Structural and Conjunctural Crisis in Contemporary Capitalism and the Role of China

Theotonio Dos Santos
Visiting Professor, University of the State of Rio de Janeiro (UERJ);
Emeritus Professor, Federal Fluminense University (UFF);
President, UNESCO and UNU Chair on “Global Economics and Sustainable Development” (REGGEN)

Long-Term Structural Crisis
The idea of a structural crisis of a mode of production has its origins in Marx's preface to A Contribution to the Critique of Political Economy. After presenting his most important theoretical discoveries, Marx refers to a historical situation that he describes as an era of social revolution, i.e. a long term crisis can be defined as structural. In the words of Marx stated in this document:

“During the course of its development, the productive forces of society come into contradiction with the existing production relations or with the property relations within which they had moved before. From being evolving forms of productive forces these relations become obstacles to these forces. The change that has occurred in the economic base more slowly or quickly upsets the whole massive superstructure.”

You can see in this (and many other) texts that Marx did not imagined an immediate change of mode of production but a change which would occur through a secular historical process. This is even clearer when he says later:

“A society never disappears before they have developed all the productive forces that it can contain, and the superior relations of production are never replaced before the material conditions of existence of these relationships were incubated in the very heart of the old society.”
It is clear in this text so synthetic and so carefully crafted that Marx could not accept the idea of a "final collapse" of capitalism as it began to be discussed at the end of the nineteenth and early twentieth centuries in the Socialist International (Second International). The historical process of overcoming the capitalist mode of production by a new mode of production based on collective ownership of means of production, the improvement of wage labor, in overcoming the division between mental and manual work, in abolition of the state and politics and in the extinction of social classes would be preceded by an intermediate social formation, which came to be called socialism.

In this intermediate social formation the State will still exist in order to compel by coercion (for communists and anarchists every state is a dictatorship, for Marx, a dictatorship of sorts) the transformation of the entire legal system, of all ideological institutions, the educational system of capitalist production relations and to attain the highest state of development of productive forces so it would be able to allow an economy of abundance that would replace the known socio-economic forms, based on scarcity. In the understanding of Marx, the overcoming of capitalism will be the overcoming of human prehistory and the beginning of human history.

It is clear that a radical transformation of society on a global scale could not be done immediately and the social formations that articulate this transformation could not be a unique model because the transformation would result from different cultural and civilizational traditions, different strength correlations and various forms of political organization. However, we can’t withdraw the idea of a single and concomitant transformation process. It is clear that even advance and retreat of a class struggle that takes place in the interaction between different social systems more local, national or regional is considered.

We must assume therefore that the capitalist social system and pre-capitalist forms that coexist with it should seek to adapt to the advancement of revolutionary social forces that can extend their survival time. Marx and
Engels came to provide in the Capital, the Grundrisse and in several programmatic texts, some of the possible ways to adopt this growing adaptation of capitalism to the increasing socialization of the productive forces to which it was drawn systematically as a result of historical performance of the capitalist production mode.

**Adaptation Mechanisms Generated by the Internal Contradictions of the System Are Always Precarious**

There were three central mechanism identified by Marx for the capitalist mode of production to opposing survival (always precariously) to the trend of falling of profit rate which was inevitably driven by capitalist competition and the development of productive forces impelled by the needs of capital accumulation.

First they spotted the intrinsic need of capitalism of imposing monopoly domination of the markets as the main mechanism to counter the trend of falling of the profit rate. Only through the monopolization of production and realization of capital goods it is possible to generate high profit rates which are concentrated in the monopoly firms. This historically generated a new type of company in which capital increasingly delegated the business management to professionals whose contradictory socioeconomic location causes growing contradictions within individual units of production between capital appreciation and appropriation of profit.

The implementation of a monopolistic and oligopolistic market already appeared in The Capital as the inexorable trend of evolution of historical capitalism. Secondly maintaining a high profit rate in monopolistic conditions requires being supported by productive forces increasingly socialized to dramatically decrease the amount of socially necessary live work in relation to dead work, built-in facilities, machinery and the commodities workers proceed to transform.

All this leads to the need to increase more and more technological innovation and to seek appropriate technical and scientific knowledge to be placed under
the control of private property, in order to fuse with the capital. Marx and Engels later called attention not only to the need to socialize the private ownership of the means of production, through corporations that were just beginning at the time, and also foresaw the extension of capitalist monopoly to the whole economic system as happened indeed.

