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Is There A Crisis in the World Economy?

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ANNUAL COLLOQUIUM SERIES:  
NEW WORLD ECONOMIC  
DISORDER

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**"Is There a Crisis of the World Economy"**

Monday, 8 March 1993, 2:00-5:30 p.m.

Faculty Center  
UCLA

### **Eleven Theses:**

#### **"Is There a Crisis of the World Economy" -**

- when in the EC 17 Million persons, in the OECD-world 7,9% of the labour force officially is unemployed (1992), not computed disguised unemployment?
- when a process of a deep structural adjustment in the core industries of the "fordist model" (steel and automobile) takes place?
- when the indebtedness of public sectors in the OECD-countries reaches a plafonds, where debt service narrows the political space of governments?
- when in the formerly so called Third World great parts of the economic system and of social agents after the "lost decade" of the 80s due to the debt crisis are marginalized, informalized, excluded from the world market and formal gratifications?
- when in Eastern Europe and the CIS GDP-growth since several years is negative, inflation in some countries out of control, and whole industries in a process of uncreative destruction, so that the transformation process may fail?
- when industrial development meets hard ecological constraints which enforce deep structural adjustments of the modes of production and regulation?

Obviously, there is a crisis of the world economy. Yet, it is important to understand its character and its dynamics.

### 1st Small and great crises and "creative destruction"

Theoretically it is common to distinguish between small and great crises in the course of social and economic development. Small crises may be defined as purely economic ones ("ups and downs" of the industrial cycle), whereas great crises concern the institutional set of a given mode of production and regulation. The distinction between small and great crises refers to that between "Juglars" and "Kondratieffs". Small crises therefore are those periods in a (Juglar-) business cycle in which the accumulation process of capital decelerates or even comes to a halt (downswing, recession, or depression) due to a decline of the profit rate, i.e. an overaccumulation of capital. The reasons for that decline are quite different, but in any case they have not only to do with an increase of unit wage costs but also with a decline in capital productivity, a strong indicator for a rising organic composition of capital. Taken GDP-growth rates, increase of idle capacities and unemployment, the decrease of profit rates into account, most OECD-countries (and all European OECD-countries) today are in such a small crisis (viz. OECD Economic Outlook). Small crises may be overcome by means of an increase of the profit rate and a devaluation and depreciation of capital. Under normal condition it is the function of the crisis, to achieve exactly this result, to restore the conditions of a new accumulation cycle. In the last 20 years the restoration or stabilization of the profit rate in the OECD-world has been realized by an increase of the profit share rather than by an increase of capital productivity. In the major seven OECD-countries, rates of return (an indicator for the profit rate) remained rather stable: the average of 1975/79 was 14,1%, the average of 1980/89 was 14,0%. But in the year 1990 it jumped on an average level of 15,3% (the estimates until 1994 confirm that result. Capital income shares in the same period for the same group of countries increased from 31,9% to 32,9%. 1990 the profit share reached 33,9%.

With regard to the different periods of the business cycle the crisis is the decisive one, which determines the historical character of the whole cycle. Therefore business cycles differentiate as to their *depth* (concerning depreciation and restructuring) and to their *spacial range* and *duration in time*. They may occur in different capitalist countries at different times

or synchronically in all national states of the capitalist world system as it has been the case since the 70s. Because business cycles are historical ones, each crisis has its own history, characteristics and trajectory, although there is a general theory of crises; Marx' "Capital", for instance, may be interpreted as a comprehensive crisis theory, or how economic and social contradictions intensify until the outbreak of a crisis and how the crisis itself re-establishes the conditions of a new upswing.

## 2nd Results of the "form crisis" of the 80s: flexibilization and de-regulation

In contrast to small crises great ones result in a transformation of regulating institutions of the social system. Crises always comprise two logically different phases: First destructuring of old forms and second restructuring of new ones. In a Schumpeterian sense crises therefore are processes of "creative destruction" in the spheres of technology, capital assets, commodity stocks, money capital, qualifications of labour, organisation of the labour process, articulation of economic and political institutions, national and international division of labour etc. If there is no creative impetus in the process of destruction, crises aggravate until a stalemate, which demands radical solutions in order to be overcome. It seems so, as if "uncreative destruction" describes best the situation today in many societies of transformation in Eastern Europe.

