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His recent Published works include:

- (1) *Los ciclos largos de la coyuntura*. México, 2008.
- (2) *De la crisis al caos y a la crisis*. Ed. Brest-Litovsk, 2005, México, D.F.
- (3) *Quórum* No. 73 (2000). *Los ciclos largos y la tendencia secular del empleo asalariado femenino. Algunos ejemplos internacionales*
- (4) *Quórum*, No.72 (2000). *Algunas contradicciones y tendencias del comportamiento cíclico de los estados y los mercados en el capitalismo avanzado, México y América Latina.*
- (5) *Quórum* No. 71 (2000). *Los líderes políticos del siglo XX (segunda parte).*
- (6) *Quórum* No. 70 (2000). *Los líderes políticos del siglo XX (primera parte)*

The Present World Economic Crisis from the Long Economic Cycles Perspective. Some Alternatives for the Workers

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Abstract: In my paper I expose the present day of the financial situation of the main capitalist countries, as well as some other features of its economy, mainly the industry, and propose some alternatives for the social classes that most suffer from the present crisis.

Keywords: Long economic cycles, phase A, phase B, financial crisis, alternatives to capitalism civilization

As of the beginning of the 1970s till the present day, this is a long period of economic decline or phase B of the Kondratiev cycle. It is the end of a long phase that has its beginning in the last decades of the 19th century. It is, in fact, the decadence and extreme rationalization of the main features of this period, which were based on oil and the internal combustion engine, as well as in electricity, as the main motor forces, around which a techno-economic system was formed, which gradually replaced the system based on coal and the steam engine. This is the end of the oil economic model, which shaped the entire world economy during more than a century.

Since 1973-75 we have a long period of a falling tendency in the rate of profit of the productive activities and also a declining trend in the rhythm of growth of the GDP of the different countries that comprise the world economy (with their corresponding exceptions). The long-term saturation of the markets of the basically (in the majority of the cases) traditional products, has led to the emergence of this trend, as well as the permanency of considerable idle capacity and excess capital accumulation, which as of the 1970s increasingly shifted to the financial-speculative sphere. Starting from 1995-97, the problems of the world economy have worsened, giving rise to an international recession in the 2000-2003 period and to a subsequent weak recovery that was concluding in 2007. As of this year, we were slipping toward a deep depression of the type that began in 1929.

The deepening of the contradictions of the above-mentioned model indicates that it is historically obsolete, that most of its branches and sectors use mature technologies, the rate of benefit in its enterprises is low and its markets are relatively saturated, and that the transition to a new model is clearly underway, based on a new source of energy and its corresponding engine, namely, natural-hydrogen gas and fuel cell engines. But this transition will take place following one of humanity's greatest economic catastrophes.

The persistence of the trend toward a decline in the rhythm of growth of the world economy, which followed the long period of strong growth of 1945-1974, the golden age of international capitalism, has translated into a situation in which although in the 1970-1979 period the international economy grew by 4.5%, in 1980-1989 the corresponding figure was 3.4%, which declined to 2.9% in 1990-1999 and to 2.7% in the 1997-2006 period, with a similar rhythm in the 2000-2005 period, 2.6%. After the economies of the OECD member nations grew by 2% in 2003 and the world economy as a whole experienced a good turnaround of 5% in 2004² (in the U.S. electoral year), in 2005-06, growth was 4.9% and 5.4%, respectively, with a decline in this indicator in 2007.

Some of the other new elements of the international scenario, resulting from the crisis of the model, are:

The deregulation of the financial, goods and services, money and capital markets. The extreme financialization of the world economy, with the corresponding rise of parasitism. The financial-speculative economy is divided into several segments and has reached a size that is twenty or thirty times that of the real or productive economy. While world GDP reached a total of \$48 trillion dollars in 2006, the derivatives sector, according to the Bank for International Settlements, which in 1989 barely profiled with a notional value of \$5 trillion dollars, in 2006 had already reached the \$532 trillion dollars mark (eleven times world GDP). Between April and June 2007 it barely reached the figure of \$536 trillion dollars³, in doing so registering weak growth, practically halting its vertiginous rise and creating multiple problems mainly for many of the banks and funds that its investors own, particularly Deutsche Bank and General Motors and Ford, among others.