It was clear that even smallholder sectors that survive are recreated in capitalism under the control of capital monopoly. Either by controlling raw materials, either by controlling the demand for products, either by dominating the technology used, either by dominating the market is the capital and the state monopoly that serves those who define working conditions of small businesses. They are designed so the phenomena of concentration and centralization of capital are fundamental to the functioning of the capitalist mode of production permanently exposed to the conditions of an increasing development of productive forces. But this development is focused towards increasing productivity and the profit margin, which drastically reduces the amount of value embodied in goods and increases the historical pressure drop towards increasing the rate of profit, while that dramatically increases the huge surplus in relation to the value of the work force.

Economic growth over a function of increased productivity lowers the value of products, administered prices, systematic attempt denial of the law of value, encouraging innovation, markets monopoly, fight for the control of the advances in knowledge, technology monopoly. In this dialectical dynamic self-destruction of private property is announced as a result of the law of capital accumulation. The growth of employees and their organization is the necessary counterpart of this logic.

There is no doubt that one of the most impressive theoretical discoveries of Marx and Engels has been the creation of the First and Second International that will eventually take root in powerful socialist workers' parties that were implemented in all developed countries except United States, where the Socialist Party failed to be stabilized as a third party. The workers' parties
(subject of severe repression in the beginning) changed dramatically modern political life, first in Europe and the United States and eventually worldwide, and became one of the pillars of modern political regimes. Liberal theories eventually incorporated into their conception of modern political regimes not only the notion of political parties, that liberalism denied or unaware on their origins, but even the notion of multiparty system and succession of governments that advent of the creation of Socialist Workers Party.

It was already clear to Marx and Engels that only the government could support these trends of capitalist development to deny their own social and ideological superstructure. Engels called this the state of "collective capitalist." At the end of their lives, both Marx and Engels had already overcome that image of a responsible State to preserve only the superstructure of the social system. The changes under the laws of capitalist accumulation which they had discovered theoretically clearly indicated that the modern state became a direct agent of the capitalist production process.

In the Capital and several other texts, Marx also understood the role of foreign trade and the colonial system as factors that counteract the tendency to fall of the profit rate. But neither he nor Engels came to systematize the emergence of imperialism as the highest stage of capitalism. The institutionalist Hobson and the Marxist Hilferding were the ones that began the systematization of this new reality. Their work definitely influenced the classical books of Lenin and Bukharin on imperialism.

The then young Bolshevik Bukharin and Lenin were then able to perceive as the state monopoly capitalism became the major force that allowed capitalism to survive at a stage in which the destruction of productive forces assumed the dramatic form of world wars. That is, assuming the shape of the physical destruction of facilities and means of production and especially of the main productive force which humanity has, this is the human work force.

The historical experience of long-term crisis, which began in 1914-18 and extended by the 20’s and 30’s, reaching even half of the forties (historical
period marked by two world wars, several revolutions like the Mexican and the Russian and a long-term crisis that included the devastating period from 1929 to 1945) begins the defense phase of the capitalist mode of production. This could only survive by raising to unimaginable levels the phenomenon of state capitalism. \(^{vi}\)

Three forms of state capitalism developed sharply since 1930, mainly as a response to the crisis of 1929:

a) The form of the "Welfare State", from Roosevelt's New Deal in the United States and, after the Nazi defeat, in Europe (the Nordic countries, particularly Sweden, this type of extension of capitalism concessions to the socialization had a long way since the 30's with great historical continuity, despite the setbacks of the recent period of hegemony of neoliberalism).

b) The Nazi State, backed by terror state and war capitalism and the creation of unsustainable in the long run relations of production, as the huge expansion of "self-destructive" slavery of Germany in the countries it conquered. It was a relation of production that does not include the reproduction of labor (with the elimination of undernourished slaves which were eliminated in the concentration camps in the gas chambers and eventually became raw material for making commonly used products.) Nazism reached capitalist expansion in the 30's and early 40s, but was defeated militarily, politically and ideologically. However, its leading figures in philosophy (Heidegger), poetry (Erza Pound), arts (Futurism), and the economy (economic liberalism vs. political liberalism) continue to profoundly influence contemporary thought. It has also emerged aggressively in the Third World countries as authoritarian forms of government and totalitarian regimes which intended to modernize military claims that were implanted from the ideology of national security in the 1960 to 1980 period in Latin America and Asia. \(^{vii}\)

c) The form of the national socialist plan in the USSR, to implant the socialist primitive accumulation regime in a backward area in the development of
productive forces. Planning methods reached unexpected results, especially for the economic dominant “science”. Economic and military success of the Soviet Union dramatically illustrated the ability of collective property to create new productive forces. The difficulties of implementing a "developed socialism" in the 70’s and 80’s led to a strong economic and geopolitics shift in the 80's which was ideologically presented as a victory of capitalism in an alleged "cold war" between the "great potencies" of the world.

