The Jus Semper Global Alliance

In Pursuit of the People and Planet Paradigm

Sustainable Human Development

September 2022 ESSAYS ON TRUE DEMOCRACY AND CAPITALISM

Financial, Speculative and Parasitic Capital

It is a crime to rob a bank, but it is a greater crime to found one. - Berthold Brecht

Alejandro Teitelbaum

Concern to redress the injustice caused by the unequal distribution of wealth to the point of famine and misery, and to punish those responsible, has existed since antiquity. In 386 BC, wheat traders in Athens were put on trial for buying more grain from importers than they were allowed to hoard. Lysias, pleading before the court, asked for their death penalty, saying: "When do they make the most profit? When the announcement of a catastrophe allows them to sell at a high price? They seize the wheat when it is most needed and refuse to sell it so that we will not discuss the price."[1]

Foto de Elena Mozhvilo en Unsplash

People eat little and badly. "They are crazy to swallow this!" Christophe Brusset, an agri-food industrialist, denounces. From the diversion of raw materials to the manipulation of products via controversial hygiene controls, Christophe Brusset denounces the many evils of which he has been an accomplice or mastermind behind the scenes of the food industry for twenty years. Indian

1 ↩ (Lisia, Orazioni, Frammenti, XXII (Contro i mercanti di grano), Biblioteca Universale Rizzoli; Bérgamo, Italia, 1995, p. 225).

paprika stuffed with peppercorns, Chinese green tea treated with pesticides, fake Moroccan saffron, cheeses transformed into veal, fruit jam without fruit, oregano cut into olive leaves, and so on.[2] Fraud with raw materials in the food industry is also part of this mafia system.

I. In 1969, a Minnesota court ruling revealed the nature of financial capital.[3] The litigation pitted a private individual, Mr Daly, against a bank, the First National Bank of Montgomery, his mortgagee. When Mr Daly fell behind in his payments to the bank, he wanted to collect on the house. Daly argued that in the mortgage, there was no consideration from the bank, as the bank did not possess the mortgage money as the loan amount had been created out of thin air at the time the credit was authorised. In other words, by crediting in its accounts that $14,000 was granted to Daly, the bank had created money and had not taken it out of a pre-existing asset. In other words, the bank did not go into its vault to withdraw that sum in banknotes to lend to Daly. The court, in its ruling, upheld Daly's claim that the mortgage contract was void because it lacked a legitimate consideration on the part of the bank. As a result, the bank's claim to Mr Daly's house had no legal basis.[4]

II. When human beings moved from subsisting on the products of their labour to exchanging the products of the work of others, they encountered the problem that such exchange involved different objects, and they had to solve it by finding a common denominator to make the exchange equitable. The solution was to establish a general equivalent: money. But it remained to be seen why one price was attributed to one commodity and another price to another commodity. Aristotle addressed the question some 2,400 years ago in his work "Politics".[5]

> *In reality, it cannot be the case that such different things are commensurable with each other; but it is also true that, as a result of necessity, it is possible to measure them all sufficiently without great effort. There must be a unit of measurement, but this unit is arbitrary and conventional: it is called a coin.*

Marx, commenting on Aristotle's assertion that money is an arbitrary and conventional measure of commodities, wrote: "Aristotle tells us, then, for lack of what his analysis comes to fail: for lacking the concept of value. What is equal, that is to say, what is the common substance the house represents for the bed, in the expression of the value of the bed? Such a thing "cannot exist", says Aristotle. Why? In contrast to the bed, the house represents something equal, insofar as it represents in both —house and bed— something that is effectively equal".[6] In other words: human labour creates value, the common element of all goods produced by human labour; both that which makes material goods and that which is translated into immaterial goods.

