

# The Iraq War 2003 as Basis of the Structure and Generation of the Financial, Economic, Social and Public Crisis—On the Example of the 2008 Crisis on the Basis of the Momtchil Dobrev’s “Theory of Generating Crisis” and on the Basis of Momtchil Dobrev’s “Theory of the Mafia”

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Lord Prof. Momtchil Dobrev-Halachev developed in 2008 “Theory of generating of crises” and in 2001 “Theory of the mafia”. Based on these two theories this paper explains the establishment of the Financial Crises of 2008 all over the world.

*Key words:* crisis, mafia, corruption, theory, finance

## Introduction

In the year 2008, Lord Prof. Momtchil Dobrev developed the “Theory of generating crises”. The theory of generating crises has been developed by analyzing all the relationships between countries, and lysing the causes and consequences of crises. The theory examines all possible options for generating crises. The theory ultimately leads to the conclusion that each crisis begins on the basis of a conscious action, whether of a state, of a government, of financial circles, of a president of one or more countries, of financial actors, of the financial market, stock markets, financial institutions, private interests. All the factors triggered the financial crisis in all over the world in 2008, the conditions of neoliberalism, globalization that helped the crisis. The facts of in this paper are given the proofs for the reasons of the Financial Crises of 2008 all over the world based on the Momtchil Dobrev’s “Theory of generating of crises” and based on Momtchil Dobrev’s “Theory of mafia”. In the paper the real reasons are described for the start of the Financial Crises of 2008.

## Literature Review

Dobrev (2013). Theory if degree of trust, Bulukrain-MM, Sofia, BG.

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### **Research Methods**

The research methods are the analysis of the weapon production all over the world before the war in Iraq; analysis of the costs on a war; analysis of the profit from the weapon business and huge free money—the profits of this business—the real reasons for the crisis 2008, the return of these money—the reduction of these money in construction, a highway balloon which is free in the global world; analysis of the balon of free availability from the sale of weapon the identified war in Iraq—invested in the construction where the rule of profit is heavy and it is for 1.5-2 years; analysis of the differences of the war in Iraq situation and data of the war in Iraq; analysis of availablility of corruption and the mafia all over the world; analysis of the crisis environment—neoliberalism and globalization and political model of mafia in government governments in Iraq, facts in Greece, the development of Greece and the management of Greece for the last decades; analysis of which foreign companies enter Greece, creating partnerships with state-owned companies, under what conditions and others; analysis of the Greek realities, of Neo-Liberalism and Globalization to accelerate a financial, economic, and social crisis in a society and country.

### **Analysis of the Costs in a War on the Example of Different Wars All Over the World**

The war is the source of the greatest profits. The future period—sharpening the economy and trade to maximize profits is based on Momchil Dobrev’s “Theory of Crisis Generation”.

An attack of war imposes and requires that it be funded, both with creatures and with production. The process includes banks, financial institutions, arms business companies, the military industrial complex, and not the political mafia.

As a result of each war, there is an economic crisis, a production crisis, an industrial crisis, a social crisis, a social crisis. These crises must be funded, where the aggressor is usually replaced by the aggressor, who owes money for years to the war and his presence, redistributes wealth, and draws mostly from profits. Profits of the aggressor derive from all areas of development of a country or region.

The United States has participated in wars and created military conflicts. The war in Mexico in 1840, cost \$2.4 billion. The ratio to the Gross Domestic Product of 1847 amounted to 14%. World War II costs about \$4.1 trillion or 36% of GDP in 1945. By World War II, almost the entire military budget of the country was spent on participating in military conflicts. The US spends 1.1% of GDP in 1899 on the Spanish-American war and 1.5% on defense spending. In World War II—worth \$4.1 trillion, 400,000 American fighters died. The participation of US in World War II began on December 8, 1941. The wars in Iraq and Afganistan cost over \$4.1 trillion. Third is the Vietnam War. The US spent \$738 billion or 2.3% of the country’s GDP in 1968. For the past 10 years, the US has spent between \$3.7 and \$4.4 trillion.

### **Analysis of the Profit From the Weapon Business and Huge Free Money—The Profits of This Business—The Real Reasons for the Crisis 2008 The Return of These Money—The Reduction of These Money in Construction— A Highway Balloon Which Is Free in the Global World**

The macroeconomics does not take into account what is the profit rate, whether this profit rate is invested back, in what size and share, and more importantly, in what industry. All revenues and savings are treated in a

variety of industries one by one.