The forms taken by capitalism in order to survive pointed to the existence of a "structural crisis of the system." Since there is a physical limit to the phenomenon of state capitalism within capitalism, raises the possibility of creating a new “post-capitalist” society. Kautsky started a controversy in the Marxist camp, in the year of 1910 by stating the tendency of capitalism to become a super imperialism, Hilferding in his final phase conceptualized the idea of an "organized capitalism."

But Lenin characterized these proposals as purely logical projections of existing trends, without applying a dialectical view to analyze the contradictions that enclosed these partial "solutions" of capitalist development. In his proposal for the New Economic Policy (NEP) in 1922, Lenin emphasized the contradictory situation of a socialist state which was forced to rely on capitalist production relations and particularly state capitalism to allow survival of the revolution.

The proposal of the "socialist primitive accumulation" of Preobrazhensky (in 1926) fully assumed these contradictions. Preobrazhensky however showed the benefits of the State to assume the planning of the construction of the socialist economy, although it faced opposition of the forced socialization in the field and planning from above to impose industrialization. He proposed something very hard and radical: the transfer of surplus power generated by the peasants to the city. These surpluses would be the basis of socialist accumulation through its use as a source of investment required for the socialist primitive accumulation. Embedded in this vision was the creation of an industrial base within the USSR to the extent that social revolutions had
failed in Europe and the national democratic revolution in China had
difficulties in other parts of the colonial world.

With all the confrontations that led to exacerbate the struggle between these
forces within the state, this hard historic choice enabled the Soviet Union
defeated Nazi militarism in the Second World War It was therefore inevitable
that the great Soviet victory over the Nazis was immediately accompanied by
Patton’s offensive on Berlin to stop the Red Army. Also, the crime of the
atomic bombing of Hiroshima and Nagasaki was looking forward to stop the
Soviet advance in Asia. At the same time raised the threat of a new pattern of
development that even the developed world had to enter through the welfare
state and particularly dependent and underdeveloped world in general
sought to imitate their democratic national states. The five-year plans were
incorporated into the economic management of countries like Mexico and
India, even when they politically rejected the model of soviet socialism. viii

The colonial world stood and launched a new front in the global fight: the
struggle for national liberation and the installation of democratic national
states in the world until then completely subjugated to the imperialist powers.
This new front started with more clarity in the appreciation of state capitalism
that had already proved to be an extremely effective policy of primitive
accumulation in the Soviet Union and demonstrated an impressive military
effectiveness.

The period after the Second World War deepened the structural crisis of
capitalist production at an overwhelming way. The victory of the revolution
in China, Korea and Vietnam, the expansion of the social revolution in Latin
America from Bolivia (1952), Guatemala (1954), and Cuba (1958) stimulated
new victories of the socialist version of the anti-colonial struggle. The India of
Gandhi through his successor Javarhal Nehru, Indonesia’s Sukarno, Egypt’s
Nasser, Tito’s Yugoslavia announced, among others, the emergence of a new
historical subject that was inspired in revolutionary Mexico, in “new Turks ”,
and other experiences that pointed to the example of a powerful state to drive
primitive accumulation, be it capitalist or socialist.
After the historical meeting of Bandung in 1955 new social subjects and programs appeared and led to a successful movement known as the Non-Aligned Movement, whose program opposed the Cold War that the United States and Britain shaped to stop a false Soviet threat. Finally the movement prevailed in the 90’s by the end of the Cold War. This strategy of peace was however conducted in the USSR by a privatizing elite which was submissive to the reactionary project and followed the neoliberal ideas as a “unique thought”. The capital offensive of the eighties and nineties led to the idea of the failure of socialism and the complete victory of capitalism, but anyone who carefully examined the theoretical and practical aspects of this program could prove its inevitable failure as I did in several occasions. ix

It was also clear that the process of transition to a socialist superior society had to abandon the Stalinist formulation that presented it not as a transition model full of limitations but as a model to be followed by all mankind. The attempt to preserve the structures of social stratification created in the period of primitive accumulation and reinforced by the difficulties of the two world wars and civil war in defense of the revolution, and even more distorted by the demands and costs of the absurd Second World War and the Cold War would have to make way for a new type of transition to socialism which was deeply sacrificed for economic adventures imposed by the neoliberals in these countries.

