

It was in 2007 that I discovered the impending global economic crisis—a discovery that would culminate in my [War against a corrupt Spanish judicial system](#), and the efforts of [Spanish](#) and [American](#) officials to cover up that corruption.

I was working on a blog for my new website, www.global-expats.com, explaining the risks of *buying vs. renting a home* while abroad—a perpetual question for the *serial-expat family*. Basically, expats are open, not only to real estate fluctuation risks, but also currency fluctuations risks. In a simplified economic examination, this means that if you buy a unit worth \$100, and your real estate market loses 30%, on top of a 30% currency devaluation, your capital will be reduced by a total of 60%, you would lose \$60, and end up with \$40. Of course, the situation could go the other way, in which your *winnings* would be exponentially effected, and you would end up with \$160. My point being in the blog, was that you can minimize risk/return ratios, but you can never escape the harsh reality of financial markets. High returns will always be accompanied by high risk. My favorite analogy is from a trader I knew many years ago; ***Like a yo-yo, markets will go up, they will go down, they will even go sideways and do loop-de-loops, but one thing is for sure: whatever goes up, must come down! And, the higher and faster they go up, the lower and faster they will come down, when they fall!***

However, what my research inadvertently discovered was that real estate bubbles had been forming all over Europe and the Americas for some time, and all were ripe for explosions. I worked in the financial markets in the late '80's and have followed world politics and the erratic behavior of financial markets for almost 40 years, and my reaction was OMG!! *S___ is Going to Hit the Fan!!* And the fall-out is going to be tremendous!

What people must understand is that I am a great admirer of Mike Milken—for his genius; and every single scum-bag that has followed in his tracks, all the way to Bernie Madoff. I truly recognize the brilliance of these men. They are as brilliant, as much as they are dangerous. However, I also recognize that many of their counter-parts—the drug-lords, Cheney/Bush, Pinochets, Francos, Hitlers... also possessed this same “Genius.” And under another paradigm, society would have produced highly productive people, rather than men guilty of horrible atrocities (see Justin Franks book, [Bush on the Couch](#)). Quite frankly the only difference at this point in history, in examining human rights atrocities, is keeping track of death-tolls, and documenting the grotesque ways that humankind can mutilate and torture its members. As long as governments and societies promote *materialism at all costs*, societies will continue in their *warmongering, consumerism* trajectories, with death-tolls and human rights violations escalating exponentially as each decade passes—***with humankind (particularly its legal community) complicit to the entire mess!*** (Please see video library of [Fundación Internacional Baltasar Garzón](#))

I once had a “discussion” on the IMF Intranet with former Chief Economist, [Olivier Blanchard](#) (2010), over the origins and root causes of the economic crisis. The contention in his blog was that these two crises were not similar. While I contended that there were. And, while I appreciate the point Blanchard wished to make—that the financial instruments utilized to create this crisis were different—I still contend that the root causes of these economic crisis (going back to Mike Milken in the '70s) are all the same. These financial bubbles, no matter what instruments used to create them, are all propelled by rampant greed and corruption, exacerbated by *excessive consumerism* endemic to the systems.

The values and morals of the people within these systems is dubious at best, and atrociously immoral at worst. (Admittedly, a big part of the problem is an inordinate amount of tunnel vision and narrowmindedness produced by decades of an American propaganda press, as opposed to a free press. And, why it is so important to denounce manipulations in, and by, the press!—as is the objective of these blogs).

While I may not have been in the boardrooms and congressional hearings with the financiers and political leaders who created the global economic crisis; I have been in their prep schools and universities, at their dinner and cocktail parties, at their weddings and wakes, and everything in between. And, contrary to the norms in the *excessively materialistic, consumerism world* in which I have been forced to live, I actually listen to everything everyone says.

However, as with all issues, there are two sides to the story. Many of the people who work in the financial markets are just average people trying to make a living, pay their mortgages, cash-in on their pensions and that's it. In looking at complicity within a human rights context, it is important to examine not only the apathy of general populations, which sanction immoral behavior through their silence; but behavior which should be particularly scrutinized is that of the CEOs, upper-management. These people are putting enormous pressure on traders and middle-management to produce what in reality are unsustainable profit margins—pushing traders, and others on the front line, to cut corners and take inordinate risks. Then when the whole mess explodes (as it eventually does) everyone looks for scape-goats, as well as ways to cover their own rear-ends, creating more havoc and mess in their cover ups. The entire system wastes more resources and energy on crisis management, than it does on productive endeavors. Then, to make matters worse the whole system “closes-up-shop” with the *financial instruments du jour*, and restarts the entire process with new *financial instruments du jour*—leaving economies in shambles, time and time again.

These systems work under the same paradigm as the drug cartels and governments in their perpetual game—as soon as they finish trashing one group of people they move onto the next. As Matt Taibbi says in [Griftopia: Bubble Machines, Vampire Squids, and the Long Con That Is Breaking America](#).

In the new American ghetto, the nightmare engine is bubble economics, a kind of high-tech casino scam that kills neighborhoods just like dope does, only the product is credit, not crack or heroin... In the ghetto, nobody gets real dreams. What they get are short-term rip-off versions of real dreams...It's the same in our new ghetto. We don't get real political movements and real change; what we get, instead, are crass show-business manipulations whose followers' aspirations are every bit as laughable and desperate as the wealth dreams of the street hustler with his gold rope. What we get, in other words, are moderates who don't question the corporate consensus dressed up as revolutionary leaders...

The problem is further compounded by the fact that this high-risk behavior has become institutionalized within the banking industry, and is now seen as normal, and even desirable. The financial markets at present are directed by *phools phishing for phools*, as [George Akerlof and Robert Shiller](#) explain in [Phishing for Phools: The Economics of Manipulation and Deception](#), under “Financial and Macroeconomic Instability,” “Phishing for phools in financial markets is the leading cause of the financial crises that lead to the deepest recessions. **Regarding financial crises, the now famous phrase ‘This time is different’ is simultaneously both true and false.**” (Akerlof and Shiller’s analysis and how it fits into the larger picture is included in my report [Financing for Development \(FfD\): A Midsummer Night’s Dream](#)).

Substantiation for Akerlof and Shiller’s premise, can be found in other socio-political analysis in modern academia. In such I turn to Bruce Bueno de Mesquita and Alistair Smith, in *The Dictator’s Handbook: Why Bad Behavior Is Always Good Politics*,

What remarkable puzzles politics provides. Every day’s headlines shock and surprise us. Daily we hear of frauds, chicanery, and double-dealing by corporate executives, new lies, thefts, cruelties and even murders perpetuated by government leaders. We cannot wonder what flaws of culture, religion, upbringing, or historical circumstance explain the rise of these malevolent despots, greedy Wall Street bankers, and unctuous oil barons. Is it true, as Shakespeare’s Cassius said, that the fault lies not in the stars but in ourselves? Or, more particularly in those who lead us? Most of us are content to believe that. And yet the truth is far different.

*Too often we accept the accounts of historians, journalists, and pundits, and poets without probing beneath the surface to discover deeper truths that point neither to the stars nor to ourselves. The world of politics is dictated by rules. **Short is the term of any ruler foolish enough to govern without submitting to these rules to rule by.***

The lesson to be learned by Bueno and Smith are that effective change necessitates *changing the rules of the game*, rather than only *changing the names of those playing a self-destructive game*—a game in which even the most ethical amongst us, will all ultimately get sucked into. **Unfortunately, this game of ‘live or die,’ and survival of the fittest, is a lose/lose for everyone involved!**

In a *Short History of the World*, J. M. Roberts, examines how the changes of the past century has left modern societies without structure, moral anchors; and, instead filled with *phools phishing phools* in every walk of life,

The nineteenth century had brought the application of steam to land and sea transport, and then the production of the petrol or oil-driven internal-combustion engine and electric tram... the first flight by a man-carrying, powered, heavier-than-air machine was only made in 1903... Already by 1939 film and radio had begun to change habits, tastes and ideas; both had been taken up by politicians, governments and businessmen anxious to promote their wares. Even the twentieth century’s vast ad world-wide expansion in primary schooling, literacy and the newspaper press may not have done so much to spread knowledge of what life had to offer in material terms as did radio and the cinema. And, although Soviet Russia, India and Japan all made very distinctive films for local consumption, the cinema often spread ideas and standards based on the life of North America and Europe.

*The impact of television was greater still. The first crude transmission of pictures had been achieved by a German in 1911. In 1936 the BBC opened the first regular television broadcasting service. Only after 1945 did it really take hold though, first in the United States, but twenty years later the medium had become commonplace in the leading industrial countries. **It is now the primary source of mass entertainment and information throughout the world.** About its effects, argument continues, but it has cut into the appeal of newspapers, radio and the cinema. It may have opened a new visual age of communication in which **images, rather than literacy, will play the main part. It may be the biggest force for cultural and social change since the coming of print, taking mankind away from words to pictures, and from thought towards the ebb and flow of emotion, impression and imprecision.***

New Ways of Seeing the World

... Whatever might be said among educated people, for millions of ill-educated and superstitious European old-fashioned religion was the main regulator of their lives. Was it really a good idea to weaken something on which they relied for their ideas of what was permissible? More deeply still, if you allowed that everything in the end could be questioned and that no standards were to be taken for granted, were you not destroying the basis of any society at all? Society needs some unquestioned assumptions.

*... There was a self-destructiveness implicit in the critical vigour of western civilizations and it can be seen in one of its greatest and most celebrated nineteenth-century scientific achievements, the work of Charles Darwin. Though often misunderstood and over-simplified... Some people believed that what they understood him to say in his book, *The Origins of Species* (1859), about the natural selection of those fittest to survive in the biological world meant that the human world functioned similarly. **Some of them went on to justify unrestrained economic competition on these grounds. They said that it ensured that those with the best qualities – of courage, intelligence, determination and practical acumen – would come to the top. This was a very comforting idea for those who did not know what to do about those who obviously lost in the***

competition of life. It implied that no-one was to blame; their plight was the result of a natural process.

...Determinist theories [] all had one important point in common: they tended to weaken the feeling that men have responsibility for their own lives and can freely take the decisions which shape them... The new ideas were symptoms that some people were beginning to feel doubts at a very deep level indeed about something very basic to their culture... It is hard, therefore, to say what 'society' on the whole 'thought', and perhaps to try to do so is not sensible... the thing which often seemed most to dwarf the individual and remove his power to run his life – the growth of huge, anonymous cities, the build-up of industrial empires in which people were only little cogs in big machines, the increase in the power of government – were all likely to leave them passive, apathetic and feeling helpless.

But it could equally well be argued that in much of their day-to-day life millions of people actually had more freedom of choice than in the past because science and technology gave them greater control than ever before over their environment...

Yet such freedom in very down-to-earth, practical matters must itself have told towards a general change in outlook in advanced societies which has been labelled 'materialism'... people came to believe that life could be explained in wholly material terms, and that the world could be manipulated so as to provide better and better material conditions for human life. From one point of view this was a very optimistic outlook, but suggested that human beings were themselves simply to be explained as a result of material forces: how, after all, could they be the only natural objects in the world not subject to the material laws which governed the rest of it? And if that were true, how could they be said to have any special or ultimate value which entitled them to be treated in a special way?