Regulation theory stresses in particular three social forms of regulation, the wage relation, the money relation, the labour relation on a micro-, meso- and macroeconomic level with emanations in the social sphere and political system. Therefore, great crises by definition are "transformation crises" or "form crises"; restructuring takes place not only within a given social form, the form itself undertakes a process of transformation. Obviously, the crisis of the 70s in the industrialized capitalist world was in such a sense a great or form-crisis: it changed deeply the institutional surroundings of the economic process with regard to nearly all aspects of social life: the organization of labour in the productive process (crisis of fordism), the organization of money on an international level (breakdown of the International Monetary System and of US-\$-hegemony), the

organization of the relationship between politics and economics in a nation state (end of Keynesianism and the crisis of the Welfare State) as well as in international relations between the industrialized world and the so called third world (debt crisis; failure of the new international division of labour). In order to apply the concept of "great (Kondradieff) crises" to the contemporary world market it is necessary to take into consideration the monetary dimension of capital accumulation.

The main feature of this institutional transformation during a great crisis of long duration, wide range and great depth can be circumscribed by the notion: *flexibilization*. Flexibilization takes the place of rigid forms of economic organisation; it is realized on different levels of the economic process: on the shop floor, in management strategies, in technical equipment and in individual behaviour (I will not deal with the debate on "Post-Fordism" or "flexible specialization"). On the macroeconomic level the corresponding category of flexibilisation is *deregulation*. The political and ideological expression of flexibilization and deregulation has been the neoliberal or neoclassical/monetarist "counterrevolution" (Milton Friedman). It was successful in destroying the traditional institutional setups of Keynesian economic policies and the social democratic compromise in Europe and elsewhere. It was also effective in undermining developmentism in the "Third World" and of frustrating development planning in "real socialist" economies protected behind the walls of a state monopoly of foreign trade. Flexibilization and deregulation are not a strategy restricted to certain areas or certain countries which went to the forefront of neoliberalism and of the "monetarist counterrevolution", such as Great Britain under Thatcher and the US under the rule of Reaganomics. The whole world has been drawn into this circle of a new, more flexible and market-ruled, deregulated accumulation model.

3rd Global mobility of money as a prerequisite of deregulation and flexibilization

The most important feature of this new context of flexibilization and deregulation was the emergence of a nearly completely deregulated global

monetary market. More important than technical innovations stressed by Schumpeter and Neo-Schumpeterians were the financial innovations after the breakdown of the Bretton Woods System. As a consequence of this new historical reality the traditional meaning of the world economy changed completely. The global economy now comprises all forms of capital; the "reality" corresponds to the "idea" of the world market, as Marx in Hegelian terms predicted: There is a world market for commodities (world trade), for productive capital (direct investment and transnational corporations), and a world market for money capital (international credit system). Beyond the globalization of the economic reproduction process, the globalization of political hegemony also changed: After a period of unchallenged US-hegemony under the Bretton Woods System, the attempts to establish "Trilateralism"; after its failure the neoliberal decade of the "violence of money" (*Herrschaft durch die Sachzwänge des Weltmarkts*); and after the victory of the Western model in the "Cold War", the collapse of the "systemic alternative" in the East and the breakdown of the "Third World" in the South - the attempts to establish a new "world order" (unipolarly, multipolarly? Orderly, chaotically?).

One central feature of the globalization of money ("interest bearing capital", in Marxian terms) consists in the price of money (interest rate in time and exchange rate in space) becoming an "external budgetary constraint" for all world market agents, may they be political institutions or microeconomic units. Even powerful central banks lost their "interest sovereignty" and therefore an important instrument of control over and intervention into a national economy. Even the strong Bundesbank has to make concessions to the market-convulsions provoked by an inadequate interest policy.

The dominating role of money is decisive for the economic feasibility of flexibilization of the labor process and deregulation of markets. For, productive capital and commodity capital are fixed (capacities, technology, labour; "spacial fix"; material form of commodities). But in the form of liquid money capital it is highly flexible and mobile, the more deregulated the markets, the better. Capital in its money form can be switched from London to Singapore and from New York to Frankfurt in less than a second. On international money and capital markets the daily

turnover is more than a 1000 Billion US\$ (BIS). Only about 5% of this amount are needed as means of circulation of world trade; the big rest functions as means of payment (in Marxian terms), as interest bearing capital, monetary wealth of wealth owners in search of most profitable and secure havens and therefore always ready for a speculation on international financial markets. Flexible money capital therefore today is influencing more than rigid real conditions of production the decision making process of economic agents. It defines hard standards of competition and by this criteria of minimum-profitability of any economic activity. The rise of monetarism as well as that of the new paradigm of "monetary keynesianism" have to do with the monetary dimension of the modern world market, where money rules the global economic and political processes on all levels. In contrast to Keynes, who plead for the "euthanasia of the rentier" monetary Keynesianism today stresses the centrality of the new figure of a monetary wealth owner. Flexibilisation of microeconomic production and circulation and deregulation of macroeconomic processes on markets are the local social forms of the predominance of global money.