The time extension of a stage of ideological hegemony of an economic, social and political crisis rose insecurity to extreme levels. Through two world wars and the experience of Nazi totalitarian capitalism most of the world’s population was brutally destroyed, with the forward thinking of the productive forces through scientific and technological revolution that began in the 1940’s this colossal threat reaches colossal dimensions. The threat of nuclear holocaust, poorly controlled through the creation of a group of nuclear powers, expands while the destructive capacity of the environment takes on the character of a threat of self-destruction of the planet earth. The world market and private property become threats to the survival of
humanity.

Despite the partial victories that were able to prevent another world war, this reactionary ambiance managed to prevent the perception of the extension of the structural crisis of capitalism to most of the social scientists. Here I must make a personal claim. Following a line of thought supported by a systematic and critical rereading of Marx and the tradition of Marxist thought, without ignoring the contribution of non-Marxist economists such as Kondratiev, Keynes, Schumpeter, and many others, particularly the contribution of critical theory of development of the ECLA and several third world authors and also giving continuity to our theoretical achievements of the theory of dependency especially in its Marxist version and taking into account the democratic national thought leaders of the democratic revolution in Latin America, we maintain a theoretical and analytical development which resisted the neoliberal offensive and is linked to the line of thought initiated by Immanuel Wallerstein around a field of analysis relied on the heuristic power of the concept of world system. We also highlight a host of Marxist and non-Marxist authors that have shown the deep bond of the capital crisis and the threat to the survival of humanity and the planet Earth.

The Trilogy about Contemporary Capitalism, Crisis And Social Theory

In the last 10 years I’ve been able to systematize the knowledge that critical thinking could compel about this problem. This work has been stated in the trilogy published on social sciences and the contemporary world. First, I published a book on the theory of dependence: Assessment and Perspectives, edited in Spanish by Editorial Plaza y Janes in Mexico and South America, in Argentina. The original edition was published in the Brazilian Civilização Brasileira, in 2000. In this book I claim the efforts of Latin American thought that managed to remove the field of underdevelopment problems of the local and national history and instead recognize them as universal history issues. After our investigations, underdevelopment issues could no longer be treated as a legacy of pre-capitalist community economies and / or feudal economies.
but as a result of the primitive accumulation of capital that gave birth to the modern capitalist economy and society. The slave trade, exploitation of precious metals, the spices of the tropics, the exploitation of native people and the enormous trade with the colonies were key elements in the accumulation of wealth that allowed Europe to subjugate not only much of mankind but also make the changes that led to the industrial revolution that allowed capitalism to turn into a new production mode which was based on absolute and relative exploitation of the “free” or salaried work through plus value.

It is deeply perverse that social sciences have been devoted to explain to the colonized people subjected to deplorable conditions, how to reach the living conditions obtained by the colonizers without the advantages obtained by its colonial past and its neo-colonial and imperialist present. We have unmasked this intellectual perverse trick of linking the phenomenon of underdevelopment to the structural dependence of our economy, society and culture to the world capitalist economy.

By demonstrating the negative consequences of our submission to an international division of labor which gave the most lucrative and most strategic economic activities to the global power centers, we noted the commitment of a dependent capitalist super-exploitation mechanisms, concentration of income and economic exclusion, and thus define the path of our liberation and emancipation. This road passes inexorably by the removal of these mechanisms. In the book noted we also show the international impact of this Latin American theoretical effort on every continent, including in the core countries, which led to a reformulation of social science principles with systemic critique of Euro centrism and the development of a new theory on the emergence and development of capitalism as a social economic system based on the concept of world system. This change in analytical paradigms opened the way for a new approach to social phenomena and a deep movement to reform the Social Sciences.

These changes are summarized in the Report of the Gulbenkian Commission on Opening the Social Sciences, coordinated by Immanuel Wallerstein, then
president of the International Sociological Association. We have also tried to
demonstrate how it arose in our region a form of submission to the condition
of dependency through the reintegration of our thoughts within the capitalist
modernization proposal stated by neoliberalism. This approach formed the
ideological basis for the acceptance of large sections of the left political
approach to the neoliberal project that had its most sophisticated
representation in the government of Fernando Henrique Cardoso in Brazil
whose ideological picture continues to prevail until today, despite its
historical failure.

