

# The Meaning of the British Riots: Corruption At The Top Leads To Lawlessness By The People

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I've repeatedly noted that corruption and lawlessness by our "leaders" encourages lawlessness by everyone else. See <u>this</u>, for example.

Peter Oborne – the Daily Telegraph's chief political commentator – <u>wrote</u> yesterday:

The criminality in our streets cannot be dissociated from the moral disintegration in the highest ranks of modern British society. The last two decades have seen a terrifying decline in standards among the British governing elite. It has become acceptable for our politicians to lie and to cheat. An almost universal culture of selfishness and greed has grown up.

It is not just the feral youth of Tottenham who have forgotten they have duties as well as rights. So have the feral rich ....

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The so-called feral youth seem oblivious to decency and morality. But so are the venal rich and powerful – too many of our bankers, footballers, wealthy businessmen and politicians.

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The sad young men and women, without hope or aspiration ... have caused such mayhem and chaos over the past few days. But the rioters have this defence: they are just following the example set by senior and respected figures in society. Let's bear in mind that many of the youths in our inner cities have never been trained in decent values. All they have ever known is barbarism. Our politicians and bankers, in sharp contrast, tend to have been to good schools and universities and to have been given every opportunity in life.

Something has gone horribly wrong in Britain. If we are ever to confront the problems which have been exposed in the past week, it is essential to bear in mind that they do not only exist in inner-city housing estates.

The culture of greed and impunity we are witnessing on our TV screens stretches right up into corporate boardrooms and the Cabinet. It embraces the police and large parts of our media. It is not just its damaged youth, but Britain itself that needs a moral reformation.

Osborne also gives specific examples of corruption, such as the prime minister's involvement in the Murdoch scandal, and members of parliament abusing expense accounts.

Speaking to Reuters late on Tuesday, looters and other local people in east London pointed to the wealth gap as the underlying cause, also blaming what they saw as police prejudice and a host of recent scandals.

Spending cuts were now hitting the poorest hardest, they said, and after tales of politicians claiming excessive expenses, alleged police corruption and bankers getting rich it was their turn to take what they wanted.

"They set the example," said one youth after riots in the London district of Hackney. "It's time to loot."

(Indeed, looting by the bankers has been shown by a <u>Nobel prize winning economist</u> as being the root cause of the S&L crisis and today's economic crisis).

## Austerity Leads To Rioting And Unrest

I've previously <u>argued</u> that the British riots are due to bad economic policy which has created rampant inequality. (As I've noted <u>for years</u>, <u>raging inequality</u> and policies which <u>help the big boys at the expense of the "little people"</u> are causing unrest – not just in Egypt – but <u>worldwide</u>.)

As the above-quoted Reuters article notes:

"I don't think the implications of this have been fully thought through or accepted yet," said Pepe Egger, western Europe analyst for London-based consultancy Exclusive Analysis.

"What we have here is the result of decades of growing divisions and marginalization, but austerity will almost certainly make it worse. Yes, the police can restore control with massive force but that is not sustainable either in the long term. You have to accept that this may happen again."

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Analyst Louise Taggart at security consultancy AKE said that in time urban unrest worries could make it harder to cut other programs as well, including sorely needed education and community services. It went well beyond Britain, she said.

"Across Europe, we've already seen some incidence of civil unrest," she said, saying it would almost inevitably impact policy. "There's definitely a likelihood that similar scenes might erupt when austerity cuts really start to be felt."

Indeed, a study this month by economists Hans-Joachim Voth and Jacopo Ponticelli <u>shows</u> that – from 1919 to the present – austerity leads to violence and instability:

Does fiscal consolidation lead to social unrest? From the end of the Weimar Republic in Germany in the 1930s to anti-government demonstrations in Greece in 2010-11, austerity has tended to go hand in hand with politically motivated violence and social instability. In this paper, we assemble cross-country evidence for the period 1919 to the present, and examine the extent

to which societies become unstable after budget cuts. The results show a clear positive correlation between fiscal retrenchment and instability. We test if the relationship simply reflects economic downturns, and conclude that this is not the key factor. We also analyse interactions with various economic and political variables. While autocracies and democracies show a broadly similar responses to budget cuts, countries with more constraints on the executive are less likely to see unrest as a result of austerity measures.

#### As CNN notes:

Studying instances of austerity and unrest in Europe between 1919 to 2009, Ponticelli and Voth conclude that there is a "clear link between the magnitude of expenditure cutbacks and increases in social unrest. With every additional percentage point of GDP in spending cuts, the risk of unrest increases."

"Expenditure cuts carry a significant risk of increasing the frequency of riots, anti-government demonstrations, general strikes, political assassinations, and attempts at revolutionary overthrow of the established order. While these are low probability events in normal years, they become much more common as austerity measures are implemented."

### **Corruption And Austerity = Global Unrest**

Time Magazine's Global Spin blog <u>sums up</u> these two threads nicely:

Simply working hard and playing by the rules is no longer a path to prosperity or even a dignified future in much of the industrialized West, where neoliberal economic policies have funneled most of the wealth created in recent decades to a small, already wealthy elite, while shrinking the middle class finds its living standard steadily declining, and more than one in five young people is unemployed with no prospect of finding work in the foreseeable future.

The looters respond to their circumstances by simply breaking the rules and grabbing whatever they can, while the moment — and their capacity to hurt anyone who gets in their way — allows it. The protestors, who are far more numerous, despond by demanding that the rules be changed, and they're on the streets because they believe that even the democratic political system has failed them, producing governments in thrall to the interests of financial elites regardless of which party dominates. And the British anti-austerity programs are echoed on the streets of Madrid and Barcelona, Rome and Lisbon, Athens and Tel Aviv — an <u>Austerity Intifada</u> is sweeping Europe.

The term "looting" commonly describes the actions of those who help themselves to the merchandize of stricken stores when social order breaks down. But many of those in the more orderly protests on the streets of Europe accuse the Western world's bankers of doing the same to the state, demanding bailouts to save them from the consequences of their catastrophic mistakes, leaving them sitting pretty while public debt balloons and the middle class and poor are expected to shoulder the burden of austerity.

Whether they respond with disciplined protest or nihilism and criminality, millions of young people in Europe today see playing by the rules of the socioeconomic and political status quo as offering them no decent future. Politicians may comfort themselves with the notion that the social unrest on the streets is simply a problem of a "culture of irresponsibility" and deviance, but if mainstream society is unable to integrate whole swathes of its youth population and give them a stake in playing by the rules, it's going to face growing discontent.

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The protests that have shaken Spain, Greece, Portugal, France, Israel and Britain this year (even before this week's rioting) suggest that the pattern continues. The orgy of looting and vandalism that Britain suffered this week may have been simply the ugly Halloween face of a far broader wave of social unrest that expresses not simply economic discontent, but the declining legitimacy of the political system in the minds of millions of people who see it as serving the interests of a narrow elite at the expense of the majority.

More vigorous policing will drive the thugs off the streets and restore a tenuous calm. But keeping them off the streets, and integrating them — and the hundreds of thousands who have poured onto the streets in peaceful protests — into a socio-economic system that offers them a future and a stake in social stability is a challenge that may be nearing crisis proportions.

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