In the market economy, goods exchange occurs based on a price expressed in money. This price in money reflects to a certain extent on the amount of human labour (socially necessary labour) used to produce the commodity, be it material or immaterial. But only to a certain extent, because other factors intervene in the price, such as the law of supply and demand, the concrete labour invested in producing a given commodity, the competition between producers, etc. But

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2 ↩ Ingrid Kragl (Foodwatch) Comer falso por real - Escándalos de fraude alimentario. https://www.foodwatch.org/fr/actualites/2021/plongee-au-coeur-de-la-fraude-alimentaire-scandales-mafia-et-supermarches-au-menu-de-blast-qui-invite-ingrid-kragl/

3 ↩ I am grateful to the Argentinean lawyer, Dr. Pablo Peredo, for bringing this ruling to my attention.

4 ↩ Alejandro Nadal. Juicio final sobre el dinero. La Jornada. 2012. https://www.jornada.com.mx/2012/12/19/opinion/030a1eco

5 ↩ Aristóteles: La Política, Libro I, Capítulo III, par. 15 a 18 y en la Moral a Nicómaco, Libro V. La justicia en las transacciones . La moneda

6 ↩(Carlos Marx- El Capital, Libro primero, Sección primera, Capitulo I, La mercancía, 1. The two factors of the commodity: use value and value (substance of value, magnitude of value); Tomo III Sección Quinta. Desdoblamiento de la Ganancia en interés y ganancia de empresa; Capítulo XXV Crédito y capital ficticio; Salario, precio y ganancia. 1865).

this price can be distorted when it is a monopoly price, i.e. when there is only one supplier of a given product in the market (or a small group that has agreed to fix a price). As long as they respect a ceiling so that demand is not drastically reduced. A ceiling that can be crossed —socio-political conditions permitting— when it is an item of prime necessity, such as food, water and electricity or that advertising has made it a prime necessity in the minds of consumers.

Taking all these factors into account, one can say that there is an approximate relationship between the value created by labour and the circulating money representing it and serving to exchange commodities. With this fundamental caveat: in the capitalist system, human labour is subject to the laws of the market (supply and demand). During the working day, the worker produces more value than the value represented by the wage. This is so because, in the capitalist system, labour is a commodity subject to the law of supply and demand, which varies according to the greater or lesser supply of employment in general and in each production branch. Because unemployment, whether higher or lower, is permanent, the supply of jobs is always lower than the demand, which always puts the employer at an advantage - among other factors (economic, political and social) that would take too long to enumerate here - to negotiate the wage. So the value of the wage received by the worker is always lower than the value created by the worker's labour.

This difference in value constitutes the profit - or the essence of the profit - of the employer. Other circumstances favourable or unfavourable to the employer can contribute to increasing or decreasing his profit in the production process. These values are created in producing goods and services (industry, agriculture, scientific research, education, healthcare, transport, drinking water, energy, sanitation, etc.). The wage is thus the price paid by the employer to the manual or intellectual worker to provide their labour power for a certain period. Labour power must be understood not only for the physical strength but also for the skills and knowledge, the capacity to imagine, create and invent of the wage earner. This is how the system works, and the values created by human labour are distributed unequally in society in terms of wages, profits and interest and rents.

III. Everything worked this way until finance capital acquired a hegemonic position in the prevailing capitalist system. The process that led to the current hegemonic position of finance capital began with the constitution of the large transnational corporations as a result of the concentration and accumulation of capital, which led to the formation of large oligopolies and monopolies whose financial base was consolidated from the late 19th and early 20th centuries with the merger of industrial capital and banking capital. The large transnational monopolies strengthened their finances by setting themselves up as joint stock companies, which absorbed popular savings by issuing shares (shares in the capital and profits - or losses - of the company) and bonds (debt securities against the company, which also earn interest).

Until the current planetary supremacy of finance capital was reached as a result of a profound change in the world economy from the 1970s onwards, a moment that marks the end of the welfare state, characterised by mass production and mass consumption, the latter driven by the trend increase in real wages, and by the generalisation of social security and other social benefits. This is what economists call the Keynesian-inspired "Fordist" model, characterised in production by chain labour (Taylorism), which began in the United States and spread to Europe, especially after the Second World War. The exhaustion of the welfare state model was due to several factors, two of which stand out: post-war reconstruction, which had been the driving force behind economic expansion, came to an end and mass consumption tended to stagnate or decline, as did corporate profits. The oil "shock" of the early 1970s also played a role.