Then I have been studying in more detail this global economy that was born
with capitalism and went through fundamental changes in the present. In the
second book of my trilogy (World Economy and Regional Integration in Latin
America), published by Plaza y Janes in Mexico (2004), and which served as
the basis for new editions of the book, I assess the changes in economic
structure and the cyclical movement of capital in the contemporary stage.

I could also demonstrate in several studies on the subject, that an opportunity
for Latin American integration had been opened; to the extent that the process
of regionalization was the inevitable path that capitalist globalization forced
into culturally articulated regions- such as Latin America and the Caribbean -
to defend against globalization.  

Finally, we come to the book entitled “From terror to hope: The Rise and fall
(There is a free online edition which was created by the same publisher). This
book was published in China by the Documentation Publish House of CASS.
It raises two central hypotheses which I consider as an important contribution
to the study of the current phase of capitalism as an economic system and
ideology.

The first one is the affirmation of the begging of the neoliberal theoretical
thinking. This aims to return to the basic principles of liberalism, established
in the eighteenth century. It seeks to demonstrate that a “free” market is a
product of human nature, founded on the idea of a possessive individual as the full expression of human nature. Besides the obvious ideological content of this theoretical construction, as demonstrated by several authors, it comes into collision with the monopolistic nature and the deepening of state capitalism that characterizes contemporary capitalism.

If the assumptions of a free market could have some practical sense in the nineteenth century to impose the rule of capital on the world economy in the twentieth century and even more in the 21st century it is a useless and wrong aberration that comes into collision with the facts. As a result neoliberalism has failed to inspire coherent economic policies. My study on the practice of neoliberalism demonstrates how neoliberal-inspired economic policies increased the deficit and therefore the state intervention in the economy (reducing social spending but increasing explosively financial and military expenditure).

At the same time, neoliberal governments created trade deficits on the one hand, and surpluses on the other, they introduced a great imbalance in the global economy. It is clear that fiscal and trade imbalances also led to a monetary disequilibrium and an international currency swing completely dependent on state intervention and monopolistic and speculative games that any “free” market is capable of regulate.

The second argument presented in this book refers to the relationship between the regimes of power, fascists and for fascists, with the ideological and political aspects of neoliberalism. It was no coincidence that the demoralized group at the University of Chicago found the first government that let them to penetrate into the real economic world through the fascist regime of Augusto Pinochet in Chile. It is also true that the governments of Thatcher and Reagan which spread their ideas worldwide were founded in violent confrontations with the union movements in their countries in a desperate attempt to destroy the “welfare state” and the socialist regimes.

We established in a careful analysis, the direct correlation between state terror
and neoliberal policies that were able to take from workers the rights that they had historically conquered slashing their salaries by state repression combined with economic repression through a recession, as well as unemployment and hopelessness. My book From Terror to Hope: The Rise and Fall of neoliberalism thus contributes to a significant compression of the period of recession in the global economy from 1967 to 1994, subject discussed in the Kondratiev long waves, theoretical and econometric contribution of the Russian economist whose validity we have restored in the late 1970’s along with Ernest Mandel, Andre Gunder Frank, Christopher Freeman and many others.

Since 1994, the difficulties of neoliberal policies are beginning to generate alternative policy efforts at the center of the system which strongly affect the peripheral and semi-peripheral. In the center of the system there is a desperate attempt to stop the financial sector expansion leading to the 1987 crisis, in which the devaluation of about 40% of the dollar was offset by a suicidal policy of Germany and Japan who came to buy dollars on the world market by raising its value and decreasing its debacle for about 13%. As a result, these two countries’ currencies were overvalued which restricted their capacity to export to the United States while also dramatically increased the value of their currencies.

On the one hand, Germany became the framework for the foundation of a regional currency with the emergence and consolidation of the euro. Europe raised its interest rate to strengthen the operation of strong financialization of their economies. The United States, by contrast, practices a policy of fortifying the devaluation of the dollar, increasing exports and reducing imports. Japan is the most affected to the extent that the yen goes into a recovery process that would take too much to seek investment opportunities for the United States, with much nationalist opposition. It was interesting to attend the "theoretical" change of the center economists seeking to impose restrictions on the movement of capital into their countries. They who had condemned as bad economic “science” our studies about imperialist investment in our countries. The Japanese economy had to be redirected to the Asian world, to become the
main market of the so-called “Asian tigers.”

