

## Globalisation of Economic Crises

Scientific article

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**KEY WORDS:** Great Depression, globalisation, fictive capital, foreign currency, stocks and bonds

**ABSTRACT** - We can ask ourselves why the Great Depression of 1929 is relevant to the major economic crisis that hit the world in 2008. Originally, today's crisis is related to the housing sector; whereby the crisis does not involve insufficient amounts of housing resources, but the crisis of their excesses. The economic crises of the 20th century, especially those of the 1970s (the beginning of globalisation) were the result of the property price bubble implosion or a major depreciation of the national currency in the foreign exchange market and, in some cases, the foreign currency crisis fueled a banking crisis, whereas in other cases the banking crisis led to a currency crisis. Large amounts of capital (especially fictive) are splashed around in the world to create the possibility of flooding the area in which it occurs. Since its start in the 1970s, globalisation has been manifested worldwide as the volatility of commodity prices, currencies, property and stocks, as well as a number of strong financial crises. Bubbles always explode. By definition, a bubble contains an unsustainable pattern of changes of prices or cash flows.

Znanstveni prispevek

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**KLJUČNE BESEDE:** velika depresija, globalizacija, fiktivni kapital, devize, delnice, obveznice

**POVZETEK** - Lahko se vprašamo, zakaj je velika depresija iz leta 1929 pomembna za veliko gospodarsko krizo, ki je doletela svet leta 2008. Prvotno je današnja kriza povezana s stanovanjskim področjem, kjer kriza ne pomeni pomanjkanja stanovanj, temveč preobilje le-teh. Gospodarske krize v dvajsetem stoletju, še posebej tiste iz sedemdesetih let (začetek globalizacije), so bile posledica implozije prenaplavljenih cen nepremičnin ali velikega razvrednotenja domače valute na deviznem trgu. V nekaterih primerih so valutne krize povzročale bančne krize, v drugih pa so bančne krize privedle do deviznih kriz. Velike količine kapitala (predvsem namišljenega), ki preplavlja svet, lahko preplavijo tudi lonec, v katerem se je kuhal. Začetek globalizacije se od leta 1970 v svetu manifestira z nestabilnimi cenami surovin, valut, nepremičnin in delnic, pa tudi z večjim številom hudih finančnih kriz. Baloni vedno počijo. Že po definiciji pa vsebuje balon neobstojeen vzorec sprememb cen ali denarnih tokov.

Throughout history, the rich and poor countries have borrowed money and gone through various financial crises, first through the recession, and then recovery. Every time economists have argued: this time it's different, believing that the new situation bears little resemblance to the old situations and the old truths no longer apply.

The current economic crisis has broken all taboos. The introduction of market structures according to the model of free competition did not have an overall positive effect on the economic growth. On the contrary, in many cases it led to the economic downturn, which sometimes turned into a long-term depression. This is the case in most countries in transition, which have not yet recovered from the shock of sudden liberalisation and exposure to international competition, as well as many less developed countries. Today, instead of general stability and a rapid growth in prosperity worldwide, we are witnesses of increased volatility, slowing growth and a deepening gap between the rich and the poor, as well as the reduction of social rights. Therefore, it is necessary to review the economic liberalism as an instrument of rational consensus regarding the ideal arrangement of the world for its unique form.

Our intention is to clearly show in this paper that this was a misconception. Based on the analysis of the financial history of many countries from all continents should provide a modest and comprehensive view of the diversity and similarity of economic crises during the twentieth century and at the beginning of this century, with all states faults, banking panics and inflationary impacts, from the abolition of the gold standard to the latest mortgage crisis. The conclusions in the paper might be gloomy, since economic crises have historically had a surprisingly consistent frequencies, duration and severity on the one hand, and on the other, the short memory facilitated repetition of the crisis. To achieve the aforementioned objectives, this paper discusses various theories of economic crises - their applicability or inadequacy. A special research effort has been devoted to the impact of the global crisis on our economy.