#### 4th. Globality, nations, and regions

Although there is a real and monetary globalization of the economic system the national state still exists. But its regulatory power in the majority of cases in the industrialized world as well as in less developed countries has been dismantled by means of neoliberal deregulation: liberalization of prices, convertibility and depreciation of the currency combined with an liberalization of the exchange rate, increase of interest rates in order to attract monetary wealth, privatization, flexibilization of the wage rate etc.. All these tendencies result in a decline of intervention capacity of the nation state into economic affairs. Consequently, the loss of political power in the economic sphere, the failure of Keynesianism, is the seamside of the rise of an international money market. The intrusion of global economic tendencies into the traditional realm of the nation state on the one hand and the nation-bounded features of statehood produce a new dialectic between nationality and globality: the dissolution and dis-evolution of the nation (which originally has been produced by the



state, as Hobsbawm has shown) and the state on the one hand and the emergence of re-regulation on a supranational and global level as the correspondence to deregulation on a national scale on the other hand. Below the global scale, which is too large for many economic and political ends, nation states are going to build up regional economic blocks as to meet the transnational necessities of political re-regulation of economic market-affairs: the EC, NAFTA or regional blocks in Latinamerica, Africa and the Pacific Rim.

In the course of dismantling the traditional nation state dynamic regions within an traditional nation state are becoming increasingly important; regionalism (sometimes in the clothes of "welfare chauvinism" - quite common in some richer parts of the EC) therefore gains impetus. The traditional nation state is in a fix between the lower (regions within the state) and the superior regional level (regional blocks). In order to compatibilize the global reach of modern capital circulation state functions are divided between the global, the supranational, the national, and the regional level. Although state and nation no more do coincide there is today no solution for the problem, that the arena of re-distribution by means of the welfare state still is limited by the state and the nation. On the one hand, therefore, the compatibility of states and nations; on the other hand the growing distinction between states (statehood) and nations (nationality). This identity/non-identity produces a deep ideological dilemma, since the state traditionally is identified with the nation, and the nation with a ("its") state. The dangerous dynamics of this dilemma today become quite clear in the case of the former Yugoslavia...

#### 5th. The world order of the end of history

Even more important than small and great crises and the restructuring of the capitalist world system today is the deep revolutionary change in the block-structure of the global system after the collapse of "real socialism". For a description and analysis of this event the term "crisis" is not spectacular and comprehensive enough. For this historical event cannot be described as a mere transformation of forms within a given mode of production and political rule, but as the transition of a social formation to

another social system. Even a great crisis (an institutional transformation on the basis of the functional mode of the real socialist system) was too small as to match the transformation necessities of "real socialist" societies. Perhaps the "revolution of 1989" occurred because the socialist planning system directed by an authoritarian party prohibiting the emergence of institutions of a "civil society" did everything to avoid and to prevent small crises and great crises; it therefore lost its capacity to adjust its institutions to new historical challenges - and broke down. They failed to mobilize the resources of Gramscian "Transformism" in order to restore their hegemony. In a provocative and simplified formulation: Because the real-socialist countries sent their tanks in order to suppress their '68 in Prague, they fell into pieces 20 years later.

Instead of "transformism" therefore transformation... The transformation-processes in Eastern and Central Europe after the collapse are not restricted to their geographical area. Not by accident, the breakdown of the competing super power in the West has been interpreted as the "victory in the cold war". The consequences of the disappearance of real socialism from the stage of history has dramatically been labelled as the "end of history". The discourse on the end of history is the universal-historical ("universalgeschichtliche") correspondence to the parallel "spacial" discourse on the "new world order". Paradoxically, the new world order at the end of history is characterized by a completely non-revolutionary outcome of the revolution of 1989, i.e. the confirmation of the very traditional market principles and the rules of a democratic political system which shall warrant the global realization of the old American dream of "pursuit of happiness" in the "New American century", on which former President Bush as well as Bill Clinton spoke in their State of the Union and Address to the Congress, respectively.

