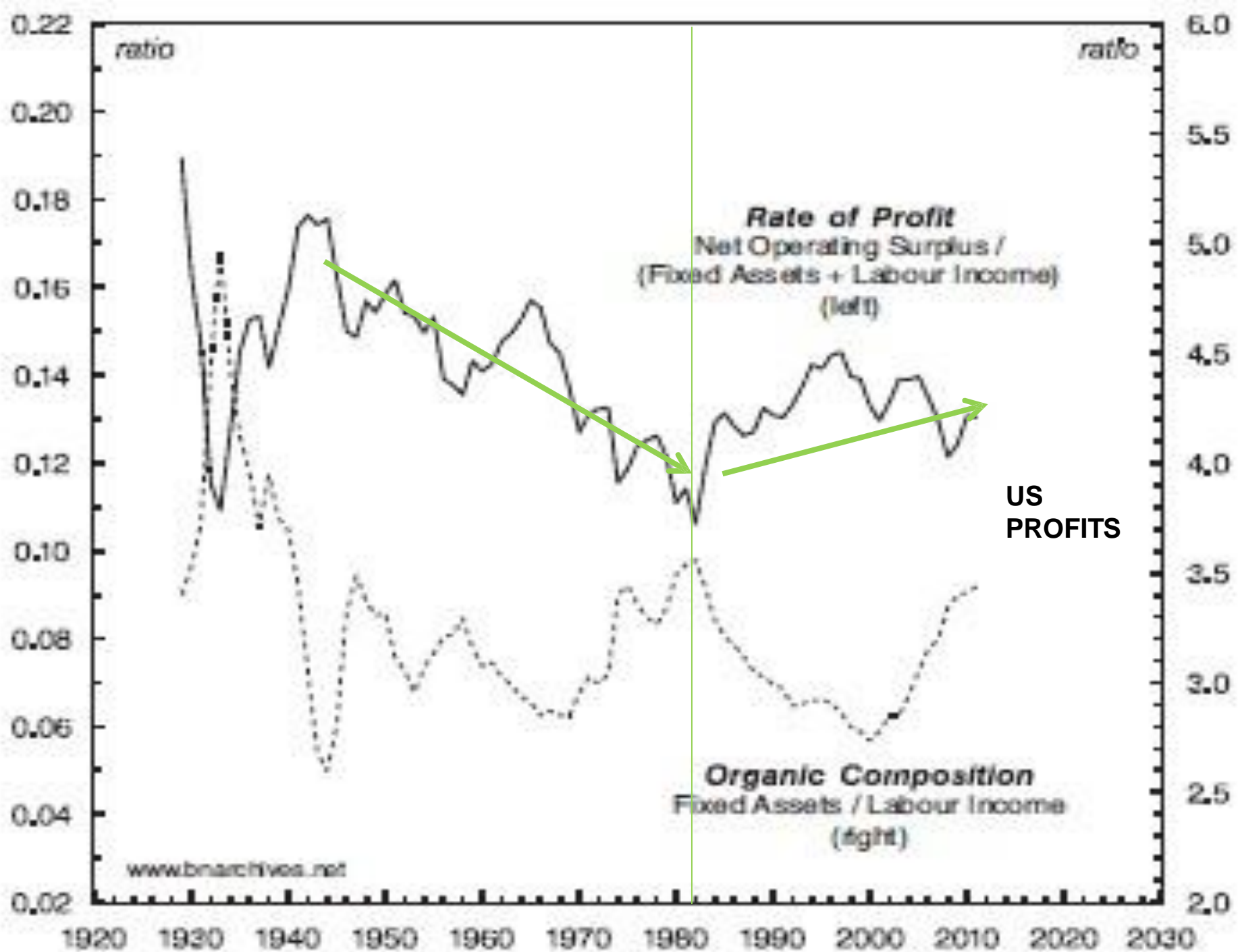


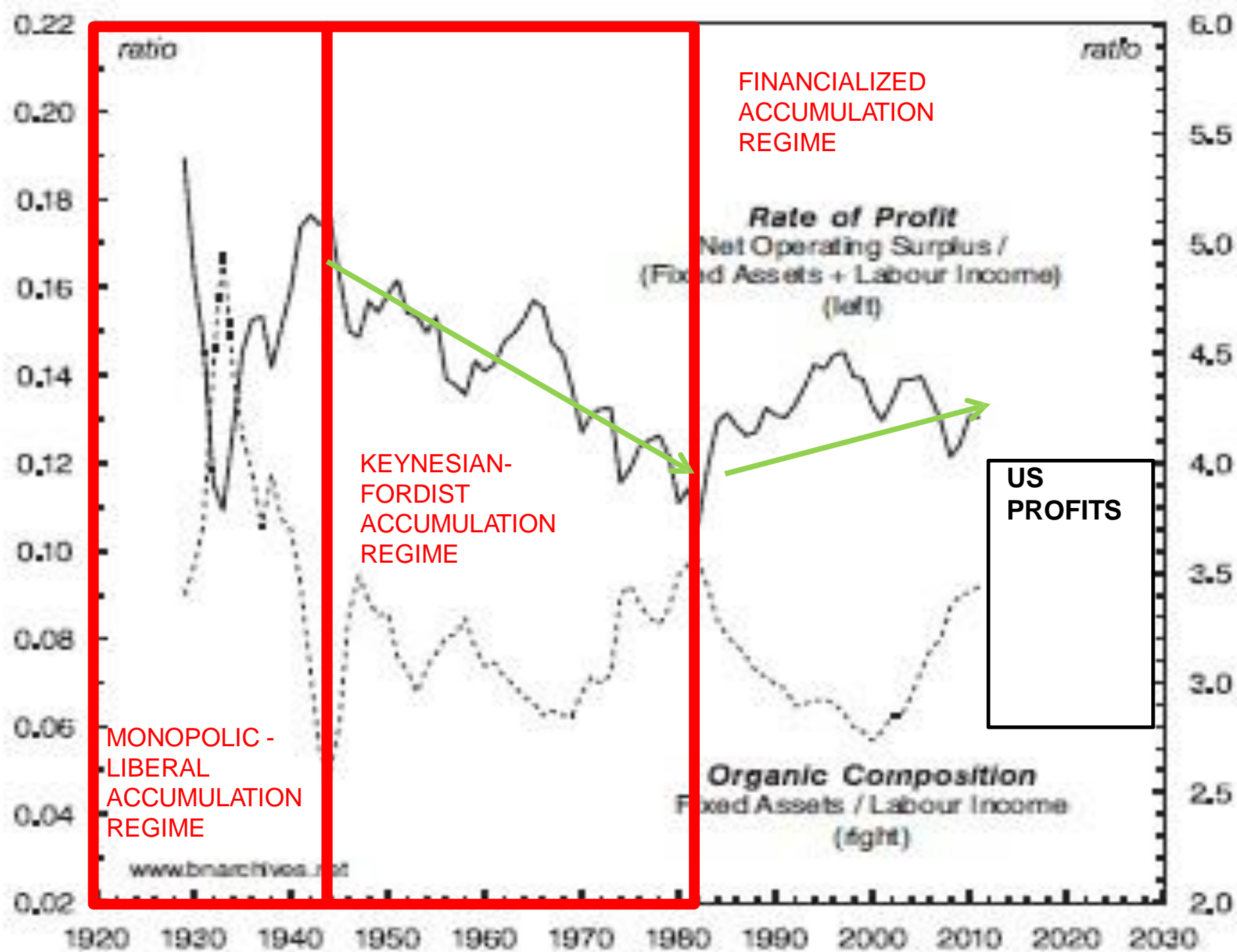
“Latin American Construction and Structural Crisis”

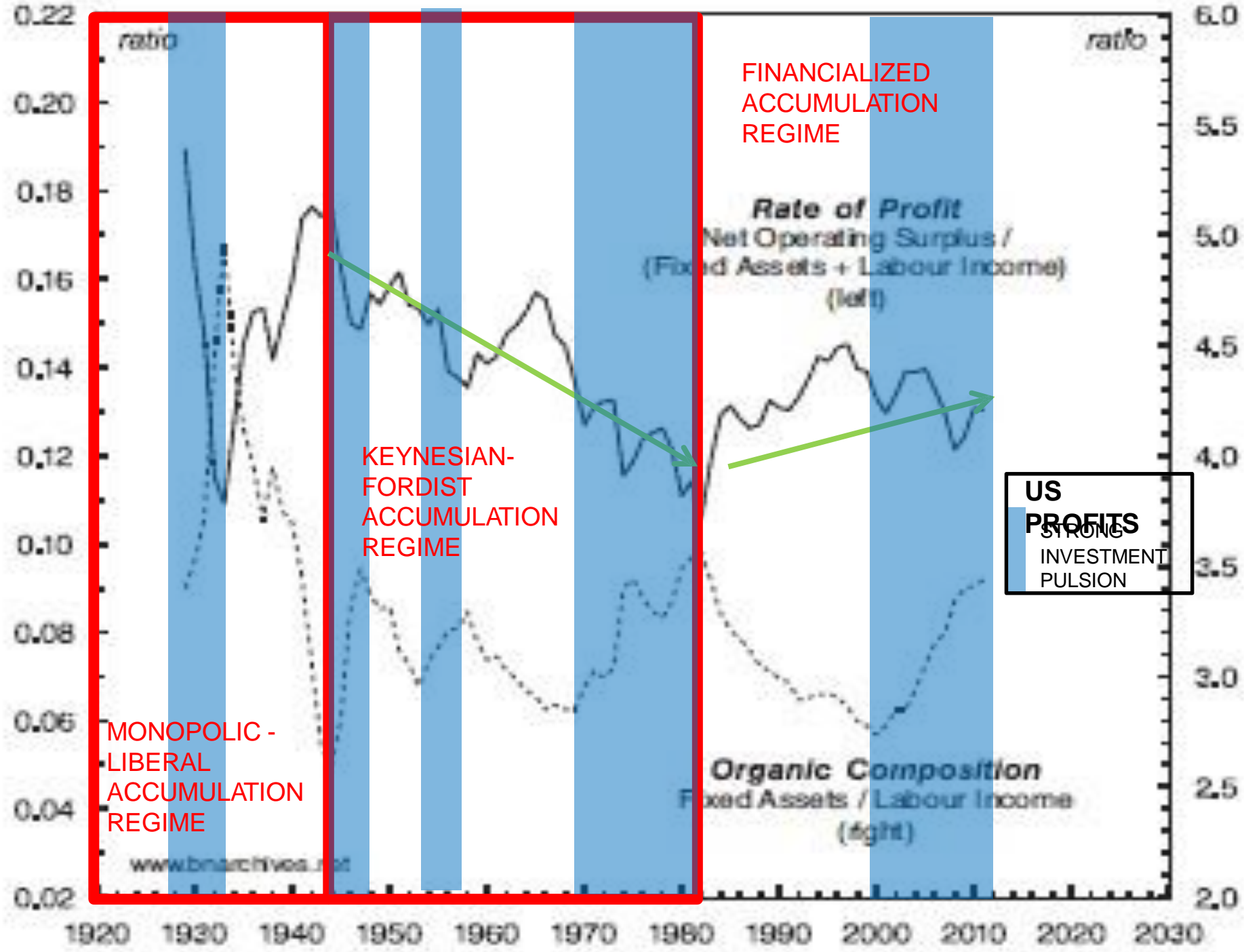
Pedro Páez Pérez

Third South-South Forum on Sustainability
Lingnan University, Hong Kong, July 23, 2016

The dispute over profitability,
the transformation of the
accumulation regime and the
imperialist desperation





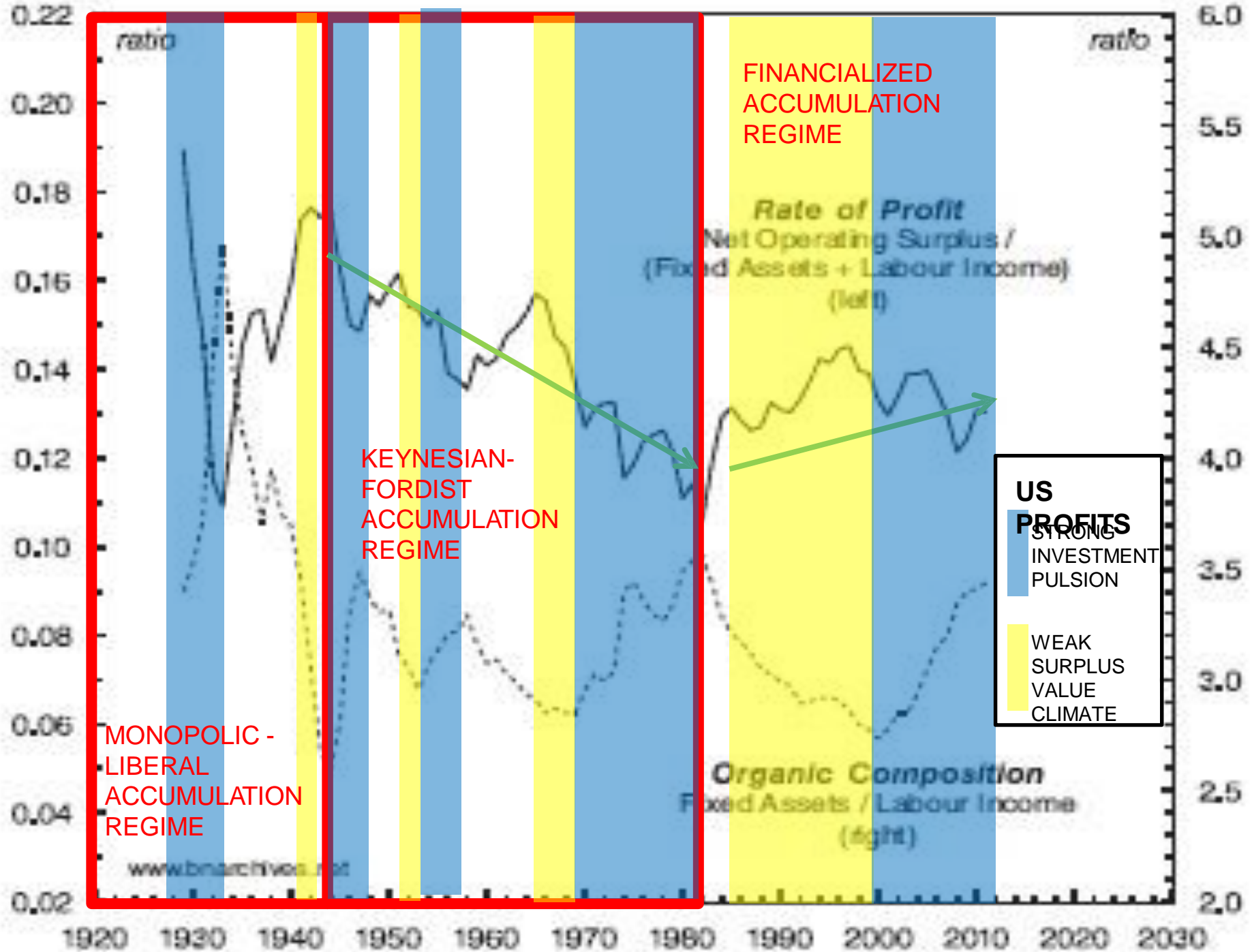


MONOPOLIC -
LIBERAL
ACCUMULATION
REGIME

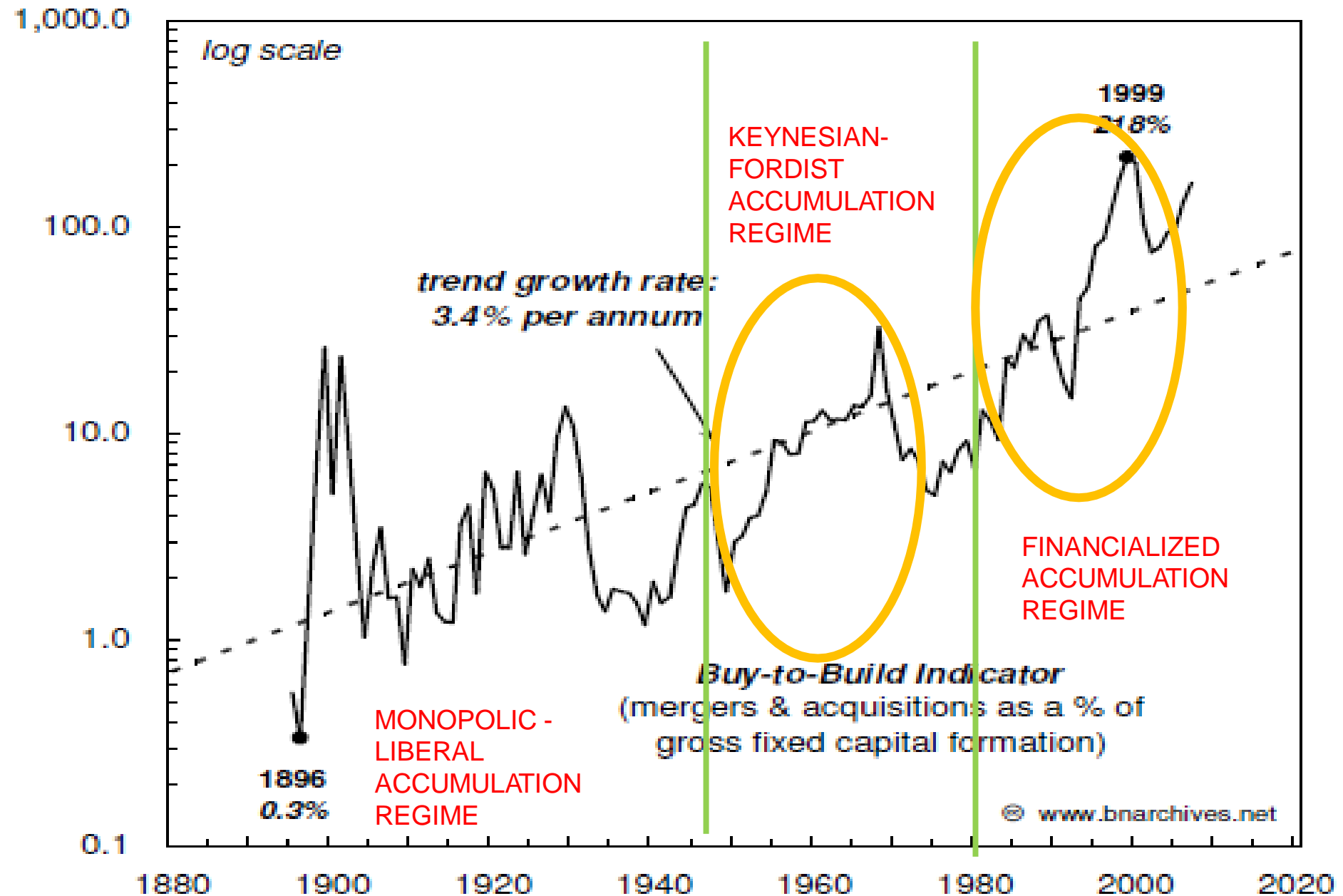
KEYNESIAN-
FORDIST
ACCUMULATION
REGIME

FINANCIALIZED
ACCUMULATION
REGIME

US
PROFITS
INVESTMENT
PULSION

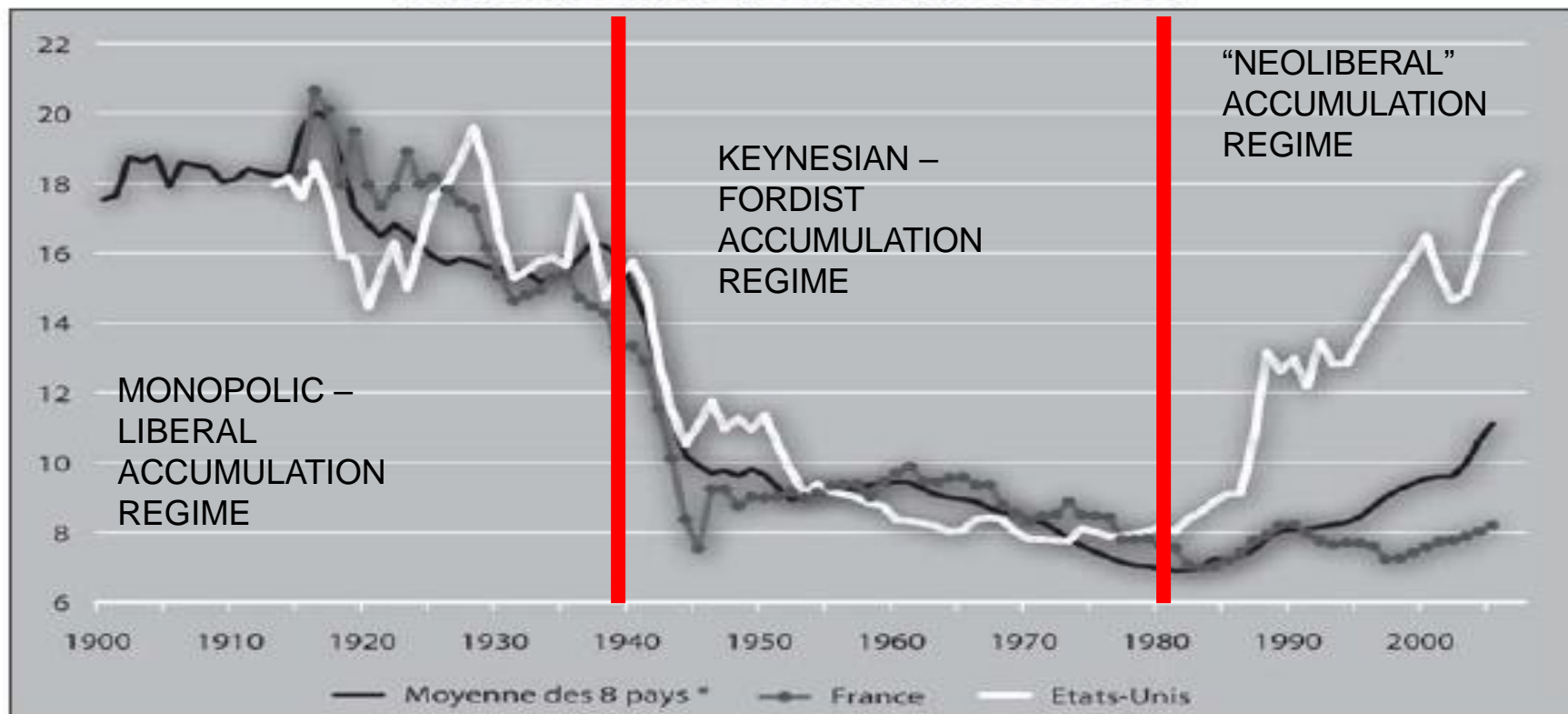


Corporate Amalgamation in the United States, 1895-2007



Percentage of national income of the wealthiest 1% in the North

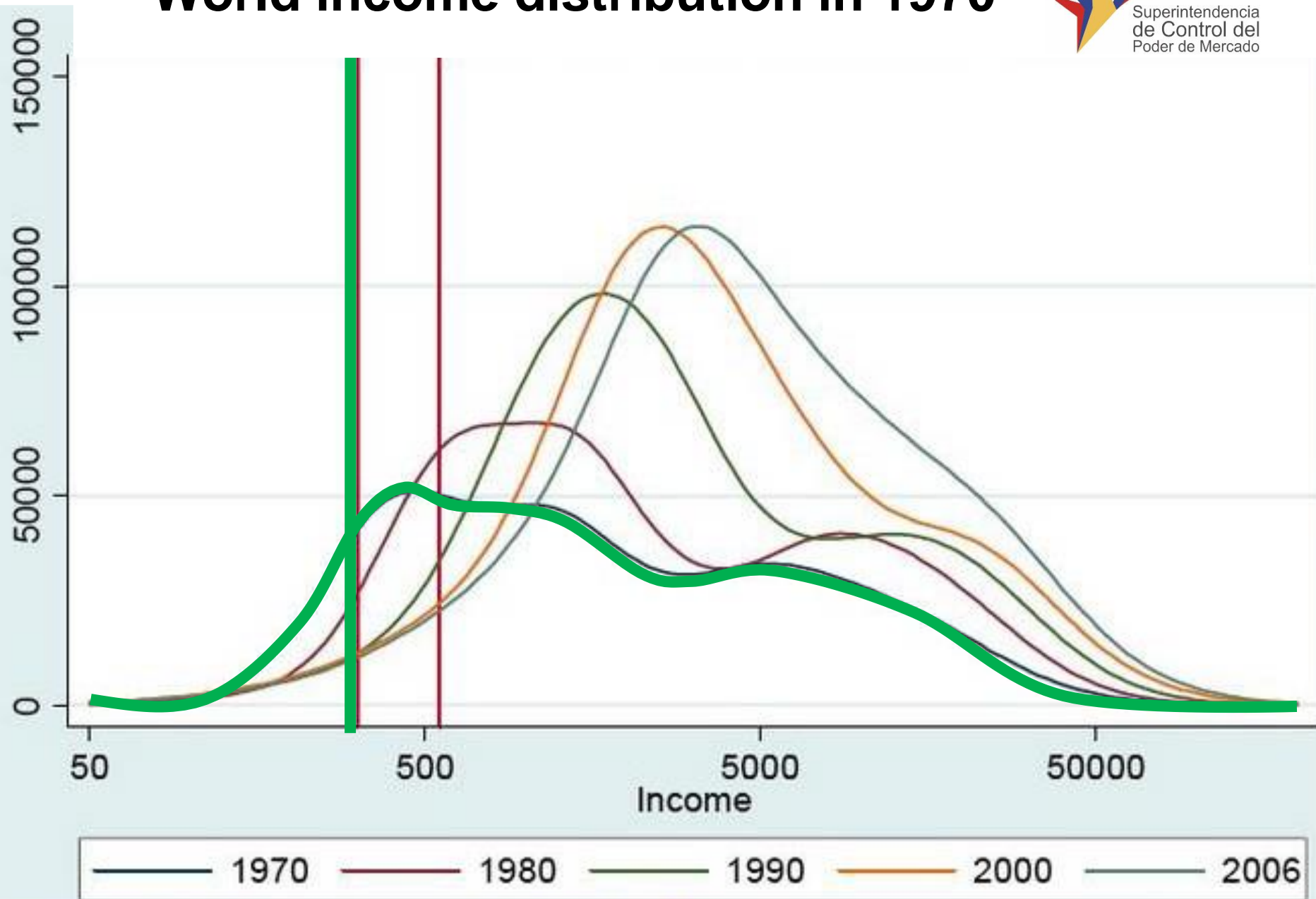
Graphique 1. Part du 1 % les plus riches dans l'ensemble des revenus 1900-2007