Moreover, there are schemes to lawfully conceal profits—through so-called offshore companies. In the different branches of the economy, they have different rates of profit. So in the military production sector, the profit rate ranges from 30% to 70%. It's the lucky winner with the highest profit rate. The light industry is about 5-10%. Food industry is 15-25%. But also as a relative volume and as a total volume sales of weapons and ammunition are the largest. Here are the wrong conclusions of the macroeconomics about a given state of the planet's economy. Here are the wrong conclusions about the consequences.

A distinction must be made between which sectors are state-owned and which industries dominate private companies. The Pentagon's spending on wars in Iraq and Afghanistan is \$1.6 trillion, and this means that the profit rate is from 30 to 70 percent for different weapons, equipment and...Let's make things simple—that's 800 billion dollars of sour money for investment. Which industries have the closest and fastest returns? Where is cocaine profit rate invested? In construction, money laundering of drugs and weapons goes through construction.

Here the reversibility terms are shorter and the renown is the fastest—18-22 months. The profit rate is from 300 to higher. The cost of the world for the period 2004-2008 for sale of military equipment amounts to 114,338 trillion US dollars. For the US, this is \$34.9 billion for 2008 alone—\$6,159 billion. For Russia, 28,536 billion dollars, respectively—only for 2008—5,953 billion dollars. For Germany—11,450 million dollars—for 2008—2,837 billion dollars. For France—9,607 billion dollars—for 2008 alone—1,585 billion dollar. For the British—\$5,132 billion—for 2008 alone—\$1,075 billion.

Sales data of the two largest nations are as follows:

For the US, 2004—6,648 billion, 2005—6,786 billion, 2006—7,394 billion, 2007—7,914 billion, 2008—6,159 billion; For Russia, 2004—6,353 billion, 2005—5.485 billion, 2006—6,186 billion; 2007—4,559 billion; 2008—5,953 billion. For the 2007 military sales in current calls, the 10 are the following in the world: 1) Boeing USA; 2) BAE Systems—29,850 billion; 3) Lockheed Martin; 4) Northrop Grumman USA; 5) General Dynamics USA; 6) Raytheon USA; 7) EADS; 8) L-3 Communications USA; 9) Finmeccanica—Italy; 10) Thales France.

Among the top 100 companies—45 are from the United States, 32 are from Europe, 10 from Great Britain, eight from France, four from Italy, five from Germany, seven companies from Russia, four companies from Japan and South Korea, and three companies from Israel and India. The top 100 companies for 2007—a total sale of \$346.9 billion. For 2006, there is 12% nominal growth.

Countries bought the most weapons for 2004-2008—they are: 1) China—12,980 billion dollars; 2) India—\$8,186 billion; 3) United Arab Emirates—7,105 billion; 4) South Korea—6,921 billion; 5) Greece—\$4,813 billion.

### **Analysis of the Balon of Free Availability From the Sale of Weapon the Identified War in Iraq—Invested in the Construction Where the Rule of Profit Is Heavy and It Is for 1.5-2 Years**

The war in Iraq provides an investment of \$411 million every day. The cost of the war in Iraq is actually between \$3 trillion and \$4.4 trillion. The war began on March 20, 2003, when England and the United States were attacked in air, on land, at sea, backed by Australia, Denmark, Poland, Spain. On March 6, 2003, inspectors published a report stating that they believe that Iraq, with its emerging economy and level of

development, is in a position to develop or support a program to develop weapons of mass destruction.

On the other hand, the United States has several times suggested that al-Qaeda has terrorist training camps on Iraqi territory and that Saddam Hussein himself is financially helping her. Al-Qaeda's Rod-Obama bin Laden firmly denies that. Every second of a war in IRAQ costs \$5,000. In 2001 during the president George Bush, the financial sector becomes more powerful, more profitable, and more concentrated. There are five investment banks, two financial conglomerates, three re-rating agencies, and three insurance companies. Businesses build for trillion US dollars from mortgages are initially normally structured.

Under the new scheme, when lending a property, lenders sell the mortgages of the envy banks. Investment bankers combine thousands of mortgages and loans and create complex derivatives called structured bond issues. Investment banks then sell to investors. Thus, when the borrower pays the mortgage, the money goes not to the lender but to the investors from all over the world.

