

Global Economic Crisis: Catastroïka and the New Imperial Police State

Selected Articles

By [Global Research](#)

Theme: [Global Economy](#)

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Here are the latest analyses posted by Global Research on the various consequences of the global economic crisis and what lies behind the Libor scandal.

Catastroïka, a documentary from the creators of **Debtocracy**, explores the history of “countries under financial occupation” unveiling what awaits Greece:

It was at the beginning of 1989 when the French academic Jacques Rupnik sat at his desk, in order to prepare a report on the state of the economic reforms in Mikhail Gorbatsov’s Soviet Union. The term that he used in describing the death rattle of the empire was “Catastroïka”. In Yeltsin’s time, when Russia instituted maybe the biggest and least successful privatization experiment in the history of humanity, a group of Guardian reports assigned a different meaning to Rupnik’s term. “Catastroïka” became synonym of the country’s complete destruction by market forces; the sell off of public property; and the steep deterioration of citizens’ living standards.

Now, Catastroïka’s unit of measurement was unemployment, social impoverishment, declining life expectancy, as well as the creation of a new cast of oligarchs, who took over the country’s reins. A few years later, a similar effort to massively privatize public property in unified Germany (which is presented as a model for Greece) created millions of unemployed and some of the biggest scandals in European history. It is this “Catastroïka” that is coming soon to Greece; to “Europe’s last Soviet Republic” as the MPs and the ministers of its former “socialist” government liked to call it. ([Info about Catastroïka](#). Watch the documentary on [GRTV: Catastroïka: Privatisation Goes Public](#))

But while many countries facing a debt crisis are taken hostage by a series of austerity measures benefiting the financial institutions, reports reveal once again bankers manipulated the banking system to their own advantage, as shown by the Libor scandal, which represents only “the tip of the iceberg”:

According to news reports, UK banks fixed the London interbank borrowing rate (Libor) with the complicity of the Bank of England (UK central bank) at a low rate in order to obtain a cheap borrowing cost. The way this scandal is playing out is that the banks benefitted from borrowing at these low rates. Whereas this is true, it also strikes us as simplistic and as a diversion from the deeper, darker scandal. (Paul Craig Roberts, Nomi Prins, [The Real Libor Scandal... “With the Complicity of the Bank of England”](#))

In the same vein, JP Morgan admitted recently hiding losses:

JPMorgan deliberately falsified its first quarter report to the SEC in order to conceal its massive gambling losses. This is a crime—a violation of banking laws for which Dimon, as the CEO, is responsible. That Dimon was involved in a cover-up is underscored by the proof contained in Friday’s report to the SEC that he was already aware his bank had lost hundreds of millions if not billions when he told a conference call in April that reports of major losses by the bank’s CIO were “a tempest in a teapot.”

The trading loss debacle is only one of many scandals engulfing JPMorgan Chase. (Andre Damon and Barry Grey, [JPMorgan scandal: The tip of the iceberg.](#))

SELECTED ARTICLES



[The Global Economic Crisis: Causes and Devastating Consequences](#)

Read excerpts from the best-selling book from Global Research
- 2012-07-22

In all major regions of the world, the economic recession is deep-seated, resulting in mass unemployment, the collapse of state social programs and the impoverishment of millions of people. The economic crisis is accompanied by a worldwide process of militarization, a “war without borders” led by the United States of America and its NATO allies. The conduct of the Pentagon’s “long war” is intimately related to the restructuring of the global economy.



[GRTV: Catastroika: Privatisation Goes Public](#)

New film on Greek debt crisis from makers of “Debtocracy”
- by Aris Chatzistefanou, Katerina Kitidi - 2012-07-17

The documentary uncovers the forthcoming results of the current sell-off of the Greek public assets, demanded in order to face the country’s enormous sovereign debt. Turning to the examples of London, Paris, Berlin, Moscow and Rome, CATASTROIKA predicts what will happen, if the model imposed in these areas is imported in a country under international financial tutelage.



[JPMorgan scandal: The tip of the iceberg](#)

- by Andre Damon, Barry Grey - 2012-07-17

The criminality oozing out of every pore of JPMorgan is just the tip of the iceberg. Scandals are emerging almost daily in a global financial system that is corrupt to the bone. They are exposing as well the complicity of regulators and governments, which serve as the handmaidens of the financial mafia.



[Libor Is Not the Only Manipulated Economic Number: Core Economic Figures Twisted and Manipulated](#)

- by Washington's Blog - 2012-07-15

ETFs, bullion banks, storage facilities and other holders of gold that are "self-certifying" - without any checks by third party auditors - have been caught misreporting and raiding even allocated precious metals accounts, and using the loot to speculate or pay off other debts.



[The Weaponization of Economic Theory](#)

- by Prof. Michael Hudson - 2012-07-14

I have found that it is hard to explain to continental Europe just how different the English-speaking countries are in this respect. There is a prejudice here that central bank financing of a domestic spending deficit by government is inflationary. This is nonsense, as demonstrated by recent U.S. experience: the largest money creation in American history has gone hand in hand with debt deflation.



[The Great Transformation: From the Welfare State to the Imperial Police State](#)

- by Prof. James Petras - 2012-07-14

The United States has experienced the biggest political upheaval in its recent history: the transformation of a burgeoning welfare state into a rapidly expanding, highly intrusive and deeply entrenched police state, linked to the most developed technological innovations.



[Pensions Under Attack in America](#)

New Bill signed into law by Obama

- by Mark Vorpahl - 2012-07-13

On Friday, July 6, President Obama signed into law a bill that would renew transportation programs and extend low interest rates on student loans for one year. While this minimal gesture resulted in, no doubt, sighs of relief from those burdened by student debt, tucked away within the bill's pages was a little-noticed proposal to further erode the funding of workers' pensions. The bill was a brilliant sleight of hand where what it appeared to be giving with one hand distracted the public from what it was taking away with the other.



[The Euro Crisis and the European Fiscal Pact](#)

- by Sahra Wagenknecht - 2012-07-11

At a late hour on Friday 29 June 2012, the Bundestag took two far-reaching decisions. The

so-called European Stability Mechanism (ESM), better known as the bailout fund, as well as the Fiscal Pact, a treaty modelled on the socially regressive German “debt brake” law and a blueprint for social service and public sector cutbacks in Europe, were up for vote. Only the Bundestag members of the Die Linke party voted unanimously against these anti-social legislative packages.

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