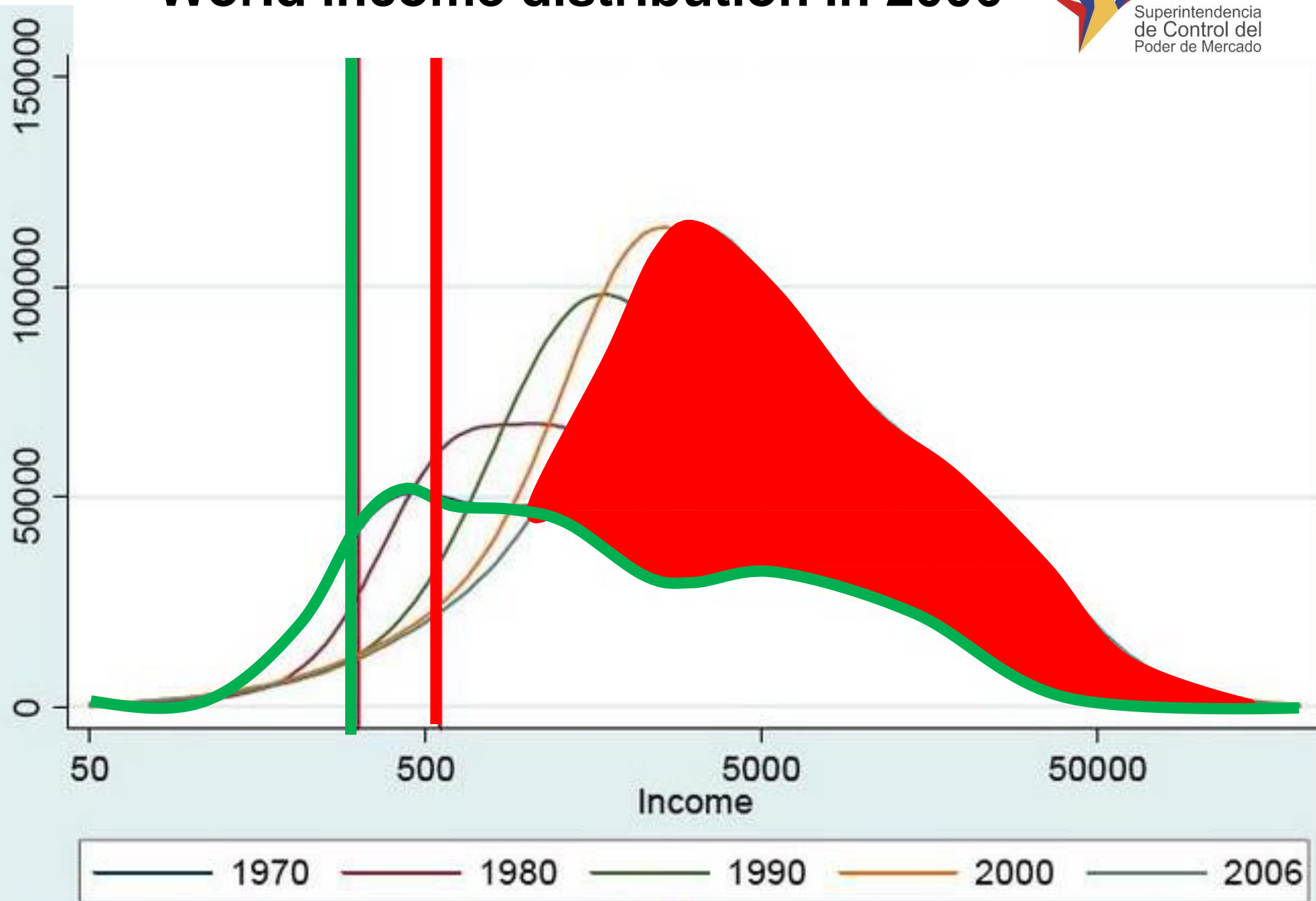
*Allemagne, Chine, Etats-Unis, France, Inde, Japon, Royaume-Uni, Suède

Sources : Atkinson, Piketty, Saez (2009).

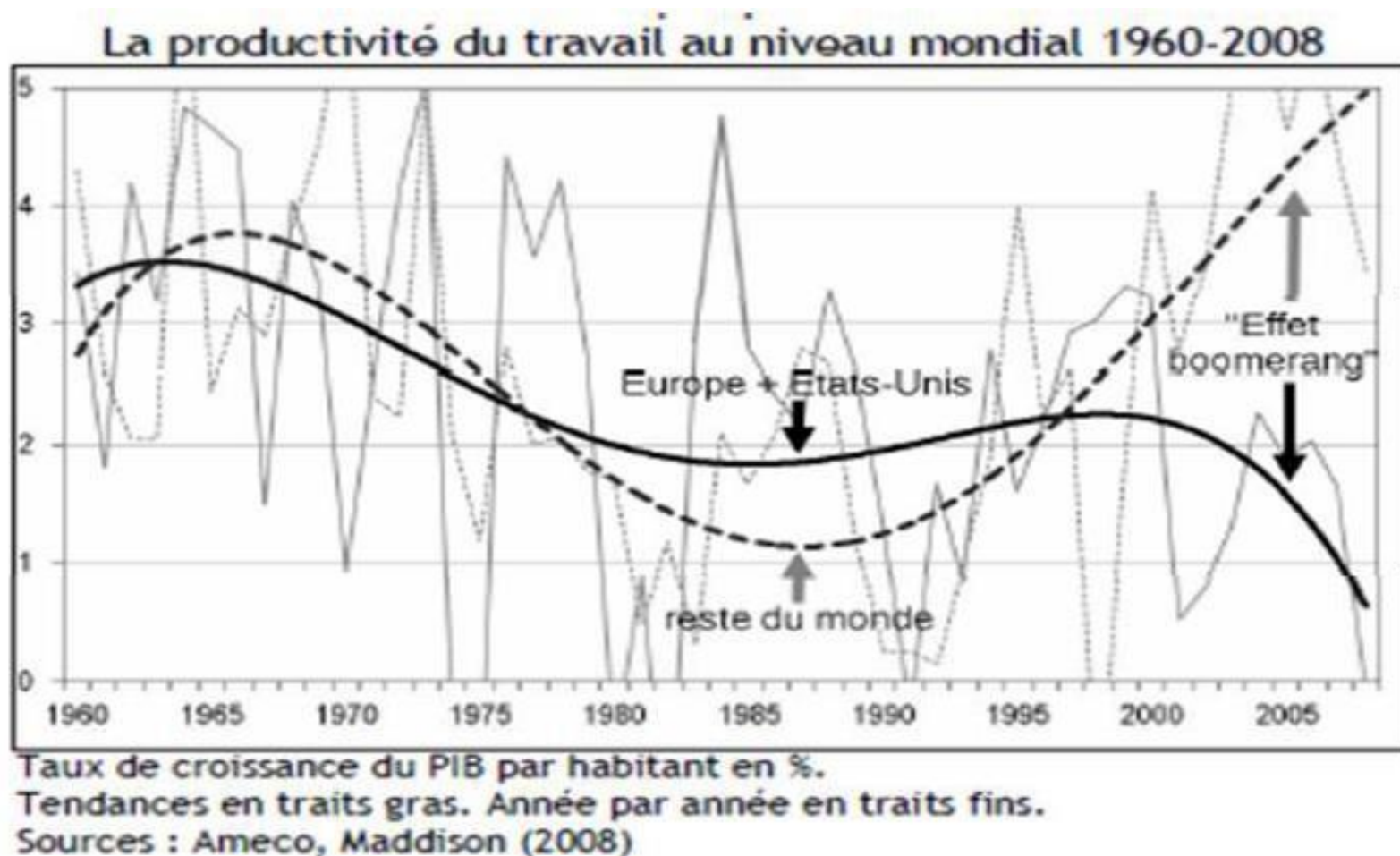
World income distribution in 1970

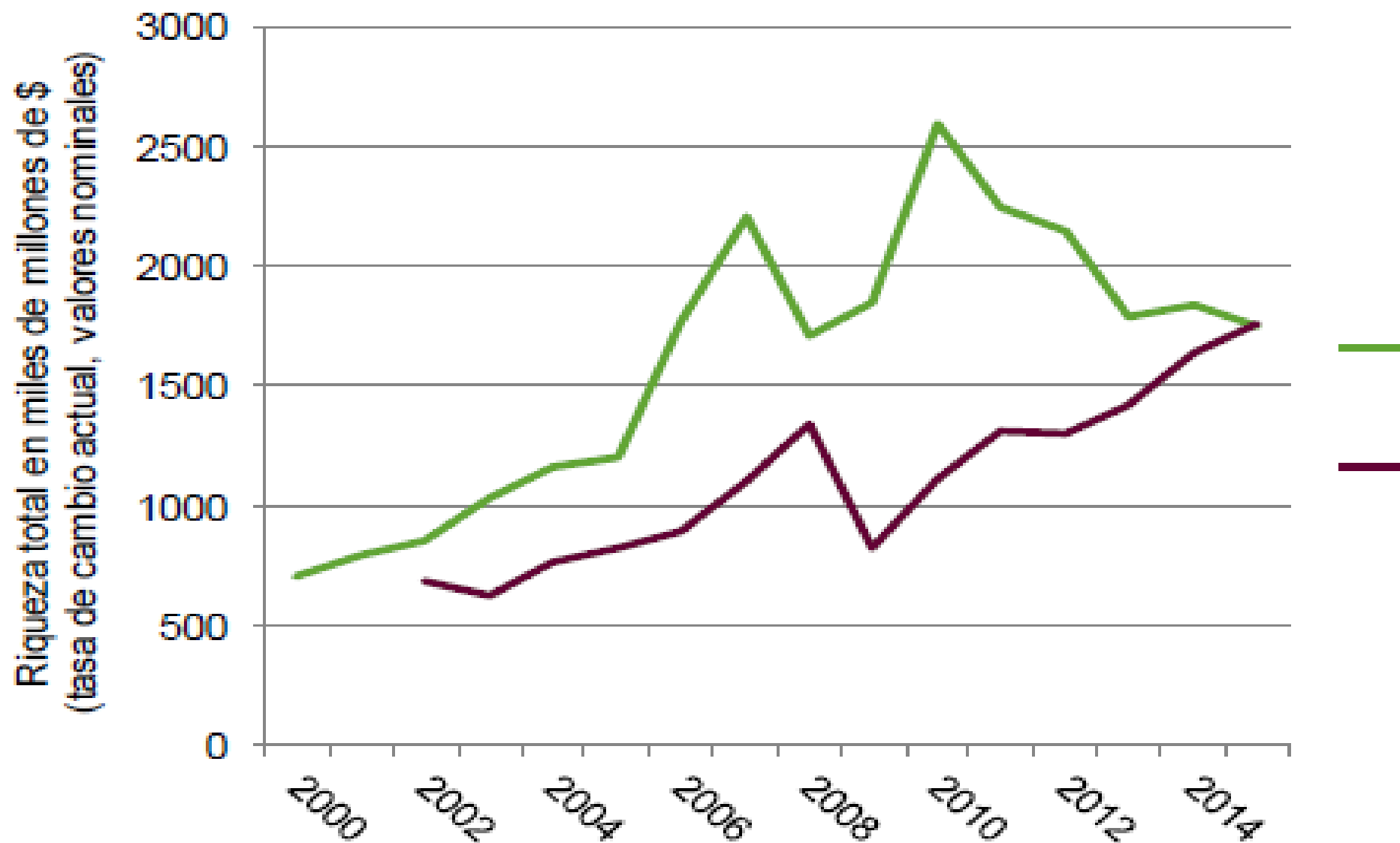


World income distribution in 2006

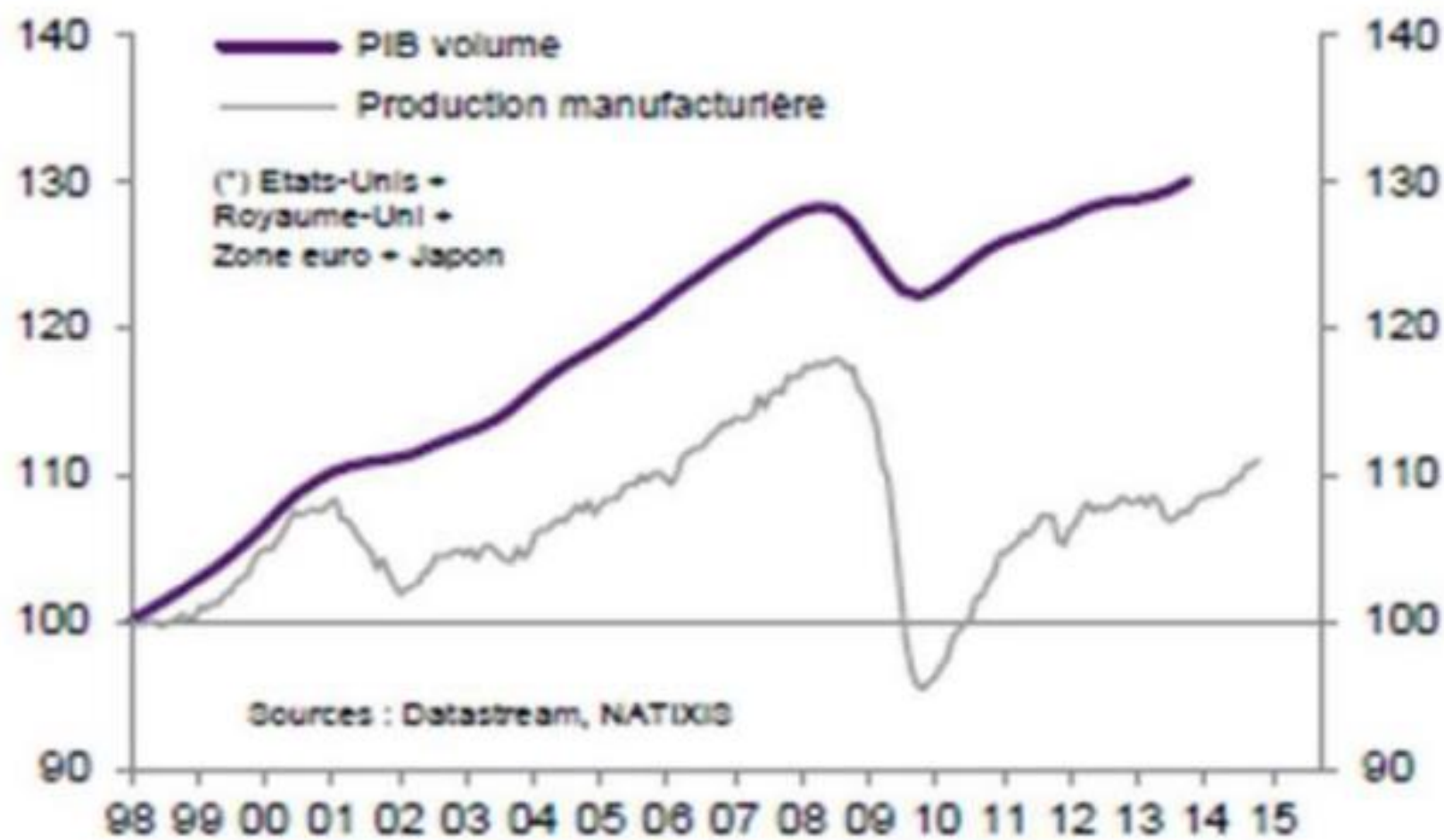


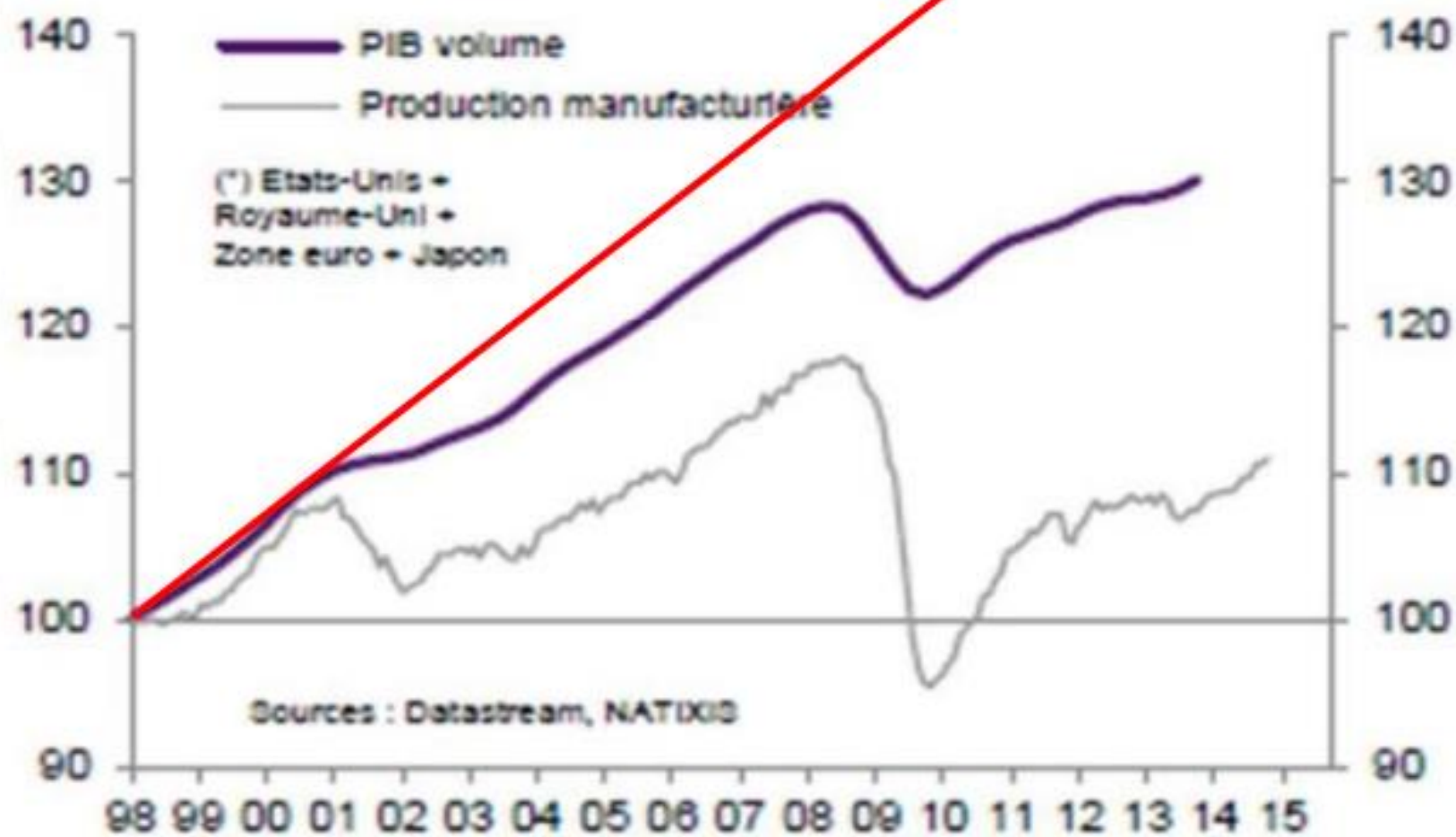
Increasing hegemonic tension

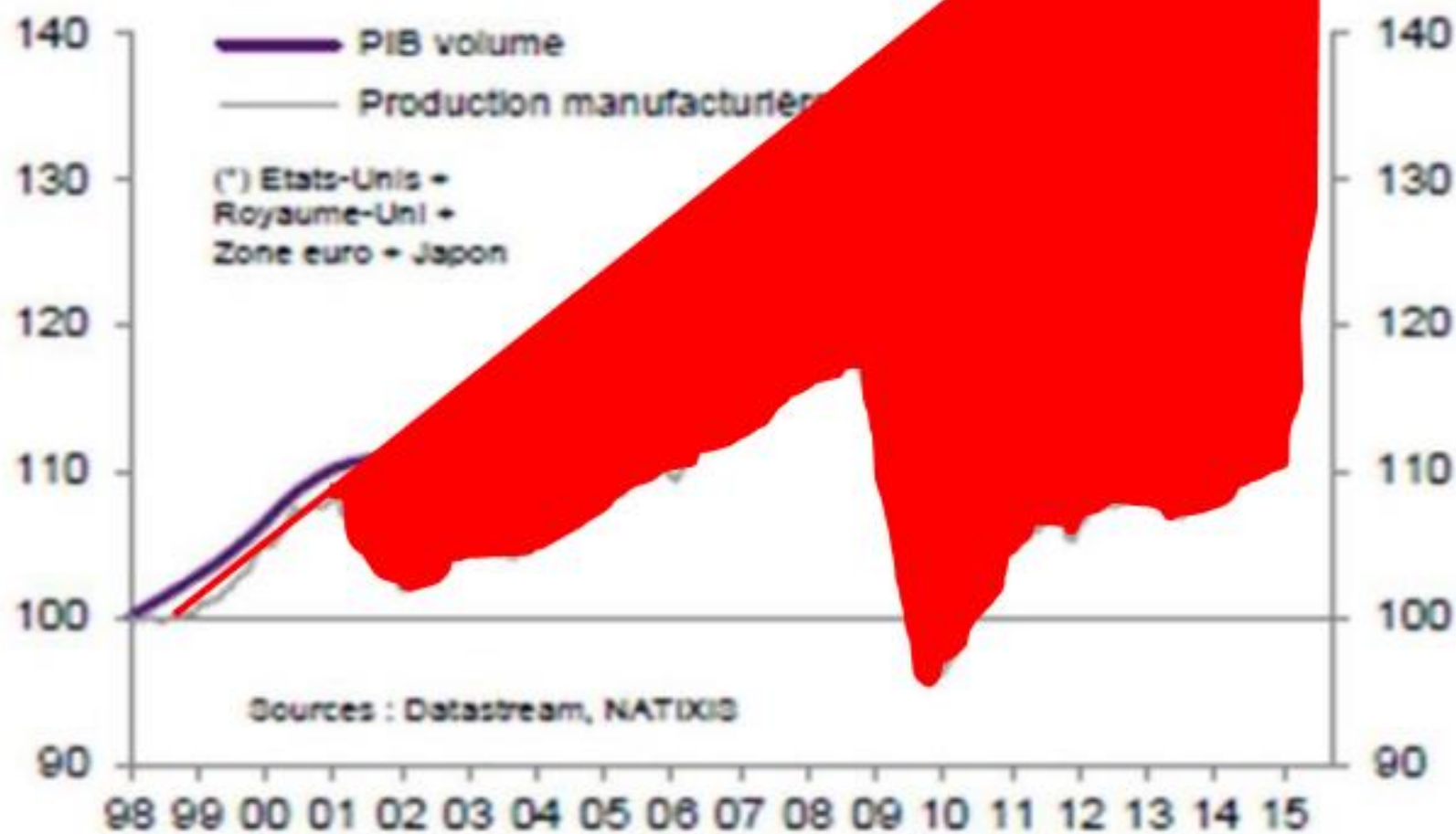




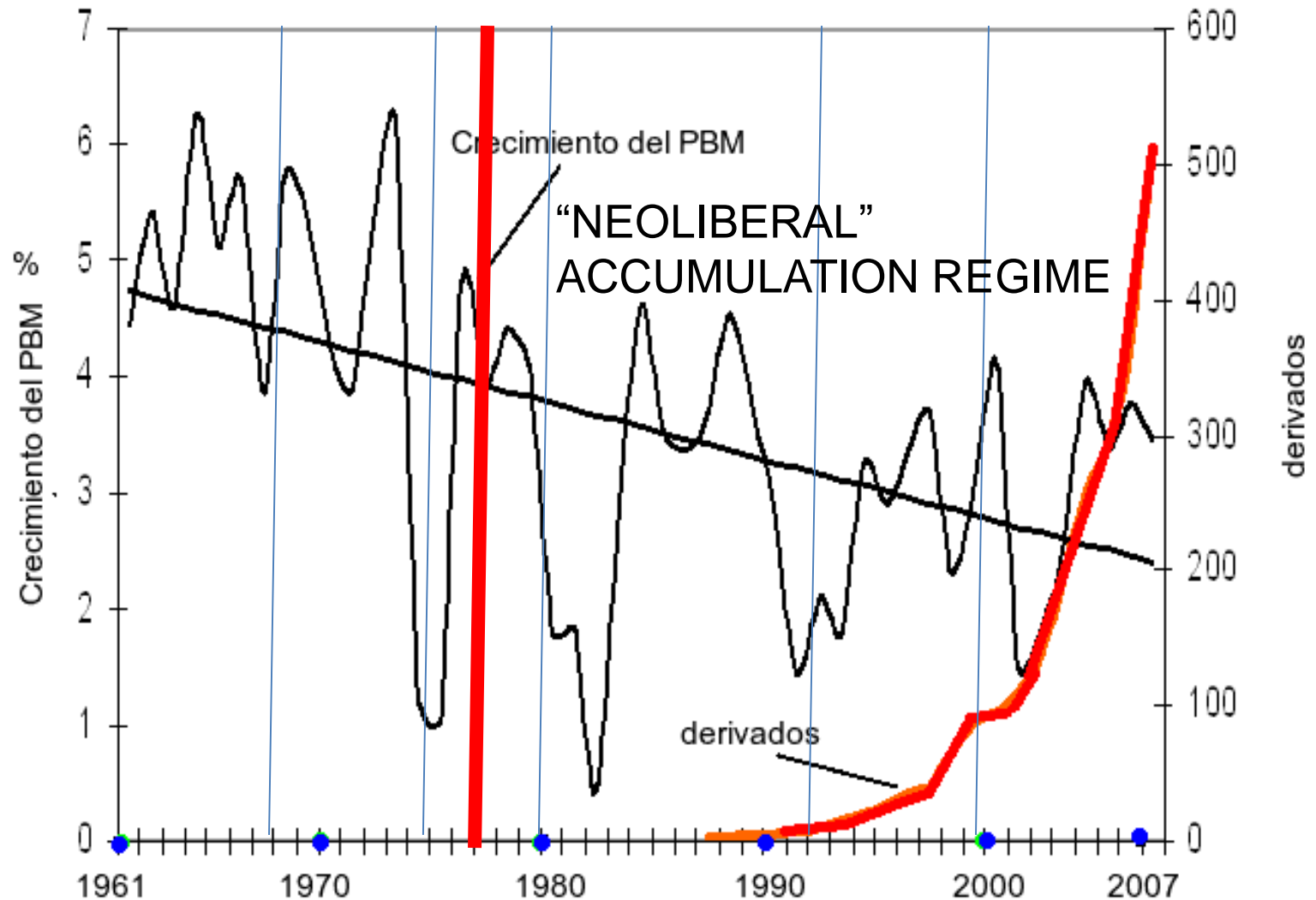
Fuentes: Los datos sobre la riqueza del 50% más pobre de la población están extraídos del "Global Wealth Databook 2015" de Credit Suisse. Los datos sobre la riqueza neta de las 62 personas más ricas proceden de la lista anual de millonarios elaborada por Forbes.







- Tasas de crecimiento real del Producto Bruto Mundial (en %)
- Productos financieros derivados en billones - millones de millones - de dólares



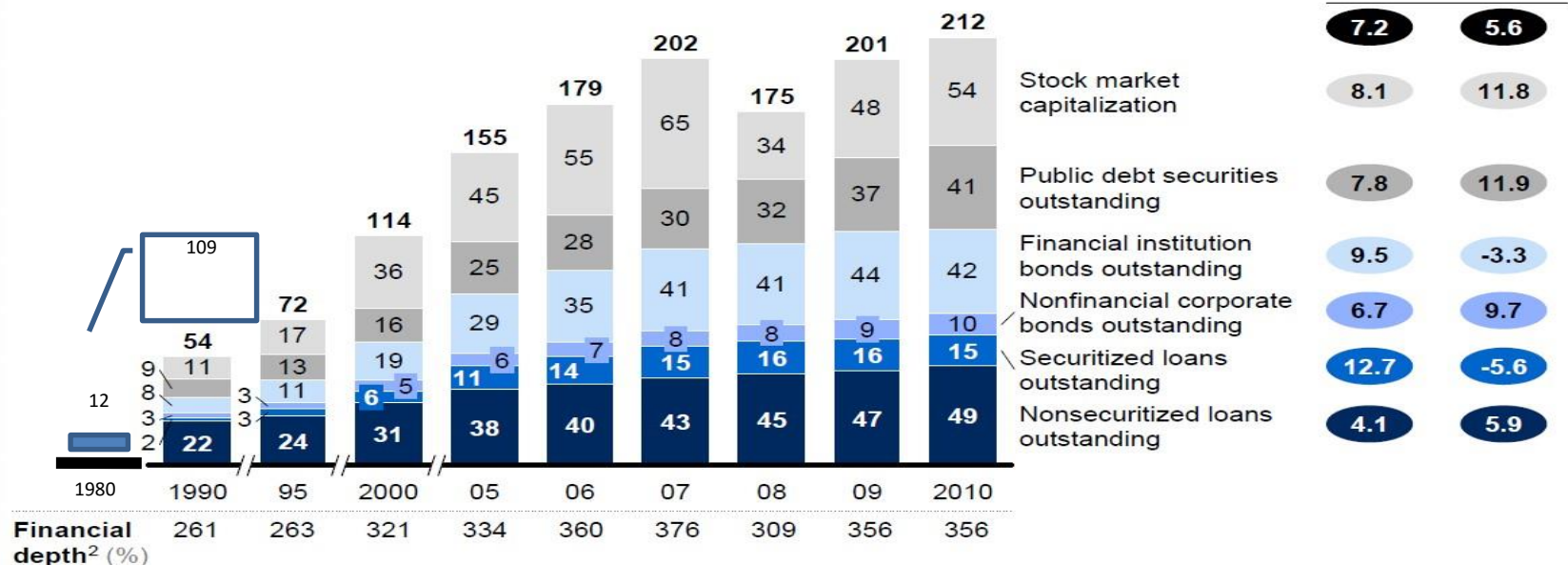
Fuentes: Banco Mundial y Banco de Basilea (BIS)

World GDP of 63" vs. Debts for 212" vs. Financial derivatives for 1500"

Global financial stock has surpassed pre-crisis heights, totaling \$212 trillion in 2010

Global stock of debt and equity outstanding¹

\$ trillion, end of period, constant 2010 exchange rates



¹ Based on a sample of 79 countries.

² Calculated as global debt and equity outstanding divided by global GDP.

NOTE: Numbers may not sum due to rounding.

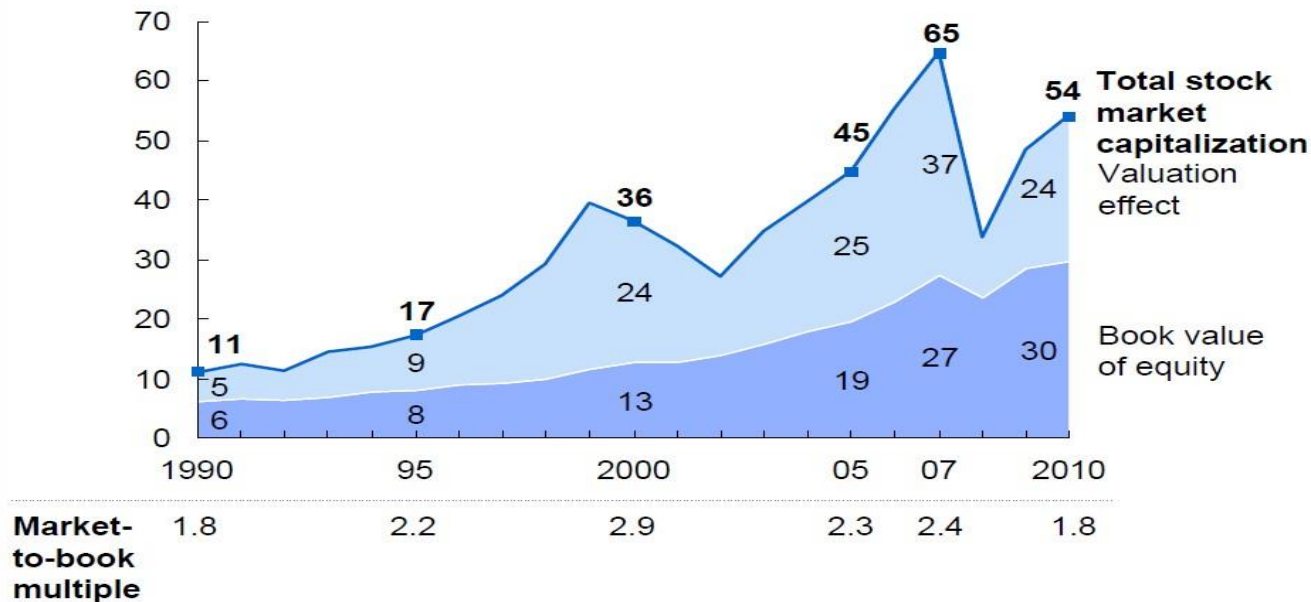
SOURCE: Bank for International Settlements; Dealogic; SIFMA; Standard & Poor's; McKinsey Global Banking Pools; McKinsey Global Institute analysis

Untenable inflation of the balances

Swings in valuation levels are responsible for most of the fluctuations in global equity outstanding

Total global equity outstanding¹

\$ trillion, end of period, constant 2010 exchange rates



Compound annual growth rate

%

1990–09 2009–10

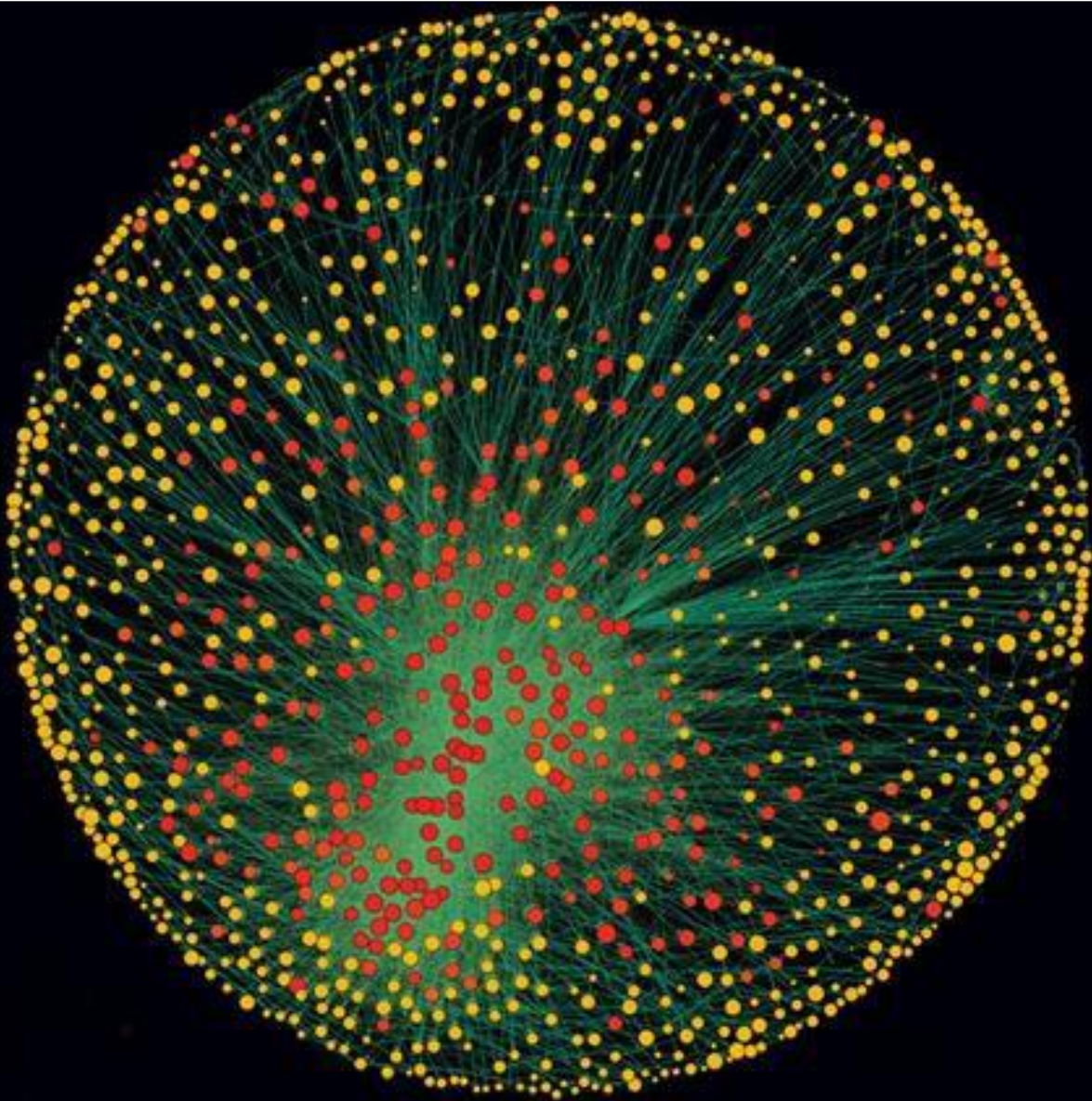
Total stock market capitalization	8.1	11.7
Valuation effect	7.9	21.2
Book value of equity	8.3	4.9

¹ Calculated based on yearly country-specific market-to-book multiple.

NOTE: Numbers may not sum due to rounding.

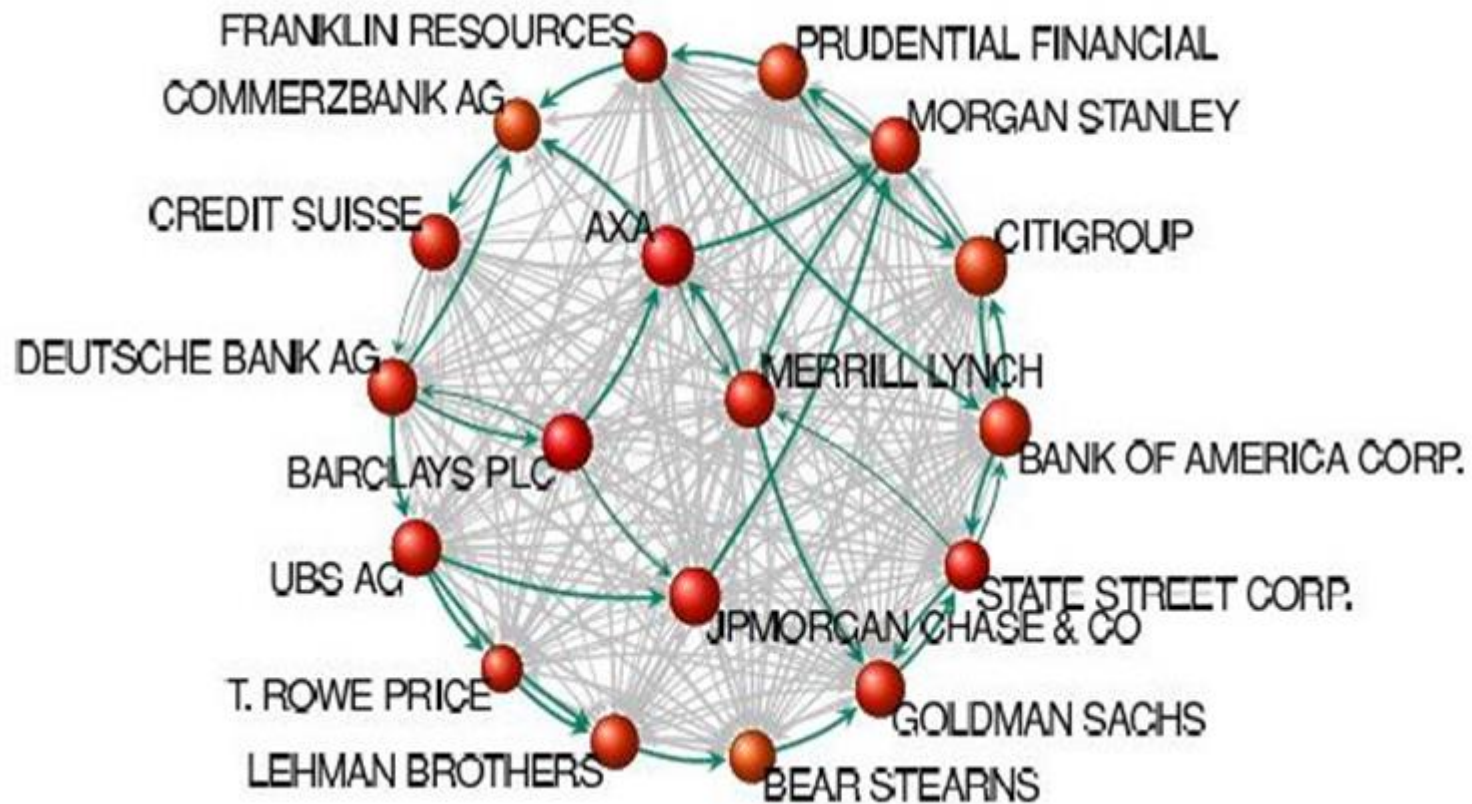
SOURCE: Standard and Poor's; Datastream; Bloomberg; McKinsey Corporate Performance Analysis Tool (CPAT); McKinsey Global Institute analysis

World power oligarquic concentration, 2007



From the 37 million companies registered in Orbis 2007, only 43060 TN control the fundamental and are interconnected by property relations. Among them, 1318 control over the 60% of total sales and only 17 the 40%.

The Anatomy of Global Corporate Ownership Network



A subgraph layout of focusing on a few major TNC's in the financial sector; some of the many circles are highlighted.

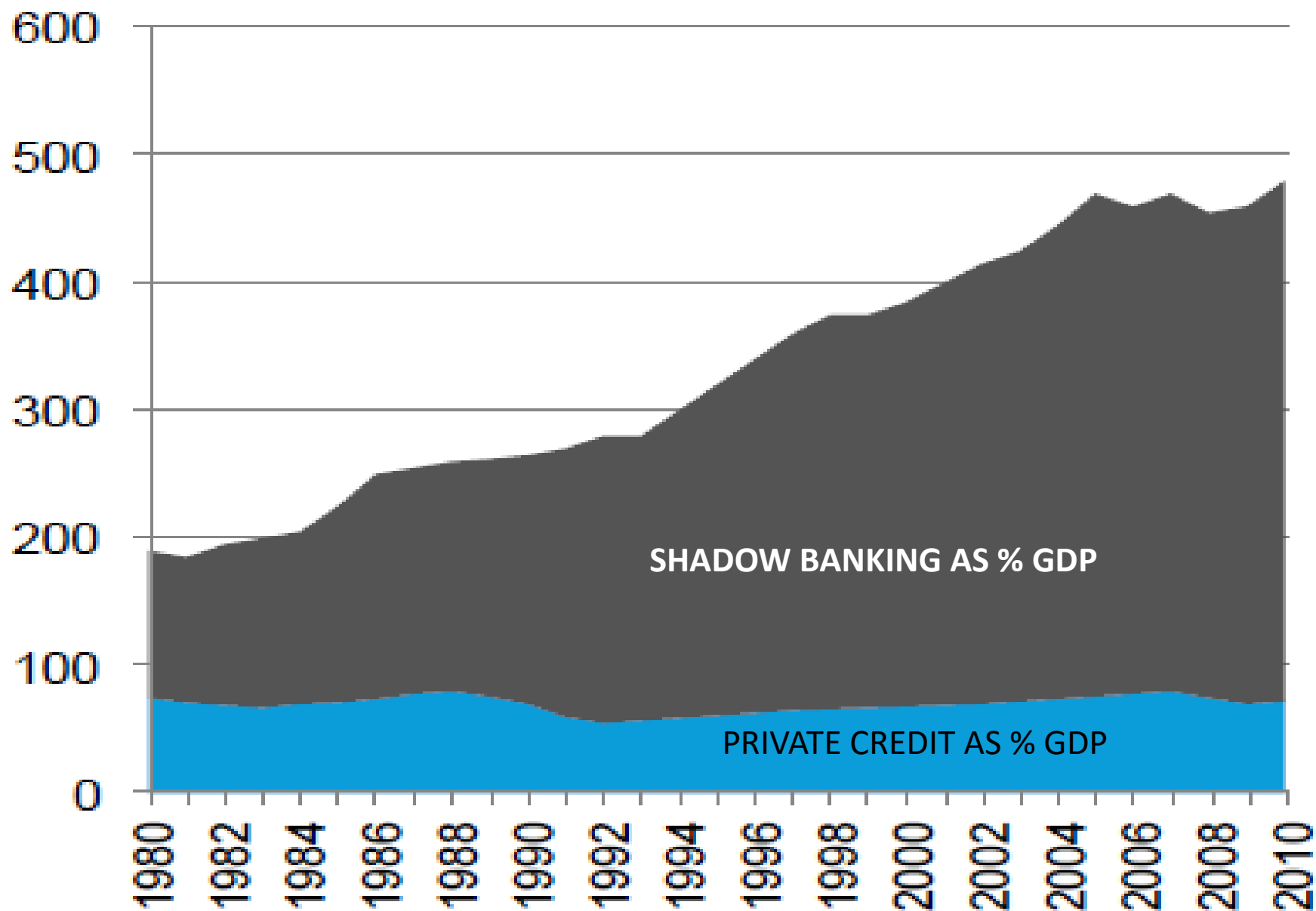
The biggest 50 among the 147

- 1. Barclays plc
 2. Capital Group Companies Inc
 3. FMR Corporation
 4. AXA
 5. State Street Corporation
 6. JP Morgan Chase & Co
 7. Legal & General Group plc
 8. Vanguard Group Inc
 9. UBS AG
 10. Merrill Lynch & Co Inc
 11. Wellington Management Co LLP
 12. Deutsche Bank AG
 13. Franklin Resources Inc
 14. Credit Suisse Group
 15. Walton Enterprises LLC
 16. Bank of New York Mellon Corp
 17. Natixis
 18. Goldman Sachs Group Inc
 19. T Rowe Price Group Inc
 20. Legg Mason Inc
 21. Morgan Stanley
 22. Mitsubishi UFJ Financial Group Inc
 23. Northern Trust Corporation
 24. Société Générale
 25. Bank of America Corporation
 26. Lloyds TSB Group plc
 27. Invesco plc
 28. Allianz SE
 29. TIAA
 30. Old Mutual Public Limited Company
 31. Aviva plc
 32. Schroders plc
 33. Dodge & Cox
 34. Lehman Brothers Holdings Inc*
 35. Sun Life Financial Inc
 36. Standard Life plc
 37. CNCE
 38. Nomura Holdings Inc
 39. The Depository Trust Company
 40. Massachusetts Mutual Life Insurance
 41. ING Groep NV
 42. Brandes Investment Partners LP
 43. Unicredito Italiano SPA
 44. Deposit Insurance Corporation of Japan
 45. Vereniging Aegon
 46. BNP Paribas
 47. Affiliated Managers Group Inc
 48. Resona Holdings Inc
 49. Capital Group International Inc
 50. China Petrochemical Group Company

Sanders Report (US Senate):

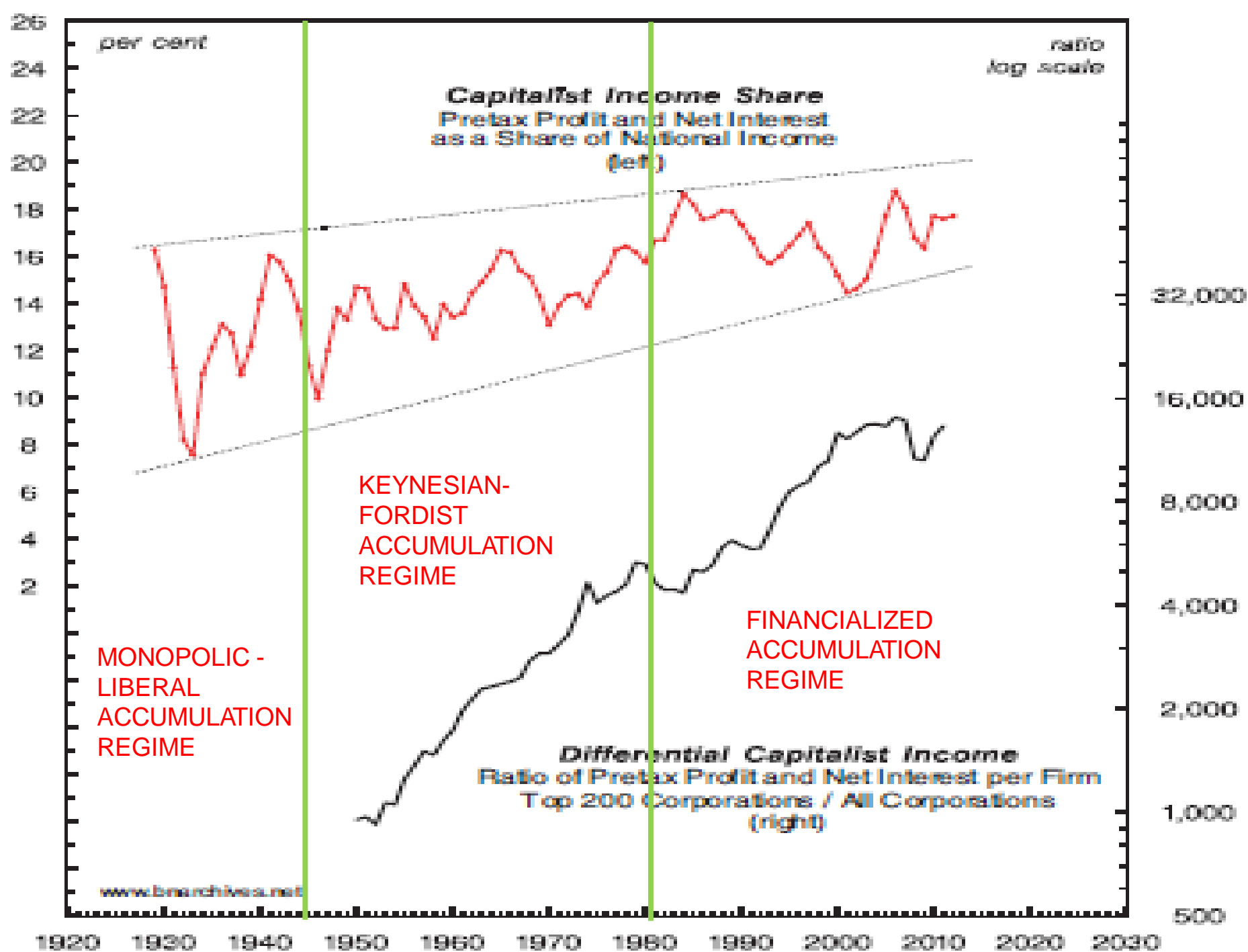
16 trillion dollars in FED bail out from 12.07 to
07.10

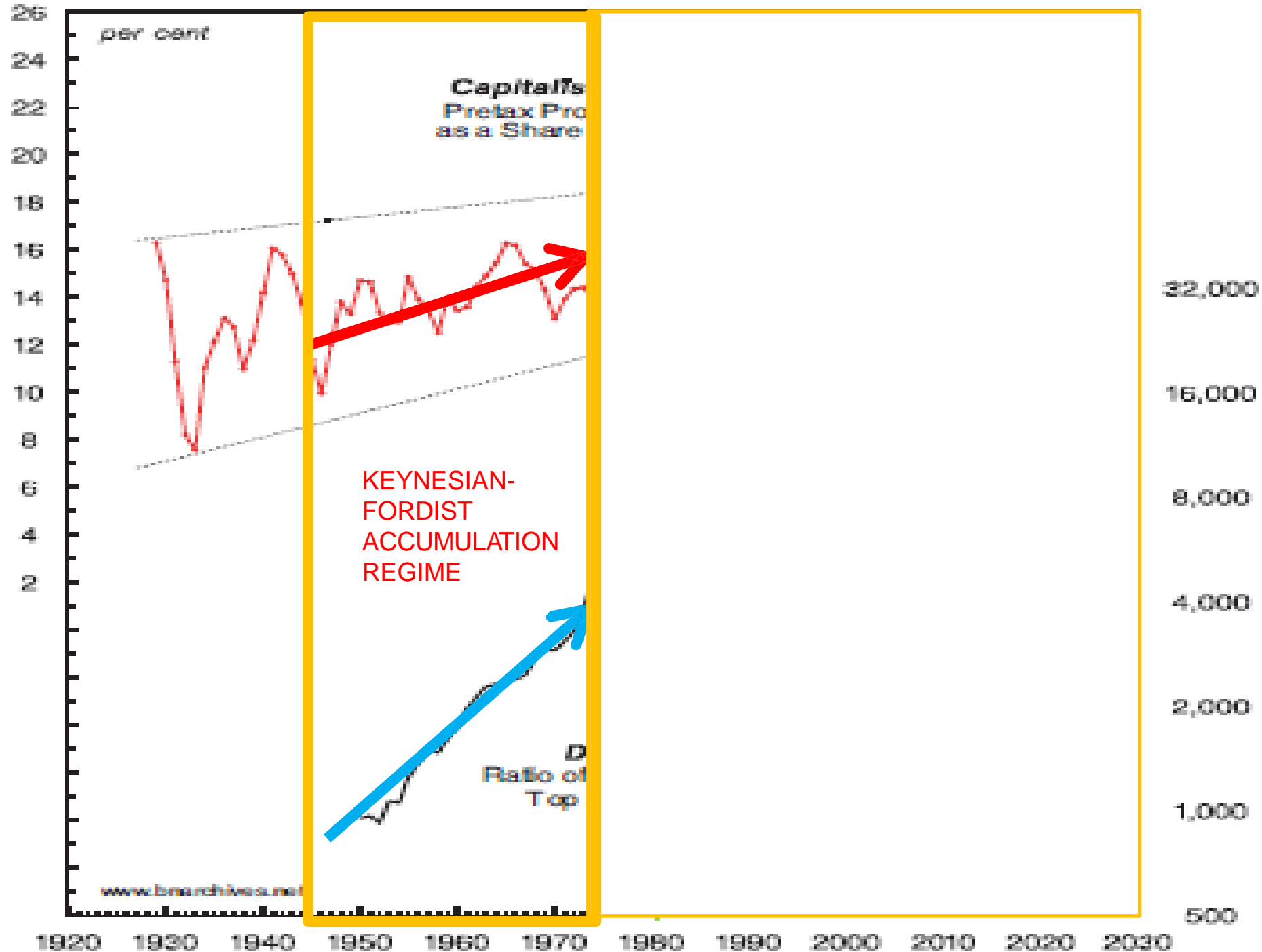
- Citigroup: (\$2,500,000,000,000)
- Morgan Stanley:
(\$2,040,000,000,000)
- Merrill Lynch: (\$1,949,000,000,000)
- Bank of America:
(\$1,344,000,000,000)
- Barclays PLC (United Kingdom):
(\$868,000,000,000)
- Bear Sterns: (\$853,000,000,000)
- Goldman Sachs:
(\$814,000,000,000)
- Royal Bank of Scotland (UK):
(\$541,000,000,000)
- JP Morgan Chase:
(\$391,000,000,000)
- Deutsche Bank (Germany):
(\$354,000,000,000)
- UBS (Switzerland):
(\$287,000,000,000)
- Credit Suisse (Switzerland):
(\$262,000,000,000)
- Lehman Brothers: (\$183,000,000,000)
- Bank of Scotland (United Kingdom): (\$181,000,000,000)
- BNP Paribas (France):
(\$175,000,000,000)
- Wells Fargo & Co. (\$159,000,000,000)
- Dexia SA (Belgium))
(\$159,000,000,000)
- Wachovia Corporation
(\$142,000,000,000)
- Dresdner Bank AG (Germany)
(\$135,000,000,000)
- Societe Generale SA (France)
(\$124,000,000,000)
- All the rest (\$ 2,639,000,000,000)
- Total **(\$ 16.115.000.000.000)**

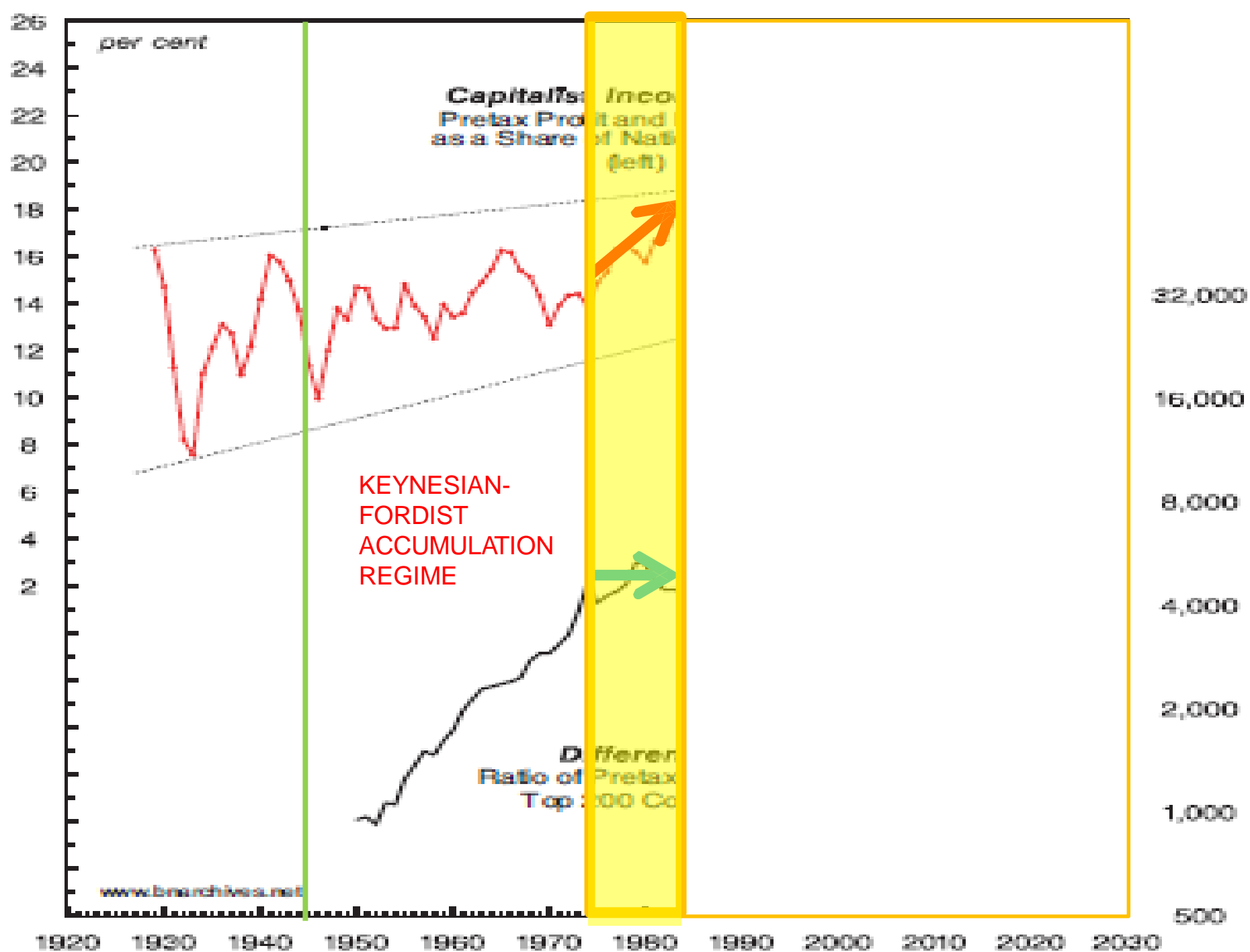


nte: R. Sahay et al. (2015) "Reconsiderando la profundización financiera", FMI

Macroeconomic
asymmetries, commercial
struggle and
monopolization

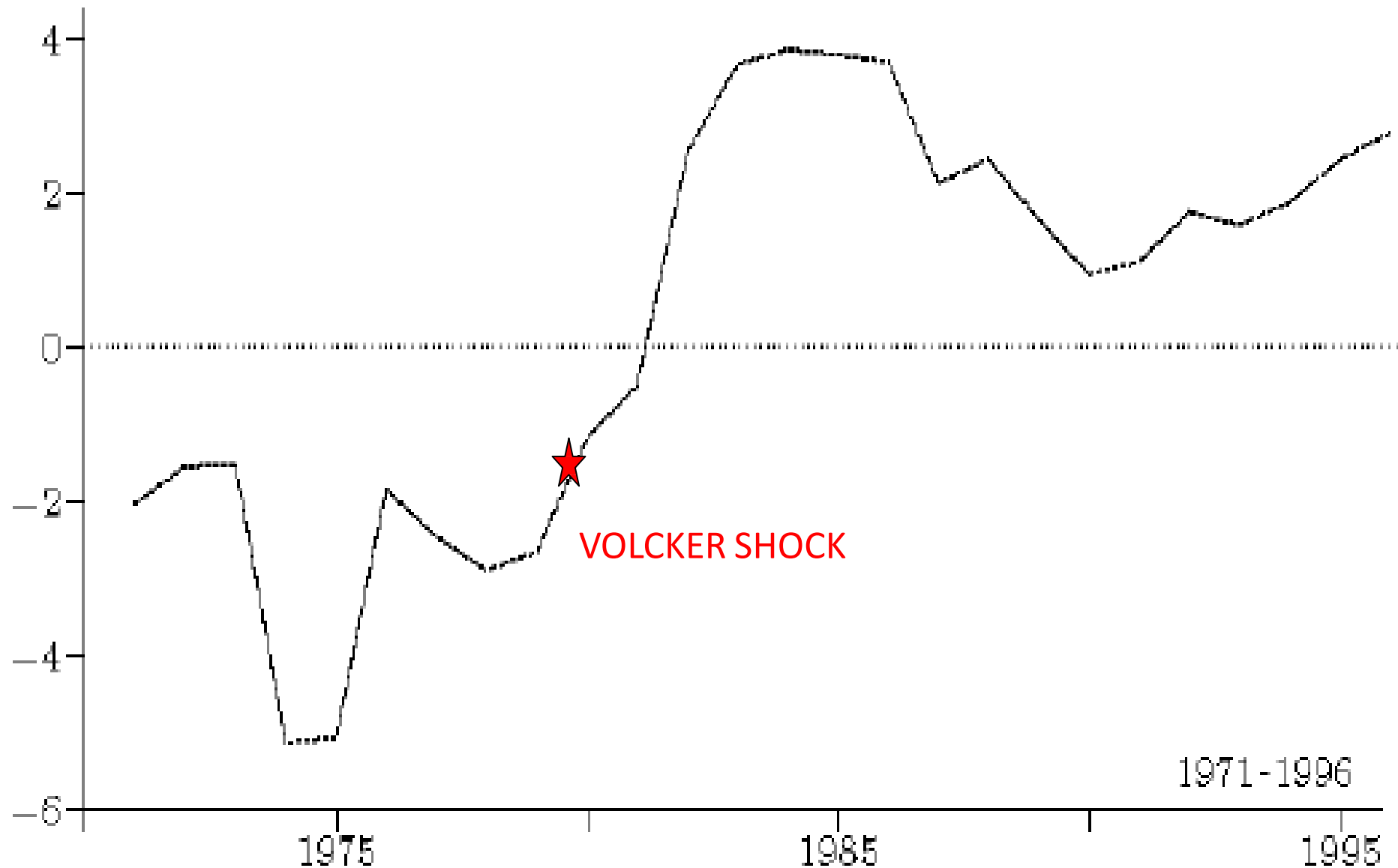






Volcker Shock of 1979

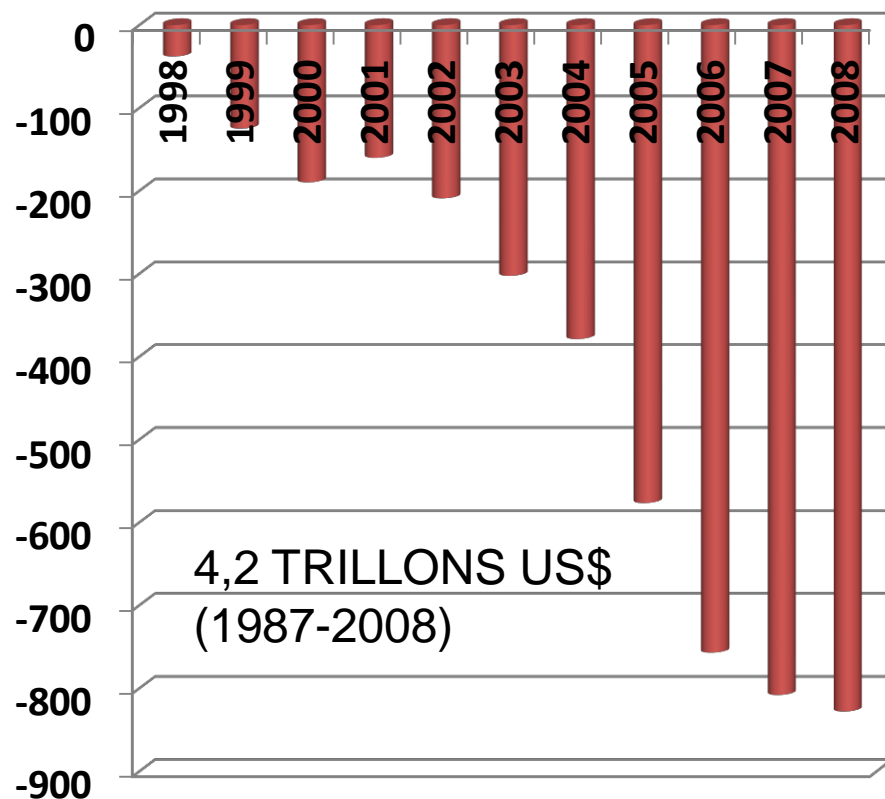
real interest rate



Source: Gerard Duminil and Dominique Levy

Profit rates recovery based on net transfers from the South (trade, FDI, interests and dividends)

US\$ Billions



Source: World Bank

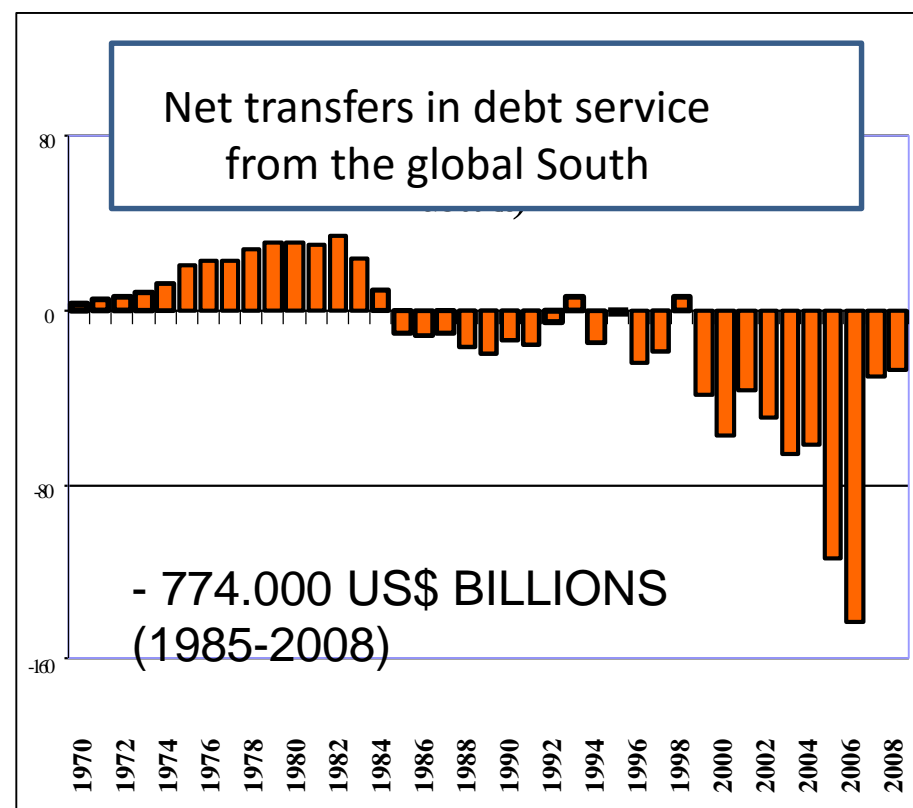
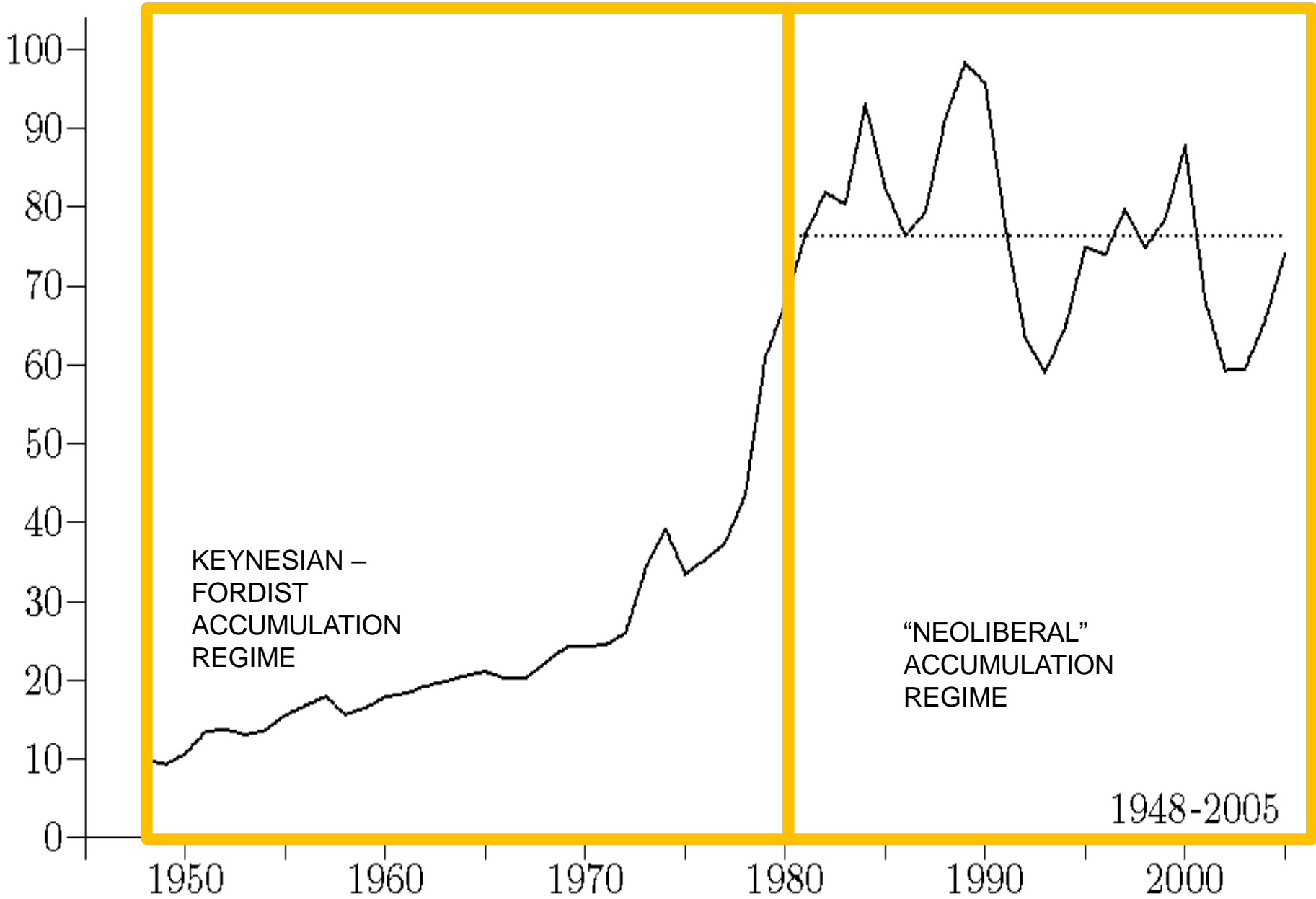
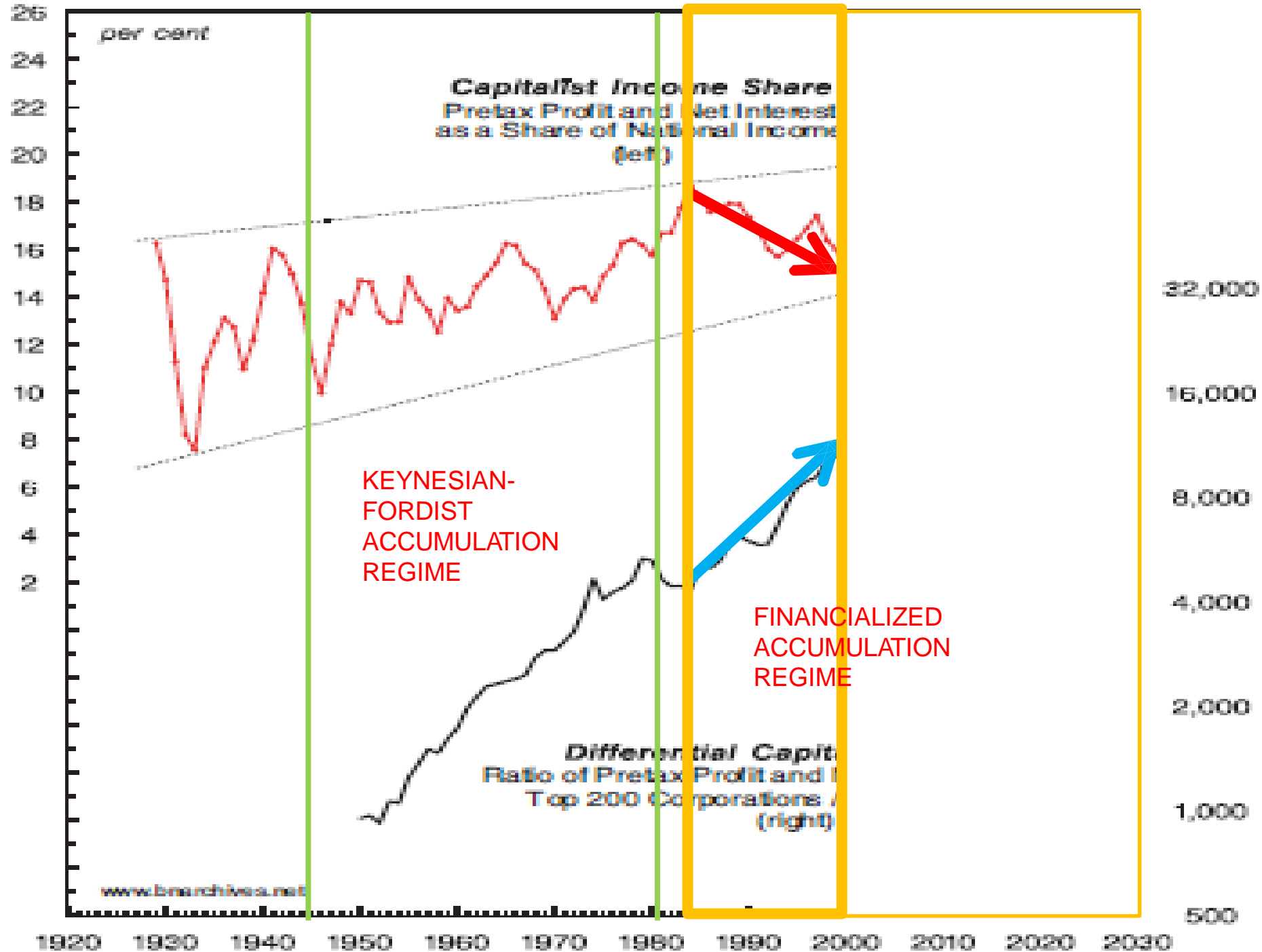


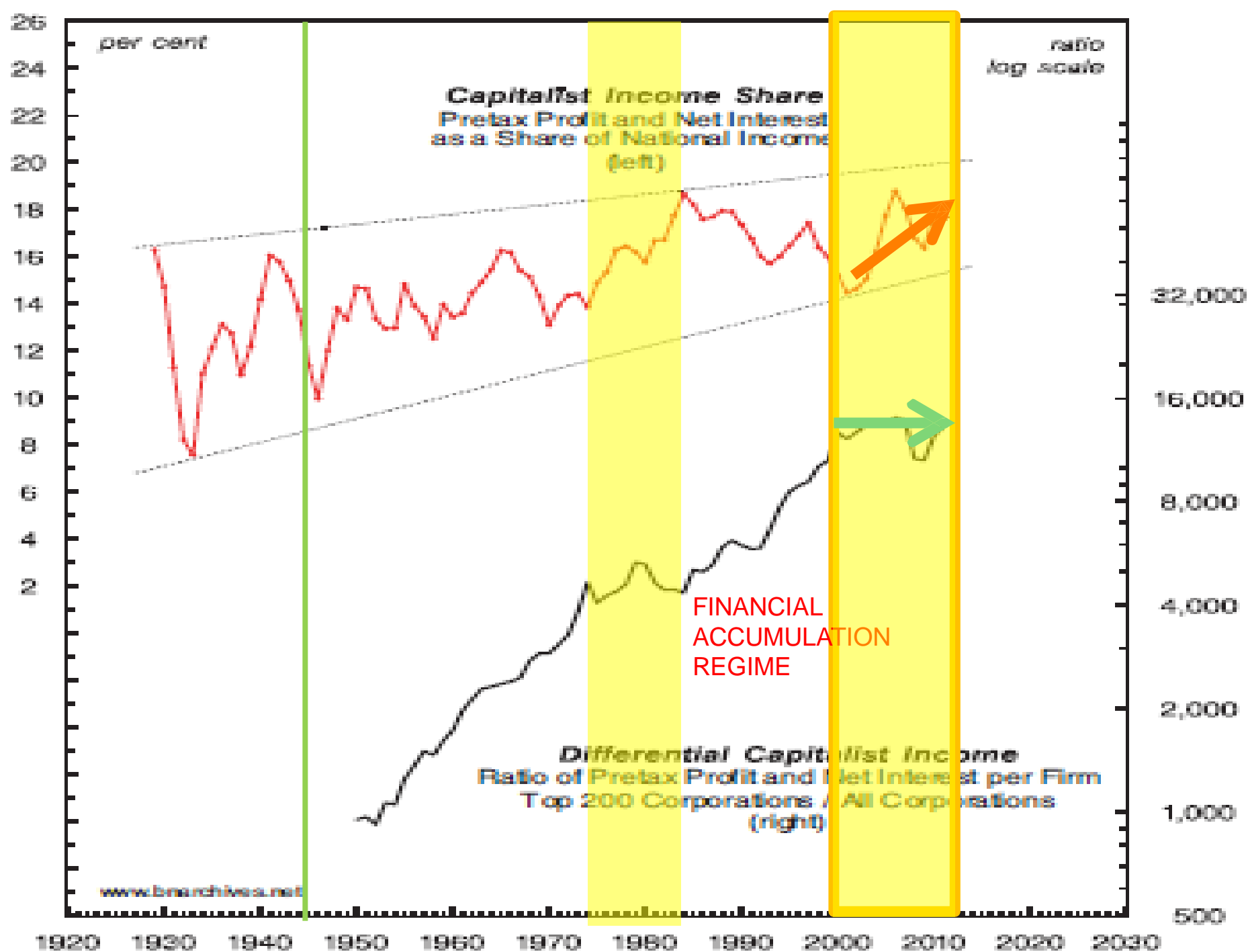
Figura 7. Razão entre os fluxos totais de renda recebidos do resto do mundo e os lucros domésticos nos EUA (depois de impostos).



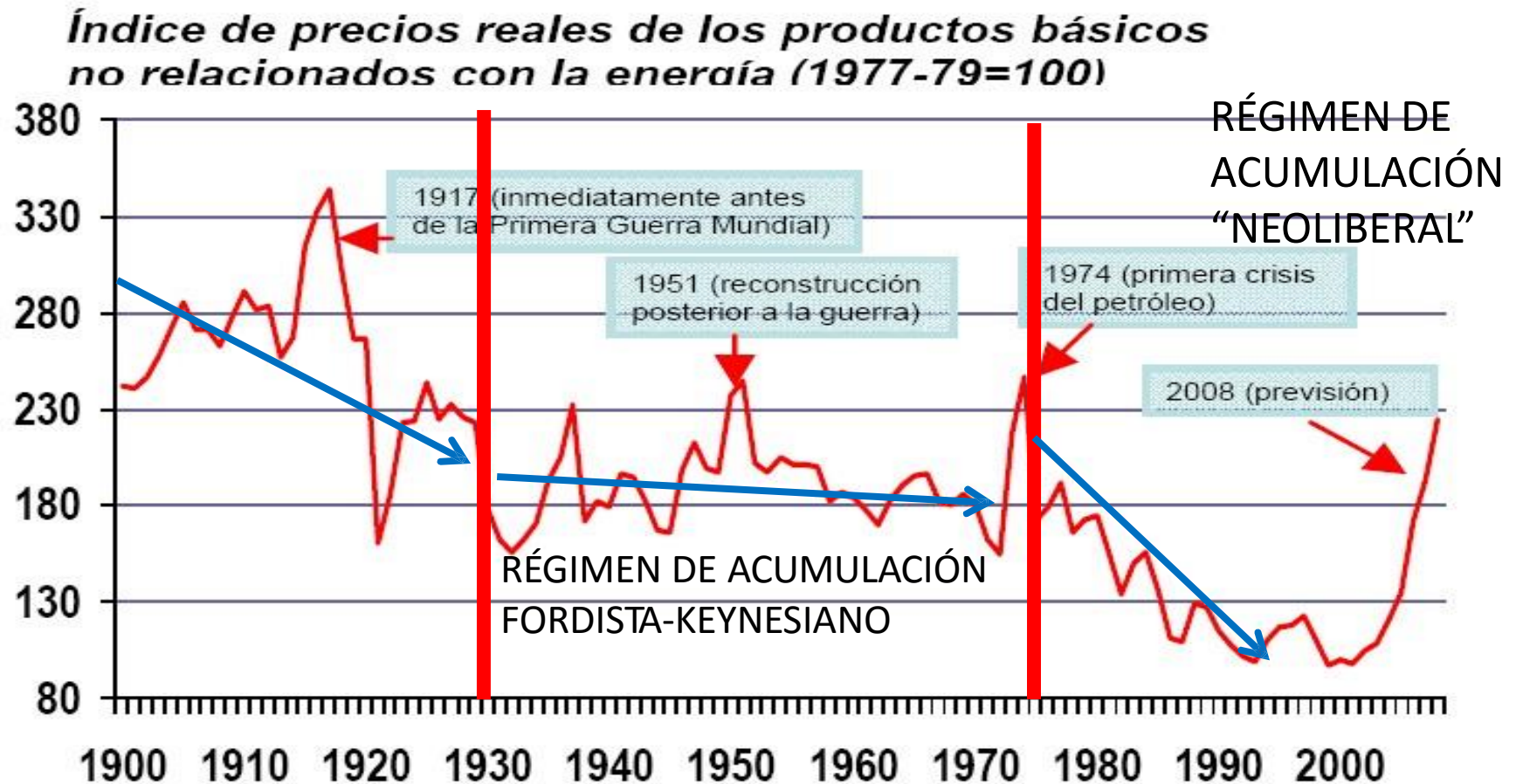
A renda disponível é a renda total depois de pagar os impostos. A poupança é o excesso da renda disponível sobre o total de todos os gastos em bens e serviços, e o pagamento dos juros.

Fonte: NIPA (BEA).





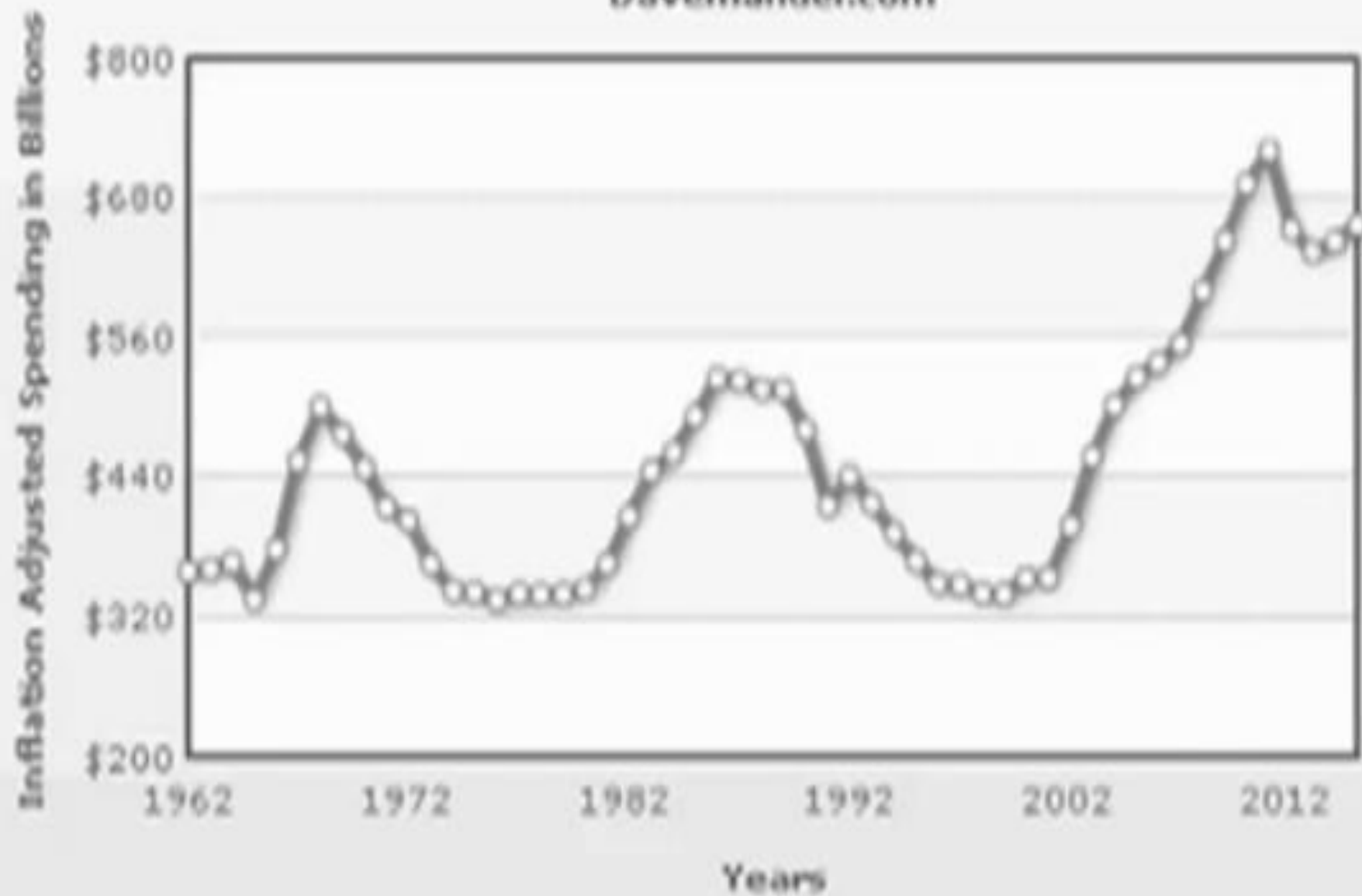
The boom in commodities market has ended. The recent commodities boom was the most significant lengthy since 1900.



Fuente: BANCO MUNDIAL (2009)

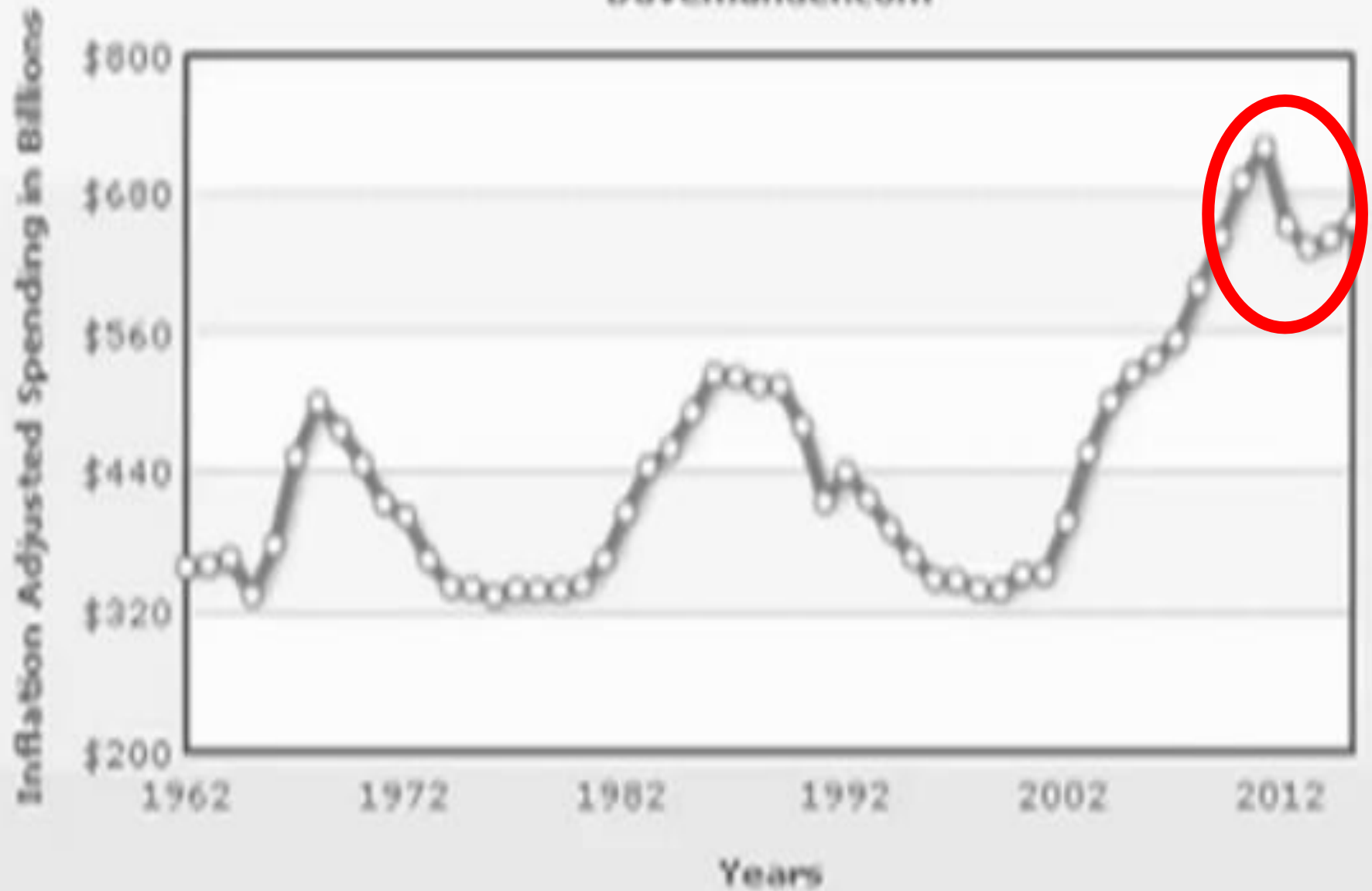
Inflation Adjusted US Military Spending (1962 - 2015)

Davemanuel.com



Inflation Adjusted US Military Spending (1962 - 2015)

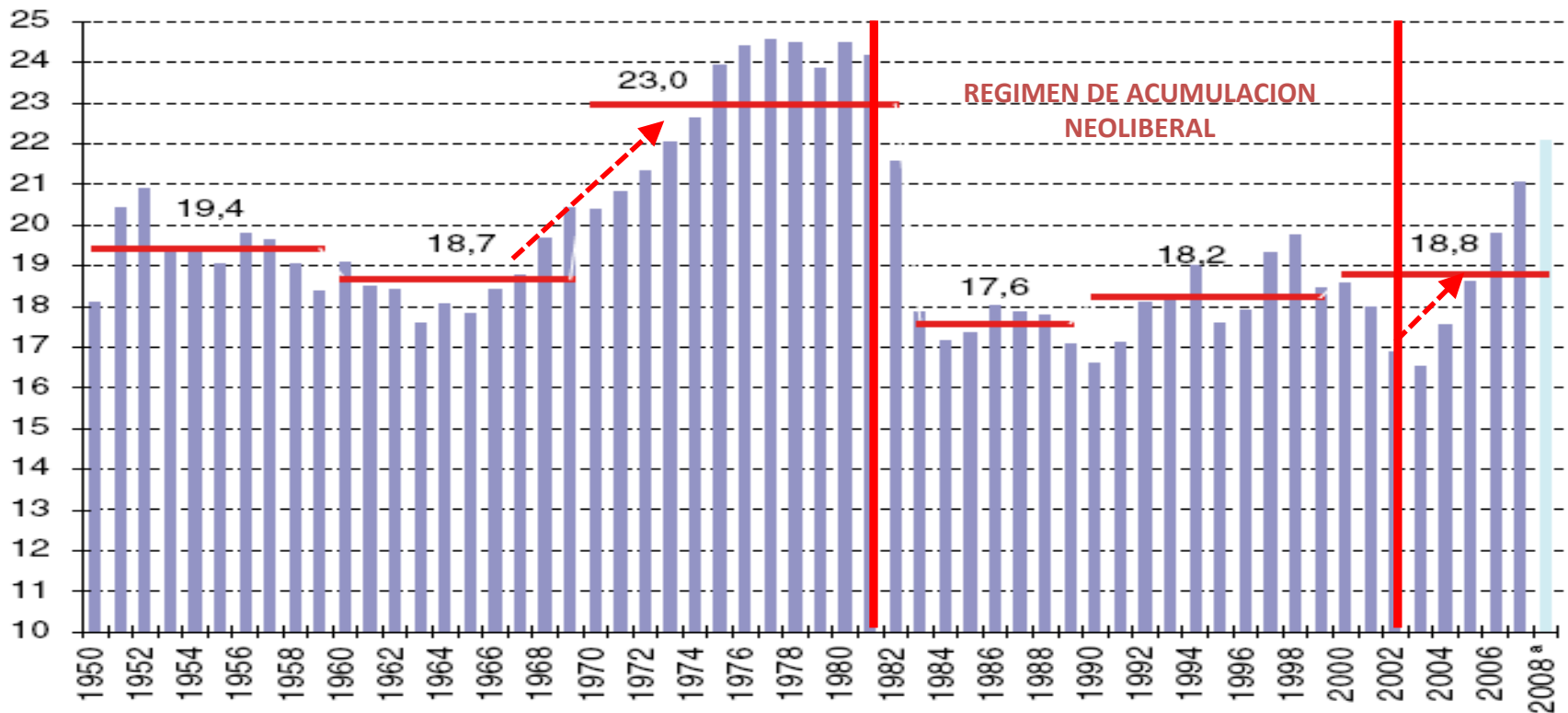
Davemanuel.com



*Historical matrix of dependency and specificities of
Neoliberalism and financiarization in Latinamerica*

Significant reduction in the rate of investment (physical, “natural” and “human” capital)

TASA DE INVERSIÓN FIJA
(En porcentajes del PIB)



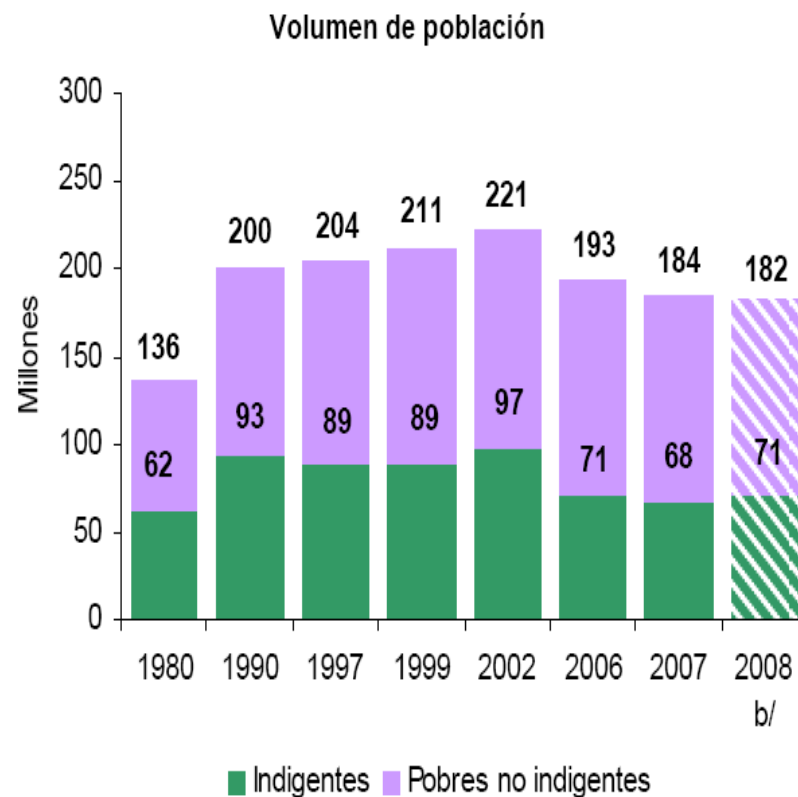
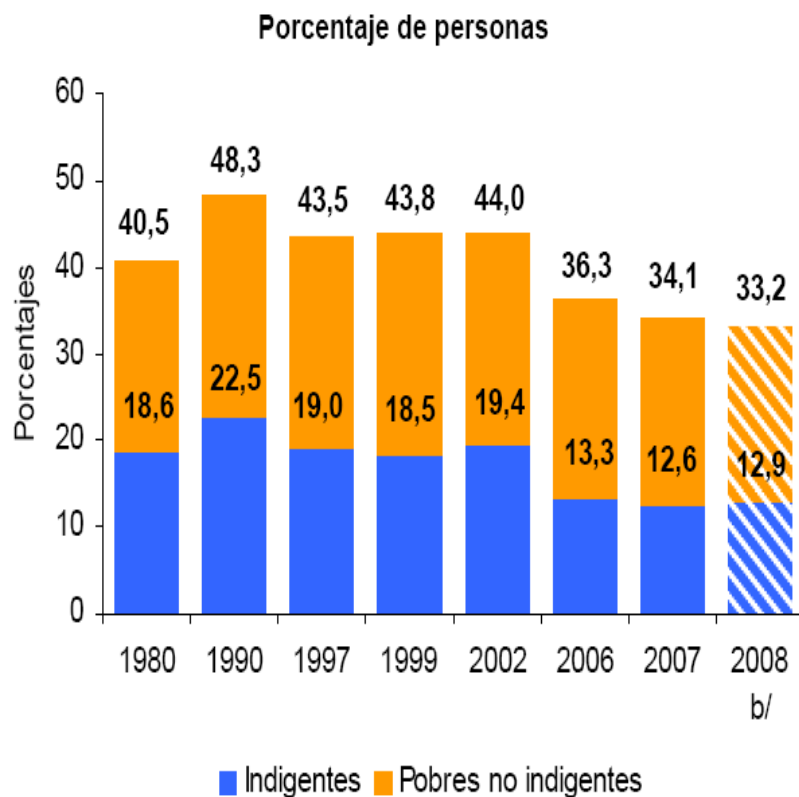
**RÉGIMEN DE ACUMULACIÓN BASADO EN LA INDUSTRIALIZACIÓN
SUSTITUTIVA DE IMPORTACIONES**

2008^a= Proyectada

Fuente: CEPAL (2008)

De-industrialization, job precarization and increasing social polarization

AMÉRICA LATINA: EVOLUCIÓN DE LA POBREZA Y DE LA INDIGENCIA, 1980 - 2008 a/

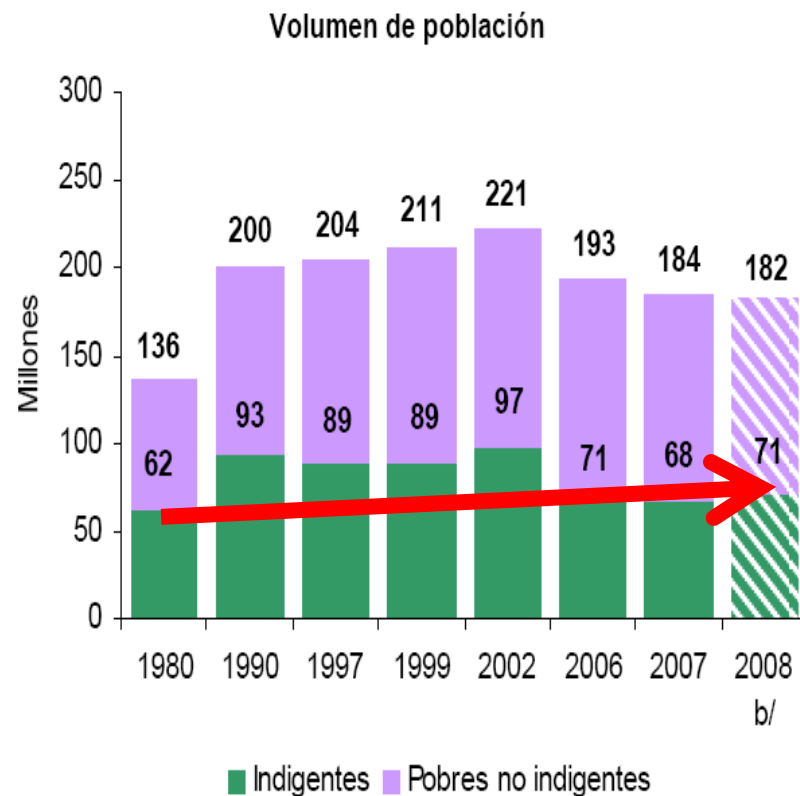
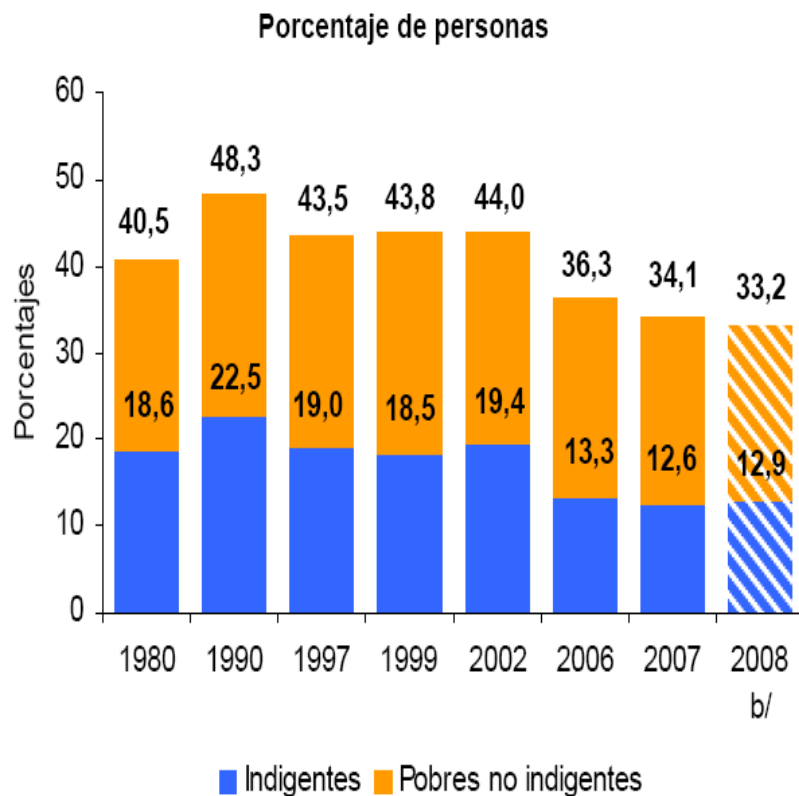


2008b/= Proyectadas

Fuente: CEPAL (2008)

...with a 15% increase in the number of indigents...