Another "best of all possible worlds" arose out of the conflict between the two competing social formations of the 20th century, since the failure of the real socialist experiment demonstrated clearly that any attempt to establish a social alternative to "the best of all possible worlds" must fail. The dream of an alternative world, of another social order, of a socialist system produces nothing but monsters. The unveilings of crimes and incredible stupidities in former real-socialist regimes demonstrate to an

amazed public, how monstrous real life under real socialism really was.

Voltaire already ridiculed in his "Candide ou l'Optimisme" the Leibnizian construction of the "best of all possible worlds". Candide on his trip from Westfalia in Central Europe to Guayana in Latinamerica met nothing but misery, crime, cruelties, infamie, repression so that he doubted in the historical sense and ethical justification of the best of all possible worlds and that it should be the final word order - only because it is the best possible. Consequently he draw a quasi-Lutherian conclusion at the end of his trip: "we must cultivate our garden". At the end of history the new world order is no abstract principle but the concrete outcome of human action. History, therefore, is open but what is its end, when there is no end of history?

#### 6th From development to containment

In order to answer this question it is necessary to discuss the notion of development. The rupture of development trajectories of national economies and of the global economy as a whole becomes quite clear when taking into account the change of paradigms which occurred in the last decade, years before 1989. Development, defined as modernisation and industrialization, i.e. "westernization", was one of the great promises of the post-war hegemonic order to all its participants all over the world. Modernization theory was the theoretical backing of a political project which first has been expressed by President Truman in his speech of January 20th, 1948. Development was conceived as a project for all nations in order to contain and roll back the socialist alternative in its "socialist camp" led by the Soviet Union, and in order to strengthen and expand the Western world with its hegemonic order, its norms, values, rules, and institutions. Yet, the project of development failed, due to economic laws which rule the capitalist world system: the mechanisms of relative price formations (terms of trade regime) and the efficacy of money as a means of payment (debt regime). Of course, these mechanisms are nothing more than the most abstract forms of an *ensemble* of factors and effects, all linked to the rules of capitalist accumulation and expansion. Dependency theory and the world systems approach have contributed a lot of arguments for an understanding of these processes in spite of the well

known and broadly discusses flaws and insufficiencies within these theoretical approaches.

### 7th From private vices and public benefits to the "tragedy of the commons"

Even more important than economic obstacles to modernisation and industrial (fordist) development of all participants of the world market and its new world order are ecological boundaries of the natural environment. Since the "global commons" are limited development efforts produce the "tragical result" of non- or under-development, reflecting the deep changes from the beginning of the liberal era to its "end of history". Bernard de Mandeville in his "fable of the bees" around 1700 was optimistic enough as to believe in the conversion of "private vices" into "public benefits" by means of the market mechanism which socializes competing private individuals and produces increasing wealth, whereas Garrett Hardin 1968 sees no reason at all as to believe in public benefits, even in the case of all private individuals behaving completely virtuously. For, they use the (global) commons not according to the ecological boundaries but in conformity with the "world order" of competitive market systems which enforce each individual to accumulate capital, to accelerate the circulation process and to expand the reach of economic activities. This contradiction is responsible for the transformation of development efforts into development frustrations. It is clear that the ecological boundaries do not appear as such, but hidden in price mechanisms and monetary constraints. They provide the signals which economic (and political) agents understand; the ecological ones are far from being noticed in normal times. In capitalist market systems the monetary constraints (exchange value), and not the ecological constraints (use value) rule the decision making process.

Therefore economically, the tragedy of the global commons finds its expression in the allocation procedure of "positional goods" (Hirsch): Goods only so long bear a use value to satisfy human needs, as the quantity of these goods is limited. The best example, of course, is the automobile, which loses its use value, when everybody is going to use it: it becomes immobile in the traffic jam or - much more important - its emissions

destroy the living conditions of species, inclusive those of human beings by contributing great part to the greenhouse effect. Moreover, the industrial (fordist) system may be conceptualized as an ensemble of goods which have all characteristics of a "positional good". It produces only so long gratifications for men as not all men in all societies on earth dispose on the same energy-intensive industrial devices based on fossile energies peoducing not only the desired use values but unavoidably dangerous and hazardous emissions and waste. Industrialization of the whole world therefore is destructive, it is a nightmare.