To reinvigorate the capitalist economy and reverse the downward trend in the rate of profit, it became necessary to incorporate new technology (robotics, electronics, computers) into industry and services, and this required large capital investments. Someone had to pay the bill. So began the era of austerity and sacrifices (wage freezes, deteriorating working conditions and rising unemployment) that accompanied industrial reconversion. At the same time, the technological revolution in the most developed countries boosted the growth of the service sector. It led to the displacement of part of traditional industry to the peripheral countries, where wages were -and are- much lower.

In these conditions, the so-called "neo-liberal globalisation" took shape: the shift from a system of national economies to an economy dominated by three world centres: the United States, Europe and China. With the incorporation of new technologies, productivity increased enormously, i.e. production became much higher with the same human labour. Two possibilities then opened up: either mass consumption of traditional and new goods was encouraged on a global scale with a comprehensive wage policy, a social policy in the style of the welfare state, where working hours were reduced in line with productivity increases to move towards full employment, and fair international prices were recognised for raw materials and products from poor countries, or profit margins were maintained and increased, keeping wages, employment levels and prices of products from Third World countries low.

The first option would have been feasible in a system of national economies, where production and consumption take place primarily within the territory. The de facto social pact between capitalists and wage earners as consumers is then possible. But in the new "globalised" system, production is destined for a world market of "creditworthy customers", and the purchasing power of the population of the place of production is no longer of interest. Under the conditions of accelerated globalisation, the owners of economic and political power on a world scale, with their vision of the "world economy" and the "global market", bet on the second alternative (low wages, low employment levels, social security liquidation, low prices for raw materials, etc.) to increase their rate of profit.

This option intensifies social inequalities within each country and internationally, thus creating a clear differentiation in the supply and demand of goods and services. The production and supply of goods were oriented not towards the people in general but the so-called " well-to-do customers ". Thus, the supply of luxury goods increased enormously, and the supply of new products such as computers and portable phones found many customers in the rich countries and in the not-too-poor first periphery. Meanwhile, the essential goods for survival (food, health services, medicines, housing worthy of the name, etc.) remained beyond the reach of the vast majority of the poorest sector of the world's population: more than three billion human beings who live on less than the equivalent of 3 dollars a day.

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The idea of public service and an irrevocable right to the goods essential to living with a minimum amount of dignity was replaced by the assertion that everything must be subject to the laws of the market. Low economic growth rates then prevailed because a relatively narrow market imposed limits on production. The phenomenon of large masses of idle capital (including petrodollars) emerged since it could not be invested productively. But for the owners of these capitals (individuals, banks, financial institutions), it was inconceivable to leave them in a corner without making them bear fruit.

IV. Thus, the role of finance in the service of the economy, intervening in production and consumption (with credits, loans, etc.), was replaced by the new role of finance capital: to produce profits without participating in the productive process.

The latter takes two forms. One is that institutional investors, pension fund managers, insurance companies, collective investment schemes and investment funds buy shares in industrial, commercial and service companies.[7] These financial groups thus become involved in the policy decisions of companies to ensure that their investment produces the expected high returns by imposing short-term strategies on them. The other way in which the role of speculative financial capital is growing is that financial groups (investment funds, etc.) invest in speculation (e.g. with so-called derivative financial products) and so do industrial, commercial and service companies with part of their profits, instead of investing in productive investment.

Thus, making profits by creating financial products or acquiring existing ones and speculating with them became widespread. In addition to traditional financial products (shares and bonds), many others have been created. These include financial derivatives, papers whose value depends on or "derives" from an underlying asset and which are placed for speculative purposes on financial markets. The underlying assets can be a commodity (commodities and foodstuffs: oil, copper, corn, soybeans, etc.), a financial asset (a currency) or even a basket of financial assets.