AMÉRICA LATINA: EVOLUCIÓN DE LA POBREZA Y DE LA INDIGENCIA, 1980 - 2008 a/

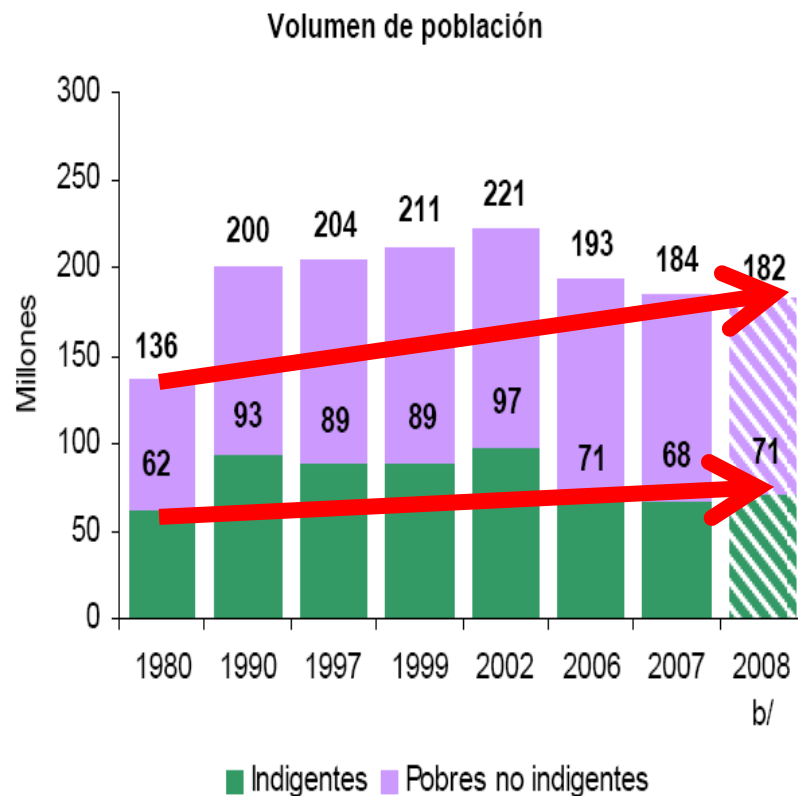
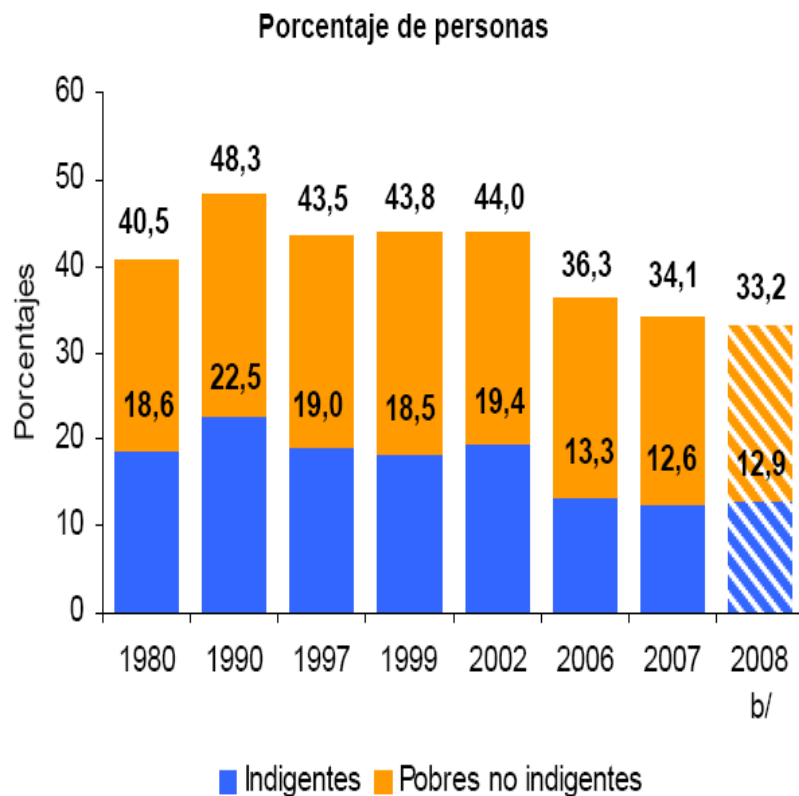


2008b/= Proyectadas

Fuente: CEPAL (2008)

...and 34% growth in the amount of poor people...

AMÉRICA LATINA: EVOLUCIÓN DE LA POBREZA Y DE LA INDIGENCIA, 1980 - 2008 a/

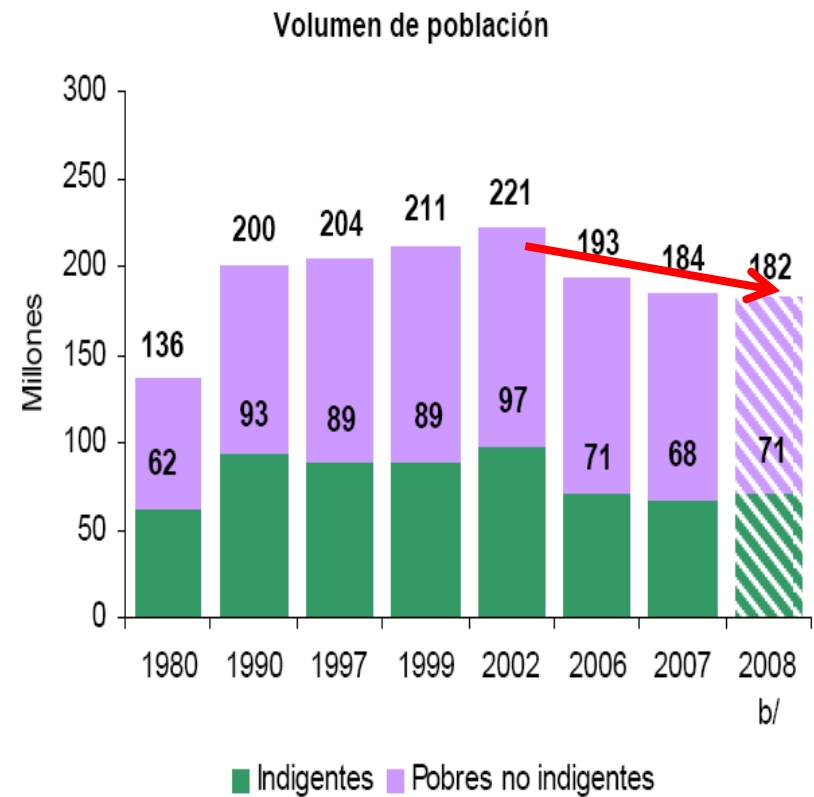
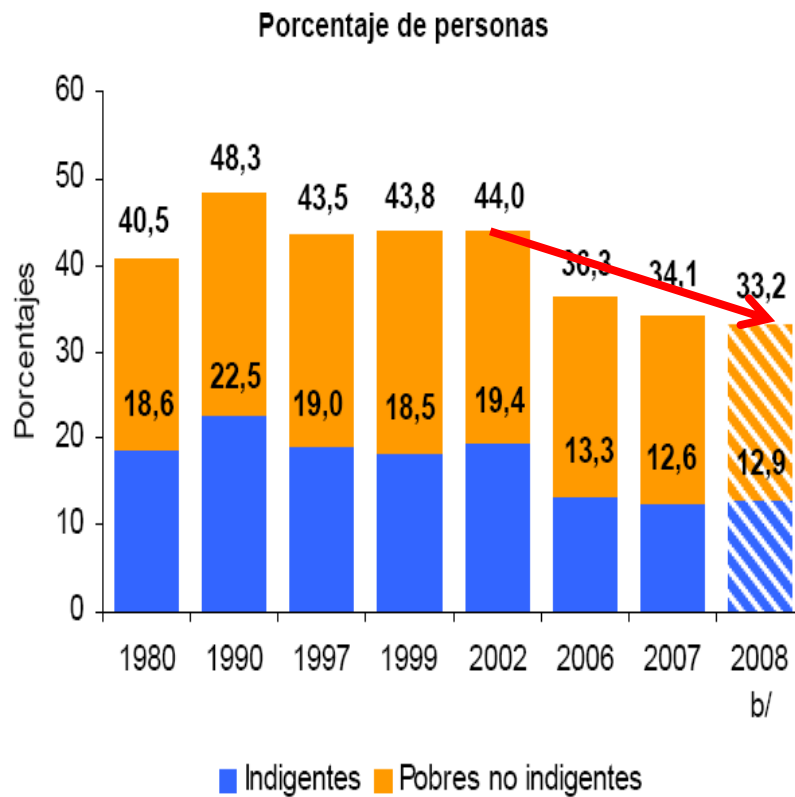


2008b/= Proyectadas

Fuente: CEPAL (2008)

Some mitigation with the progressive governments

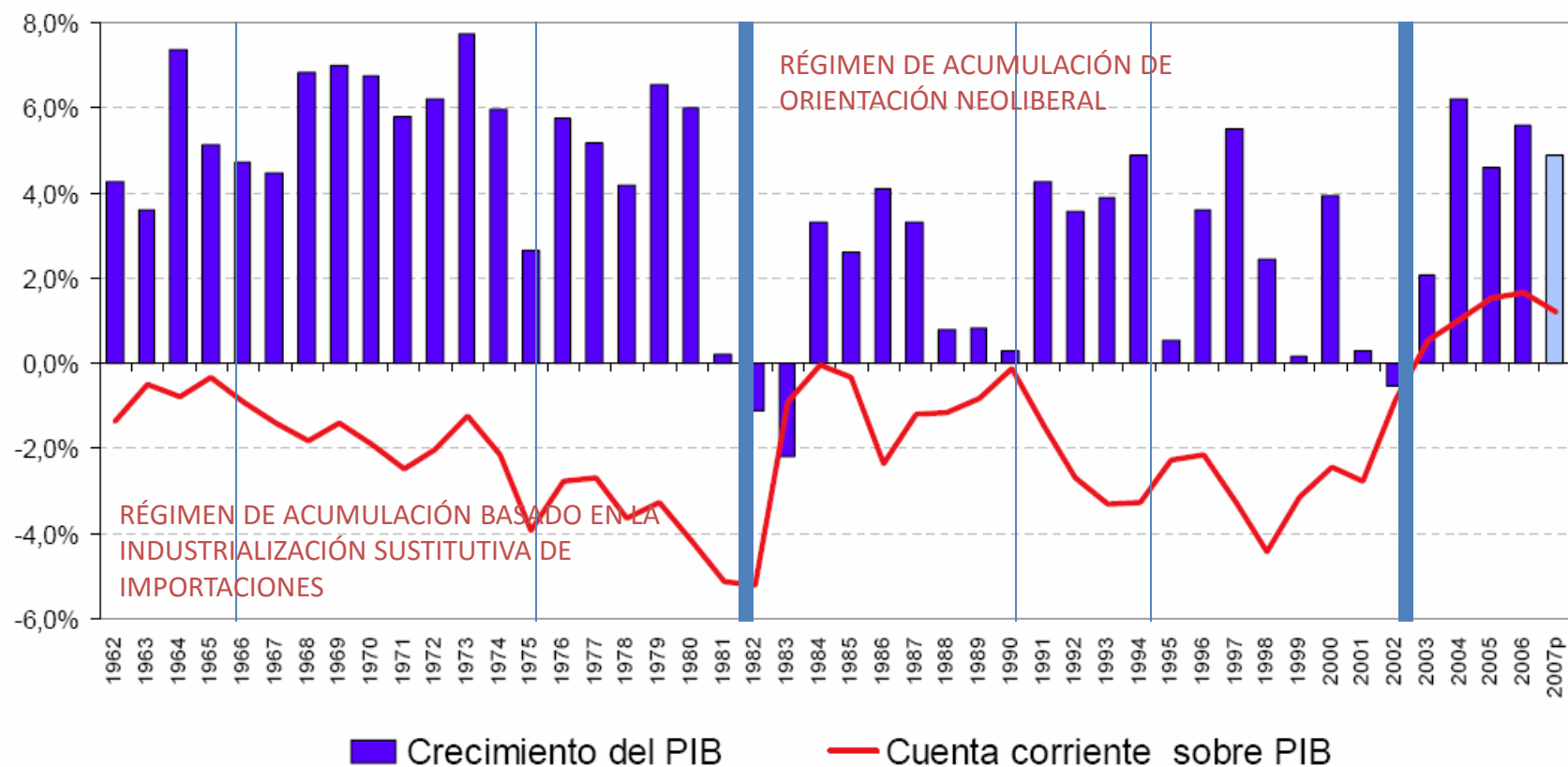
AMÉRICA LATINA: EVOLUCIÓN DE LA POBREZA Y DE LA INDIGENCIA, 1980 - 2008 a/



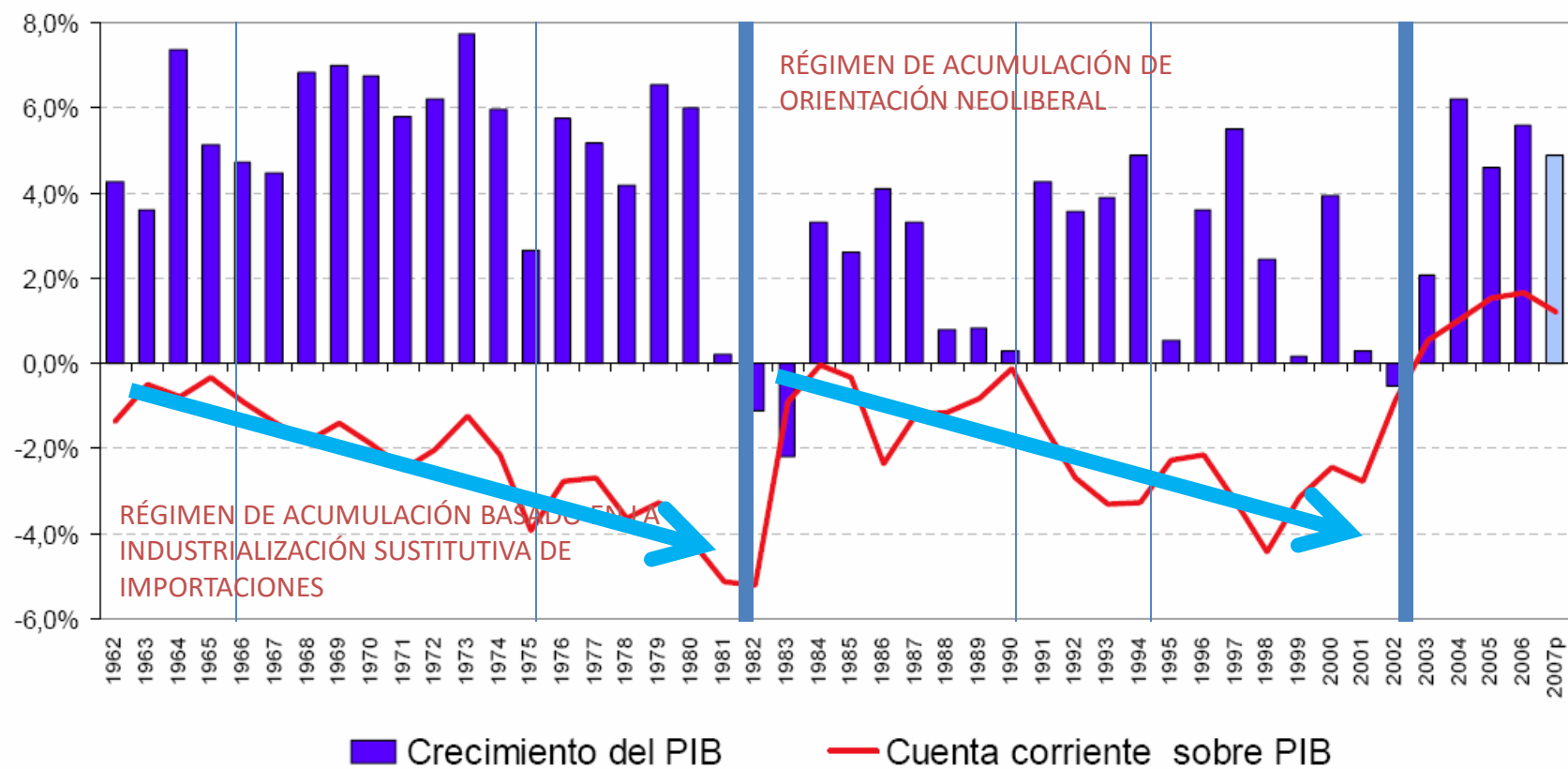
2008b/= Proyectadas

Fuente: CEPAL (2008)

Poorest performance even in their own terms...

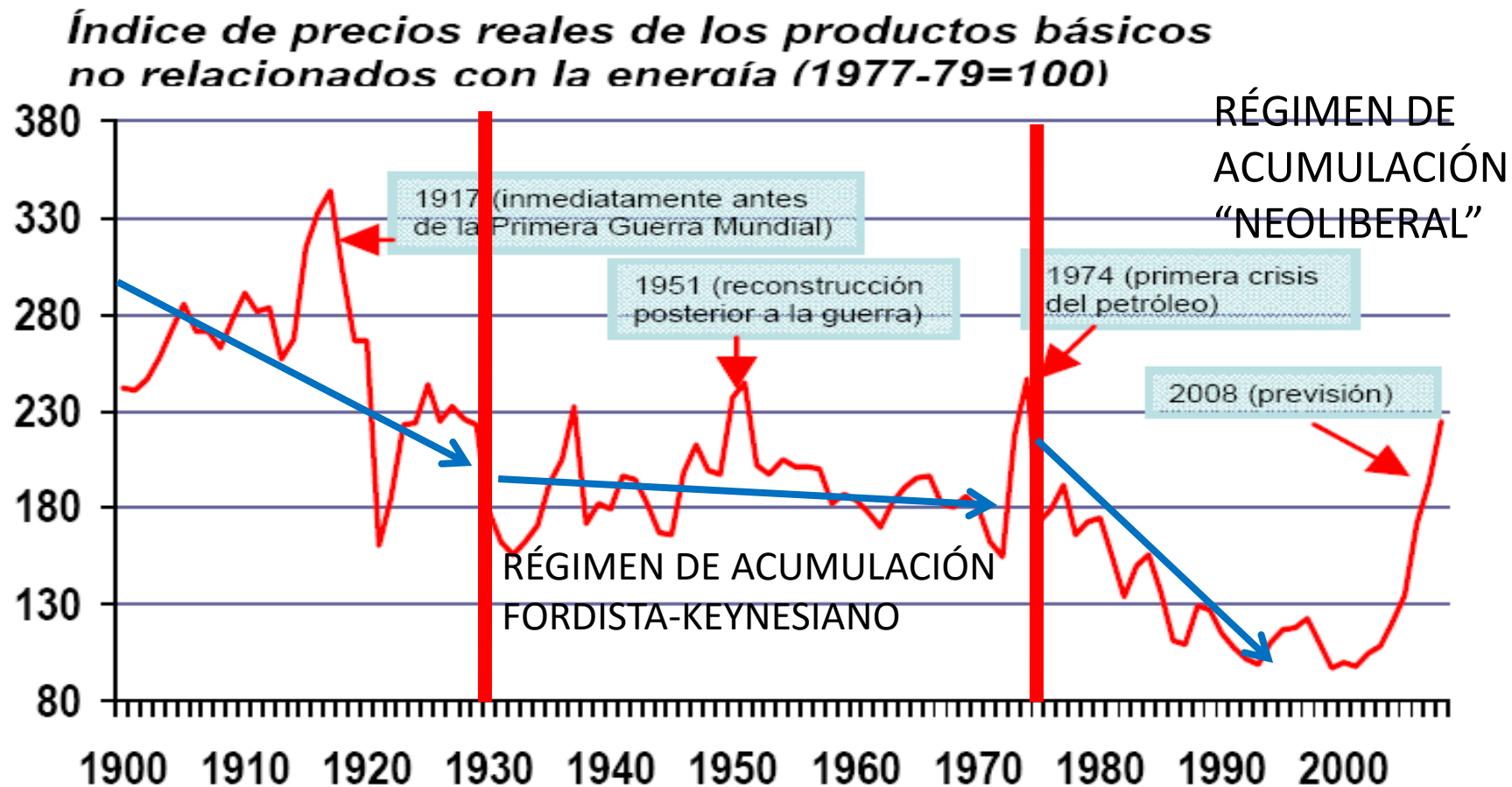


...with higher levels of vulnerabilities



More dependent from the ineternational markets

Terms of trade 1900-2008



Fuente: BANCO MUNDIAL (2009)

Potential crisis vectors on Latinamerica

Potential crisis vectors on Latinamerica

Exports contraction
(prices and
quantities)

Potential crisis vectors on Latinamerica

Exports contraction
(prices and
quantities)

Trade related credit
crunch

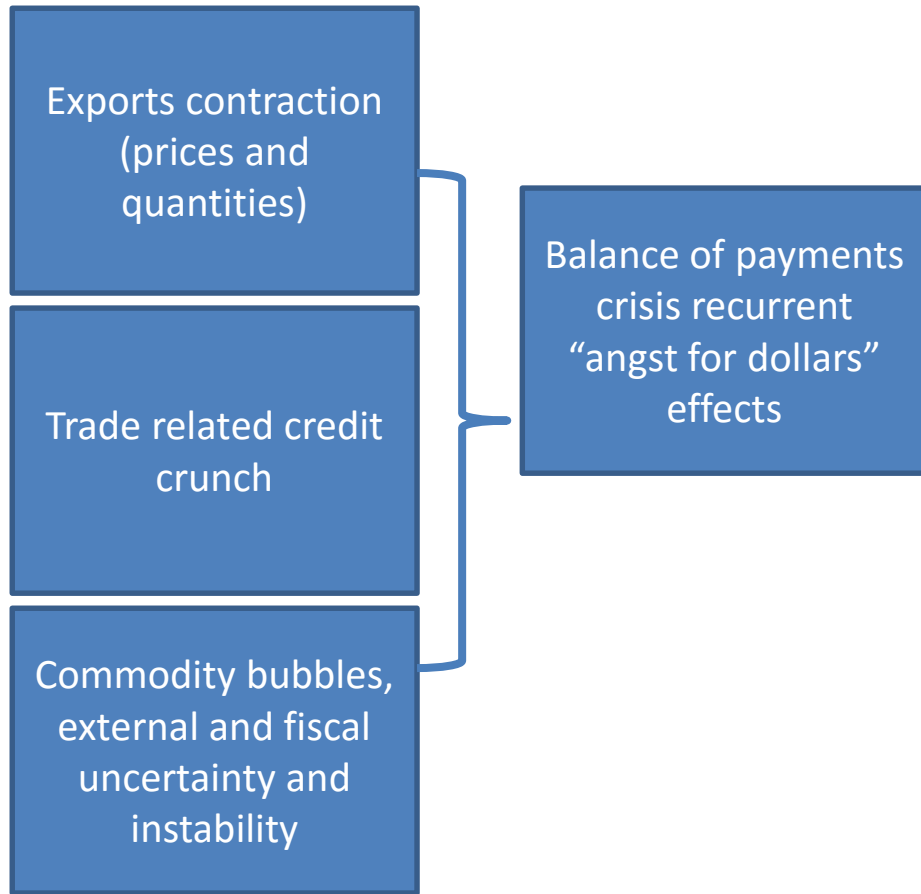
Potential crisis vectors on Latinamerica

