

America's Homeless: Who Are They and How The Greek Debt Crisis Further Impacts their Position in the U.S. Finanscape

Introduction

This paper explores the global and local economic factors that contribute to the increase of homeless people in the United States. The advent of globalization has enabled a change of the economic system by grouping nations into trading blocks. The implications of this new economic system is far reaching, having huge impacts on any future economic prospects in the United States. "City governments had 10-year budget plans to help end homelessness, and they had reported progress until 2008."¹ The job deficit that started with the stock market crash of 2008 made homelessness more critical, as people lose their jobs, they face hard times and economic difficulties that might include evictions and the foreclosure of their homes, which put them on the streets, worsening the homeless dilemma.

Who Are the Homeless?

Traditionally, a homeless person has been described as someone who has no housing, or permanent place to live; a person who is marginalized to live roaming in cities as in rural areas facing extreme economic hardship. "Homeless' used to describe people who were transient, poor, socially isolated, and living in the cheap hotels and flophouses on skid row. They had housing, but they didn't have homes. Today, the homeless are "houseless"--they literally cannot expect to have even a flophouse roof over their heads. They are also extraordinarily poor (Berlin, McAllister, pg. 1)."² Some of the homeless population in 2011 consists of those who were left

penniless by the recent economic downturn. There are those who have been ‘chronically’ homeless, these suffer from permanent illnesses, substance abuse, and chronic poverty. Perhaps a haunting image of the American homeless is provided in the pictures of the Great Depression caused by economic collapse of the stock market crash of 1929.

Greece: A Far Away Debt Ripple Effect on the Local Towns Finances

Centuries ago, the Italian city-states that gave rise to the Renaissance spread through Europe replacing the feudal economic system of the Middle Ages.³ In the same light, the *nation-state* made obsolete the city-state as an economic structure, because they had become too small for the territorial extension required to house the Industrial Revolution.⁴ In the 21st century, global trade has blurred the borders of the nation-state, and this metamorphosis provides a myriad of opportunities for transnational companies that manufacture products to have a slice of influence in the international markets, and therefore, “the power of the corporations have begun to eclipse the authority of the state, as significant policy decisions are negotiated in multilateral arenas and private associations to facilitate global restructuring (Huesca, pg. 752).”⁵

“More than 150 nation-states that are now members of the United Nations show that border wars, culture wars, runaway inflation, massive immigrant populations or serious flights of capital threaten sovereignty in many of them (Appadurai, pg. 641).”⁶ Randall Baker, professor at the Indiana University states that:

“The reconfiguration of world trade into gigantic trading blocs, privatization, and the merger obsession among mega-corporations, gave rise to the current global financial problems. A globalized market and financial systems might make obsolete the concept and constructs of *nation-state*, and the questionable further

utility of aspects of sovereignty are becoming outmoded constructs which may pose more problems to the world economy than they provide a context for solutions (Baker).”⁷

“The ethical question scholars are asking is: If the nation-state disappears what mechanism will assure the protection of minorities, the minimal distribution of democratic rights and the reasonable possibility of the growth of civil society? (Appadurai, pg 641).”⁸

The trading blocs have unified the trading and economic systems worldwide. The economic meltdown that started with the American banking system also affected the stock markets all over the world, slowing down the global economies. As credit became difficult to obtain, international trade declined leading the United States economy to lose millions of jobs. “By the end of 2009, as a result of a combination of international and local factors (respectively, the world financial crisis and uncontrolled government spending), the Greek economy started facing its most-severe crisis since the restoration of democracy in 1974 as the Greek government revised its deficit from an estimated 6% to 12.7% of gross domestic product (GDP).”⁹ The domino effect that started with Greece on the rest of the countries of Eurozone was soon felt; therefore, as the European Union enters this financial crisis in 2011, the American economy, already weakened by the domestic economic collapse of 2008, cannot get off the ground. The level of U.S. exports to Europe depends on the stability of the European euro; a devaluation in the currency will lower the exports and increase imports, widening the U.S. trade deficit, impacting American jobs, forcing each state in the union to change their economic policy adopting more draconian legislature to control expenses, further downsizing the public services and public sector workforce by laying off employees increasing financial hardship, property

foreclosures and evictions, cutting off cash assistance for the poor, and help to the homeless shelters.

Local Participation that Runs Transnationally

The decline and changes in American industries (such as manufacturing) in the recent years as a result of globalization has jeopardized the financial security of people in the United States, because this has been the major cause of high levels of unemployment from coast to coast. The other is the limited education of the average American worker in the manufacturing sector; most are only high school graduates, a factor that has prevented thousands from moving on to another job in a different industry increasing the nation's unemployment. The elimination of jobs in these past three years has contributed to declining incomes and a rise in poverty levels, thus, increasing the chances of those used to have jobs to find themselves homelessness and making those already chronically homeless even more excluded.