We believed that it was necessary to analyse the history of crises, especially those that occurred in the twentieth century, because sometimes history repeats itself. "The same drugs are not effective for different diseases". If this continues, it will be difficult to explain a bleak picture of the present world that many economists and sociologists have predicted. In his book "False Dawn (the illusion of global capitalism)", John Gray gives quite a dramatic message: "The deepening of international anarchy is the future of humanity... Diffusion of new technologies throughout the world does not promote human freedom. Instead, it has led to the liberation of market forces instead of social and political control. Giving this freedom to the world markets, we guarantee that the globalisation era will be remembered as another round in the history of slavery".

Many economic writers and politicians believed that the world economy in the beginning of 21st century recorded unprecedented results and the crises like those of the last century to be a history that will, from time to time, recount. The collapse of the world economy in 2008 was the worst global financial collapse after 1929 and marked that the world will face the biggest economic problems since the Great Depression. Some events in 2008 were unique in history: the collapse of nearly 40 trillion dollars of share capital, the largest ever observed nationalisation of the largest US mortgage creditors, the largest bankruptcy in history, and so on. We therefore live in a time of which we will talk about for decades and will be studied for generations.

No matter what, this is not a place for academic discussion on the methodology related to the questions of whether economic theories won or lost in importance depending on the state of the real economy in a period, but we should point out that the present great interest and revival of Keynes's ideas were certainly caused by the global economic crisis that has dramatically hit the world economy in September 2008 and whose consequences will be felt long. Almost all the world's governments, in total panic and confusion that arose and which threatened the collapse of the world economy, rushed for the most drastic Keynesian prescription - deficit financing aggregate demand.

Drastical borrowing by countries has prevented the current crisis turning into a great disaster. The image of the Great Depression in the 1930s arose in the public. No wonder that Keynes's ideas have resurrected. What is actually true? Keynes dee-

ply believed that adequate state intervention, depending on economic conditions, will enable the economy to regain the full employment level of income, after which state intervention is not necessary, since the principles of classical economics are applied.

Thus, at the same time the historical comparisons of performances of the developed economies of Western countries were made in terms of dominant economic paradigms that guided economic policies, especially in time of Keynesianism and post-Keynesianism. Of course, the debates about the result of Keynes's theory are yet to be topical on both the theoretical and practical level. This may also be triggered by the fact that the ruling academic doctrine did not foresee the possibility of the current crisis. In his lecture (2003), Robert Lucas, a professor at the University of Chicago and a Nobel Prize winner in economics in 1995, gave an explanation that the macro-economy emerged in response to the Great Depression, saying that it is time for this field to move forward: "Its central problem of depression prevention has been solved, for all practical purposes ...".

In the last decade, the problems of economic depression did not hit the United States, which was under the impression that inflation – an "accident" from the 1970s – was finally under control. However, despite that this is a paper about the economy, it is impossible to understand current economic issues without the political context: the collapse of socialism in the 1990s, the change of political power in the world, less economic shocks or "noises" in expressing of C. Kindleberger. Everyone understands that, as Krugman points out, "... that something has changed, and that "something" was the fall of the Soviet Union".

One little longer quote of Krugman, tell us enough about the present moment and perspective of our world. "This means that for the first time since 1917 we live in a world where the property rights and free markets are the fundamental principles, not obnoxious self-interested ploys; where the unpleasant aspects of the market system - inequality, unemployment, injustice – are accepted as life facts. As in the Victorian era, capitalism is secure not only thanks to its success – that, we will soon see, were really realistic - but also because they do not offer satisfactory alternatives. This situation will not last forever. It will certainly be other ideologies, other dreams; and appear if the current economic crisis continues to deepen. For now, capitalism rules the world without a rival".

A critical point is reached a few years later when the huge financial "rivals" began flooding across national borders. The import of foreign capital was strictly controlled by national governments and departments responsible for issuing banknotes. The control slowly began to weaken (from the 1970s) in order to be abolished. With the fall of the Berlin Wall in 1989, the globalisation becomes a totalitarian process that generates appropriate ideology: globalisation.

