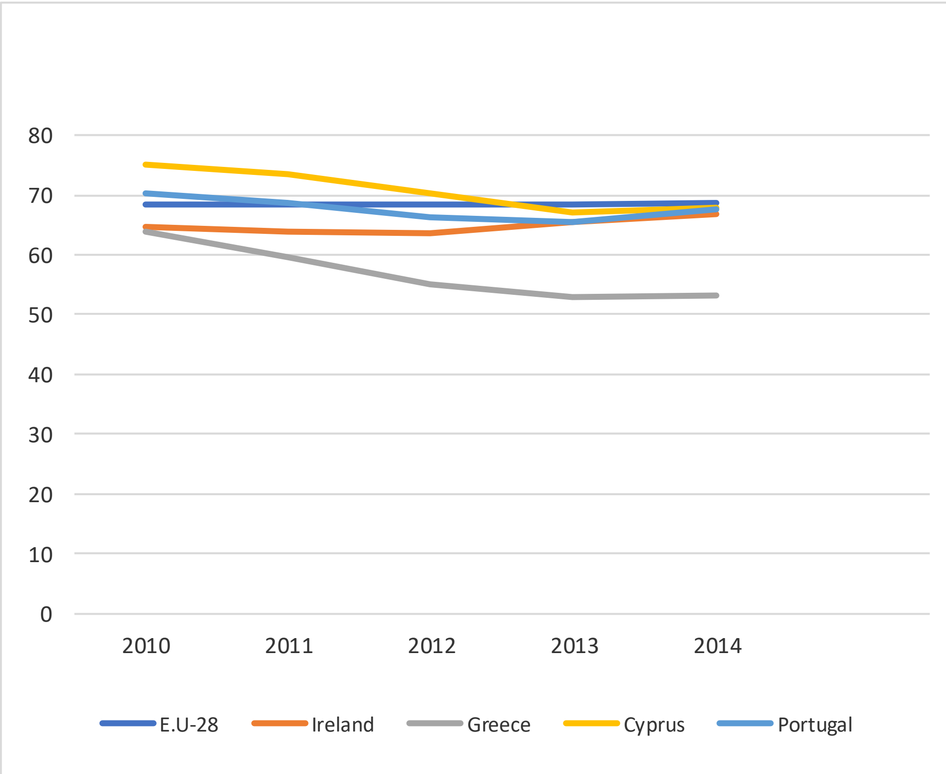
Employment rates in Greece and Cyprus decreased considerably due to the countries' integration in the Memoranda of Understanding, while in Portugal the decline of employment is lower due to the recovery from its exit from the memorandum in 2014. Similarly, employment in Ireland increased due to the exit from the "memorandum" in 2013, that is to say the "fiscal adjustment program".

Table 1(a) Annual employment rates per cent 2010-2014 (%)

	2010	2011	2012	2013	2014 **
E.U-28	68.5	68.5	68.4	68.4	68.8
Ireland	64.6	63.8	63.7	65.5	66.7
Greece	63.8	59.6	55.0	52.9	53.3
Cyprus	75.0	73.4	70.2	67.2	67.8
Portugal	70.3	68.8	66.3	65.4	67.7

**** The rates for 2014 concern 06 / 2014**
Source: *Eurostat. Our estimations*

Table 1(b): Annual employment rates per cent 2010-2014 (%)



With the reduction of employment, unemployment rates have risen sharply and there were no signs of reversion of this upward trend in most EU countries. The number of unemployed people in the EU-28 reached in the second quarter of 2013 at the historical level of 26.4 million or 10.8% of the active population, compared to 7% in 2008, as a result of the "outbreak" in external migration (European Commission, 2013). The "plague" of unemployment affected both genders with greater negative impact on men. In particular, women's unemployment rates in the EU-28 from 2008 to 2013 marked a high increase from 7% to 11%, while in the same period the rate for men was even higher and increased from 6% to 11%. The highest increases in

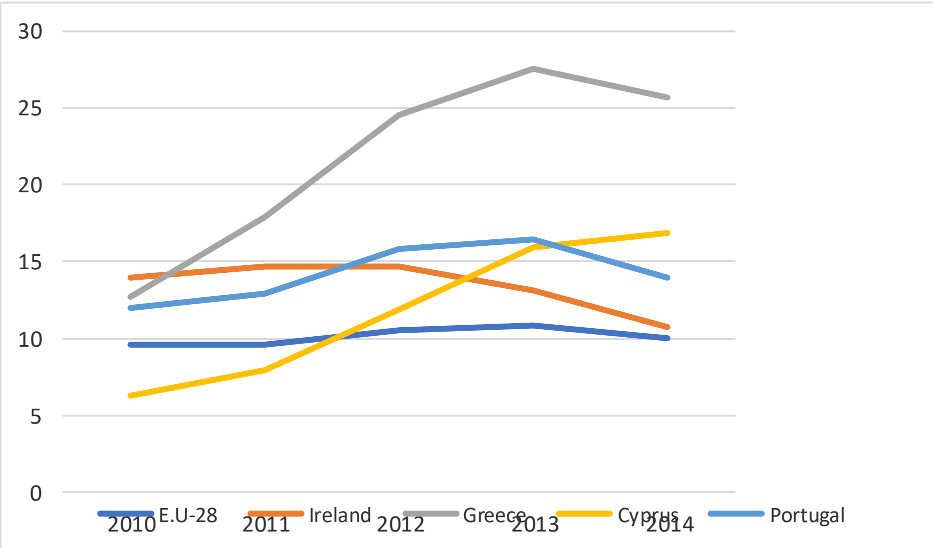
unemployment were recorded in 2010-2014 in the countries that signed a Memorandum of Understanding under the EU, the ECB and the IMF (see below Tables 2a and 2b). Comparatively, in these four countries, unemployment rates for the period 2010-2014 were recorded as follows:
In Greece, unemployment increased by 13%, in Cyprus by 10.5% and in Portugal by 1.9%. On the contrary, in Ireland there was a 3.2% drop. In the EU-28 unemployment rates increased by an overall 0.4% (see below tables 2a and 2b).

Table 2(a): Annual unemployment rates 2010-2014 (%)

	2010	2011	2012	2013	2014 *
E.U-28	9.6	9.6	10.5	10.8	10.0
Ireland	13.9	14.7	14.7	13.1	10.7
Greece **	12.7	17.9	24.5	27.5	25.7
Cyprus	6.3	7.9	11.9	15.9	16.8
Portugal	12.0	12.9	15.8	16.4	13.9

***** The rates for the year 2014 concern 11/2014
** The rates for Greece in 2014 concern 09/ 2014
Source*: Eurostat. Our estimations*

Table 2(b): Annual unemployment rates 2010-2014 (%)



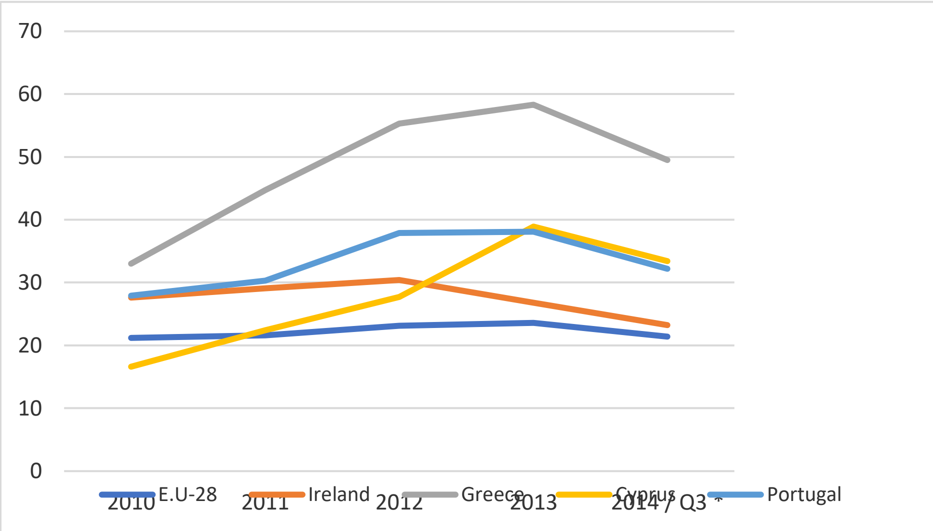
Youth unemployment (under the age of 25) from 2010-2014 was particularly high in Greece, Portugal and Cyprus, compared to the EU-28 average. In the period from 2010 and 2014 unemployment rates for young people in the EU increased by 0.2%. In particular youth unemployment increased in Greece by 16.5%, in Cyprus by 16.8% and in Portugal by 4.3%. In Ireland, on the other hand, a 4.4% decrease was recorded (see below tables 3a and 3b).

