

2012 In Focus: Bankers' Banquet, Economic Recession and the Social Crisis

By [Colin Todhunter](#)

Global Research, December 15, 2012

Theme: [Global Economy](#), [Poverty & Social Inequality](#)

As 2012 draws to a close, what should we make of it? Given the amount of events that took place, any look-back can only be highly selective. With that being the case, the following piece focuses on just some of the issues from the year just gone.

Setting the scene

The year saw global capitalism continuing the struggle to manage its strains and crises. Ideologically, politicians and the mainstream media attempted to legitimize the ongoing stripping away of welfare, hard-won democratic freedoms and workers' rights as being part and parcel of the 'austerity' measures required for putting economies back on track. Integral to the propaganda was that 'we are all in it together' and 'there is no alternative'.

All well and good if you need to con, control and subdue a population that has experienced falling wages and has seen increasing levels of profit going to capital for decades; all well and good, if putting economies 'back on track' means attempting to give credibility to what is an increasingly and openly divisive economic system. But, what happens when the propaganda fails?

There is always a fall back as we saw in Europe, where tear gas and rubber bullets were used on ordinary people who took to the streets in an attempt to protect jobs and living standards. It was on the streets of Spain and Greece where the strain between democracy and corporate capitalism was laid bare more than anywhere else in Europe. It was in those countries that the contradiction between working people and an increasingly monopolistic and powerful ownership class was exposed more clearly than anywhere else.

As in recent years, in 2012 the implications of the ongoing crisis continued to be global. With home economies resembling dried-up prunes, eyes continued to be cast on potentially ripe-pickings further afield

In the face of demand depression at home due to jobs having been outsourced to cheap labour economies, consequent unsustainable high levels of personal debt encouraged to try to boost demand and rising unemployment as a result of the 'austerity' measures being implemented in order to maintain profits for finance capital, the West's state-corporate interests continued to push into markets such as India.

From Africa to Asia, they promoted perpetual conflicts to seek out cheap resources for fueling the prevailing economic paradigm of endless growth (and consequent environmental degradation). Of course, this also served to prop up the (potentially worthless) dollar and thus the US economy. By securing foreign markets and the control of oil, the US and its client states seek to maintain global allegiance to the (oil-backed) dollar as the world's

reserve currency.

And as part of this, under the lies of 'nationalism', 'national interest' or 'humanitarianism', young working class men, often 'economic conscripts' in this time of downturn, continued to die for the likes of Goldman Sachs, Bank of America, Coca Cola, Shell, Chevron and General Electric on the battlefields of Asia. Mere 'collateral damage' in the name of the 'greater good', with the 'greater good' being profit and power. Elsewhere, whether in Syria or Pakistan, proxy forces were manipulated to do the killing.

With such a backdrop, it might be easy to conclude that 2012 was all about bad news. But there were some glimmers of hope. In concluding, it will be shown that certain actions demonstrated that conviction and ideals still count for something.

India not shining

In 2012, a new study of more than 100,000 children across six states found that as many as 42 per cent of under-fives were severely or moderately underweight and that 59 per cent of them suffered from moderate to severe stunting. The findings in the Hunger and Malnutrition (HUNGaMA) report by the Naandi Foundation were described by Prime Minister Manmohan Singh as a "national shame." If that news wasn't bad enough for the PM, Time magazine put him on its cover with the headline word 'underachiever'.

After years of high economic growth, it can only be concluded that the euphoria over the (now rapidly slowing) GDP figures had been glossing over underachievement on many levels, not just child poverty and nutrition. For a period in July, some 700 million people were left without power. Twenty out of 28 states were hit by power cuts, along with the capital. Three of the country's five electricity grids failed. Hundreds of trains stalled, leaving passengers stranded along thousands of miles of track. Traffic lights went out, causing jams and surgical operations were cancelled across the country.

It all raised serious concerns about India's infrastructure. But the debacle also drew attention to the fact that, despite media fascination with the number of dollar millionaires in India, one-third of India's households do not even have electricity to power a light bulb (according to the 2011 census). A large minority of those in the blackout zone have never been connected to any grid. For instance, just 16.4% of the 100 million people who live in Bihar have access to electricity.

And while all of this was happening, the Indian state continued to wage its war against some of the country's poorest people in the resource-rich 'tribal belt'. In June, 17 people were killed by paramilitary police in Chhattisgarh. Despite official sources claiming the dead were Maoist insurgents, among those killed were a 12-year-old girl, a 15-year-old boy and two 16-year-old school students.

And not unrelated to this attempt to grab land and resources for rich corporate concerns was the continued push by the government to secure 51 per cent foreign direct investment in multi-brand retail and to open up the finance, agriculture, nuclear and pharmaceutical sectors to foreign interests. The West smells profit and is kicking down the door. There is a price to be paid by the Indian people for the US allowing the Indian government to develop its nuclear infrastructure – and this is it.

Bankers' banquet

Meanwhile, the crisis in the Eurozone rumbled on. With mass unemployment in Greece and Spain, people took to the streets to protest against cutbacks to jobs and services. Out came the rubber bullets and tear-gas and on went the blame game. Across Europe, fingers were pointed at other countries, immigrants, the public sector and elsewhere in a search for those who had wrecked economies.

In the meantime, the real culprits – the bankers and financiers – continued to reap the benefits by buying up various countries' public assets on the cheap. So that's where the bail out money went!

As the economic crisis continued to bite and politicians were keen on telling the public that we were all shouldering the burden and were all in it together, it seemed some were much less 'in it' than others, Research released by Tax Justice Network (TJN) indicated that globally the super rich hold up to between \$21 and \$32 trillion in offshore accounts, which amounts to roughly the US and Japanese GDP combined. The TJN said that some of the world's biggest banks are helping their clients evade taxes and shift their wealth offshore and they do it knowing fully well that their clients, more often than not, are evading and avoiding taxes.