The globalisation law can be summarised in a few sentences: the world is total market; everything can be bought and sold; the supreme ruler of this world is money; being of the market is a sin; and having no money is hell on earth. Would it be a great start for the sinking world economy? There are numerous causes of the crisis. Many believe that the main cause of the crisis of the 1970s up to the present day is the aboli-

tion of the gold standard for the dollar that occurred in 1971. Globalisation itself created a huge economic bubble that was destined to burst, or be slowly sucked by itself. All the oil-exporting countries have become powerful because of this natural resource. Cash that brings oil is breathtaking. In 2006, Iran earned 50 billion dollars from oil. The Persian Gulf countries are now trying to succeed based on the model of Dubai. Therefore, Saudi Arabia, which has for decades used his enormous wealth in the wrong way, plans to invest 70 billion dollars in new petrochemical projects, aiming to become the leading manufacturer in this field by 2015. Over the last five years, the states of the Gulf have invested billions of dollars in capital investments. The expansion of dollars is flooding the planet. In the mid-1990s, only every sixth green note, which was in circulation, was covered with real production and savings. Planetary economics has taken over the fictitious capital. "It was a nice, pleasant, intoxicating, seductive, and painful utopia that did not have a chance to succeed". During the oil crisis, dollars were leaving to the states that were in financial difficulties. Their need for dollars rose with the price of oil that had to pay for oil imports.

Just for nine years, from 1973 to 1982 the amount of loans taken from London (as a financial center) grew at the annual rate of 20 % over the previous level, which was a five times amount in the global real economy. The external debt of important Latin American countries increased from 125 billion dollars in 1972 to 800 billion in 1982. Worthless dollars, therefore, were able to function at a distance from the United States, however, the super-saturation has to come. The following data was staggering: 83 % of the US economy was services. The US total debt was over 120,000 billion dollars. The debt of citizens in terms of credit cards was 5,000 billion dollars, while the mortgages accounted for 15,000 billion dollars.

We should not forget the great market collapse that occurred after the collapse of the World Trade Center on 11 September 2001, after which the problem of the US economy was even more intensified. Following this attack, the rate of the S&P 500 has halved and the Dow Jones index plunged about 7.5 points. A few years after, the Federal Reserve introduced more dollars in circulation than in the previous overall history of American currency long 200 years. Until the collapse of the "New Economy", it was related primarily to the actions of new technologies, but this time the whole economy was threatened. This situation demanded action by FED. A. Greenspan, as the Chairman of the US Federal Reserve, did what he always practiced: supplied the economy with a lot of money. From that moment, the explosion of the money supply has entered in its last and highest stage. Between July 2000 and December 2003, the Federal Reserve Bank lowered the interest rate with which commercial banks could be refinanced, from 6.54 % to 0.98 %. It was a terrible fall! "Instead of new shares of new technologies, so created liquidity is now flowing into real estate and consumption. To summarise: from 1995 until 2000, the private investors invested their money in the shares of risky companies, which were then irrationally spent. From 2002, American consumers started to prefer to own borrowing and to spend their money, having confidence in the fiction of permanently rising real estate prices".

Prior to this event, in March 2000, things somehow got out of control. “New Economy” was coming to an end. Therefore, until October 2002 the US technology stock NASDAQ fell to 1108.49 points, which was a loss of 78.4 % compared to the high level of 5132.53 % points from March 2000. Even the DAX lost almost 80 % of its value. This kind of behavior one could expect from the stock market in some developing countries rather than the trade centres of power in the world. The collapse of the technology bubble canceled almost 12,000 billion dollars in the world.

Drama was amplified by the fact that private banks, thanks to Greenspan’s “innovative financial products”, created the monetary mass that was virtually recorded in computers, but has left a terrible havoc in the economy (V. Buffett - billionaire speaks of “the financial weapons of mass destruction”). Therefore, the avalanche rolled long. Rescue operations were effective several times. However, the energy giant Enron collapsed in 2001. Alan Greenspan, the Central Bank Governor, who was the head of the powerful institution for 19 years (1987 - 2006), “invented mortgage loans”. It is very simple. For example, a house is worth 100,000 dollars, and at some point, the price of the house rises to 300,000 dollars.

The property owner is debited estimating that the difference will be easy to repay. At the same time, interest rates are very low. The balloon continues to blow. Therefore, in 2002 2 million homes were made and the same in 2003. In 2005, construction was stable. In early 2006, there was turbulence, and the crash occurred on 9 august. The balloon blew up. The value of the real estate was returned to the real value. In our example, the home owner now has a debt of 300,000 dollars and a house that is worth 100,000 dollars. People can no longer pay the installments and were evicted from their house. In Cleveland, 70,000 people were evicted from their homes for a week and they slept in tents.

