

Capitalism is prevalent in today's society. People compete with others to maximize their own benefits, which in the long run can create problems, for example, the European Debt Crisis. Goldman Sachs turned part of Greece debt into US dollars so that the deficit would seem lower and Greece could become a member of the Eurozone. However, knowing that Greece might fail to reimburse it, Goldman Sachs bought 1 billion US dollar worth of Credit Default Swap (CDS) from German banks to impute the debt to Germany, the largest economy in the European Union, in the hopes of benefitting themselves. Moreover, European banks have business contacts and CDS deals with one another, so once problems begin to surface in any of these banks, it causes a chain effect, affecting all those involved; Goldman Sachs' action in benefitting themselves planted the roots of European Debt Crisis.