In 2001, George Bush, a junior, came into power in the United States, and in this year, the financial sector had become much more profitable and more successful. At the heart of this prosperity there are five investment banks, two financial consortia, three rating agencies, and three insurance companies. As a result, end-to-end balances and associated system of over \$5 trillion of mortgages are available, which this system is about.

After the mortgage loan is given, it is sold through the mortgage of investment banks. On the other hand, investment bankers combine hundreds of thousands of mortgages as derivatives. They carry the assigned—structured bond issues. Then, the investment bankers sell these companies to investors.

After all, Antico is not interested in the quality of these mortgage packages—not even the bankers. The objective is a reduction of free money that contributes and makes huge profits for its own owners, subsequently buying up the banks they know a priceless, and so on.

Investment banks pay rating agencies of high EA rating and receive AAA rating, which creates balon. The creditors do not care if they will get their money back and start giving credit. Investment banks earn money, rating agencies are not interested—they get money from banks. And they are not interested in the quality of mortgages. In this way, banks give out more credits. In fact, hundreds of billions go through this system.

Becoming a boom of construction, builders begin to construct mass reassure without the danger that buildings will remain empty. Between 1996 and 2006, prices rose twice. Companies such as Lehman Brothers and Goldman Sachs increased their assets from 30 billion to over 800 billion a year. Overall, the earnings of the EuroList were a bill of billions of dollars.

On the other hand, AIGG as the largest insurance company sold a large number of derivatives—credit swaps. An investor who buys an EOU pays credit swaps and the money goes to AIG. So they are insured. With derivatives, everyone can insure someone else's property.

If the value begins to fall to AI, it must recover the losses. But unlike ordinary insurances, speculators can buy swaps for papers they do not own. The right of many people is to build up your property and so the losses will be as much money as possible for loss, and instead pay big bonuses to insurers involved a successful deal. Credit swaps are not adjusted. This allows AIG not to allocate money for potential losses. So the London office issues insurance.

Rating agencies earn four times more than AAA ratings for these papers. Moody's, SEP and Fitch win mills. Moody's quadrupled his profits from 2000 to 2007.

In March 2008, Bank Bear Stearns went bankrupt and Morgan Chase bought it by giving two dollars a

share, i.e., the priceless. The Federal Reserve supports the deal and gives a 30 billion dollar loan. Instead of taking risk mitigation measures, the Federal Reserve gives this loan. On October 4, 2008, President Bush signed a \$700 billion aid bill. The indebtedness becomes 33 to 1. Free money is invested in construction because the rate of profit there is the highest. Real drugs and money from wars and weapons are invested in construction. This balon is created.

### **Analysis of the Differences of the War in Iraq Situation and Data of the War in Iraq**

The costs in Iraq are 5,000 USD for every second and 411 million USD every day. Current spending per month is \$12.5 billion. Costs reach 25 billion a month. The estimated price will be \$3 trillion. The cost of the war is 3.7-4.4 trillion dollars in 10 years. The cost of war is equal to Watson International Studies Institute at Brown University.

The cost of the war is funded with a cumulative deficit—which should also cover interest rates. In addition, the Pentagon has received extra between \$326 and \$652 billion out of the money directly to finance military action. For internal security, \$401 billion is spent. In addition, troops in Iraq and Afghanistan have filed additional claims of \$32.6 billion for disability and treatment. Veteran compensation costs will increase from 598 to 934 billion dollars. The cost is from 2.9 trillion to 3.6 trillion dollars.

George Bush—Congress allocates an extra 120 billion dollars. The Iraq war began on March 20, 2003, when the United States and the United Kingdom were attacked in air, on land, at sea, supported by Australia, Denmark, Poland, and Iceland, without the declaration of the Security Council of ONP to legalize the invasion.

### **Analysis of the Crisis Environment—Neoliberalism and Globalization and Political Model of Mafia in Government in Iraq**

Neoliberalism across the globe leads to the globalization of the world economy. There is a cyclical nature of production and crises which are preserved. Crises become more and more honorable. Crises are getting harder to overcome. Progressive technologies are developing and there is a strategic superiority of certain countries over the rest of the world.

Globalization has led to the full exploitation of small peoples by the great peoples. The neoliberalism and globalization are bringing the peoples closer together, but they are actually moving away from them, and the real enslavement of one country is in relation to others. They are approaching the near-developing countries, which makes the respective crisis immediately affect all the other countries which are in this industrial and other development. Smaller countries are affected by lagged lag and in smaller degrees.

Countries in the world are not at the same level of development either industrially, and spiritually and culturally. In neoliberalism, the world and domestic markets are the main driver of economic development.

