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Dimensions of the Current Systemic Crisis: Capitalism in Short Circuit?



The crisis of global financial-led growth reflects evidence of exhaustion of the current model of accumulation, characterized by lower growth rates and decreasing labour shares. A system which so far has only been possible by means of excessive consumerism through increasing indebtedness, accelerated depletion of resources, growing income inequalities and social exclusion and unrest. Since the end of the last century, we can find and connect root signs of a multidimensional systemic crisis, which manifests itself today beyond the economic downturn in terms of human, ecological and socio-political crises.

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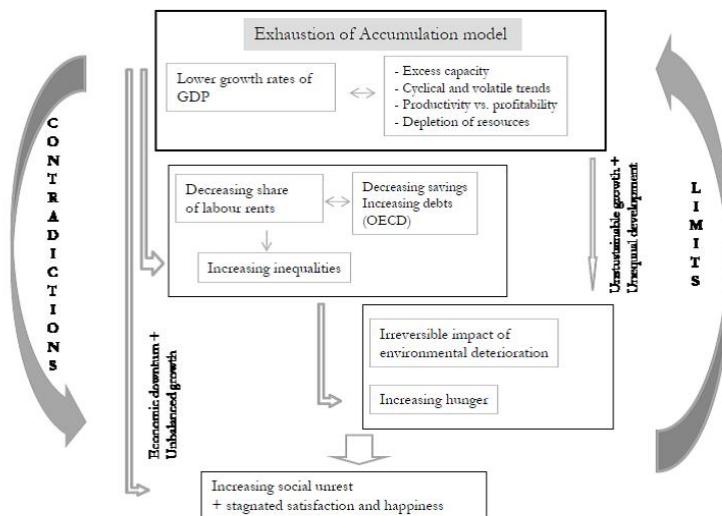
Is the current crisis, which started in 2008, which has been going on since then, and which has destroyed millions of jobs worldwide, just an (exceptional) downturn in the common ups and downs of the economic cycle? Or is it something else? What are the connections between the economic downturn and other socio-political and ecological disruptions we have been experiencing over the past decades? Are our responses to the economic downturn the right ones?

In a recent study, Gemma Cairo-i-Cespedes, from the UB, and David Castells-Quintana, from the UAB, discuss the nature of the current crises from a multidisciplinary perspective. They argue

that we are experiencing a systemic crisis of multiple dimensions, namely an economic, human, ecological and socio-political one, reflected in global challenges of unprecedented magnitude and scope, and rooted in the very dynamics of the capitalist economic system.

The authors of the study analyse the main dynamics behind the process of capital accumulation and economic growth to reveal how the inner contradictions of the capitalist system -social and natural- not only have led to recurrent crisis, but also have now reached a point of global systemic instability. The analysis of global indicators suggests a parallel and interconnected evolution of several systemic dysfunctions since at least the beginnings of the 1980s. These systemic dysfunctions are expressed today in terms of unequal development, ecological degradation and social unrest.

The study analyses the failures of current responses to the crisis, which are not taking into account its systemic nature. The researchers argue for policy alternatives that take in a much broader and integrated perspective, considering the economic as well as the human, environmental and socio-political dynamics and the interconnections between these dynamics.



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References

Cairo-i-Cespedes, G.; Castells-Quintana, D. Dimensions of the current systemic crisis: Capitalism in short circuit? *Progress in Development Studies*. 2016, vol. 16, num. 1, p. 1-23. doi: 10.1177/1464993415608067.

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