Thus the prices of raw materials and essential foodstuffs no longer depend only on supply and demand but on the price of these speculative papers, and foodstuffs can (and do) increase inconsiderately, to the detriment of the population and to the benefit of speculators. For example, when it is announced that biofuels will be produced, speculators "anticipate" that the price of agricultural products (traditionally destined for food) will increase and then the financial paper (derivative product) that represents them is priced higher, which has repercussions on the real price paid by the consumer for food.

Investments in financial products involve various levels of risk. In the hope of hedging these risks, a complex array of financial products have been invented that inflate the bubble further and further away from the real economy.[8] With this "international economy of speculation", as Drouin calls it, the accumulation of large amounts of capital in a few hands has accelerated at the expense above all of workers, pensioners and small savers.

In the case of financial capital holdings (pension funds, insurance companies, investment funds, banks, etc.) in industries and services, the high rent demanded and obtained by such capital is based on the degradation of working conditions in those industries and services. A well-known phenomenon is that when a company announces layoffs, its shares go up. This is how transnational capital maintains a high-profit rate and an accelerated pace of accumulation and concentration despite slow economic growth and a restricted market.

Is the hegemony of finance capital a permanent feature of the system, as Hilferding (Finance Capital. 1910) claimed, or a transitory phase of the capitalist system, as Sweezy (Theory of Capitalist Development, 1942) criticised the former? Although Sweezy later came closer to Hilferding's positions (Sweezy, The Triumph of Finance Capital. 1994).

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[7] ↩ Investment funds collect funds from pension funds, companies, insurance companies, individuals, etc., and use them to buy industrial, commercial or service companies, which they keep if they are highly profitable or for strategic reasons, or if they are loss-making or unprofitable, they "clean them up" by laying off staff and then sell them at a considerable profit margin. They buy them out using the so-called Leverage Buy-out (LBO), which could be translated as "leveraged buy-out", which consists of financing the purchase with part of their capital (generally 30%) and another part (the remaining 70%) with bank loans, secured by the assets of the acquired company. In 2020, the top five investment funds in the world were: Blackrock, $7 trillion; Vanguard, $5.7 trillion; Schwab, $4.3 trillion; State Street, $3.1 trillion; Morgan, $2.6 trillion; Total, $22.7 trillion. https://mutualfunddirectory.org/latest-directory-ranking-here/

[8] ↩ François Chesnais, La mondialisation financière, (François Chesnais., editor) ed. Syros, Paris, 1996, Cap. 8. François Chesnais, The end of a cycle. Scope and direction of the financial crisis. Published in Spanish in Herramienta Nº 39, Buenos Aires, octubre 2008 y en francés en Inprecor Nº 541-542, Paris, septiembre/octubre 2008. Michel Drouin, Le système financier international, Edit. Armand Colin, Paris, enero 2001.

There is no doubt that the permanent basis of the capitalist economy is productive capital, without which finance capital (not hegemonic) could not exist. That is why big transnational capital not only plays the leading role in the financial system but also carries out productive activities in the most diverse spheres: from the extraction of raw materials to the provision of all kinds of services (banks, insurance, health, communications, information, pension funds, etc.) through the production of a great variety of commodities: goods for immediate consumption such as food, durable goods such as cars, etc. and also in the sphere of research in all fields, especially in advanced technology: electronics, genetic engineering, etc. The arms industry is always interested in positioning its production, testing its new products in real conditions (wars in the Gulf, Yugoslavia and Afghanistan, aggression against Iraq, aggression against Gaza, etc.) and expanding its markets, for example, through the incorporation of new countries into NATO.

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War is a recurrent choice of monopoly capital in times of economic crisis because it is a way of reactivating industrial production without the need to reactivate demand (the state buys the production of armaments with taxpayers' money without consulting them and the population of the chosen enemy "consumes", incidentally involuntarily, the bombs that are dropped on their heads). And after the war, the big monopolies of civilian industry monopolise the reconstruction business and "humanitarian aid". War would be the most extreme form of "creative destruction" (Schumpeter) inherent in capitalism.

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Other forms of "creative destruction" that benefit big capital are crises, major natural disasters and health catastrophes such as epidemics and pandemics. Theorisations justify the enormous accumulation of profits by parasitic finance capital that money and other financial products are creators of value. But the problem is that money is not a value but represents value. And that value is created only in the real economy, and money cannot generate value and produce profits. So the traditional expropriation of the fruits of labour by capital in the real economy (obtaining surplus value) has been added to the expropriation by speculative finance capital without participating in this process.

Financial capital, in addition to these "legal" mechanisms aimed at obtaining an ever greater share of the value created in the productive sphere, directly appropriates the assets of workers, pensioners and small savers, committing real swindles. For example, in the United States, the transnational energy giant Enron declared bankruptcy, acknowledging a debt of 40 billion dollars, and left its staff (12,000 people) in the street, stripped of their pension capital, and invested in shares of the company itself. In other bankruptcies of large banks or transnational financial groups, thousands of small savers have seen the fruit of many years of effort, and even hardship, evaporate. After Enron, similar cases followed, such as WorldCom's, involving the two largest US banks: Citigroup and JP Morgan Chase. In the case of WorldCom, a small saver who bought 10,000 dollars worth of shares in March 2000 found in July 2002 that his shares were worth only 200 dollars (AFP Dispatch of 21/07/02). A similar situation also occurred in some transnationals based in other countries, such as Vivendi and others in France. Vivendi's share was quoted at 141.60 on 10 March 2000, and was worth only 9.30 on 16 August 2002 and 26.11 in January 2021.

The financial scandals revealed in 2002 caused huge losses to the largest US pension funds. Calpers, which manages the money of 1,300,000 Californian civil servants, CalSTRS (687,000 teachers in the same state), and Lacera (132,000 employees in Los Angeles) lost 318 million dollars because of the WorldCom bankruptcy (more than 7 billion dollars evaporated). The New York State civil servants' pension fund (112 billion dollars in assets) lost 300 million dollars in the WorldCom bankruptcy.

Senior positions in large transnational corporations and essential government functions are interchangeable (revolving doors) and are in effect in many countries and international organisations.[9] Two examples: Barroso, former president of the European Commission, was recruited by Goldman Sachs. Neelie Kroes, former vice-president of the European Commission and head of competition, landed at UBER, a transnational slave-driving company that refuses to recognise the status of employees and thus deprives them of pensions, holidays and other social security benefits. This kind of modern slavery is known as the "collaborative economy".

All these bankruptcies, fraudulent operations, financial scandals, capital flight, etc., have taken place in full view and patience (and with the complicity) of governments, which did not use the control mechanisms at their disposal, meaning a massive plundering of resources from vast masses of the population and the concentration of these resources in the big centres of transnational economic-financial power.

Other forms that allow transnational financial capital to parasitically appropriate the fruits of the labour of others, i.e. without intervening in the productive process, are the privatisation of social security, which private pension funds have taken over, the replacement of part of the salary or other remuneration of the personnel of large companies by shares or stock options on shares in the same company (stock options), etc., which are different forms of stealing or defrauding, as can be read in a book by the economists Labarde and Maris.[10]

In a few years, derivative financial products (futures, options, forwards, swaps, etc.) for speculative purposes or supposedly intended to hedge risks multiplied exponentially and their amount of money became astronomical and detached from the real economy. All these financial products circulate, in fact, as currency, so the role of currency to represent the values created in the production process has been totally distorted since the ratio between the real values created in the production process and the fictitious ones circulating in the financial market is of the order of between 10 to 1 and 20 to 1, according to different estimates. This produces a real, totally uncontrolled hypertrophy of the financial sphere and creates an enormous fictitious capital, as Marx called it and analysed it in Volume III of Capital.[11]