Russia skillfully balanced despite its billionaires who lost 230 billion dollars in a month and with Indian counterparts together “snapped” over 450 billion dollars. By some estimates, American billionaires have lost more than 150 billion dollars. Just a few details that reflect the economic reality in 2007 and 2008: the total value (sum) of CDS papers and other forms of cash equivalents that could not be controlled (derivatives) at the end of 2007 rose to an astronomical 596 billion dollars, as stated by the Bank for International Settlements in Canvas in December 2007. According to the data of the bank, the value in the first half of the 2008 increased, despite all the precautionary controls, and it was an incredible 863 billion dollars. All the write-offs of the banks around the world after the real estate crisis in the United States from the summer of 2007 to October 2008 totalled 2.2 billion euros. From the standpoint of value, this amount is impressive, but it is only 0.25 % of the devastating potential of derivatives.

If you believe the statistics, the sum of 863 billion dollars is seventeen times the annual product worldwide. Therefore, 17 years of all the income earned on the Earth from products and services – down to the last screw and the last drop of oil – would be taken away from the real economy and invested in papers in order to reach this amount. Elzaser believes that “this fictitious capital” does not come from material production or has the usual way of raising capital through the stock exchange, but, like

as the insight into the root of the Latin word “derivare” (perform), it was created as a result of financial magicians.

Economic experts do not need to be reminded that long ago, in the third volume of “Capital”, Marx wrote that the development of capital offers interest and credit system that seem to double the entire capital and sometimes even triple it in many different ways, whereby one and the same capital or a debt-claim also appears in different hands and in different forms. Most of this money is “fictitious”. If Marx were alive today, he would say to the government that papers are “duplicates that ruined capital”. “Even fewer could have predicted that private financial sharks in our time could put into circulation “nominal representatives of the non-existent capital” in the form of derivatives, in far greater extent than the governments themselves”. Already in 2008, the crisis spread to the financial sector, where the disturbances spilled over into the real sector which was no longer able to withstand the huge drop in production. “The system starts to crack at the seams”. The known investment manager on Wall Street, Bernard Madoff, has embezzled 50 billion dollars from its clients. As the entire US, in a casino economy, he established the Ponzi scheme, the well-known financial pyramid. Former Bush administration gave the banks 350 billion dollars. It is quite right what the Nobel Prize winner – Stiglitz point out; there are many elements which contributed to the deterioration of the crisis. The creditworthiness of houses was believed that it canturn home loans with a rating of F (loan cannot be repaid) in securities with a rating of A, which are safe enough to be in the pension funds. FED and state administration reacted but with inadequate measures and too late. There was great panic.

Financial markets are based on confidence, but confidence has been shaken. The collapse of Lehman indicates a low level of confidence, and the echoes will continue. The crisis of trust exceeds the banks. “The US financial system failed in two key responsibilities: handling risk and allocate capital. Industry as a whole is not doing what it should be, for example, to create products that help America to handle the critical risks, and now must face its regulatory structure. Unfortunately, many of the worst elements of the American financial system - toxic mortgages and practices that led to them - were exported to the rest of the world”.

In the book “The War of the Three Billion Dollars” (joint paper of Stiglitz and Bilms), it is noted that the price of a 5-year US operations in Iraq have already exceeded the cost of 12 years of war in Vietnam, and that is more than double the price of the war in Korea. In Iraq, the US spends 16 billion dollars per month, which is the annual budget of the United Nations. According to the opinion of the authors, Washington costs 3,000 billion dollars, which could be used to finance the construction of eight million dwellings, salary for 15 million teachers, health care for 530 million children, scholarships for 43 million students, or to provide social security for Americans the next 50 years. The US annually spends five billion dollars to help the development of Africa, which are costs for only ten days of the war in Iraq.

