Confronting the Global Economic Recession

Global economic recessions predate contemporary times and are therefore nothing new. According to 'Wikipedia, the free encyclopedia' the earliest economic recession was recorded as the **Crisis of the Third Century**, which was also known as **Military Anarchy** or the **Imperial Crisis**, (AD 235–284). It was a period in which the Roman Empire nearly collapsed under the combined pressures of invasion, civil war, plague, and economic depression.

After the 3rd century and prior to the 21st Century, history records economic depressions in the 14th, 17th, 18th and 19TH centuries. With the Wall Street Crash of 1929, the world recorded what became known as the Great Depression. The period of depression which lasted between 1929 and 1939, lead to it being credited as the worse economic depression in modern history.

Since the start of the 21st Century, the world has been plagued with a series of economic depressions that has thrown it in turmoil. The Energy Crisis of 1973 stands out as a beacon; for the world faced the oil prices shock. The current economic recessionary period commenced in the early 2000's. It has featured the 2000's energy crisis, the Irish banking crisis 2008-2010, the Iceland financial crisis 2008- 2012, the Russian financial crisis 2008-2009, the Automotive industry crisis 2008-2010, European sovereign debt crisis, Greek Government debt crisis, 2014 Russian financial crisis and the 2015 Chinese stock market crash.

In reviewing the origins of these financial crises, it is evident that these generally originated in the industrialized countries of the world. The effect of these recessions are felt by the lesser developed societies of the world, whose economies that are dependent on foreign goods and services are directly or indirectly placed under considerable pressures. The irony of all this is that the non-industrialized societies, lesser developed countries and small islands development states are usually the victims of the global economic recessions that emerged out of the industrialized societies. The marginalization of those in this group by the industrialized societies is embedded in the fact that this remains part of the economic stagnation policy which creates a dependency syndrome, which has long been part of the world's agenda to promote capitalism in any form.

A study of global economic recession would tend to reflect that there are three distinct features which are associated with them. These are internal devaluation, runaway prices resulting in high inflation rates, increases in the cost of living and levels of taxation imposed by government. These are like chronic illnesses which have only the effect of devastating small economies. The rise in unemployment begins the nightmare that sometimes seems never ending. This serves to retard progress of poverty reduction strategies that are intended to reduce incidence and pockets of poverty. These intentions though desirable, are unlikely to be achieved as long as the capitalist orientation remains a pillar of business development.

It is for small scale economies to find ways to sustain themselves so as to minimize the fallout from ongoing world recessions. There is the need to adopt a strategy that is directed at bringing a level of thrift to the economy. This requires that interest rates are driven down and that investment is stimulated. It is important to stress that growth should remain at the forefront of the agenda. Aligned to all this should be the creation of full employment, which in itself should be the catalyst for driving higher levels of productivity.

None of this should be foreign to the leaders of the labour movement, governments and the private sector. With labour, capital and government as the principals in charting the way forward for the development of our societies, it is expected that there will be more action and less talk if plans are to forge ahead. It must be underscored that the way out of an economic recession is only by focusing on growth. Austerity measures including inordinate taxation policies are only short term measures that will inevitably restrict growth. If there is to be success in implementing a set of growth strategies, this must be balanced against the level of foreign borrowing. It would seem counterproductive where the efforts to become competitive are retarded by a high level of debt servicing, which would tend to negate any potential gains and advantages.