The new international division of labor that we had found at the end of the decade of the 60’s, became reality in the 70’s and 80’s.

But now is being produced a new phenomenon that we had anticipated only logically. Begins to emerge a powerful Asian integration that will increase its influence on the extent to which China enters the U.S. market now despised, with a devalued Yuan, taking a market which was dramatically abandoned by the Asian tigers and the Japanese.

It was announced the next phase of the global economy in which China’s economy was going to win a spectacular dimension. Its huge domestic market, its long-term political leadership, boldness of its leadership to take advantage of the huge market niche that was left open, the power of their businesses, educated in a micro-economic policy based on state planning and policy herald a new industrial world power with great momentum. The financial crisis in Asia in 1997 had been an opportunity to make adjustments for this new phase of the global economy, based on the generalization of the robot, which started in Japan in the eighties. China will become the center of this new phase of the industry to cut production costs so that the old industrial sites may not follow. China thus becomes not only an important industrial exporter leader but also the largest industrial producer in the world. The growth of its product is less than the income of the population that is rapidly becoming the largest market of the world and the largest importer. With a currency that can only be recovered, due to its low exchange rate, China becomes the world export destination, particularly for exporters of raw materials and primary products. Bases its spectacular economic, demographic, historical, cultural, and scientific, the depth of its land reform and expropriation of private monopolies made by the national democratic revolution, especially in the installation phase of the China People’s Republic of China which allowed them to regain their historic role as world power, hegemonic role it had occupied for over a millennium. This is because the new global environment that moves inexorably towards a redefinition
in-depth socio-economic strategies and policies.

The Crisis of 2008-2010: Situation and Structure

We shall now proceed to the analysis of the new phase of the capitalist world economy which began with the recession of 2008-2009, which ultimately fell into the crisis of the temporary solutions imposed by the neoliberal boom period. This analysis gained enormous evidence of the crisis in the second half of 2008. They demonstrated with great violence some of the theses of the books cited in the previous item:

1. The imbalances created by neoliberal policies mentioned above opened the way for a giant financial system supported by public debt, generated by permanent fiscal deficits. This system cannot continue without the massive transfer of resources from the productive sector to an artificial financial economic world held by the State. State capitalism becomes a fundamental pillar of this new capitalist order, in its heightened financial dimension. The so-called “casino economy” has its roots in the state capitalism.

2. The current crisis proves the need of contemporary capitalism to ensure with billions of state dollars its operation. It remains unclear how long the society is willing to support this state policy, hidden by neoliberalism until they had to clearly explain it when these imbalances reached intolerable levels for the existing institutional model.

3. The current crisis has two sides: in part it reflects the failure of the famous ability to achieve balance by a “free market” which does not exist and never could regulate such fundamental processes. But on the other hand, an impressive media management of "crisis" can confuse people to justify the violent state intervention and deficit for the survival of financial capital to prevent “systemic crisis” which according to them would destroy all of us.

4. Consequently, they are trying to combat the crisis using the same mechanisms that generated it. It is intended that government intervention and
regulation that were missing in the neo liberal realm will be replaced by new regulations to the service of counter-cyclical balance.

5. The announcement of a fiscal deficit of 1 trillion and 700 billion dollars that President Obama predicted for 2009 and reduced the deficit to around 700 billion in 2013 may be combined with a relatively strong recovery of the U.S. economy. It is however clear that a recovery based on these mechanisms will be restricted and unsteady, deepening crisis in the medium term in the United States and its currency. The reference to the Japanese case in the 90’s is crucial for the United States in the next 7 to 9 years. And it’s good to agree that Japan managed to lower its currency dramatically since 1996 and had a negative interest rate in that period. However they failed to recover sustained economic growth.

6. It is also clear that, while keeping this “grade recovery” scenario at a high cost in the Triad (USA. Europe and Japan), emerging economies are on rise, supported by expanding domestic markets through income distribution as a result of growing rise of social movements and political success. This transition phase will open the door for political experiments which would be increasingly creative, even to start a new negative phase of long cycles, which will lead to global capitalism and imperialist domination to a protracted crisis of enormous gravity.