Table 3(a). Youth Unemployment Rates (%), under the age of 25, 2010-2014

	2010	2011	2012	2013	2014 / Q3 *
E.U-28	21.2	21.6	23.1	23.6	21.4
Ireland	27.6	29.1	30.4	26.8	23.2
Greece	33.0	44.7	55.3	58.3	49.5
Cyprus	16.6	22.4	27.7	38.9	33.4
Portugal	27.9	30.3	37.9	38.1	32.2

*3rd quarter data 2014
Source: *Eurostat. Our estimations.*

Table 3(b): Youth Unemployment Rates (%) under the age of 25,



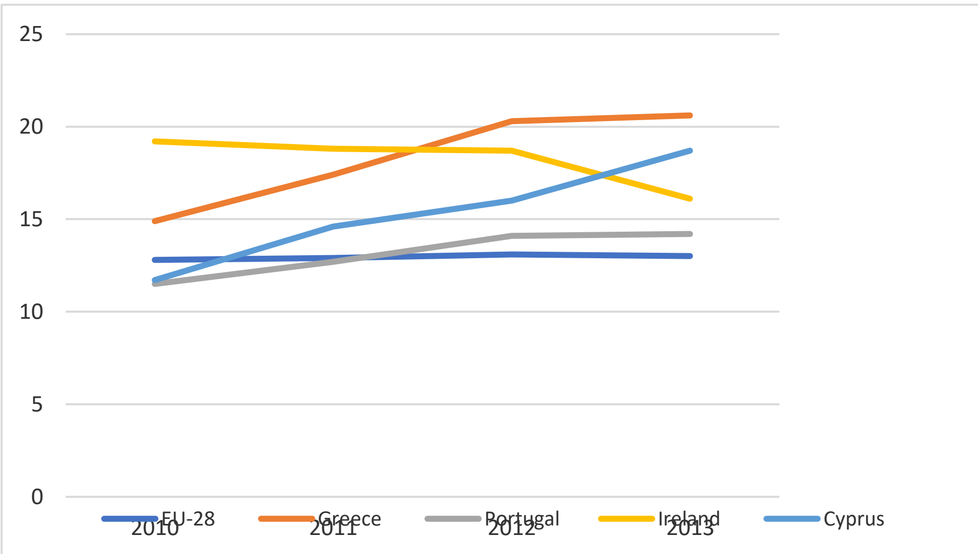
In addition, at the time of the crisis the young NEETS rates (Not in Employment, Education or Training) were high in Greece, Portugal and Cyprus. Only in Ireland they declined in 2013 to 16.1% compared to 19.2% in 2010, but even there in 2013, as in the rest of the countries, these rates remained higher than the EU-28 average (13.0%). Only Portugal in 2010 and 2011 had lower young NEETS rates compared to the European average. This was also the case in Cyprus in 2010 (see below tables 4a and 4b).

Table 4(a): Rates (%) of young NEETS 15-24 years old, 2010-2013

	2010	**2011**	**2012**	**2013**
E.U 27/28	12.8	12.9	13.1	13.0
Greece	14.9	17.4	20.3	20.6
Portugal	11.5	12.7	14.1	14.2
Ireland	19.2	18.8	18.7	16.1
Cyprus	11.7	14.6	16.0	18.7

Source: *Eurostat, E.U-27 data for 2010-2012, EU-28 data for 2013. Our estimations.*

Table 4(b): Rates (%) of young NEETS 15-24 years old, 2010-2013



It is worth noting that in 2013 in all four of the countries NEETS 15-24 years old, men are more affected than women. In particular, in Greece men are affected by 20.9%, in Portugal by 14.3%, in Ireland by 16.5% and in Cyprus by 20.6% (see below table 5). However, both women and men in these four countries had higher NEETS rates than the average corresponding number in the EU-28. However, compared to the total of the EU-28, in 2013 NEETS women 15-24 years old were more (13.3%) than men (12.7%).