In the long economic prosperity, a lot of people became rich overnight. People decided to start trading with increasingly complex financial structures and products. “Almost does not exist something that stronger does not damage and more durable does



not matter his own confidence in himself as to be seen how own friend becomes rich". In this ironic way, Charles Kindleberger describes the state of wealth acquired by fictitious capital. Financial debt could never be so high that financial practices would not invent financial instruments to accelerate the machinery of borrowing, as in recent years. Securitisation became the most popular word and tool for issuing securities based on insured claims. Understood in the broadest sense of the word, securitisation means the creation of securities from the claims that can be traded.

Let us go back a few decades. Many US commercial banks were small and regionally placed. Large investment banks in New York possessed knowledge and expert teams. When a commercial bank approved the loan, it was based on the mortgage, and the loan claimant was paying on that basis. Pure classic. Therefore, the claim was secured by the real estate. Since the banks were forced to hold a portion of its stake as capital reserve, they were therefore able to borrow a certain amount of their assets based on mortgages.

Somewhere at the beginning of the 1980s, an intelligent investment banker discovered that many similar mortgage loans can be bound into a single loan. The commercial bank agreed and these loans could be sold to make profit, which restarted the credit mechanism. Such a packed loan was evaluated by internationally recognised agencies, such as S&P 500 or Moody's. These loans could be sold expensively by an investment bank. The seller of the loan was very happy as well as investors. Therefore, at that time investment bankers found a very profitable field: in other words, they helped investment banks convert their mortgage portfolios into securities that were secured by a mortgage. "From 1995 to 2001, the volume of mortgage loans in the United States increased by more than five billion dollars. Only a fourth of these loans ended in the balance sheets of banks. The other three-quarters were converted into loans that were placed in investors' portfolios".

Issuing credit papers for credit portfolios did not stop only with mortgage loans. Credit card loans (for cars, motor boats, consumer loans) were turned into loans as well. At the same time, hedge funds were the main force of the mass and global speculations. These funds were, in the words of Max Otte, performing the so-called "empty sales" borrowing at will, without any special financial control. Empty sales (short sales) presented the sale of goods or securities that their owner did not own at the time of the sale. Thus, the seller made a profit in the case of "empty sale" if the price of the goods and the securities "sink" at the time of its planned realisation.

All these financial operations through hedge funds could freely take place until the financial system got into serious difficulties. When credit insurance could no longer endure the house of cards, it collapsed. The investors who thought to have the loan portfolios of the highest solvency suddenly understood that they had the so-called "junk-bonds" funds. Junk-bonds is a specific term used in financial practice for the borrowing of the client is assessed by a rating securities agency to be of a very low value. The issuers of these loans do not meet even the basic requirements for solvency.

Trading with options like derivatives began in 1973 (in the modern sense of the word). For example, the volume of trade of contracts in 2005 increased to 29 %, then

to 427 million dollars. Only contracts on interest derivatives in 2003 had a value of 123.9 billion dollars, but the value rose to 201.4 billion dollars in 2004. For comparison, we want to emphasise that the total world gross domestic product that year was only 45.9 billion dollars.

In addition to term contracts, there were many other derivatives: replacement rate, monetary replacement, replacement of total return, replacement of loan loss, insurance portfolio, etc. In the stock market practice, we now have the trading of electricity derivatives, derivatives that predict weather and crop yields. "The risks are arbitrarily divided into pieces of smaller risks and then sold as securities".

Another financial invention that is worth mentioning is the following: today, private creditors are increasingly offering products with the alleged "safety protection" (certificates of discount, bonus - certificates or sprint - certificates). We wonder: why are these certificates a good source of money for the bank? The answer is very simple: private creditors generally poorly understand the calculations. After all, it comes down to betting on future events in which you mostly lose your stake, while banks still earn incredible sums of money. It depends on the value of financial derivatives? Financial derivatives are not to balance according to their acquisition costs rather than their "fair prices". The value of financial derivatives is a very complex category because it depends on a number of economic and non-economic variables that must be estimated. Warren Buffett once said: "that would just be a great thing if it could carry out any such transactions of securities, which for both sides could be "profitable" shortly after its conclusion".

We do not bring into question the existence of derivatives but their enormous usage in speculative transactions at a time when the prices of securities grew on the capital market. "Derivatives are still betting on exchange rates on the date of decay".