The market mechanism is only apt to practice positional goods insofar as they are converted into traditional goods obeying to the Musgravian exclusion principle. But the very property of positional goods is, that this decisive principle cannot work. The exclusion, nevertheless, will be produced by means of money, the crucial and helpful category of a market system. Therefore, only those will dispose on positional goods who possess the necessary amount of purchasing power. Positional goods by means of the market mechanism are transformed into aristocratic or plutocratic goods. They provide for those who dispose on them an exclusive, aristocratic life style. Their use value is monopolized by a few people and it satisfies the needs only of those who dispose on money, while all the others, who do not dispose on effective purchasing power are excluded from their gratifications. Markets, at the end of history, i.e. at the beginning of perceptible ecological boundaries, again are powerful mechanisms of inclusion and exclusion. Formerly there was the countervailing power of the Welfare State, which included those into the formal system who have been excluded by the working of market mechanism. But first, the traditional Welfare State lost part of its including capacity in the course of the contemporary form crisis. Secondly there is no way of including mankind as a whole into the fordist model of mass production and consumption taking the hard ecological limits of a continuation of the development model into account. Since the market today is the world market, this exclusion/inclusion happens on a world wide scale. Development becomes a divergent process of high or even superdevelopment of the ones and persistent underdevelopment of the others. This state of the world market only could be changed by means of a non market, i.e. political treatment of positional goods - and by initiating a

process of transformation whichs leads us far from "fordist fossilism".

#### 8th The mangement of "global apartheid"

The already mentioned neoliberal ideology supplies the theoretical and ideological foundation and legitimation of this global contradiction. It justifies the inclusion of the ones into the project of modernisation and the exclusion of the others as legitimate results of the neutral functioning of the free world market. The separation between excluded and included is not only some kind of a global apartheid between the north and the south but features of each national and regional society. Inclusion should not only be defined by criteria of material wealth or amounts of monetary income. This doubtlessly is an important, but nevertheless not sufficient feature. For, inclusion concerns the possibility to participate in the formal structure of the system, i.e. the disposition on the formal media of systemic control: Money in the economy, power in the political system, recognition in the social sphere. Excluded, therefore, are all those who do not dispose on money, power and/or recognition in the formal system. The separation between formal and informal structures of the world economy, between core countries and marginalized sectors is a persistent feature of modernity of the world order.

The "apartheid" between included and excluded on the world level has to be managed. The duplicity of development policies in the west and containment policies against the "socialist camp", after the collapse of real socialism has been substituted for containment policy against the negative consequences of the mode of functioning of the modern capitalist world system itself. The global project of development and modernization "western style" has been tacitly cancelled in the new world order. Yet, the content of the notion "containment" changed completely from times of the cold war to post-1989-times. Containment today is no more protection against the real or imagined systemic alternative but protection against the externalized results of the functioning of the really existing capitalist system itself. Therefore, the neoliberal model of deregulation and inclusion/exclusion is politically armed by a tendency of fortress-building in the world system: "fortress Europe" against migration flows, defence

strategies against so-called "weapon states", protection against the re-internalization of externalized ecological costs (that is the sense of the "Global Environmental Facility", agreed upon in Rio 1992), the war against drugs, etc.. Former development strategies of modernisation are becoming management strategies of non-development. Symbolically, this change finds its ironical expression in the destruction of the Berlin wall 1989 and the resurrection of an electronic wall some hundred kilometers easternbound at the frontier of Poland with destabilized Russia and other successors of the former Soviet System.

#### 9th "Forget the Third World"?

One of the economic features of this global apartheid is the decrease of political influence and of economic weight of the former third world in economic and political world affairs. The portion of world trade originating from Latinamerica, Africa or the poor Asian and Pacific-Rim countries is decreasing. 77,9% of the world population produce only 16,2% of the global GDP (1989). Africa's portion of world trade decreased from 5% in 1980 to 2.6% in 1990. The same happened with Latinamerica; the whole continent contributed 1980 6,4% to world exports, ten years later only 3,9%. The portion of world export originating from the United States, the EC and Japan in the contrary increased from about 55% to 63% in the same period. If we take the participation in world trade as a rather strong indicator for participation in global modernization and industrialization, the "lost decade" of the 80s shows clearly how much the excluded world is lagging behind. The gap between the OECD-world and "the others" is still widening instead of becoming narrower.

