

Plenary Session 1

Financial Crisis and the Impacts on Global Production Structure

The financial crisis of 2008 meant a break of the long expansion phase of the capitalist world economy, signaling the beginning of a new stage in the process of structural crisis of accumulation with strong impact on the overall production structure. It is possible to say that the financial crisis of 2008 represents the most dramatic moment of this process of structural crisis marked by a succession of financial crises.

The deregulation of the financial system, rampant speculation, the power of money and high finance are just the most evident elements of the crisis. The intense and devastating consequences of the interrelationship between production and finance advance, subduing the investment decisions to the standards of financial profitability and the choice imposed by institutional investors and financial analysts.

We are, in effect, facing a new kind of crisis. It is in fact more complex with the economic-financial dimension being only one aspect of a historical process of greater magnitude. The climate change, the deepening of distributive polarization, the financiarization of the economy and spread of global hunger, among many other things, lead us to think in a crisis of civilization. Although almost excluded from the current debates, the depth and complexity of this crisis should establish itself as a central theme.

The recent crisis develops into an increasingly connected world economy to a degree unknown before. In parallel, changes in the dynamics of global economic growth are increasingly visible, with significant spatial distribution. Today, it is almost unanimous the perception that the dynamism in investment, production and consumption comes from countries outside the OECD, like China, India and Brazil.

The impact of financial crisis and global recession in the global economy over the past three years has reinforced this trend. It made even more attractive - as a privileged locus of productive and financial capital valorization – the emerging economies with dynamic domestic markets and high investments in infrastructure geared to support the process of rapid urbanization and incorporation of millions of new consumers to the market.

Alongside, growing evidence of environmental limits to economic growth point to the exhaustion of the productive paradigm based on the intensive exploitation of natural resources, especially non-renewable. These structural changes indicate a production paradigm centered on a low carbon economy and renewable energy resources.

The dynamic axis reorientation of global economic growth together with the tendency of a new production paradigm is already impacting on the strategies of large productive and financial corporations.

Likewise, signs of policies that move from the paradigm that is running out for the new paradigm may be perceived globally.

The Plenary Financial crisis and its impact on global production structures aims, therefore, at discussing the current crisis and its impact on global production structures in order to identify recent trends and analyze risks and opportunities for Brazil.

Guiding Questions:

1. Post-2008 prospects: regulation and new long cycle of prosperity or deepening structural accumulation crisis and instability?
2. What are the main impacts of the structural changes underway in the international division of labor and global production structure?
3. What aspects and key trends characterize the emerging techno-productive paradigm?
4. Is it possible to identify a paradigm shift toward a low carbon economy and the inclusion of low income population or the exact opposite, that is, the strengthening of a paradigm of production and consumption based on the exploitation of finite resources?
5. What risks and opportunities arise for Brazil?