At the time when the company is experiencing a boom, individuals want to get money quickly, even those who would normally never think about risky stock exchange transactions. But in times of economic prosperity, one develops confidence and begins to build the financial operations and the structures which will bring a lot of money for a small investment of capital.

Today, the 25 largest US banks that trade with derivatives have engaged in risky speculation that 10 times exceeds the equity of the banks. Here are some examples: in 2000, the ratio of the speculative volume and equity of Morgan Guaranty Bank was 873.7 %, Chase Manhattan Bank 442.5 %, Citybank 190.6 % and Bank of America 114.5 %.

The collapse of the hedge fund Long Term Capital Management (LTCM) in 1998 briefly shook the world's capital markets. What happened? At the beginning of 1998, LTCM had a starting capital of 4 billion dollars, and therefore, controlled 100 billion dollars. The total amount of term contracts amounted to incredible 1.25 trillion dollars, or 5 % of the world market. For a world which has jointly developed and which seemed to become more stable, it is certainly legitimate, but by no means a safe as-



sumption. On 17 August 1998, the Russia devalued the ruble and declared a moratorium on its foreign debts.

The risk premiums on loans of low value unexpectedly increased. However, on 1 September 1998, the equity of LTCM sank to 2.3 billion dollars, but on 22 September to 600 million. On 23 September, a consortium led by the Federal Reserve Bank of New York offered 3.5 billion dollars and assuming 90 % of the fund. The crisis was averted, but still had consequences: UBS had to write off 700 million dollars, Dresden Bank 134 million dollars and Credit Suisse 55 million dollars. The United States itself looked like a giant hedge fund. The share of profits of financial institutions in the total profit enterprises (according to taxes) increased from less than 5 % in 1982 to 41 % in 2007.

In the process of converting real in speculative economies, the US and the UK have lost their competitiveness in world markets. A decline in car sales, such as Ford, Chrysler and others, tells us clearly about the loss of competition. As export revenue gradually decreased from year to year and was not sufficient to cover import, the United States had to print more and more money to balance its deficit. In the late 1970s, the US was a net-creditor with the claims to foreign and American debtors in the world of 20 billion dollars, but in 1982 these requirements reached a maximum of 231 billion dollars. However, shortly afterwards, there was a reversal in the decline in the “red numbers”: since 1985, the United States – the country, the economy and private households – owed abroad. By the end of September 2001, gross debt amounted to 7.815 billion dollars (net debt is calculated after deducting the US claims of other countries, 3,493 billion dollars). Today, total debt balance of the American private and public sector to domestic and foreign creditors amounts to more than 50 trillion dollars.

If we compare the gross national product of the United States, which is over 12,000 billion dollars, net foreign debt of the US was about 35 % in 2001. In this context, J. Elzesser stated the fact that in itself says a lot. “By comparison, when it seemed that the German Democratic Republic in 1989 went bankrupt, its foreign debt accounted for 16 % of economic gain. Then, no western bank would give a loan to the State Unified Socialist Party. In the case of the US, the situation is different: billionaires and central bankers in all continents are buying US government securities and credit the world’s largest debtor. In 2007, about three billion dollars net poured in the United States from abroad every day. What kind of assurance did the investors give that they would get their money back?”

The worst scenario would occur if large oil-producing countries stepped out of the current system and stopped oil exports accounted for in dollars. Thus, the US sank more deeply in debt and the apparent fraud involving securities became clear. They desperately tried to compensate their economic problems and failures with military interventions. In other words, using the military force, the US and its coalition partners implemented the requirements of the right to property, with the sum of 863 billion dollars in the form of “fictitious capital”, which they ascribed the importance of real value. This “confetti” money financed a large part of the American war ambitions. As the crisis progressed, this vicious circle turned faster. The Executive Director of a re-

putable financial institution once said: “If you grow weed, it’s probably a weed”. Weed presents subprime mortgage debts – loans that are given to those who did not have a perfect credit rating and history.

The global crisis was not created overnight. “At first, they seem unfathomable, even if their damage is rapidly expanding and apparently growing. Below the confusing surface are complex and esoteric financial products and institutions: programme trading during stock market crash in 1987, second-rate corporate bonds during the savings and loan debacle in the early nineties of the 20th century and the collapse of stocks of technology sector at the beginning of the millennium”.