Exports contraction
(prices and
quantities)

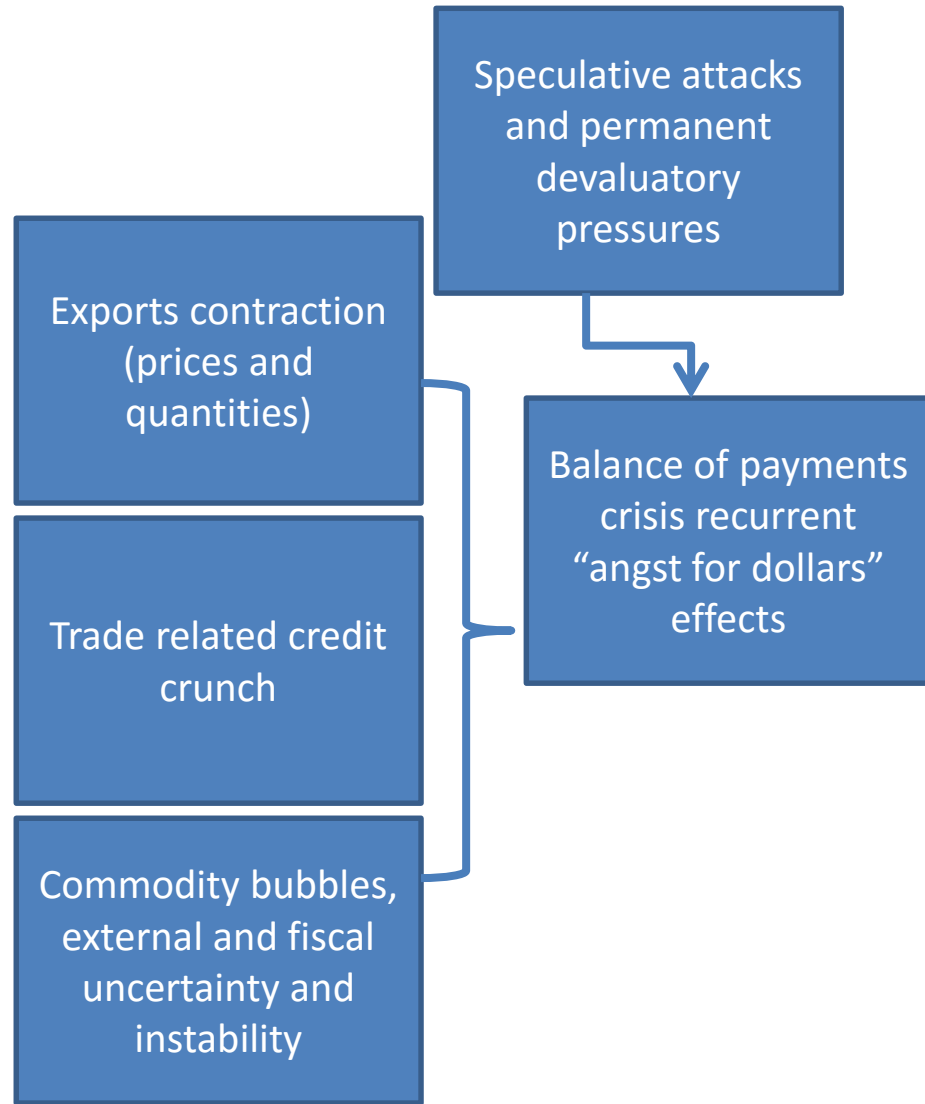
Trade related credit
crunch

Commodity bubbles,
external and fiscal
uncertainty and
instability

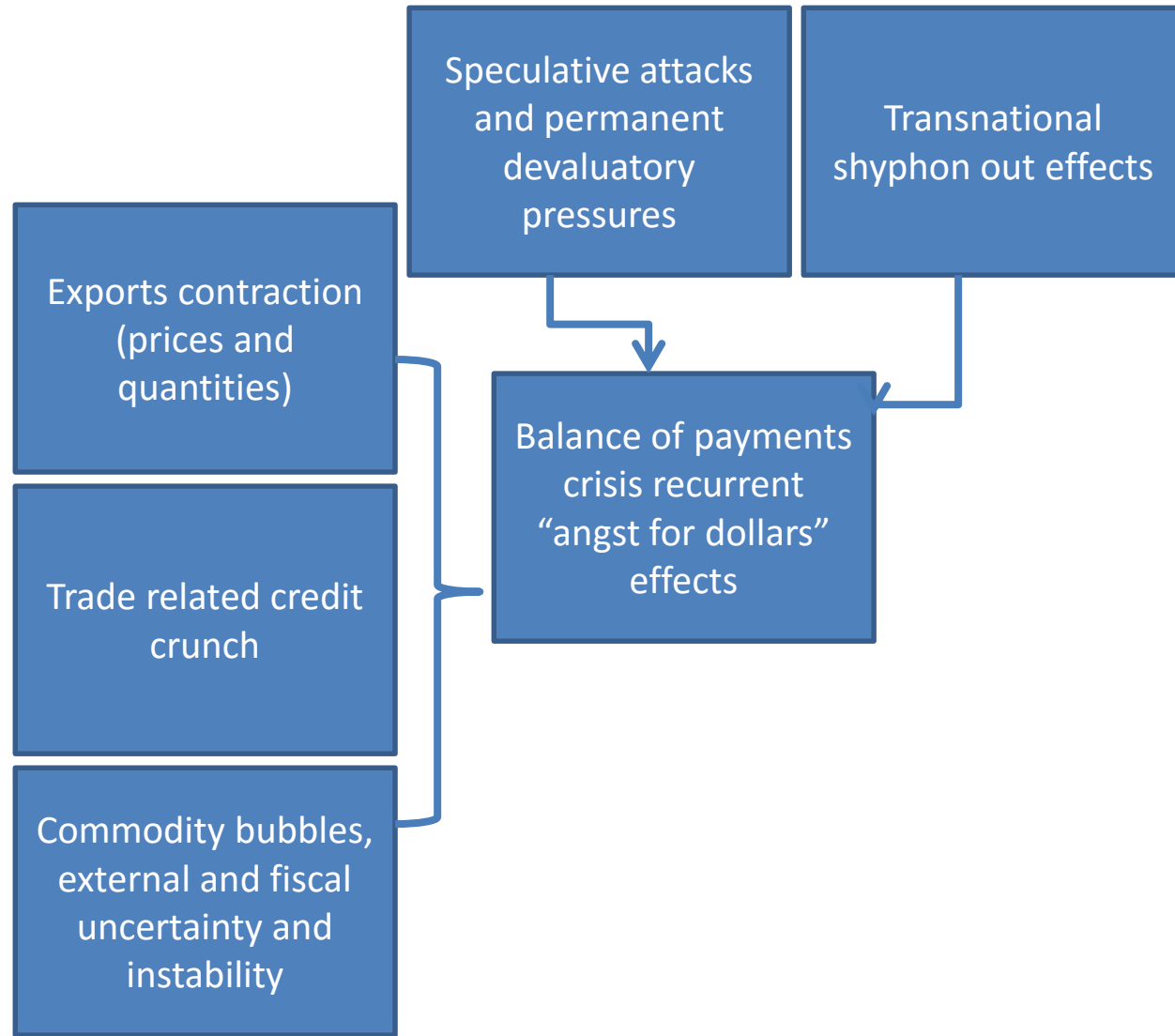
Potential crisis vectors on Latinamerica



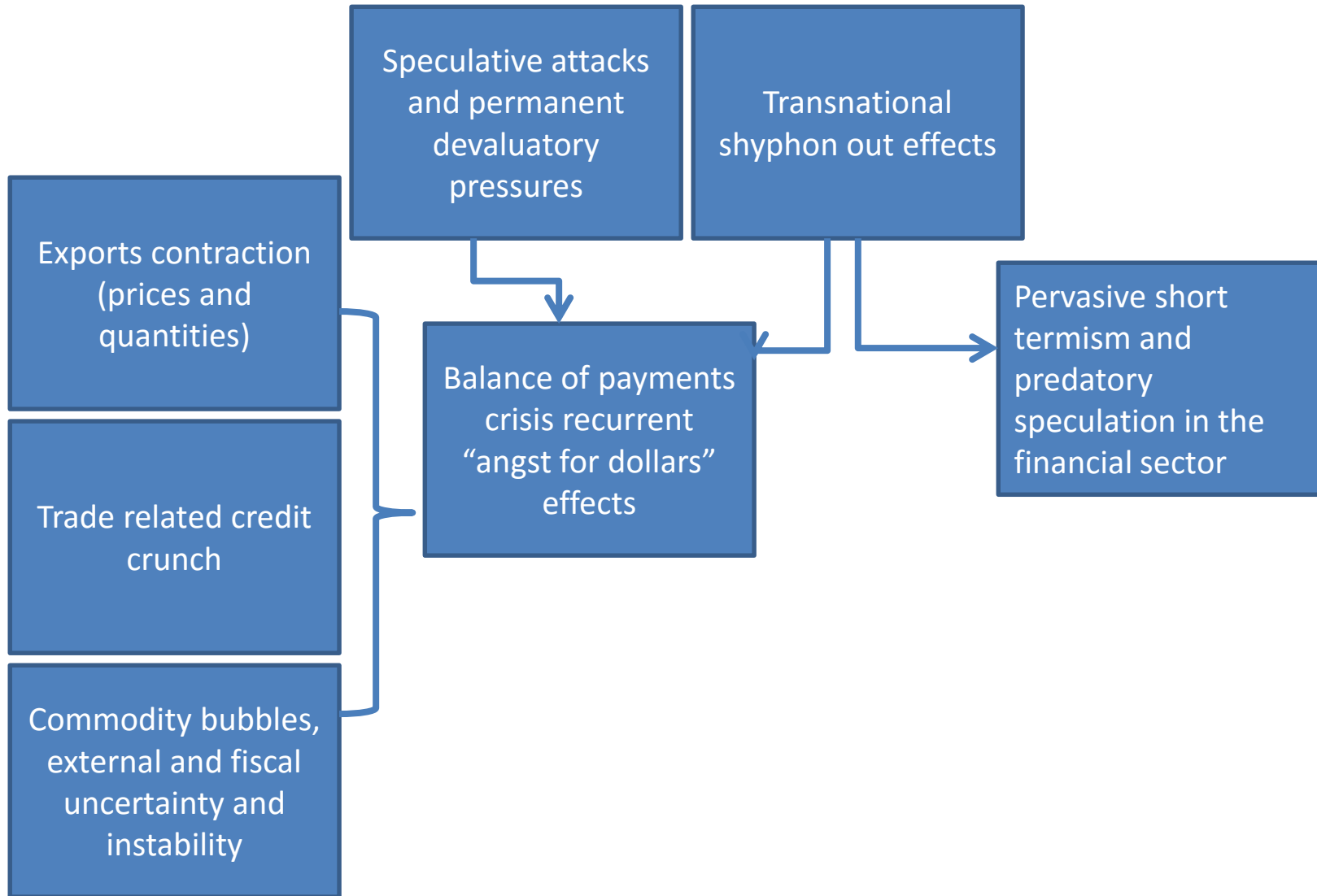
Potential crisis vectors on Latinamerica



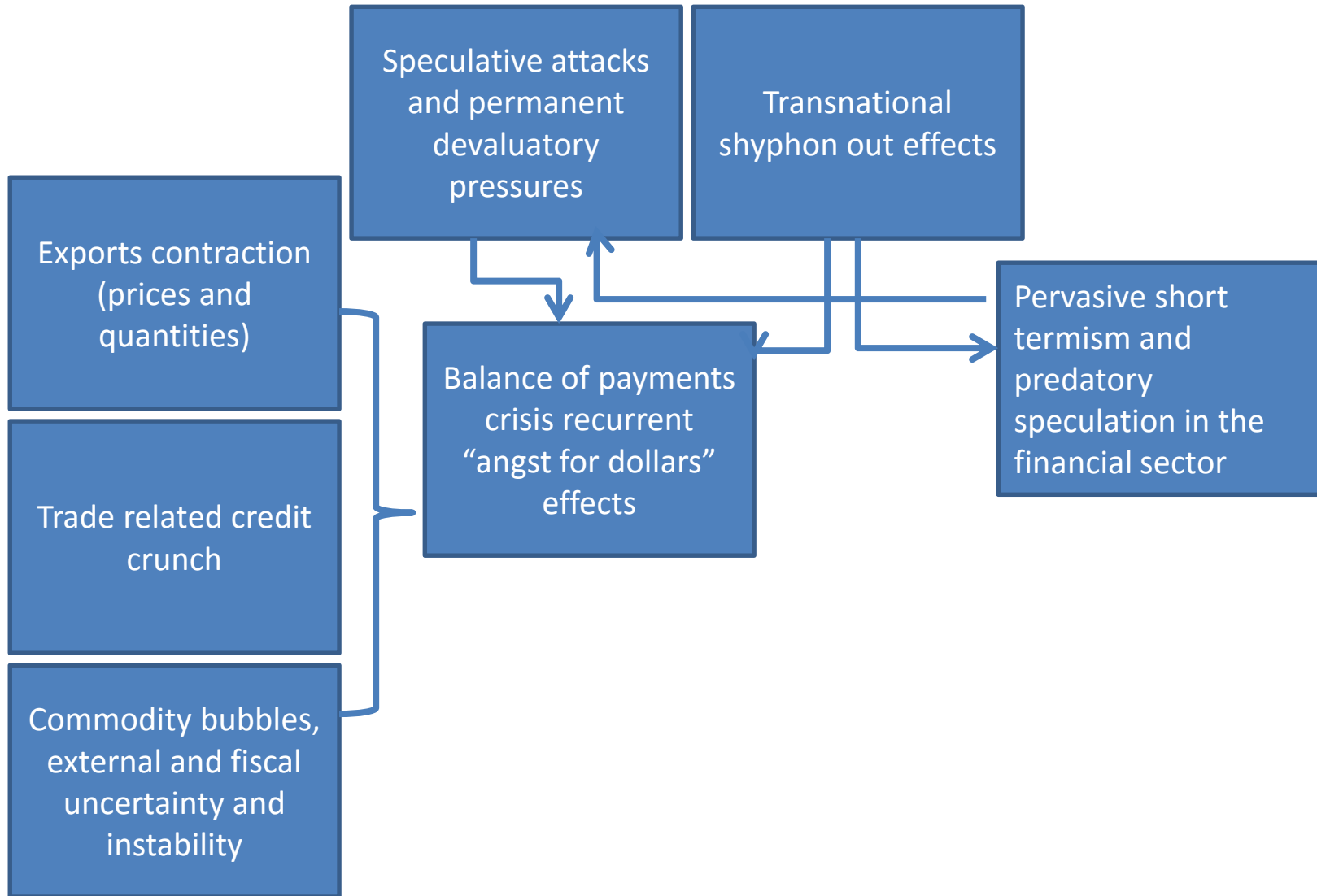
Potential crisis vectors on Latinamerica



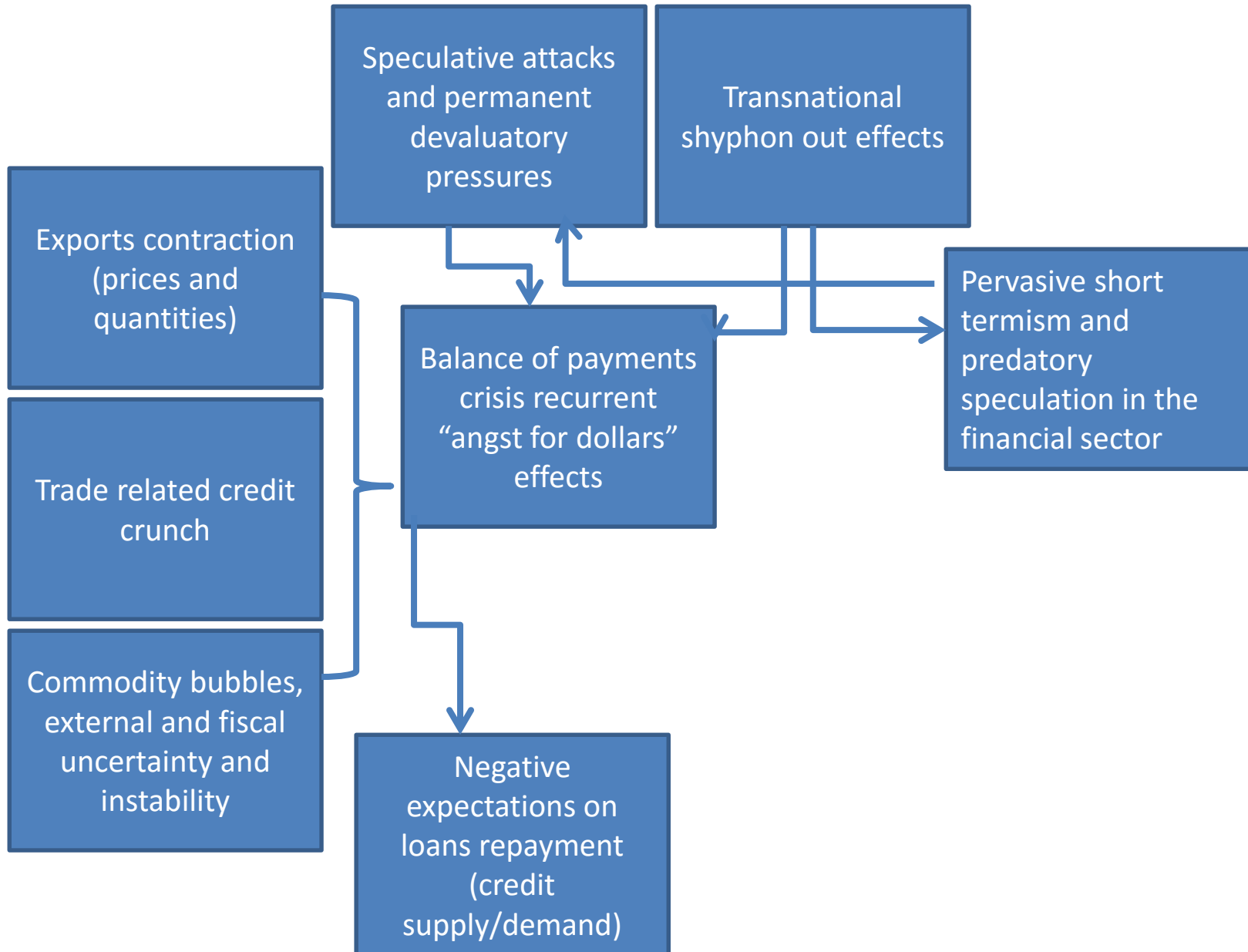
Potential crisis vectors on Latinamerica



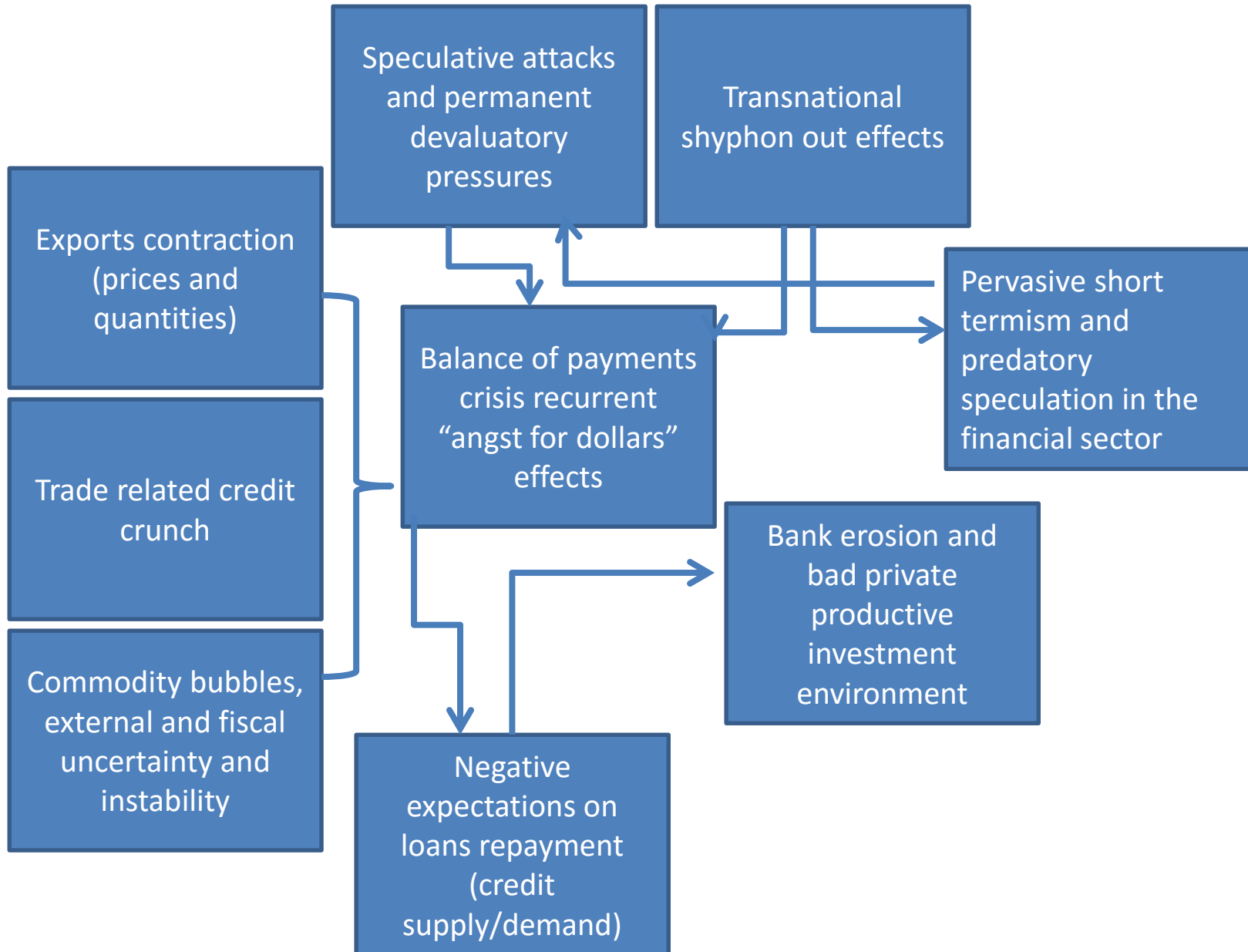
Potential crisis vectors on Latinamerica



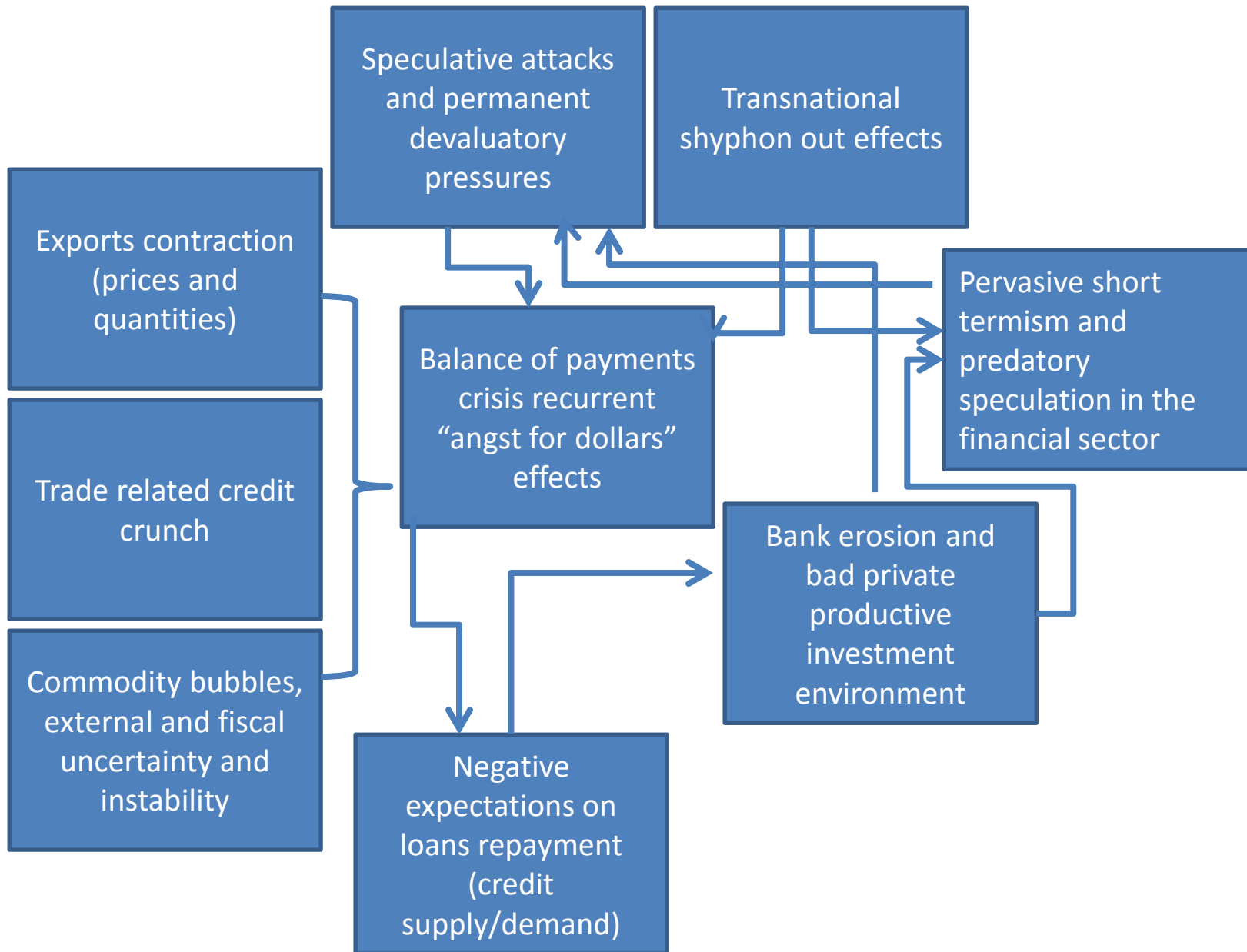
Potential crisis vectors on Latinamerica