Different countries have different levels of economic development and different degrees of competitiveness. The economies of developed countries produce cheaper, produce more and better quality and thus impose their output and conquer the markets of the smaller, less developed countries. This is a process of pardoning poverty.

Neoliberalism rises in a natural way using the political system and political parties to impose a financial oligarchy. The financial oligarchy governs the governments and, respectively, the states.

The intertwining of financial interests and politics in turn generates not only the financial oligarchy but also the corruption and mafia in the state at all levels. The financial oligarchy, the big corporations also hold the

state elite. In neoliberalism, there can not really be a civil encyclopedia and a robbery to control the government.

In fact, governments are creating such laws to protect certain corporate interests, support tactics, enforce and legitimate corrupt practices, enforce laws that exclude real civil society, genuinely enforce laws to legalize mafia in governments, and financial mafia. In fact, governments are creating and adopting laws that legitimize thefts, corruption, mafia, and work in the state.

The media are conquered by certain corporations that govern governments and the state. The media really can not fulfill their function.

Indeed, manipulation in favor of the financial and oligarchic mafia is done by the media, which prevents other thinking and memory, imposing corruption and the mafia as a way of livelihood, governance, organization of society.

The media are heavily dependent on oligarchs and the oligarchic mafia. The oligarchic mafia manages governments, and thus the whole states.

The goal is globalization to become controlling—which the oligarchic mafia will not allow. There is no specialization of a particular country to compete in other countries.

### **Necessary Specialized and Controlled Globalization**

Consumers' society is only in the interest and profitable only for developed countries. In this way, they place their goods and services in the consulates for a long period of time. The generation of the crisis through the Iraq war is a result of the biggest premises in the artificial business, money that is invested in construction.

Globalization and neoliberalism in support of the excessive capital excess helps this process.

### **Analysis of Available of Corruption and the Mafia all Over the World**

Let's take an example in Greece of the elements of Momchil Dobrev's "theory of the mafia" and the political model of mafia in Europe.

In this part we will consider the basic elements, the relationships in the theory of mafia seen in the last 20 years in the experience of the author in connections of the given situation all over the world. The described below is the short description of the theory of the mafia the vision of the author for creating the theory of the mafia, its building and life related to the crises in Greece.

The basic elements of the theory of the mafia are described also by concrete appearances. Elements of the Theory of the mafia are the following:

- Structure of the mafia. It includes structures that they depend on the formula of the mafia;
- Structural subordination. This is available also for the outside structure most described as organizational criminal group, also for the inside structure—this is a structure of state power, executive power, and justice power;
- Functional subordination. Subordination of members of this type, and others are valid also for the inside structures—the structures in the state, justice etc. Also for the outside structure—mostly in mafia structures.

The structures of the mafia are: outside structure—for the criminal groups; and inside structures—for the state, justice, execution power.

The availability of the mafia action is the condition of availability of order/the order which will be executed based on:

- subordinations—structural and functional.
- benefit cooperation—inside and outside.

Types of the mafia include: inside juridical mafia, inside prosecutor mafia, mafia in the state, mafia in the municipalities, outside prosecutor mafia, outside juridical mafia, outside state mafia. There are procedures of taking in law orders of the mafia in the court, prosecutor office, state etc.

### **Formula of the Mafia**

The most simple model of the mafia which describes the factors which influence amount, type etc. is the following:

Mafia = Power/state etc. + Influence + Connections + Interests + Order/Orders + Mafia structure/inside or outside + Monopoly Rights + Laws/rules/practices/procedures + Possibility of taking an alternative decision – Obligation – Responsibilities – Morality/ethics.

The mafia is available also for the public and private sector. The power of the mafia and the corruption practices in Greece in the public sector are very stark.

The mafia price is the material or non-material benefits of members of the above mentioned structures. Here is the connection between the mafia and the corruption. Sphere is spread of the mafia all over the world.

The mafia in Greece can be found in all the spheres of the public live.

Sphere of appearances of the mafia: 1) In the state administration; 2) In the politics; 3) In the justice system; 4) In the police, prosecutor; 5) In the public services; 6) In the private sector; 7) In the TV, radio, television, and newspaper etc.; 8) In the citizen sector.

The political, financial, and weapon producer mafia is the basic reason for the beginning of the war in Iraq.