As seen in the text above, the removal of a unified spiritual guidance in communities in the past centuries has left a dysfunctional *narcissistic, materialist* socio-economic model that is self-destructive and destroying the planet. As Roberts asks in *A Short History of the World*, “Was it really a good idea to weaken something on which they relied for their ideas of what was permissible? **More deeply still, if you allowed that everything in the end could be questioned and that no standards were to be taken for granted, were you not destroying the basis of any society at all? Society needs some unquestioned assumptions.**”

And, essentially much of the chaos, be it political, economic, or social in origin; is due to **removal of the two moral compasses in society from the social equation.** As anyone who knows me can attest, I am very vocal about the damage organized religions have done over the centuries. However, as Robert’s shows, societies need a common *moral fabric*—**and for thousands of years that moral fabric has been managed by clerical leaders in conjunction with the wives and courtesans of the elite.** With the restructuring of societies toward *individualistic, materialistic* models not only has the influence of the clergy been removed, but *wives*, and even less the *mistresses* of powerful men have lost their place, and therefore power, they once enjoyed in society (Hochschild, Weitzman, Winner, Goodmark...).

First, the power of the *courtesans* (predominately a *leftist* influence) has been completely removed with women’s entry into the remunerated work-force, for obvious reasons. (Contrary to underlying feminist assumptions, liberating women from the confines of career-choices between prostitution, nunnery, or marriage, did not by osmosis *Liberate* women in society.) **Second**, most *husbands* no longer have *wives* at home, because *their wives* are out in the *work-force*, also *grappling to climb the proverbial corporate ladder without advantage of a wife at home* (Hochschild, Weitzman, inter alia). **Third**, the upper- and upper-middle class women who have chosen to be stay-at-home moms and wives, have been totally disempowered by *no-fault divorce laws*. So paradoxically, women in the West have been *Disempowered* by the feminist movement of the past 50 years, instead of *Empowered* by it. (See [Financing for Development \(FfD\): A Midsummer Night’s Dream.](#))

Leaders, whether they be in the legal or political community, must start examining issues from a holistic perspective, rather than this piece-meal, tunnel vision approach of the past. As Christine Lagarde stated in her speech,

Let me use an analogy. When seen on foot, the ancient Nazca Lines in southern Peru resemble a series of shallow trenches. Only when viewed from the air can one see the shape of a figure. The picture of the hummingbird—which you see on the screen—is deeply ingrained in the Peruvian culture, and it is also the symbol of our Annual Meetings.

Likewise, we must take a wide perspective to understand the global Nazca Lines that will shape our economic future, and thus the destiny of billions of people worldwide.

My analogy is taken from the modern world and Google maps. Leaders, public authorities, policy-makers (and people in general) need to be able to examine issues and problems in the same way as one can examine a location on Google Maps. In this case, one can zoom in from the earth, to a country, state, county, neighborhood and then local address, and zoom back out again in a blink of an eye. In today's complex world, leaders must start examining the issues in this manner.

However, try explaining anything more complicated than a *tweet* these days to civil servants or public authorities—you will boggle their mind with a deluge of information and complex equations that their bureaucratic systems and mind-sets are incapable of understanding or dealing with. Unfortunately, the work ethics *du jour* amongst civil servants is “ignore them until they just go away,” and emotional intelligence is an oxymoron in dealing with them. But, by maintaining large agencies, with impressive budgets, governments are able to preserve a façade that agencies (and thereby governments) are actually doing something. And, since the media will not report on the rampant negligence and corruption within government agencies, everyone continues to buy into [La Vie en Rose](#) mentality that dominates modern societies.

Obviously, when *public authorities* are incapable of understanding the complexities of the world they are supposed to be governing, they will be incapable of developing solutions to the problems the world faces. While admittedly there is an enormous problem with *morale* and *apathy* amongst civil servants, who are frustrated with antiquated management styles and broken systems, this does not exempt these *public authorities* from their obligation and responsibility to uphold the law. When public authorities fail to uphold the law and/or fail to report infractions of the law by colleagues who violate the rights of citizens, they become [complicit](#) to those criminal infractions—with a corresponding civil law responsibility for damages caused to the injured party.