

“So, whose fault is it?”

There has been much hype about greedy banks and the major part they played which has greatly contributed to the current economic crisis. Perhaps, on closer examination, we have all played a part in the downturn.

The question, of course, is assuming we had a crystal ball the crisis could have been averted. However, all the evidence points in entirely another direction. In fact there were plenty of people around who knew that the happenings in the financial markets were completely unsustainable.

Commenting, Phil Wood, managing director of chartered accountants and licensed insolvency practitioners, Barringtons said, “It was not exactly rocket science to second guess that with mountains of public and personal debt, dodgy lending, rivers of red ink and all round total mismanagement it was all going to end in tears. There again, the harbingers of doom are generally ignored until it is far too late. Whatever the effects on the financial sector and real economy are, the current crisis reaches much deeper into our inherent un-readiness to face up to reality.”

So is there any escape from the meltdown? According to Phil it matters not a jot however many banks are nationalised in the future, regulation will get much tougher but the whole global financial system could deteriorate even further by needless draconian controls to avoid exploitation. Indeed, there are few people in the developed world who did not participate in some way in the downturn, from property owners to anyone who entrusted money to institutions over which they had little control. Indeed, the total failure of any meaningful policies to rectify the problems is a sad indictment of any meaningful leadership. We must all shoulder some blame and take responsibility for ensuring that hard lessons will be learned from the experience.