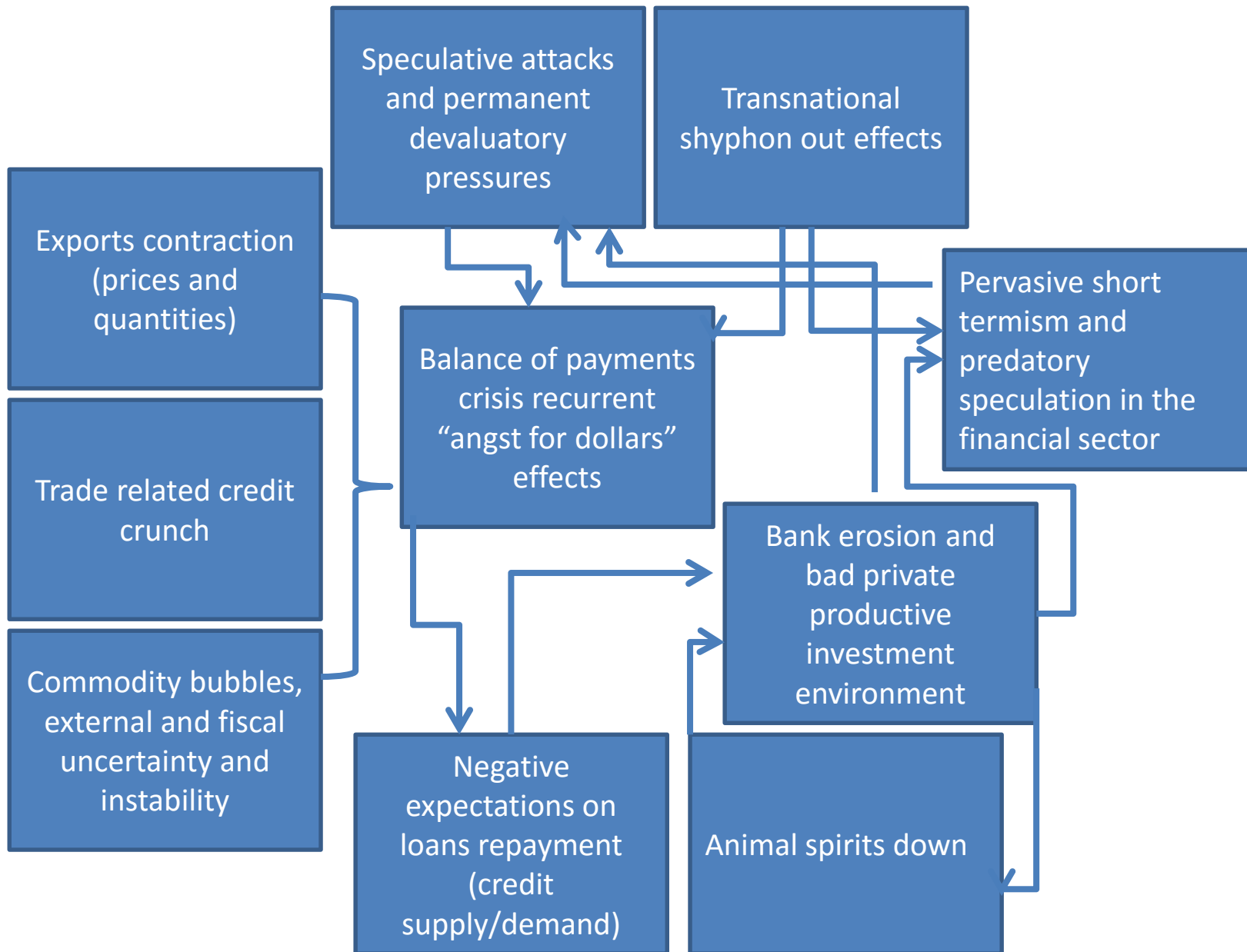
Potential crisis vectors on Latinamerica



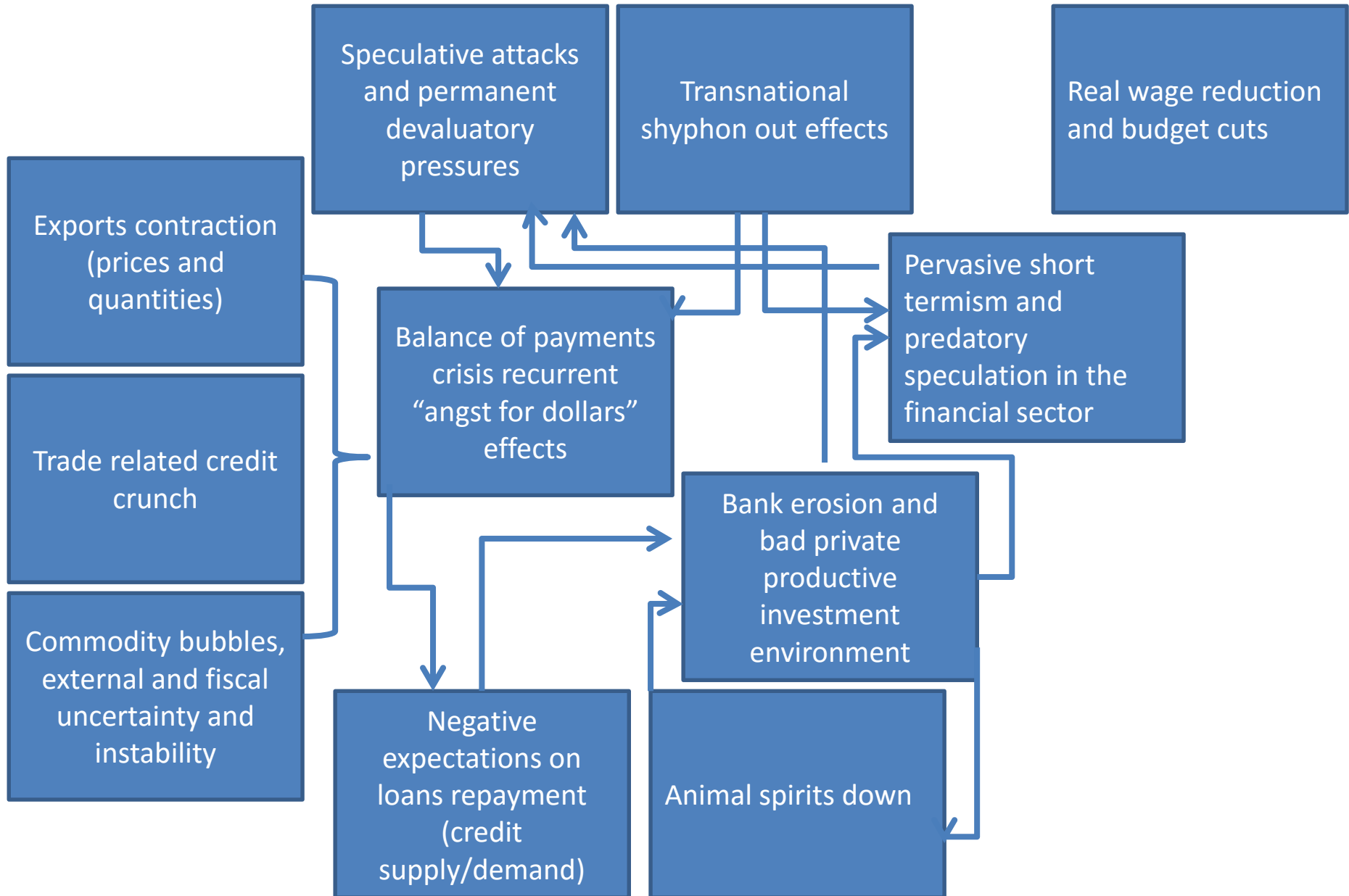
Potential crisis vectors on Latinamerica



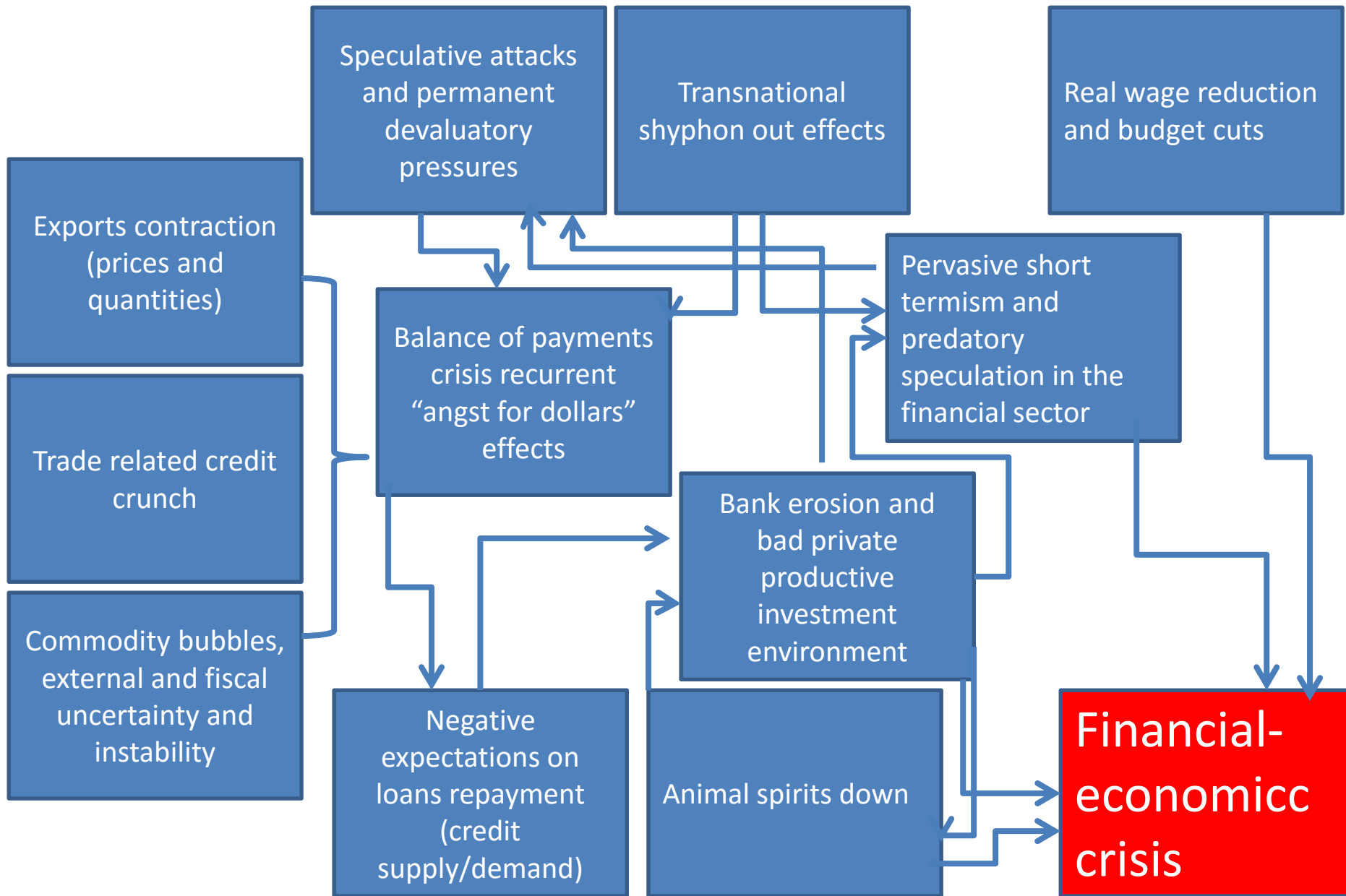
Potential crisis vectors on Latinamerica



Potential crisis vectors on Latinamerica



Potential crisis vectors on Latinamerica



The Ecuadorian Proposal for a New Regional Financial Architecture

New Regional Financial Architecture



A new-type-of-
development bank

New Regional Financial Architecture



A new-type-of-
development bank



New Central
Banking
(network)

New Regional Financial Architecture



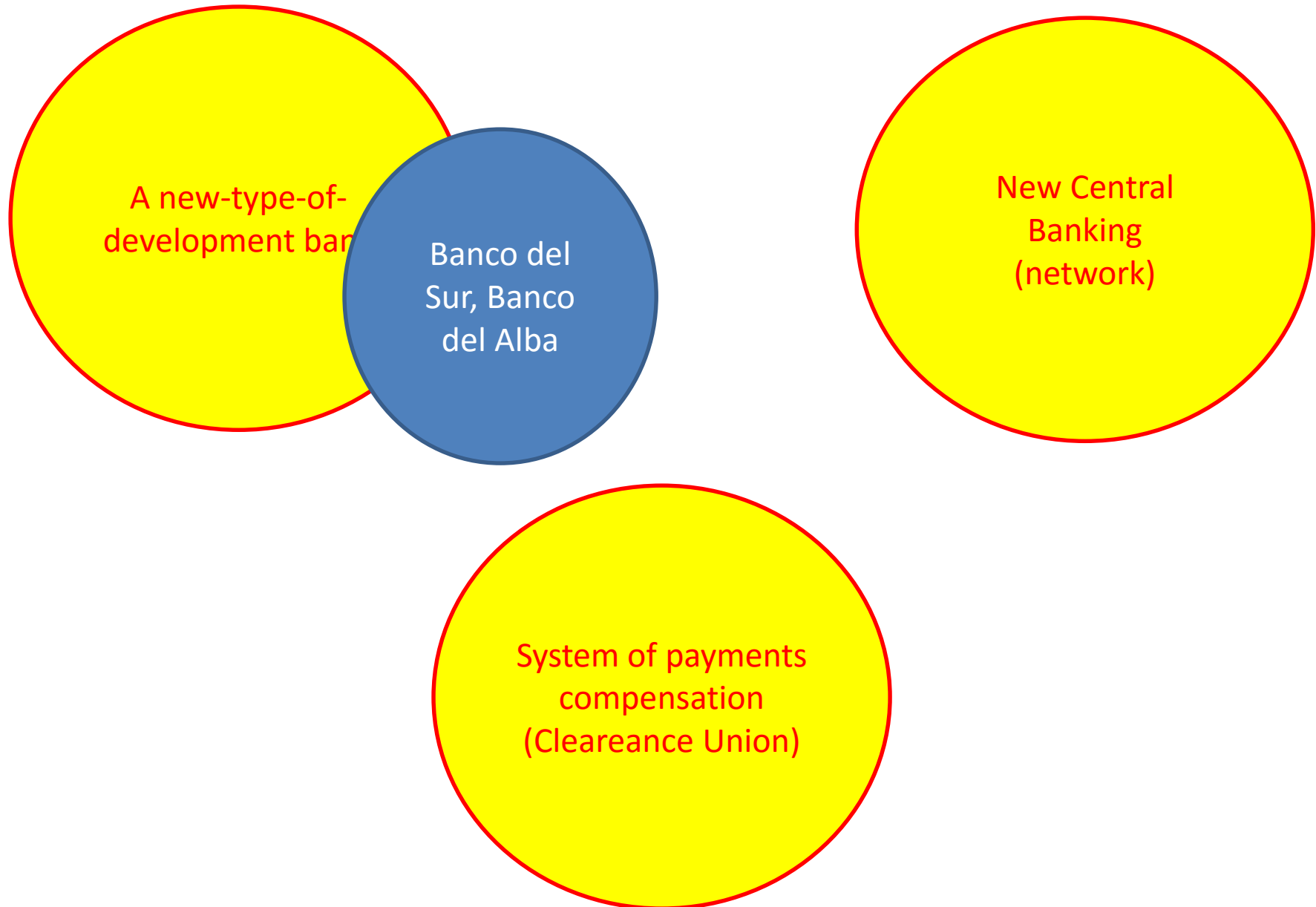
A new-type-of-
development bank

The diagram consists of three yellow circles with red outlines, arranged in a triangular pattern. Each circle contains text describing a component of the 'New Regional Financial Architecture'. The top-left circle contains the text 'A new-type-of-development bank'. The top-right circle contains the text 'New Central Banking (network)'. The bottom-center circle contains the text 'System of payments compensation (Clearence Union)'.

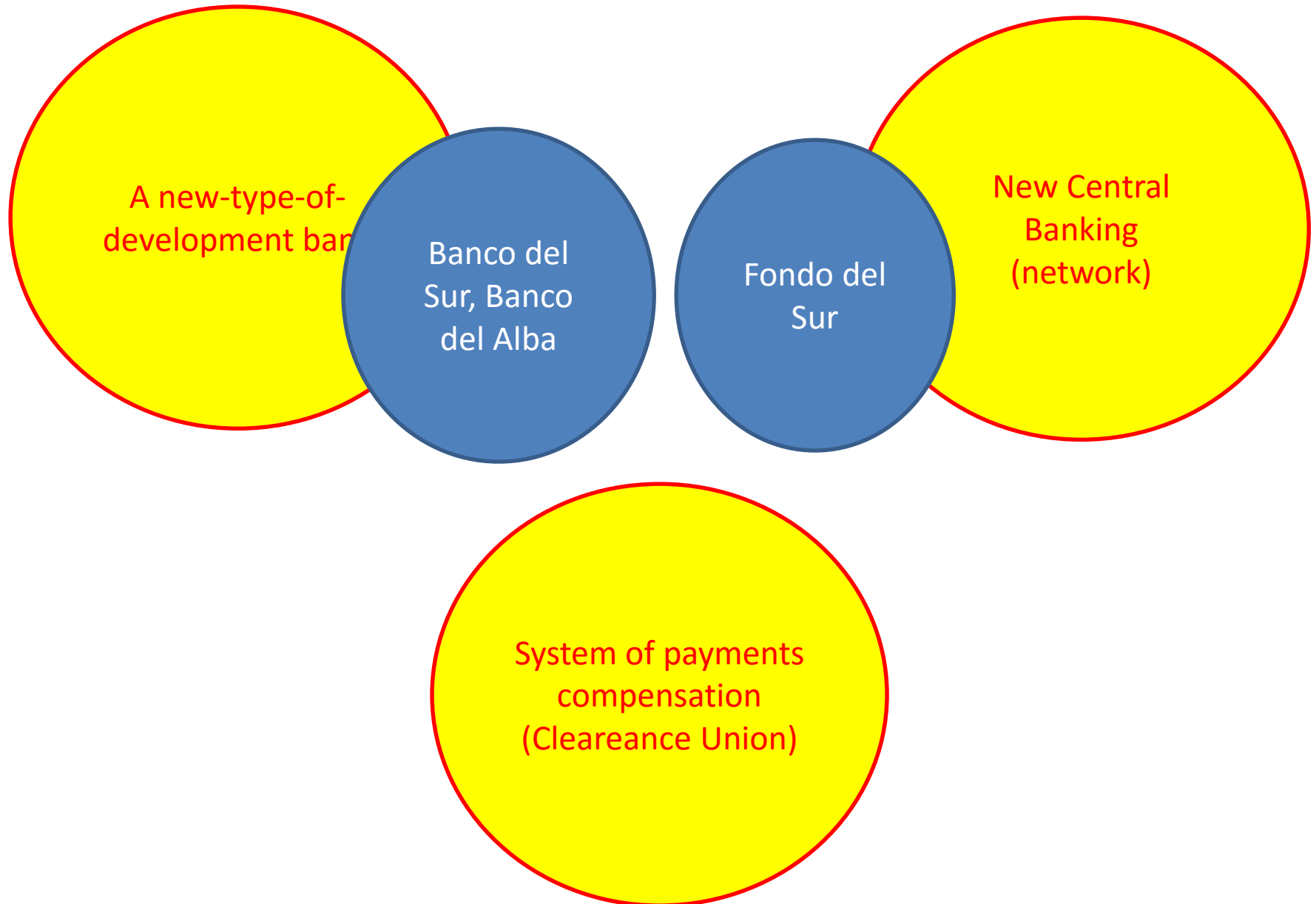
New Central
Banking
(network)

System of payments
compensation
(Clearence Union)

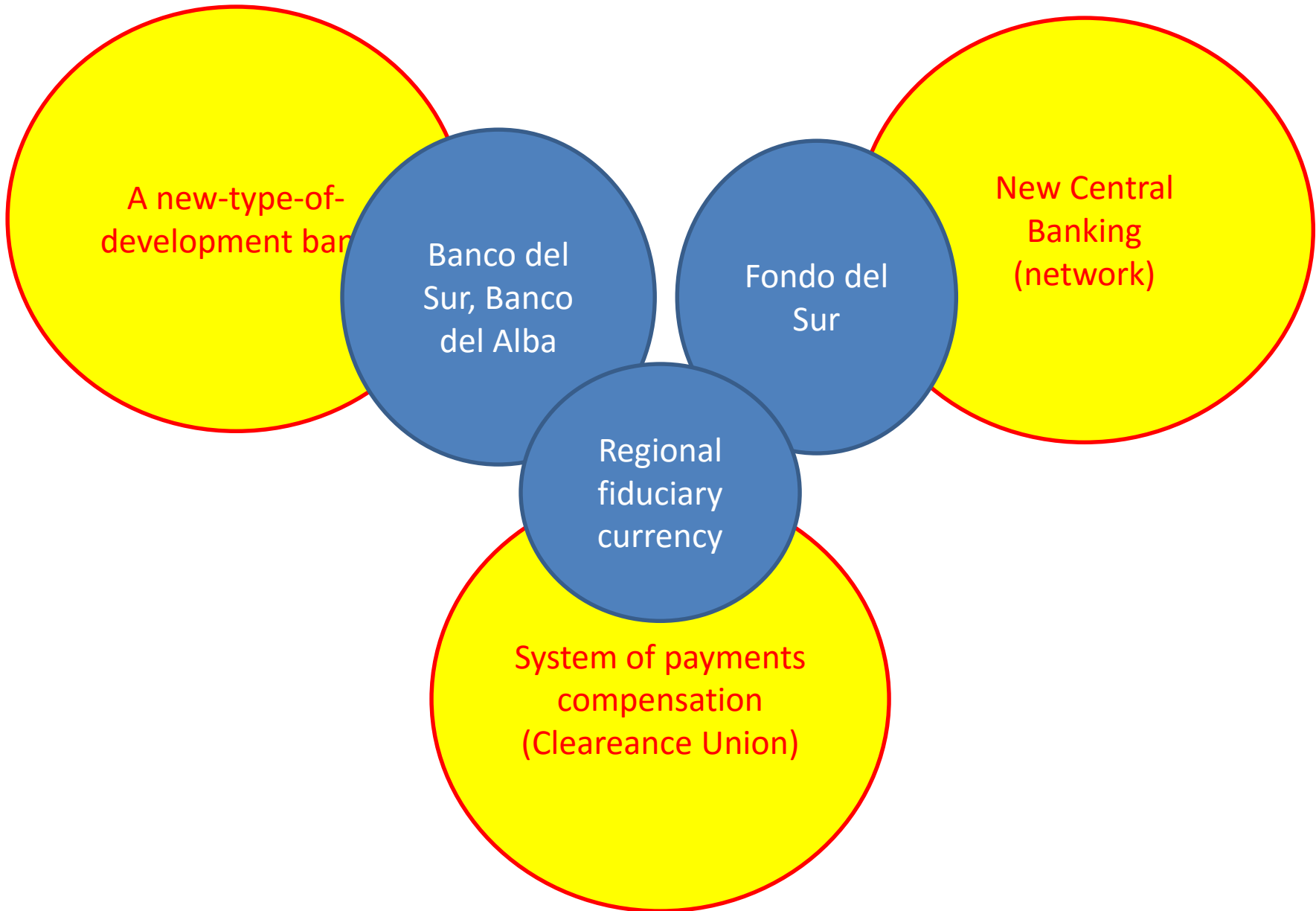
New Regional Financial Architecture



New Regional Financial Architecture



New Regional Financial Architecture



Thanks