What does that mean? First the old structure of the international division of labour has been re-established after frustrating attempts to overcome it by establishing a new international division of labour in the 70s, based on the internationalization of fordist structures. The separation of the world in industrialized countries on the one hand and raw material producers on the other in the 90s is stiffer than two decades before. The less developed countries did not succeed in overcoming their traditional role of being "islands" of syntropy for the regions where the transformation of matter

and energy into industrialized goods takes place. As competitors on markets for industrialized goods the "Third World" - with the exceptions of the NIC's - plays nearly no role at all, so that cynicists draw the adjacent conclusion: "forget the Third World". Within the Third World there are two reactions on this cynicism of the rich: The first is the attempt to establish new strategies of "active world market integration", such as projected by the CEPAL at the beginning of the 90s. Yet the chance to realize this project are rather sinister. The other strategy is the implementation of pure neoliberalism. This has the consequence of separating each nation into a small formal, "dollarized" part and the big informalized and marginalized rest. Development in this case takes place, but only of those parts of an economy and society which is apt to be integrated into the world market, whereas the other part of the economy has no chance of development in formal terms at all. A third strategy is no strategy at all: to leave whole continents in a situation of a generalized chaos.

#### 10th Regional blocks in the industrialized world

Another consequence of the limitation of world market circulation on the industrialized parts is an aggravation of competition between the highly industrialized countries. It is not by accident that the last decades also were testifying a new line-up of regional blocks in the world economy. Contrary to the promises of free trade, based on the theory of comparative cost advantages, and also with disregard to the Listian proposition of a temporary and controlled dissociation of the national economy from the world market, the last decade saw the emergence of barter trade (nearly one quarter of total world trade) and of a variety of economic blocks. There are a lot of reasons for economic integration of national economies in form of free trade associations (NAFTA; LAFTA; EFTA; Mercosur etc.) or customs unions and even currency-unions (EC), all responses to the increasing spacial reach of capitalist accumulation. But why not free trade on a global scale? The central reason, again, has to do with money, that is with the emerging competition of currencies after the end of the International Monetary System based on the unchallenged hegemony of the US\$. Therefore, the most important trade blocks, today, are organised



around strong currencies: the US\$-block, the Yen-block, and the ECU, i.e. DM-block. These blocks form the new "Tryade" in which competition among industrial countries takes place; the other parts of the world (from Eastern and Central Europe to Africa and Latin America) more or less provide economic resources (raw materials, energy) and are used as ecological sinks (as waste dumping sites) for the material, liquid and gaseous emissions of the industrialised world. Obviously, this division of labour concomitantly is a division of the global commons, which under each criteria is conceived as an unjust and unequitable one. It therefore politically and socially is not stable and in the long run not tolerable, let alone the ecological limits of the development model.

#### 11th The great crisis is not over

The new world order which comes out of the great crisis of the last decades and the revolution in Eastern and Central Europe therefore provides the gratifications of order for the ones, and the burdens of disorder for the others. It is a rather unstable situation, which only can be hold by means of economic (neoliberal), political and military (repressive) containment policies. I do not dare to give a prognosis, how long such a contradiction between order and disorder may work.

It is amazing that the great crisis began in the 70s with a huge restructuring process in the West which obviously came to the good end of a great victory in the cold war. The crisis of the 70s, on the other hand, gave impetus for a modernization strategy in many parts of the Third World. They tried to overcome underdevelopment by means of foreign indebtedness and indebted industrialization. This strategy completely failed; it ended in most parts of the Third World in indebted de-industrialization. The stance of Third World countries today is worse than 15 years ago. The dynamics of restructuring in the great crisis resulted in an economic, social, political and even ecological disaster. The strategy of avoiding the great crisis in the real socialist world, for its part, resulted in the disaster of a systemic collapse. The perspectives of a successful transformation to efficient market economies, of a transition "from there to here" are not very good, if there is no transformation in the

West.

The "creative destruction" in times of a crisis therefore not always occurs in acceptable and tolerable time periods. So there remains destruction of material wealth, of institutions, values, norms, but creation fails to appear in the process of desired creative destruction. Therefore it is very likely that the crisis goes on, even in the case that there will be some economic upswing in some parts of the capitalist world system...