Table 5: NEETS rates (%) by gender in 2013, 15-24 years old

	Men	Women	Total
E.U28	12.7	13.3	13.0
Greece	20.9	20.3	20,6
Portugal	14.3	14.1	14.2
Ireland	16.5	15.8	16.1
Cyprus	20.6	17.0	18.7

Source: *Eurostat. E.U-28 data for 2013. Our estimations.*

In the period of the crisis, and especially in the period 2010-2014, the growing long-term unemployment rate concerned the total population and particular note must be made to young people's population aged 15-24. More specifically, in the period 2010-2014, long-term unemployment as a whole increased in Greece by 14.2%, in Portugal by 2.5%, in Cyprus by 6.5% and Ireland by 0.2%. At EU-28 level, it increased by 1.2%. The increase in Greece was dramatic and the rates are somewhat lower in the other countries under Memoranda (see below tables 6a and 6b).

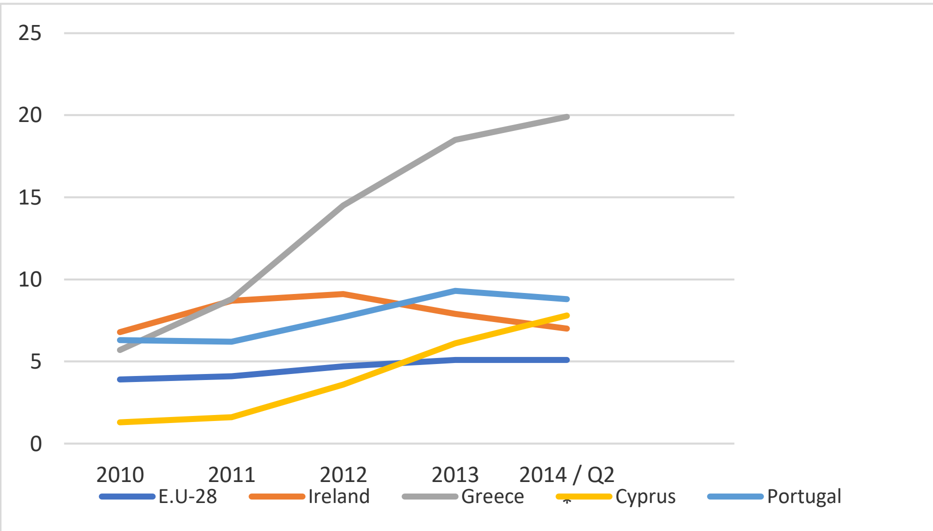
Table 6(a): Long-term unemployed over the period 2010-2014

	2010	2011	2012	2013	2014 / Q2 *
E.U-28	3.9	4.1	4.7	5.1	5.1
Ireland	6.8	8.7	9.1	7.9	7.0
Greece	5.7	8.8	14.5	18.5	19.9
Cyprus	1.3	1.6	3.6	6.1	7.8
Portugal	6.3	6.2	7.7	9.3	8.8