The world has long envied America and the regulated financial market, especially in the area of savings. Indeed, the savings of the American people are not large when compared to other developed economies, and therefore it is not surprising that the “engineers” on Wall Street developed very attractive new ways in which fund managers could finance the purchase of real estate of ordinary American citizens: collecting mortgages on a pile and selling them as securities. “Since then, whenever the average family of any city in the United States dropped a check for the monthly repayment of the loan, the money would become part of one of the most sophisticated machinery investment that they have ever designed in any of the world’s capital markets”. However, that developed and precisely designed investment machine was not working properly. First, tore off control, says Mark Zandi, brought to a head the U.S. real estate market, then broke down, relaxed as the matrix and screws, and wires and springs flew everywhere, spreading damage in all directions. When things got out of hand and went wrong, everyone assumed that someone else was in control of that machine. But nobody managed. Investors were flooded with money because central banks around the world have opened the money taps after the crisis that had been generated by inflatable technological balloons, by the terrorist attack on the World Trade Centre on 11 September 2001 and by war in Iraq.

The major economic boom of China broke the price of a large number of products in the world. On the one hand, that led to a focus of bankers on the fight against deflation which resulted in low interest rates. Huge money had to be sold somewhere. At the beginning, the best choice was US government bonds that were liquid, safe but low-yield. After some time, investors were seeking higher yields and securitised mortgage loans in the form of securities were very attractive.

The greed for higher productivity soon led to great disappointment. The financial world was shocked when the American real estate owners stopped paying off mortgages by unprecedented high rates. “The mortgage crisis has crystallised something what has confused many participants of capital markets: all the asset classes were overrated – from Chinese stocks to apartments in Las Vegas. A reduction in the value of assets began with the new estimates of risk on financial markets from the top to the bottom, which lowered the prices of virtually all investments, from stocks to the insurance”.

The growth of the housing bubble was even less justified than the growth of the stock bubble of the previous decade. In order to justify the increase in the housing

bubble - asks Krugman? It is well known why housing prices started to rise; since the early decades of this century the interest rates were very low, so buying houses was a very attractive investment. Americans have long had a habit of buying a house with borrowed money.

*Dr. Dušan Zdravković, dr. Snežana Radukić*

## **Globalizacija gospodarske krize**

*Skozi zgodovino so se bogate in revne države zadolževale in posojale denar ter šle skozi različne finančne krize, najprej propadale, nato pa okrevale. Vsakič so ekonomisti trdili (tokrat je sicer drugače), da nova situacija zelo malo spominja na stare in stare resnice ne veljajo več.*

*Sedanja gospodarska kriza je zrušila vse tabuje. Uvedba tržne strukture po modelu svobodne konkurence ni povsod pozitivno vplivala na gospodarsko rast, nasprotno, v mnogih primerih je privedla do gospodarske recesije, ki se je včasih spremenila v daljšo depresijo. To se dogaja v večini tranzicijskih držav, ki si še niso opomogle od šoka nenadne liberalizacije in izpostavljenosti mednarodni konkurenci, pa tudi v mnogih drugih manj razvitih državah. Danes smo namesto splošne stabilnosti in hitre rasti blaginje v svetu priča povečani nestanovitnosti, upočasnjeni rasti in poglobljanju vrzeli med bogatimi in revnimi, zmanjšanju socialnih pravic. Zato moramo preveriti gospodarski liberalizem kot instrument za racionalno soglasje o idealni ureditvi sveta po enotnih merilih.*

*Naš namen je, da v tem delu jasno pokažemo, da je bilo tako razumevanje napačno. Na podlagi analize finančne zgodovine mnogih držav z vseh kontinentov skušamo ponuditi celovit pogled na razlike in podobnosti gospodarskih kriz v dvajsetem stoletju in v začetku tega stoletja z vsemi napakami držav, bančne panike in inflacijskih šokov, od ukinitve zlatega standarda do sodobne hipotekarne krize. Morda bodo rezultati te raziskave nespodbudni, na eni strani so se gospodarske krize v preteklosti presenetljivo dosledno ponavljale glede trajanja in izrazitosti, na drugi strani pa je kratek spomin olajšal ponovitev krize. Da bi dosegli zastavljeni cilj, smo v tem prispevku analizirali različne teorije gospodarskih kriz – njihovo uporabnost oziroma neustreznost. Posebna raziskovalna prizadevanja pa so bila usmerjena na vpliv svetovne krize na naše gospodarstvo.*