7. Hopefully, this time it will achieve higher economic and social solutions might they be post-capitalist or openly socialist, they would be strong enough to inaugurate a new world system, rooted in a global civilization, pluralistic, equalitarian and democratic, to stop the brutal long term effects that will unify the structural crisis of capitalism to a new context of depression (that will be long-term when combined with a phase B of the Kondratiev cycle characterized by a long-term depression - 25 years - as we saw between 1967 and 1994, as you can see in my aforementioned book on World Economy) The crisis revealed the weakness of the capitalist mode of production to govern mankind. The awareness of this failure does not guarantee, however, the imposition of a higher mode of production or the implementation of
progressive social formations capable of preparing the transition to a superior mode of production.

8. We can expect the next 10 years to be of social advancement and economic progress depending on the political consciousness of the emerging social forces and the capacity of political leaders to articulate and synthesize their needs and aspirations. I think the books that make up the trilogy we address in the previous item, can help in this task. I like to think that the political vanguard of China would be deeply related to my theoretical work, as it has been since the translation into Mandarin of my Imperialism and Dependency in 1992, followed by 5 other books xii

I intend to dedicate myself now, with multiple partners, to develop alternatives that are drawn from the progress made by the radical awareness of social movements, expressed through the creation of progressive governments - which were formed from the decay of neoliberalism. xiii At the same time, I am dedicating to develop a new critique of the contemporary world political economy, more abstract theoretical work but very necessary, I hope to provide it to the reading public very soon, in order to deliver the agents of a new era of global revolutionary transformation, the necessary instruments for practical success.

(theotoniodossantos.blogspot.com.br)

Notes

iii The systematization of the Marxist conception of socialist transition has been the subject of extensive historical controversy which is forced to redefine itself permanently in consequence of the diversity of historical forms and mechanisms by which mankind in general and various national experiences makes local change of their own destiny.
iv The forms taken by the increasing participation of workers in the
establishment of schemes of a higher mode of production is a process which can be extremely diverse and a groundbreaking study in critical thinking not only from a logical and axiomatic perspective (doctrine), but especially in its practical and historical evolution.

v Luxemburg also systematized the importance of state and foreign trade to the completion and capitalist reproduction. It did not yet left the monopoly phenomenon and its impacts on the functioning of modern and contemporary capitalist economy.

vi The concept of "state monopoly capitalism" comes in Bukharin's book on the global economy. In the 20's Lenin recognizes the position of Bukharin and Lenin inaugurates a tradition of study of state monopoly capitalism that reached its peak in 1970 and 1980. The hegemony of neoliberal unique thought was an intellectual terror exercised on these debates in the late 80's.


viii The influence of the Soviet socialist experience on Western public policy began in the 30's when the USSR was growing at high rates while the capitalist world plunged into the deep and widespread recession.

ix See the various articles I have written about the fallacies of neoliberalism and the final synthesis which is in my book: From terror to hope. Rise and fall of neoliberalism, Monte Avila, Caracas, 2007. The original Portuguese edition was published in 2004 by Idéias & Letters, Aparecida.

x. I could cite some articles in which we showed the new course that tended to enter as a product of the evolution of the capitalist world system. The central thesis we have argued in these studies could be summarized in the statement of our 1989 article in the Revista Brasileira de Ciência Política (Vol. 1, no. 1, marzo 1989, p. 84-85): “A questão da integração regional se converte pois em uma necessidade crescente e é evidente que o Brasil deve ocupar um papel protagônico nesse processo. Queira ou não, ele está envolvido na presidência da OEA, no Grupo de Contadora e na América Central, na formação de um Pacto Amazônico indispensável e cada vez mais urgente, na integração do Cone Sul e em todas as iniciativas regionais como a
ALADI, o SELA e tantas outras, Esta é a hora para uma grande iniciativa diplomática que deve sair do plano burocrático governamental para envolver todo o povo brasileiro”.

xi Billions in Spanish are equivalent to trillions, numbers that are named in English with the word "trillions and trilhões in Portuguese ..


xiii. At this point, the steering group is delivering REGGEN editing 3 books that reflect the theoretical and analytical balance: Carlos Eduardo Martins, Globalização, Dependencia e Neoliberalismo na América Latina (original de 386 os.); Monica Bruckmann, O inventamos o Erramos: La Nueva Coyuntura Latinoamericana y el Pensamiento Crítico, (original de 483 ps.); Theotonio Dos Santos, Desenvolvimento e Civilização, (original de 400 ps.). In addition to this there have been several individual and collective books as well as a large number of master's dissertations and doctoral theses.