* 2nd quarter data 2014

Source: *Eurostat. Our estimations.*

Table 6(b): Long-term unemployed over the period 2010-2014



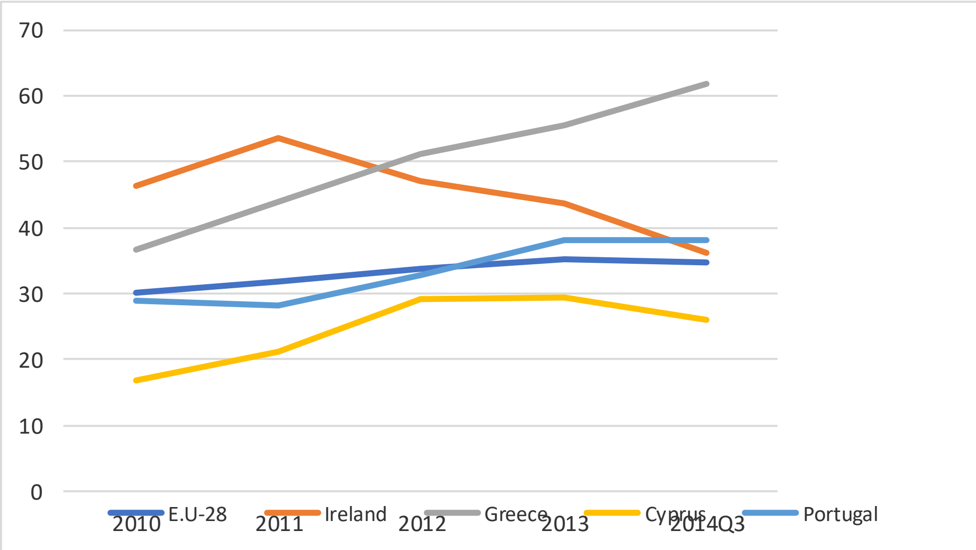
Long-term unemployment among young people (15-24 years old) in 2010-2014 increased in Greece to 25.2%, in Portugal and Cyprus to 9.1%, while in Ireland it reduced to 10.1%. At EU-28 level it increased by 4.8% (see below tables 7a and 7b).

Table 7(a): Long-term young unemployed (15-24 years old) over the period 2010-2014

	2010	2011	2012	2013	2014Q3
E.U-28	30.0	31.8	33.7	35.3	34.8
Ireland	46.3	53.6	47.1	43.8	36.2
Greece	36.7	44.0	51.1	55.6	61.9
Cyprus	16.9	21.2	29.2	29.5	26.0
Portugal	28.9	28.1	32.8	38.0	38.0

Source: *Eurostat. Our estimations.*

Table 7(b): Long-term young unemployed (15-24 years old) over the period 2010-2014



III. POVERTY AND SOCIAL EXCLUSION

In 2013, 24.5% of the population in the EU-28 or 122.6 million people were at risk of poverty or social exclusion. Poverty or social exclusion include persons that belong to at least one of the following conditions: a) at risk of poverty after social transfers (relative poverty[1]), b) with severe material and social deprivation[2], c) In labour poverty[3].

In 2013, the rate of people at risk of poverty or social exclusion in the EU-28 was at 24.5%, slightly lower than 2012, when it was 24.8%, but still higher than in 2008 (23.8%). Reducing poverty or social exclusion in the EU-28 was one of the key objectives of "Europe 2020". However, according to the available Eurostat data,

[1] Relative poverty is defined as individuals living in households whose annual median income (after social transfers) is below 60% of the national median income of households (after social transfers).

[2] Material and social deprivation is defined as people living in conditions that are financially unable to cover at least four of the nine basic needs: 1) pay bills to P.E.A.O (Public Enterprises and Organizations), 2) Keep a house (rents), 3) deal with unforeseen costs, 4) deal adequately with individual or family nutritional needs (e.g. eat fish or meat of equivalent protein every other day,5) own a car, 6) have a dishwasher, 7) have a TV, 8) have a telephone, 9) one week vacation.

[3] Labour poverty is defined as people aged 0-59 living in households where the average adult population aged 18-59 is working less than 20% of their last year's work. Students are excluded. These households have also an income below 60% of the national median income.

the risk of poverty or social exclusion in 2013 (and 2010 for Ireland) increased in all four countries under Memoranda compared to 2008 and it was higher than the EU-28 average. Thus, the situation regarding poverty and social exclusion was similar in all four countries under Memoranda. In particular, in Greece the rate was 35.7% compared to 28.1% (2008), in Portugal 27.4% compared to 26% (2008), in Cyprus 27.8% (2008) and in Ireland 29.9% (2010, most recent data) compared to 23.7% (2008).

By analyzing the data that contribute to the risk of poverty or social exclusion, in 2013 people running the risk of poverty, after social transfers, amounted in Greece to a rate of 23.1%, in Portugal 18.7%, in Cyprus 15.3% and Ireland 16.1% (2010). In Greece and Portugal they remained higher than the EU-28 average, which was 16.7%. The exception is Cyprus at 15.3% and Ireland[4] at 16.1% (2010) (see below table 8). In conclusion, Greece and Portugal shared a similar position, as they recorded higher rates than the European Union average.