*Menili smo, da je treba analizirati zgodovino kriz, zlasti tistih, ki so se pojavile v dvajsetem stoletju, ker se včasih zgodovina ponavlja. »Enaka zdravila niso učinkovita za različne bolezni.« Če se bo tako nadaljevalo, bo težko podvomiti v mračno sliko današnjega sveta, ki jo številni ekonomisti in sociologi napovedujejo. Ali ni dovolj dramatično sporočilo Johna Graya, ki v knjigi »False Dawn (blodnje globalnega kapitalizma),« pravi: »Poglobljanje mednarodne anarhije je prihodnost človeštva ... Širjenje novih tehnologij povsod po svetu ne spodbuja človekove svobode. Namesto*

*tega je to povzročilo osvoboditev tržnih sil izpod družbenega in političnega nadzora. S svobodo na svetovnih trgih pa jamčimo, da bo doba globalizacije ostala v spominu kot še eno obdobje v zgodovini suženjstva.»*

*Številni ekonomski pisci in politiki so verjeli, da svetovno gospodarstvo v začetku 21. stoletja beleži izjemne rezultate in da bo kriza, kakršna je bila v prejšnjem stoletju, samo še zgodovina, ki se je bomo le tu pa tam spomnili. Propad svetovnega gospodarstva leta 2008 je bil najhujši svetovni finančni kolaps po letu 1929 in je napovedal, da se bo svet soočil z največjimi gospodarskimi težavami po veliki depresiji. Nekateri dogodki v letu 2008 so edinstveni v zgodovini: propad skoraj 40 tisoč milijard dolarjev osnovnega kapitala, največja doslej ugotovljena nacionalizacija največjih hipotekarnih upnikov v ZDA, največji bankroti v zgodovini in tako naprej.*

*Živimo torej v času, o katerem se bo govorilo še desetletja in ki ga bo preučevalo več generacij.*

*Čeprav tu ni primerno mesto za akademske razprave o metodologiji v zvezi z vprašanjem, ali ekonomske teorije dobivajo ali izgublajo na pomenu glede na stanje realnega gospodarstva v nekem obdobju, moramo poudariti, da je današnje veliko zanimanje za oživljanje Keynesovih idej zagotovo povzročila svetovna gospodarska kriza, ki je dramatično prizadela svetovno gospodarstvo septembra 2008 in posledice katere bomo še dolgo čutili.*

*Skoraj vse vlade na svetu so v splošni paniki in zmedi, ki sta nastali in ki grozita s propadom svetovnega gospodarstva, planile po najbolj drastičnem keynesovskem receptu - zmanjšanem financiranju agregatnega povpraševanja. Države so se močno zadolževale in s tem preprečile, da se sedanja kriza sprevrže v veliko katastrofo. Pred očmi javnosti se je pojavila podoba velike ekonomske krize iz tridesetih let prejšnjega stoletja. Nič čudnega, da so Keynesove ideje vstale od mrtvih. Kaj je dejansko res? Keynes je bil prepričan, da bi primerna državna intervencija, odvisno od gospodarskih razmer, lahko gospodarstvo privedla do ponovne polne zaposlenosti, po tem pa državna intervencija ni nujna, niti ko začnejo ponovno veljati načela klasične ekonomije.*

*Tako so istočasno začeli primerjati zgodovinske rezultate v razvitih gospodarstvih zahodnih držav glede na prevladujoče ekonomske paradigme, ki so vodile gospodarsko politiko, še posebej v času keynesianizma in post-keynesianizma. Seveda bodo aktualne razprave o prispevku Keynesove teorije na teoretični in na praktični ravni. K temu pa lahko prispeva dejstvo, da prevladujoča akademska doktrina ni predvidela možnosti sedanje krize.*

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