““Globalization from below,” the process of coordinating social action transnationally has been enabled (Huesca, pg. 752).”¹⁰ to articulate local strategies that can influence the current global situation and can “coordinate actions occurring outside of formal institutions such as political parties and labor unions (Huesca, pg. 750)”¹¹ to inspire social change. Globalization from below creates a challenge to unchecked corporate globalization and calls for resistance to exploitation and domination.¹² “A wide variety of social movements has converged on common issues, such as human rights, and the environment and labor standards to affect policies in national and transnational arenas (Huesca, pg. 752).”¹³ “They have reframed the debate on

globalization, put its advocates on the defensive and forced change in the rhetoric if not the actions of world leaders and global institutions (Brecher, Costello, Smith, pg 1).”¹⁴

The “Occupy” Movement

“New social movements are understood as small, decentralized, and democratic in structure, cyclical and diffuse in their temporal arrangement; and action driven toward identity construction in their orientation (Huesca, pg. 754).”¹⁵ However, it seems that the small local advocacy is finding solidarity with the majority who has been dispossessed by the economic avalanche of globalization. Social movements, such as the “Occupy Wall Street” (a name which changes according to the city that is “being occupied”), are local/global movements that are part of globalization from below and have taken up the local challenge and want to influence the political agendas and the economic structures to create the social change needed to bring back financial stability and the society to balance.¹⁶ “Political parties, labor unions and other bureaucracies represent ossified, unresponsive structures unable to sense changing interests, difficulties and priorities of their traditional constituents (Huesca, pg. 754).”¹⁷ “Occupy America for Change” An article written by Stephen Lendman in thepeoplesvoice.org reports: “Participants are independent, multi-racial and ethnic, and in the streets. They include many religions and age groups, kids and grannies, men and women, workers and unemployed, professionals, veterans, rich and poor together to change America. They're a cross-pollination for a new nation, united in the fight of their lives too important to lose.”¹⁸ The article continues by saying: “Athens is the struggle's epicenter against financial terrorism. On and off general strikes shut down the country. More will follow. They're trapped in the euro straightjacket with no control over their monetary or fiscal policies. Sovereign Greece no longer exists. Will other troubled sovereigns follow? Several now approach the abyss.”¹⁹

A Broken Dialogue:

The Chronically Homeless at the “Occupy” Movement are on their Own

In the United States it is illegal to live in the city streets, in parking lots, or state parks, and the provision of shelters and places where the homeless can sleep and get a meal have been left out of city budgets. Shelters and soup kitchens that are still around to serve the homeless are forced to depend on the donations of the few who are still employed or are part of what the “Occupy” movement calls the 1%.

The “Occupy” movement is a magnet for people who were ever part of the middle class and lost their job in the ‘globalization from above’ economic structure, or those who lost their home to foreclosure and have no place to call home anymore, but it is also a magnet for the chronically homeless. An article written by Adam Nagourney, published in the New York Times, October 31 2011, reports:

“From Los Angeles to Wall Street, from Denver to Boston, homeless men and women have joined the protesters in large numbers, or at least have settled in beside them for the night. While the economic deprivation they suffer might symbolize the grievance at the heart of this protest, they have come less for the cause than for what they almost invariably describe as an easier existence. There is food, as well as bathrooms, safety, company and lots of activity to allow them to pass away their days.”²⁰

Their presence is posing a mounting quandary for protesters and the authorities, and divisions have arisen among protesters across the country about how much, if at all, to embrace the interlopers. The rising number of homeless, many of them suffering from mental disorders, has made it easier for Occupy’s opponents to belittle the movement as vagrant and lawless and has raised the pressure on municipal authorities to crack down.”²¹

The protest and the dialogues of the Occupy movement do not seem to include the destitute, marginalized, or those should remain out of the public view even though the movement was started with the intention to point out the inequities of the economic system and the government's lack of control.²²

Speaking of those who are more likely to become chronically homeless, Alice S. Baum and Donald W. Burnes state in their article "Nation in Denial: The Truth about Homelessness" that "a steady deterioration in the low-income housing supply, have created a situation in the inner cities where some people are destined to become homeless. Given this, it should come as no great surprise that those who do become homeless are drawn heavily from the most vulnerable ranks of the urban poverty population--the ill, the addicted, the socially disaffiliated--especially when the existing social welfare "safety net" has many holes through which the most vulnerable readily fall (Baum and Burnes, pg. 2)."²³

Can Social Movements Such as "Occupy" Engage the Local Government to Help All Homeless?

City and state governments do not seem to consider the chronically homeless as a permanent case even though many of them are ridden with social pathologies such as substance abuse and permanent health problems such as mental illness. Their engagement in the homelessness issue cannot be further away in 2011 when financial pressures leave the homeless out of the dialogues that address their concerns. From what has been published in the mass media, the Occupy movement draws their own differences from the chronically homeless, in a "we are not them" type of invisible line drawn at the end of each tent the protesters have erected in city parks.²⁴ Nonprofit organizations are often the place where dialogue about the homeless

occurs as they are becoming not only their advocates, but an important provider of services to them.²⁵ The local government agencies become further and further removed from the realities of the people who must make their home wherever they can find a shelter.²⁶

“The destitute are our own native-born “illegals,” facing prohibitions on the most basic activities of survival. They are not supposed to soil public space with their urine, their feces, or their exhausted bodies. Nor are they supposed to spoil the landscape with their unusual wardrobe choices or body odors. They are, in fact, supposed to die, and preferably to do so without leaving a corpse for the dwindling public sector to transport, process, and burn (Ehrenreich writing for Mother Jones).”²⁷ All movements for social change need to realize that the chronically homeless must be included in the equation of their protests for social equality and financial balance; they are our fellow humans fighting for survival. If the current economic trends do not change, even the recent wave people made homeless because of the recent economic collapse will eventually become part of the chronically homeless.

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