In 2013, the rate of people in serious material deprivation in Greece amounted to 20.3%, in Portugal 10.9%, in Cyprus 16.1% and in Ireland 7.5% (2010). Greece, Portugal and Cyprus recorded higher rates than the EU-28 average (9.6%). The exception is Ireland, but it concerns households in 2010 based on their income earned in the previous year, i.e. 2009. Consequently, Greece, Portugal and Cyprus share a similar level regarding people deprived of serious material.

In 2013, people aged 0-59 and living in low-labour intensity households recorded in Greece a rate of 18.2%, in Portugal 12.2%, in Ireland 22.9% (2010) and in Cyprus 7.9%. These rates are over the EU-28 average, 10.7%, except for Cyprus. Consequently, a similarity was observed in Greece, Portugal and Ireland.

Table 8: Risk of poverty or social exclusion

	At risk of poverty or social exclusion (%)	**In Relative poverty (%)** *(People at risk of poverty after social transfers)*	**People with severe material deprivation (%)**	**In labour poverty (%).** (People at the age of 0-59 years living in households with low-labour intensity)
Greece				
2008	28.1	20.1	11.2	7.5
2013	35.7	23.1	20.3	18.2
Portugal				
2008	26.0	18.5	9.7	6.3
2013	27.4	18.7	10.9	12.2
Ireland				
2008	23.7	15.5	5.5	13.7
2013	-	-	-	-
2010	29.9	16.1	7.5	22.9
Cyprus				
2008	23.3	15.9	9.1	4.5
2013	27.8	15.3	16.1	7.9
E.U-28				
2008	23.8	16.6	8.5	9.1
2013	24.5	16.7	9.6	10.7

Source*: Eurostat, E.U-27 data for 2008, E.U-28 data for 2013. Our estimations.*

[4] Ireland is an exception, but it concerns households in 2010 with an income from the previous year 2009.

IV. Inequality of income

The Gini coefficient is an income dispersion indicator. In particular, it measures the dispersion (after taxes and allowances) of the average disposable income of households at a given point in time. Its values range from 0 and 100. The lower the indicator, the smaller the income dispersion. The coefficient S80 /s20 is another indicator of the dispersion of disposable income. It is the proportion of the total income received by 20% of the population of the country with the highest income compared to that received by the 20% of the population with the lowest income. The higher the proportion, the greater the inequality.

In 2012-2013, the dispersion of disposable income, as measured by Gini in all three countries (Greece, Portugal, Cyprus), is higher than the EU-28 average ranging at 30% (2012) and at 30.5% (2013). In particular, in 2013 the inequality of the disposable average income was 34.4% in Greece, 34.2 % in Portugal and 32.4% in Cyprus. In 2012 the rate in Greece was 34.3%, in Portugal 34.5% and in Cyprus 31.0%. According to the above, a similarity with regard to income inequality in all three countries is noted (see below tables 9 and 10).

The dispersion of disposable income as measured by S80/s20 in 2013 in Greece is at 6.6%, in Portugal at 6.0% and in Cyprus at 4.9%. In 2012, in Greece it was 6.6%, in Portugal 5.8% and in Cyprus 4.7%. The above, income inequality in all three countries ranges at similar rates (see below tables 9 and 10).

Table 9. Inequality: Gini indicators and S80/s20 SILC 2013 (2012 income)

	Gini	**S80/s20**
Greece	34.4	6.6
Portugal	34.2	6.0
Cyprus	32.4	4.9
Ireland	-	-
E.U-28	30.5	

Source: *Eurostat. Our estimations.*

Table 10 Inequality: Gini indicators and S80 /s20 SILC 2012 (2011 income)

	Gini	**S80/s20**
Greece	34.3	6.6
Portugal	34.5	5.8
Cyprus	31.0	4.7
Ireland	-	-
E.U-27	30	

Source: *Eurostat. Our estimations.*

It is worth noting that a strong reduction of employment usually affects more intensely the dispersion of income of households with lower incomes than the middle and higher class households, however the risk of poverty depends not only on the employment crisis but also on other factors (e.g. allowances, taxes, household composition, etc.).

