

Capitalism's Last Stand?

Deglobalization in the Age of Austerity

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Walden Bello

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The financial crisis that began in 2008 and continues to play out globally presents a conundrum to mainstream economists. For them, the current financial crisis represents another in the many boom-and-bust cycles of capitalism over the last two hundred years. However, there is an increasing sense among many economists, sociologists, and even mainstream institutions

like the OECD, that something about this latest crisis is profoundly different. Bello's book begins from this premise, as he poses the provocative question of whether this represents the "last stand" of global capitalism in its current form.

The book begins with an analysis of how capitalism transformed globally into a mostly financialised form of capital. Bello provides succinct yet powerful explanations of financialisation, Wall Street, bankers, and how the practice of granting subprime mortgages eventually led to the housing bubble. The chapters give an account of the origins of the crisis in the United States, before examining how it played out in Europe and Asia to become

a truly global crisis of capitalism. Bello suggests that, given the hyper-globalised nature of the world and the financialisation of everything from debt to mortgages, unethical banking practices in the USA can have negative impacts almost instantly as far away as Iceland or Asia.

Bello argues that this is more than a crisis in the mechanics of capitalism: it is a crisis of *faith* in capitalism as we know it. Governments in the West have responded by bailing out banks while imposing massive fiscal penalties on ordinary citizens to subsidise the bailouts, as has happened in Greece, for example. Bello contends that the idea of "austerity", which has become a mantra for the West, is a complex one. It rewards the behaviour of predatory capitalists with impunity and punishes ordinary citizens, thus compounding social inequalities globally. Instead he suggests that a strategy of de-globalisation be pursued. This is not to suggest that nations move towards isolationist or nationalist policies but rather shift to forms of decentralisation and delink from the more pathological aspects of hyper-globalisation. He presents a 14-point manifesto of how this can be achieved.

The book is a call to arms for academics, activists, "ordinary" people and those of us fed up with unfettered capitalism. It serves also as a good introductory text for those trying to understand the origins and complexities of the current global financial crisis. It is both empirically rigorous and accessible. This is a rare feat when writing about the complexities of the modern economy.



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