### **Analysis of the Model of Political Mafia all Over the World**

The foundation of this operating model of political mafia principle is: Appointed by the mafia that controls a state, ministers, civil servants and others who have data and evidence of wrongdoing in their field of work, crimes in which they have passed each other and one of the mafia has helped them to pass.

These are different cases such as gross violations of tax legislation—tax evasion, concealment of profits, tax evasion, and others—are held by the officers of the NRA and accordingly entered into force the decisions of the NRA, which crimes in the penal code—various offenses under the criminal code under which the pre-trial proceedings were discontinued.

Hidden sexual orientation—Family with children with hidden sexual orientation.

Political mafia based on just these basic as understanding is the following:

- I have appointed and appoint the family, the people in state structures;
- Preparation of contracts from the eligibility of candidates and requirements of the candidates so close candidate of the party man, to win the contract.
- Preparing the procurement of the conditions, so that only candidate middle party man can win this contest, auction, or other contract.

Political mafia mainly adopts such laws that they do not pursue relevant leaders of state structures, institutions and others. This is the guarantee of the political mafia. It creates laws to make in law violations and their crimes. To legitimize their crimes, there are no problems with the justice system—the courts, prosecution,

it should be political mafia to appoint their relatives chief prosecutor for prosecutors at all levels and in all offices across the country. Political mafia is appointed to positions of responsibility in the judiciary and judges loved ones to party mafia leadership positions. Of leadership positions in the courts—the final authority appointed people close to political mafia. This avoids any complaints of crimes committed by people of political mafia in the entire state. It is done at all levels of prosecution. Expressly legislate not to pursue committed by prosecutors and judges crimes mentioned in the constitution if republic accepted that members do not to pursue the commission of offenses by judges and prosecutors. This legitimized lawlessness, corruption, and mafia. In the judiciary, judges are appointed to serve only orders to give a judgment in favor of our person, our company. The court and the prosecution actually legitimates for the theft of factories, companies.

The court and the prosecution is done so that the right people, the right companies mafia in the lists of creditors are claimants and others.

By being anywhere law a company or person can not lead a lawsuit against prosecution for its inaction on the reluctance to reveal crimes committed by notaries, the judges prosecutors of companies close to the mafia who steal targets companies with assets worth billions. This is done by pressure from internal services—police, agents, government officials, and officials of the National Revenue Agency, tax offices, municipal offices.

Accepting such laws if there is an order from the Mafia to tax and other authorities, including police, the individual can not complain of any institution, structure, and your state institutions.

Just political mafia secures not only institutions, government, municipal racketeering, and extortion, pressure, squeezing, extortion of embarrassing, but persecution by such institutions only and only to be withdrawn illegally ownership of honest people and companies.

Political mafia all over the world works with financial institutions—banks, insurance companies, pension funds and others. There are also laws that serve the interests of these financial behemoths—banks, insurance companies, agencies, tax authorities and others. Through these financial institutions and laws to be adopted in their favor, using even the structure of enforcement, thus stealing property owned—companies, factories and others on the “inconvenient” individuals and companies, which does not enter and is not willing to give and transfer property ownership, he is pursued by illegal means as political mafia use any structures—prokurori to raise absurd accusations that prosecutors themselves commit crimes against civilians just to perform the contract mafia. If the IRS can not achieve this pressure and racketeering, which lead to a positive result of the mafia, through racketeering and extortion to perform the contract, it includes not only prosecutors to raise illegal and absurd accusations in making overt crimes. In extreme cases state structures are activated—police and specific individuals to perform the contract—the murder of the “inconvenient” individuals.

Only the interests of big profits in each war are the moving power to begin the war against Iraq.

Based on this theory of the mafia all the processes made in the war against Iraq are made by the political, financial, and weapon producers—mafia.

### **Conclusions**

The enorm profits for the financial institutions, producer of weapon in beginning of the war against Iraq is the reason for the Financial Crises of 2008 that was crises in financial, economic, producer, social, cultural shperas on the basis of the Momtchil Dobrev’s “Theory of generating of crises” and the Momtchil Dobrev’s “Theory of the mafia”.



When certain actions and resolutions of governments, presidents, countries, financial institutions, producer of weapon are to start the war against the Iraq on example who have clear and proven interest of big profits, this leads to a deep, irreversible, financial crisis, which affects all circles in a society, economic, administrative health, a pension, tax, society, demographics.

All these actions are conscious and incited to the interests of financial interests of statesmen, politicians, political parties, producer of weapon, financial institutions.

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