V. LABOUR POVERTY

The labour poverty is undoubtedly not a new phenomenon, but it has remained relatively under-valuated for years in the public and academic debate (Ioannides, Papatheodorou, Souftas, 2012). The recent economic crisis has showcased labour poverty, which is a relatively complex, individual and social phenomenon and which concerns increasingly the European and academic community. In particular, the policies adopted in the labour market and the encouragement and enhancement of flexibility and precariousness as a way to increase the Enterprises' Competitiveness in the 90's, led to the emergence of the "New Poverty", which also affects the employees. In particular, with the implementation of the European Employment Strategy in 1997 and the Lisbon Strategy in 2000 for Growth and Employment, the issue of labour poverty has become more relevant than ever before in the European debate. Focusing on quality of employment and on the fight against poverty and social exclusion in the European Union has contributed in placing labour poverty to a central place in the dialogue between the "European Strategy of Employment" and "Open Method of Coordination in poverty and social exclusion" (Guillen, Gutierrez and Pena-Casas, 2009, Feronas, 2013, 2006).

It is true that the international literature contains many different definitions of labour poverty, but they all converge to examining the labour poverty situation, not only regarding the employment status but also regarding the intensity of the person in the labour market, as well as the co-examination of the household where the worker lives and his/her total income. Thus, if work is assessed on an individual level, poverty is assessed on household level and, according to the commonly accepted term, working poor are defined as the people working in the previous year (at least for 6 months) and living in poor households with an income under the limit of poverty risk, i.e., 60% of the national median income (European labour poverty indicator) (Guillen, Gutierrez and Pena-Casas, 2009).

Reforms at the core of industrial relations leading to wage cuts and the dismantling of these systems, recruitment-temporary agency working and dismissal policies, the structure of collective bargaining and voluntary education result in low-wage workers and labour poverty as a whole. This is the result of the heterogeneity and complexity of labour market policies, in contrast to social protection policy, which, through social transfers, aims to reduce social exclusion and to protect the worker (Guillen, Gutierrez and Pena-Casas, 2009). However, in the context of the acute economic crisis in which the entire world has "sunk", at a higher or lower degree, social protection became very soon "sacrificed on the altar" of crisis with a dramatic chain impact on poor workers. Thereby beyond the deregulation of the labour market, another possible factor for the increase of labour poverty is the restriction of labour and trade union rights.

Today it has become apparent that a large proportion of poverty comes from precarious European employees, as about half of them are below the poverty line (Dafermos and Papatheodorou, 2012, Ioannides, Papatheodorou, Souftas, 2012, Guillen, Gutierrez and Pena-Casas, 2009).

VI. WEAKENING OF EMPLOYEES' RIGHTS

Since the beginning of the economic crisis European public authorities and national legislators have launched or adopted a series of measures aiming at the reinforcement of the flexibility for businesses, including in many cases major modifications to national labour laws which adversely affected workers' rights and their working conditions. Despite the differences in the nature and extent of changes instituted, their origin lies in the highly deregulatory approach imposed by the austerity regime. However, many Member States justify labour law reforms claiming that increased flexibility in the labour market is one of the best responses to the crisis (European Commission, 2010). General labour law reforms in some cases started before the economic crisis with the stated objective of the labour law "modernization". In some countries the measures have been fragmentary, although extremely deregulatory, while in other cases they entailed huge changes in the entire Labour Code. Their common goal was to reduce the labour cost and the "adverse shock" of labour and social rights.

The overwhelming reforms at the core of labour legislation are demonstrated in four key axes of the labour market content:

- Reducing the role of full-time and stable employment in favour of flexible forms of employment bringing about limited pay and rights to workers.
- In working time, through either a reduction in usual working hours or overtime, which results in reduced remuneration for the employees and/or the abolition of overtime compensation.
- The regulations regarding dismissals that facilitate individual and collective redundancies through shortening the notice period and reducing the level of compensation for workers.
- At the core of industrial relations, which affects social dialogue and collective bargaining.