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[9] ↩ Wikipedia: Revolving door (politics) https://en.wikipedia.org/wiki/Revolving_door_(politics)

[10] ↩ Philippe Labarde y Bernard Maris, *La bourse ou la vie, la grand manipulation des petits actionnaires*, edit. Albin Michel, Paris, mayo 2000. Véase también Michel Husson, *Les fausses promesses de l'épargne salariale*, en *Le Monde Diplomatique*, febrero 2000 y Whitney Tilson, *Stock options, perverse incentives*, en www.fool.com/news/foth/2002/foth020403.htm, 03/04/02.

[11] ↩ In Volume III of Capital, referring to the placement of bills of exchange as autonomous means of circulation or quasi-money, **Marx** quotes J.W. Bosanquet. Bosanquet: It is impossible to say what part of it comes from real business, for example, from actual purchases and sales, and what part from **fictitious** and baseless bills, which are simply discounted to collect others which are in circulation before their maturity, thus creating **fictitious capital**, thus creating mere imaginary means of circulation.

Foreign debt is a gigantic system of transferring the values created by human labour to financial capital and a mechanism of dispossession of the national patrimony.[12] In short, transnational finance capital is functioning as a vacuum pump for the wealth produced by labour on a global scale.[13] It is the determining factor of the hegemonic economic and social policy that violates fundamental human rights in food, health, environment, education, housing, etc.

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The European Central Bank is busy bailing out the banks and refrains from financing projects to tackle the problems caused by the accelerated deterioration of the environment.[14] Meanwhile, the life expectancy of the most vulnerable is decreasing due to environmental pollution.[15] And COVID vaccines are flowing to rich countries. In contrast, poor countries are almost entirely lacking ("The world is on the brink of a catastrophic moral failure concerning the equitable distribution of COVID-19 vaccines," warned the head of the World Health Organization (WHO), Tedros Adhanom Grebreyesus, on Monday 18 January 2021. Currently, "more than 39 million doses of vaccine have been administered in at least 49 higher-income countries. Only 25 doses have been administered in one lower-income country. Not 25 million, not 25 000, just 25," Gebreyesus stressed.[16]

V. At the international level, money laundering from illicit activities: drug trafficking, international pimping, child trafficking, sex tourism, etc., forms a whole with trade in goods and services and "legal" international financial activities, even the financing of terrorist activities. The terrorist attacks of 11 September 2001 in the United States brought to the forefront the question of the channels of funding of terrorist activities through various financial circuits. However, this issue had already been the subject of an International Convention for the Suppression of the Financing of Terrorism on 9 December 1999. Many large-scale terrorist activities, including those promoted by major powers, are financed through legal and illegal financial channels, e.g. in the "Iran-Contra" case concerning the financing of terrorist activities against Nicaragua (Iran-Contra case. Report of the Congressional Committees. US House of Representatives Committee and US Senate Committee, 100th Congress, 1st session, Washington 1987). The "Iran Contra" drug trafficking case resurfaced in

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[12] ↩ Marc Touati, France's interest rates and public debt soar: "no one cares, but not for long" While France's public debt burden has soared, the state's net worth is negative, https://www.capital.fr/entreprises-marches/les-taux-et-la-dette-publique-de-la-france-senvolent-tout-le-monde-sen-moque-mais-plus-pour-longtemps-1428928
-F. Chesnais- Some reflections on public debt https://france.attac.org/nos-publications/les-possibles/numero-24-ete-2020/debats/article/quelques-pistes-de-reflexion-sur-la-dette-publique
-Les Économistes atterrés, La Dette publique - Manuel critique d'économie monétaire. January 2021. The authors dismantle the most common misconceptions on this subject: public debt is a burden for future generations; France is living beyond its means, etc. To do so, they produced a small handbook on the state budget, how it is financed, the limits and misinterpretations of the debt-to-GDP ratio, the distinction between good and bad debt, and how public debt enriches the rich or can be used as an instrument of domination. They also explain how states can cope with recession without the counterproductive return of austerity measures: restructuring and monetising debt, breaking the dependence on financial markets, giving a new role to the Central Bank, promoting redistributive and ecological fiscal reform and fiscal policy at the heart of the ecological transition. These proposals, submitted to public debate, aim to make public debt an instrument for the common good. The authors: Eric Berr (University of Bordeaux), Léo Charles (University of Rennes 2), Arthur Jatteau (University of Lille), Jonathan Marie (Sorbonne Paris Nord University) and Alban Pellegris (University of Rennes 2) are members of Les économistes atterrés.

