



## The eight major causes of the crisis

The **crisis** of the system has started. All of us will be involved in it. While the cyclic crisis cause only hierarchical turnover, a systemic crisis impinges on the system **structure**, then on the relations of every part of his.

The systemic crises are always caused by nature or by mistakes and excesses. What are the major causes of this crisis of the human system and his environment? They are eight: exploitation of the productive work, commercial speculation, financial speculation, bureaucracy and aimlessness, corruption and kickbacks, consumerism and waste, weapons and drugs, environmental pollution and unsustainability.

### 1. Exploitation of the productive work

The human **work** is the activity with which the human being makes natural resources into products, goods or services, and distributes them. The real value of goods and of services is equal to the real value of the work employed for their production. By exploitation of the productive work we mean the withdrawal of value from work. This withdrawal is equal to the market value of resources, goods and services minus the market value that is recognized to work. That is enormousness.

Let's reckon. The world wealth produced in 2007 had a market value equal to 54.620 billions US dollars, equal to about 65.610 internationals dollars PPP (purchasing power parity). The value recognized to the work that was necessary to produce that wealth was 29.495 billions US dollars, equal to 54% of the market value of the goods and services produced. The rest, 46% of the value was withdrawn from work.

WORK AND PRODUCTION										
Sector	Workers		Market value of the production in US dollars			Cost of labour in US dollars		Value withdrawn from work in US dollars		
	Millions	%	Billions	%	Per capita	Billions	Per capita	Billions USD	Per capita	%
Agriculture	1,169	40.2	2,185	4	1,869	1,529.4	1,308	656	560	30
Industry	596	20.5	17,478	32	29,315	6,991.4	11,730	10,487	17,585	60
Services	1,142	39.3	34,957	64	30,584	20,974.1	18,366	13,983	12,218	40
Total	2,907	100.0	54,620	100	18,780	29,494.8	10,146	25,125	8,634	46

### 2. Commercial speculation

Trading is the process of exchange by which natural resources, goods and services pass from the initial activities (extraction, processing, distribution)

to the user or final consumer. It's a process that arises from the need of specialization of the market participants. As prices are established by the connection between demand and supply on the market, intermediaries use all means to have the highest control over the supply and cause the demand increase with respect to the supply. This is the way the oil price passes from a production cost lower than five dollars to a price of more than fifty dollars a barrel. The same thing happens for all the agricultural and industrial products and in many services. The intermediation causes a progressive price increase even if the real value of things remains unchanged. It was claimed that this profit is justified by the market risks. It would be true, if the profit were equal to the risk. But, it isn't so. Actually, the total trading profit exceeds enormously the total risk of the participants. Such a superprofit is pure withdrawal of value from those who produce and use natural resources, goods and services. The cost of commercial speculation is enormous, certainly higher than 20% of the value of the produced goods. With the obvious consequence that those who speculate accumulate wealth and the majority of those who suffer it find it hard to live.

### **3. Financial speculation**

Finance is the process of capital allocation. It should be function of the production. Instead it has become a bet to realize high profits without exchange or production of goods. Usurious interest on loans, huge insurance premium and profits on exchange of company shares, of derivative financial instruments and of currencies make up a huge profit by which wealth gather in few hands. The total amount of the profits of all banks and of all trusts is clearly higher than the total of the profit of all trade and industrial enterprises of the planet. It is a fictitious wealth, made up of money without any value, with which however people purchase goods and services. As long as it lasts.

### **4. Bureaucracy and aimlessness**

In 2007 the [public institutions](#) of the planet cost 18.870 billions US dollars, 34,5% of the yearly world wealth and 75% of the value withdrawn from work in the same year. To give an idea about these figures, suffice it to consider that 1,7 billions of human beings live under the poverty threshold and they could be better, if they had on average less than one dollar per day more each, for a total of 600 billions of US dollars per year, little more than 3% of the world public expenditure.

But it isn't only a problem of costs. There is also the fact that at least a third of the employees in the public sector is almost completely unproductive and simply lives off the backs of those who work. It gets a payment to keep up the system, but in the current conditions it doesn't produce any public utility.

### **5. Corruption and kickbacks**

Corruption is one of the scourges of humanity. It costs both for what is spent to corrupt and for what is spent more to purchase goods and services. And this happens both in public corporations and in private enterprises.

Among corruption and kickbacks we can calculate an average cost of about 5% on yearly world wealth.

## **6. Consumerism and waste**

Producing exclusively for profit means producing goods and services from which the largest added value possible can be drawn. Goods and services are thought up so that users like them and to last as little as possible. Technological progress is meant as instrument to conquer market brackets, not as opportunity to satisfy real needs. Everything is artificial, sophisticated, made just to be wasted. And users second this strategy going on consuming and wasting. Having is not used in order to be, but as substitute of being. It's madness. So, we waste quantities of energy, water and food that are higher than the ones which those who are without need, the number of obese people is equal to the one of starving people, we destroy the environment to produce things for those who can afford the pleasure to have more and more. The cost of consumerism and waste is huge too, higher than the cost necessary to satisfy the essential needs of the entire humanity.

## **7. Weapons and drugs**

In 2007 more than 1.580 billions US dollars were spent for [weapons](#), almost 3% of the produced world wealth. Besides the «collateral effects» of human lives and destruction of structures and infrastructures. According to a Nobel, the only war in Iraq cost, between direct and indirect effects on the economy, more than 3.000 billions US dollars.

Higher than the cost of weapons is the one of drugs. More than 2.000 billions are spent for the consumption of drugs on the planet. And drugs don't drug only those who consumes them but the entire economy, because of the huge wealth that the distribution chain derives and that escapes every control.

## **8. Pollution and environmental unsustainability.**

The production and consumption system of the last two centuries has caused environmental damages, which are irreversible in the short term and if we don't intervene immediately, also in the long term. It has been calculated that to heal fast the environment with artificial means 60.000 billions US dollars should be spent yearly for several years. This means that to satisfy needs and desires of a minority, they didn't hesitate to make the majority live badly and to spoil, perhaps forever, the planet.

In 2005 we topped of 6% the [capacity of the planet](#). The overshooting will be of 13% in 2010, of 40% in 2025 and of 100% in 2050. Going on this way means using two planets within forty years. But it won't be possible.

### **What do we have to do?**

We urgently have to make some simple and meaningful choices.

In order to eliminate the exploitation of the productive work, we must plan the production in proportion with real needs, we must let the workers share in the risks and in the results of the enterprises and we must [replace](#) the legal tender currency with a currency issued on behalf of the workers.

In order to eliminate the commercial speculation, we must set up purchasing syndicates for groups of products between users and consumers.

In order to eliminate the financial speculation, we must refuse any financial product and invest savings in the real economy.

In order to eliminate the excess of bureaucracy, we must reduce progressively the employee in the public offices and employ them again in the real economy.

In order to eliminate corruption and kickbacks, we must set up commissions of report of corruption cases, made up of enterprises' representatives.

In order to eliminate consumerism and waste, we must produce simpler and more natural consumable goods, produce durable consumable goods and reduce progressively and later eliminate the consumption of foods from animals.

In order to eliminate weapons and drugs, we must establish peace through a representation [authority](#), directly elected by the inhabitants of the planet and convert the war industry with the participation of workers and drug crops (tobacco, poppy, etc.) into natural food industries.

In order to eliminate progressively environmental pollution and unsustainability, we must suspend and replace any pollutant and prod a more responsible reproduction.

These are some of the choices, to realize which [Holos Global System](#) was launched. Together we can.

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