However, it is necessary to add that this financial segment, for being the most developed, is not the only one. Together with it, there are the foreign exchange market, also with a high rhythm of growth and an enormous size, and the capital market with its diverse segments, etc.

The speculative bubbles have become an increasing extended development in contemporary society. The bubble of computer and informational technology companies' stocks and securities (1995-2001), was followed by the enormous real estate bubble (2001-2007), the biggest in world history, which is ending this same year.

The restructuring of world industry with migration from branches with mature technology and low rates of profit in the traditional industrial centers toward countries with a cheap and docile workforce, undervalued currencies, abundant and low priced raw materials, state subsidies and protection, as well as political stability. The main forms of the

1 IMF, several years, The World Bank 1998, 2000, Jorge Beinstein, *Capitalismo senil*, Buenos Aires, Argentina, 2001, Internet version, p. 62; Robert Brenner, *Declining Economic Dynamism*, statistical appendix to "Prosperity and Crisis in the World Economy: Yesterday, Today and Tomorrow," Mexico City, 24.05.2007, P. 1.

2 World Economic Outlook, IMF, Sept. 2003, P. 173

3 BIS annual report, 2007.

world restructuring of transnational corporations are subcontracting and maquiladoras, as well as the installation of their subsidiaries abroad. In most of the cases, the corporations have met with the cooperation of the local governments to eliminate any obstacle to their international plans, but a trend that has begun to recently emerge is nationalization, state control, or the extreme regulation of company operations with the purpose of sharing the benefits of their activities with the host countries (Bolivia, Venezuela, Ecuador, etc.).

The restructuring of the production of the transnational companies, which have resorted to a very broad international division of labor within their foreign subsidiaries as a whole in order to integrate their universal or regional end products. In this context, the extreme rationalization of production takes place within companies, with the aim of intensifying the use of capital and labor and to obtain greater profits.

Financialization of companies, which have increasingly resorted to the stock markets and the placement of paper and securities to obtain higher profits.

Reorganization of the labor factor, with workplace flexibility, the intensification of labor, and the extreme rationalization of the Taylorist-Toyotist model, promoting the elimination of trade unions or separating the workers from their unions, as well as crushing, brutally in many cases, strikes and other forms of labor protests. Other aspects of the current stage include:

World unemployment having increased. In several advanced countries new forms of workplace management have begun to be established. These include a greater participation and responsibility on the part of workers in the organization of the workplace and the quality of the end product, as well as in some cases, in company management and leadership (quality circles, etc.). Government restructuring, with the sale of state owned enterprises in the economy and services (“thinning of the state”), decline in the number of state employees, reduction in social services, increase in the public debt, and the rise in subsidies to companies. General rise in the Asian economies, first of all Japan, and subsequently the four Asian “tigers”, Thailand, Indonesia, the Philippines, the oil producing countries (with the exception of Iraq), China, and finally Vietnam, Cambodia, and India. The foreign and internal debt of the nations increases year by year, as is also the case with the states’ fiscal imbalances. World trade grows at significant rates in the first stage of the period, but in a second phase, it constantly diminishes. The transnationalization of the economy, that is, the prevalence of the large transnational corporations in the economy is reaching a point in which the 500 largest corporations produce more than 40% of world GDP. This indicates the emergence of megacorporations and their domination of the world, since their powerful strength allows them to not only dominate on an economy level, but also in the political, cultural and social fields as well.

The current moment. We are facing a complex scenario, in which the recession that is beginning in contemporary capitalism is becoming a deep depression, in a crisis of capitalist civilization, similar in several aspects to those of 1914-18, 1929-1930s, and

1939-45. This imply the collapse and closure of countless companies, the growth of unemployment, the increase in social and political struggles, the rise in crime and violence and its corollary, an increased number of wars. But this also implies a move toward the left and the center-left in the governments of many of the “emerging” countries.