It is undoubtedly worth mentioning the deregulation of collective action rights, that is to say, of trade unionism as well as of strikes at workplace, which were seen then as "dangerous". However, the ongoing fights against them - which are, of course, repeated, by every propaganda mechanism applied by the "markets" - do not only concern the limitation of those rights as critical "intermediary" rights. On the contrary, the main objective is a radical weakening of collective bargaining with regard to the prevalence of individual employment contracts that place individual workers at the authoritative will of the powerful employers, which in turn impose wage cuts, drastic cuts in social benefits (health, social security), reduction of costs for the training of workers and violent labour conditions.

In conclusion, the deregulation of industrial relations in the vortex of the economic crisis undermines the application of labour law and thus the validity of labour rights. Clearly an assistant of the dismantling of industrial relations is the weakening of the tripartite consultations, as well as the avoidance to involve the social partners in structural reforms, leading to more steep changes in labour law and working conditions of employees.

VII. CONCLUSIONS

The economic crisis has affected negatively the economy of Greece, Portugal, Ireland and Cyprus, but in a different way in terms of intensity and extent. However, all four countries signed Memoranda of Understanding under the auspices of the EU, the E.C.B and the I.M.F. The purpose of the present article was to detect the social impacts of the economic crisis and of the reforms adopted by the labour market in the countries under Memoranda. It was investigated whether there are any similarities or differences among the individual countries and what the causes are.

More specifically, the comparative analysis showed that, unquestionably, the reforms adopted at the time of the crisis had "sweeping impacts" on society regarding employment reduction, the dramatic rise of unemployment, poverty or social exclusion and income dispersion inequality.

In particular, in the period 2010-2014 it is noted a similarity in the rate of overall unemployment of the population, including the new unemployed, in Greece and in Cyprus. In Portugal there is a slight increase in unemployment rates, while in Ireland there is actually a decrease. A factor that undoubtedly contributed to this fact is the recovery after the countries' exit from the Memoranda, for Ireland in 2013 and Portugal in 2014. Regarding the long-term unemployed in the overall population, Greece recorded the highest rates. Similarities were observed in Portugal and Cyprus, while Ireland had an insignificant rate of long-term unemployment. There was a similarity noted among new long-term unemployed population in Portugal and Cyprus, while in Ireland there was a decrease and in Greece a dramatic increase of the rate. However, all four countries in this period had the highest unemployment rates across the total population compared to the European average (e.g. young people, young long-term unemployed, long-term unemployed). As far as the risk of poverty or social exclusion is concerned, a similarity was observed in all four memoranda countries, while with regard to the inequality of income dispersion, the available facts showed similar rates in Greece, Portugal, and Cyprus.

Clearly, the reforms that took place in the field of the labour market are the extreme expression of a long-standing course of major changes in the international arena under the sovereignty of neoliberal beliefs to globalization and the conditions under which the prospect of European integration and monetary unification is being routed. Unfortunately, the signing of the Memoranda worked as a vehicle for the introduction of reforms that would have faced multiple difficulties of implementation under other circumstances, and which were eventually implemented under the pretext of the crisis. However, the deregulation of industrial relations occurring in most European countries does not take the violent and harsh character highlighting the Greek experiment. Generally speaking, the reforms adopted are the result of pressures and decisions of both supranational and national economic and political circles and the limits of the assumed liability by the coefficients of the IMF memorandum, the E.C.B, the E.U and of National Governments are not clearly visible. In conclusion, this was a general crisis of global capitalism, which is closely linked to the distorted economic architecture of European integration. Victims are mainly the countries of the Memoranda, who faced the structural crisis that reflects the historic failure of the Eurozone. Unquestionably, the recipe of the Memoranda given to these countries is a medicine which is more "fatal than the disease itself", if it speeds up the procedure of abandoning the institutions of the social state and it creates a vicious cycle of recession and debt expansion. Mathematically, the memoranda led to a dead end. The triumph of Ireland as the first country to exit from the Memorandum may have been announced in 2013, with Portugal following in 2014, however, no one mentioned the spectacular increase of the public and private debt burden that they carry, having already lost enough energy regarding growth, which hinders them from effectively recovering from the crisis. Both Ireland and Portugal teach us that any recovery in the labour market is currently marginal, anemic and temporary. Unfortunately, the countries' future that have been under Memoranda is recorded to be ominous, but *"Present is all we know... Only the gods know the future* though".

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