-France - Public debt 2021 | countryeconomy.com

Date	Total debt (M. €)	Total debt (M. $)	Debt (%GDP)	Debt per capita	
2021	2.813.087	3.297.467	112,90%	41.579 €	48.738 $
2020	2.648.147	3.019.230	114,60%	39.141 €	44.626 $
2019	2.374.942	2.659.500	97,40%	35.192 €	39.408 $

[13] The world's top 100 asset owners total 144,978,409,214,982 dollars (145 trillion dollars) https://www.swfinstitute.org/fund-rankings.

[14] ↩ Que la BCE prenne sa part pour le climat!https://blogs.mediapart.fr/jmharribey/blog/220121/que-la-bce-prenne-sa-part-pour-le-climat?utm_source=20210122

[15] ↩ Cardiovascular disease burden from ambient air pollution in Europe reassessed using novel hazard ratio functions. European Heart Journal, Volume 40, Issue 20, 21 May 2019, Pages 1590–1596, https://academic.oup.com/eurheartj/article/40/20/1590/5372326/
-Latest Lancet report finds 9 million annual pollution-related deaths worldwide -https://europeanlung.org/fr/news-and-blog/ground-breaking-new-lancet-report-links-9-million-global-deaths-per-year-to-pollution/

[16] ↩ http://www.ipsnoticias.net/2021/01/la-oms-critica-egoismo-los-paises-ricos-las-farmaceuticas/

1989: the Foreign Relations Subcommittee on Terrorism, Narcotics and International Operations, headed by Senator John Kerry, issued its report on 13 April 1989, documenting that the US government had recruited drug traffickers, used their planes to "supply the Contras", and that these planes were leaving for Central America with weapons and returning with drugs.

Illegal capital and capital aimed at criminal activities pass through the same financial circuits as legal capital, as pointed out in an article in the French daily Le Monde[17] by Geneva prosecutor Bernard Bertossa, Brussels prosecutor Benoit Dejemeppe and French judges Eva Joly, Jean de Maillard and Renaud Van Ruymbeke, commenting on the book "Révélations" by Denis Robert and Ernest Backes. These two authors argue that the opaque mechanisms of international clearing houses are not only one of the keys to financial globalisation but also criminal globalisation.

In the Le Monde article, prosecutors and judges support Robert and Backes' thesis that, contrary to popular belief, this criminal capital is perfectly detectable in financial circuits.

The links between crime and economic power have permeated the state apparatus through corruption and a kind of symbiosis between economic power, crime and the state apparatus. The document "Stop Crime. Transnational Crime Disrupting Development and Peace", published by the United Nations Department of Public Information in April 1995 on the occasion of the 9th United Nations Congress on the Prevention of Crime and the Treatment of Offenders, begins by noting that: "Taking advantage of the dominant economic trends of the 1990s - globalisation and liberalisation - transnational crime has become a factor of considerable importance in world finance, capable of exerting a negative influence on the destiny of entire countries at critical stages of their economic and social development". One of the guidelines of IMF adjustment policies has been the liberalisation of financial systems, which opens a wide field for criminal activities in this area with impunity. The globalisation of the economy and finance, their almost total deregulation and the use of electronic media that ignore national borders show that no democratic supranational bodies can control and regulate economic and financial activities more or less effectively. It is not civil society that sets the rules for the functioning of the world economy, but transnational capital, supported by the ruling elites of the most industrialised countries and with the complicity of the subordinate elites of the poor countries, who also benefit from this situation. Thus, a large part of large-scale financial and economic activity, whether legal, semi-legal or illegal, responds exclusively to the interests of these dominant minorities and gives rise to economic, social and cultural rights violations.

In 2020 the gap between the tiny minority of the richest and the huge mass of the poorest widened enormously, as the former multiplied their profits while the latter sank further into misery.[18]

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[17] ↩Le Monde, Les « boîtes noires » de la mondialisation financière. 10 mai 2001

[18] ↩ Oxfam Le virus des inegalités 25 enero 2021 https://www.oxfamfrance.org/wp-content/uploads/2021/01/Rapport_Oxfam_Davos_inegalites_2021.pdf. The combined earnings of the world's ten wealthiest people during the coronavirus pandemic reached US$540 billion, according to a recent study by Oxfam. The NGO said that this amount would be enough to prevent the world's people from falling into poverty because of the virus and pay for a vaccine for all. BETWEEN THE START OF THE PANDEMIC IN MARCH 2020 AND THE END OF 2021, THE WEALTH OF THE FIVE RICHEST FRENCH PEOPLE INCREASED BY 173 BILLION EUROS, ACCORDING TO OXFAM. THIS IS MORE THAN THE COST OF THE COVID-19 HEALTH AND ECONOMIC CRISIS IN 2021. AND THE EQUIVALENT OF ABOUT A HUNDRED MILLION MINIMUM WAGES.

Conclusion[19]

The current crisis we are experiencing is not only economical but also social, systemic and global, and it is about to become a catastrophe.
And we cannot overcome it using the same procedures that caused it!
It is stupid that those who dominate the world want to continue to act in the same way and that our peoples remain indifferent to this situation as if nothing serious was happening. This civilisation is on the verge of collapse, and yet:
Billionaires occupy the altars, enjoy privileges in all governments, pay fewer taxes than small entrepreneurs and get richer and richer. Financial, speculative and parasitic capital outstrips productive capital. Tax havens, tax evasion, corruption, drug trafficking, organised crime and money laundering have penetrated all ruling class sectors, increasing economic and social inequalities among the population and unbalancing food production and distribution.

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❖ **About Jus Semper:** The Jus Semper Global Alliance aims to contribute to achieving a sustainable ethos of social justice in the world, where all communities live in truly democratic environments that provide full enjoyment of human rights and sustainable living standards in accordance with human dignity. To accomplish this, it contributes to the liberalisation of the democratic institutions of society that have been captured by the owners of the market. With that purpose, it is devoted to research and analysis to provoke the awareness and critical thinking to generate ideas for a transformative vision to materialise the truly democratic and sustainable paradigm of People and Planet and NOT of the market.

❖ **About the author:** Alejandro Teitelbaum is a Fellow Associate with Jus Semper since 2010. He worked for many years on the issue of human rights in the realm of global corporations and other business enterprises. As the former Permanent Representative, successively from 1985 to 2006, to the United Nations Office in Geneva, for the International Federation of Human Rights and the American Association of Jurists, he spent time toiling with the bureaucracies of the UN and member states in pursuit of an international legal framework that would harness the business activity so that it would stop violating a wide array of human rights in its sphere of influence, as is customarily the case today. As such, he witnessed how, time and time again, the bureaucracies succumbed to the will of the leading economic powers, that were adamant at maintaining the preeminence of corporate interests over their responsibility for their infringement on human rights. Alejandro Teitelbaum is a Lawyer, a graduate of the Universidad de Buenos Aires, and a Postgraduate in International Economic Relations at the Institute of Economic and Social Development Studies, Université Paris I.

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