In Greece, the country most affected by bailouts, austerity and consequent poverty, Hot Doc magazine published a list of 2,059 wealthy Greeks with secret HSBC Swiss accounts worth in total about \$2 billion dollars. It could a lot more now because that figure was from 2007, prior to the economic crisis. The magazine's editor, Vaxevanis, believed many on the list may be tax cheats. The benefit of getting rich is being able to break societal rules to get richer. And what happened to Vaxevanus for exposing this? He was arrested!

While the authorities continued to turn a blind eye to all of this, or more correctly were complicit in it, the solution for the 'little people' has been more austerity, the continued stripping away of workers' rights and welfare provision and even greater political control for the bankers. Looking at Europe in 2012, it was hard not to think of the Eurozone circling the drain. The less water in the sink, the faster it swirls towards the drain in ever diminishing circles.

Love America!

Two big stories concerning South America during the year were Ecuador's decision to grant Julian Assange asylum and the reelection of Hugo Chavez in Venezuela. Chavez won the election with 55 per cent of the vote, which was consistent with the embracing of leftist leaders and policies throughout much of South America in recent years. Although Chavez is set to continue to lead his country, it will depend on how his health stands up after having been diagnosed with cancer because his personal leadership is regarded by many as being central to the socialist cause.

Midway through 2012, WikiLeaks' founder Julian Assange walked into the Ecuadorian Embassy in London seeking political asylum. He feared that attending court in Sweden to face charges of sexual assault was merely part of a ploy to extradite him to the US.

The Ecuadorian government subsequently granted Assange political asylum, citing concerns that Assange might be extradited to the US, which could conceivably lead to his execution or indefinite incarceration as a result of WikiLeaks having released information deemed sensitive by the US into the public realm. Predictably, British Foreign Secretary William

Hague said that the UK would not allow Assange safe passage out of the country.

The result is that Assange currently remains in limbo inside the Ecuadorian embassy in London. Despite immense pressure, Ecuador based its decision on strong principles and a genuine commitment to human rights. It was a case of a small nation standing up to much more powerful ones and in the face of reported threats by Britain to storm its embassy in London. The Ecuadorian government has incurred the wrath of the US and thus may yet ultimately pay a heavy price.

Imperialist intents

Africa remained a troubled continent in 2012. The aftermath of the 2011 NATO-led conflict in Libya resulted in the killing of the US ambassador in Benghazi and a bloody military onslaught on the town of Bani Walid, a stronghold of the former Gadhafi regime. Libya remained in turmoil and no one knew where \$150 billion of Libyan assets that were frozen by the West during the conflict had 'disappeared' to. Possibly partly gone to US corporate vultures to finance the rebuilding of the country that Uncle Sam helped destroy?

From Somalia to Congo, much of Africa remained mired in conflict. With Gadhafi gone, the US solidified the position of its African military command structure (AFRICOM). A scramble for mineral resources gained momentum, with the US seeking to weaken Chinese influence on the continent by, among other things, planning to send 3,000 troops to various African countries in 2013.

Moving towards the Middle East and Central Asia, both China and Russia continued to resist Western pressure for direct NATO military involvement in Syria, which nevertheless continues to build. Iran remained firmly in US sights during 2012, again with China and Russia attempting to block US-Israeli attempts to topple the Iranian regime.

The losers were the ordinary people in the region who live in fear of drone attacks, instability and war or the blighting effects of economic sanctions in Iran, which only serves to highlight the sheer hypocrisy of proclamations about 'humanitarianism' from the West.

In November, Israel first assassinated the military leader of Hamas and then proceeded to use its full military might to attack and kill civilians living in Gaza. No mention of 'humanitarian intervention' here from the US or Britain.

2012 was a year when much of the Arab world landed with a thud. New regimes were installed that were no better or much worse than the previous ones. In Egypt and beyond, there was the sober realisation (by those who were naïve enough not to realise it in the first place!) that outside manipulation meant the 'Arab Spring' had little to do with democracy, which the mainstream media was keen to tell everyone at the time.

Saving the best news till last

There were definitely many good things that happened during the year, and two especially come to mind. The first, as already mentioned, was the courageous country of Ecuador standing up to intimidation and pressure, not least from Britain, and opting to do the right thing where Julian Assange was concerned by upholding the principle of human rights, something which most (Western) governments blatantly disregard when it suits or cynically use for political and military gain.

The second was the dramatic images of thousands of ordinary men and women on the beach near the Koodankulam nuclear power plant in India's Tamil Nadu state armed only with conviction, but standing up to the stick wielding forces of what is an increasingly undemocratic Indian state and a nuclear energy industry driven by corporate profit (substitute 'nuclear energy' for 'agricultural', 'resource extraction' 'retail' or any number of other sectors and you will appreciate the current nature of Indian 'democracy'.)

What the eventual outcome will be in India is anyone's guess. But let's finish by at least dwelling on the positive. If there is something we can take from the actions of the Ecuadorian government and the good people of Koodankulam, places on opposite sides of the globe, it is that conviction and courage still count for something.

Thankfully, in an age when sneering cynicism towards alternatives is actively forwarded as part of the mainstream propaganda for encouraging mass apathy, ideals count for something too.

The original source of this article is Global Research
Copyright © [Colin Todhunter](#), Global Research, 2012

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Colin Todhunter](#)

About the author:

Colin Todhunter is an extensively published independent writer and former social policy researcher. Originally from the UK, he has spent many years in India. His website is www.colintodhunter.com
https://twitter.com/colin_todhunter

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca