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The coming economic crisis, Part 2: Socialism is the solution!

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"Study History," poster by Ricardo Levins Morales

Dear friends,

Last time, we talked about the signs of an impending recession — what Marxists call a crisis of capitalist overproduction. What causes it, and what can we do to fight back?

A lot of blame for the impending capitalist crisis is being put on Donald Trump's trade war with China. The tariffs imposed on China aren't fair and certainly aren't

helping, but this is [not the cause of the crisis](#).

Overproduction is an automatic process built into the capitalist system. It doesn't mean that workers have produced too many goods or services compared to what people actually need. It just means that more has been produced than the boss can sell at a profit, and that throws the whole system into crisis.

Overproduction is based on the tooth-and-nail competition and unplanned nature of the profit system, with bosses trying to produce more for less to get a leg up on their rivals and secure the most profit, often through the introduction of machinery and computer technology that increases workers' productive capability.

It also reflects the contradiction between social production of goods and services by many workers, on the one hand, and the appropriation of those goods and services for the profit of individual bosses, on the other.

Over the last 200 years, the bosses and bankers have come up with many stopgap measures to try to avert the crisis of overproduction. They use financial manipulation, lower credit rates, juggling free trade measures vs. tariffs, and on and on. But at best, these measures can only delay the inevitable, and at worst, they make the crash harsher when it does come.

Frederick Engels studied capitalism together with his friend Karl Marx to help workers understand the system in order to change it. He described the boom and bust cycle of capitalism in his famous pamphlet, ["Socialism: Utopian and Scientific."](#) While much has changed in the last 140 years, the fundamental operation of capitalism is still just as he described it in 1880:

"Since 1825, when the first general crisis broke out, the whole industrial and commercial world, production and exchange ... are thrown out of joint about once every 10 years. Commerce is at a stand-still, the markets are glutted, products

accumulate, as multitudinous as they are unsaleable, hard cash disappears, credit vanishes, factories are closed, the mass of the workers are in want of the means of subsistence because they have produced too much of the means of subsistence; bankruptcy follows upon bankruptcy, execution upon execution.

"The stagnation lasts for years; productive forces and products are wasted and destroyed wholesale, until the accumulated mass of commodities finally filters off, more or less depreciated in value, until production and exchange gradually begin to move again. Little by little, the pace quickens. It becomes a trot. The industrial trot breaks into a canter, the canter in turn grows into the headlong gallop of a perfect steeplechase of industry, commercial credit, and speculation, which finally, after breakneck leaps, ends where it began — in the ditch of a crisis. And so on over and over again."

What is new in the 21st century is how the "boom" periods of capitalism do almost nothing to alleviate the overwork, underemployment, economic instability and misery of the working class.

All of us together: fight back

The media and politicians, advertisers and pop culture do a great job of making us feel isolated in our problems. In our heads, we know that many other workers face the same awful problems we do. But we are made to feel like we are alone in our struggle, that finding a solution is all up to us as individuals, and if we can't find one it's because of our personal failings.

We have to get over that. These are problems of the system, not individuals. And they can be solved — if we work together.

One reason wages haven't risen in recent decades like profits and productivity have, is because of the decimation of the labor movement that began with the high-tech

restructuring of the economy and Ronald Reagan's busting of the PATCO air controllers' strike in the 1980s.

As individuals, we have little power to demand higher wages and better conditions from our bosses – especially when we feel our jobs and living situations are precarious to start with.

Our strength as workers comes through unity. If we work together, we can stop production (and the bosses' profits), as striking auto workers at General Motors recently did. We can mobilize our communities to demand change, as striking teachers have done from West Virginia to Chicago to Los Angeles.

We have to build and rebuild unions, other workers' and community organizations, and the spirit of solidarity to confront the crisis that we face. We have to reach out beyond our own workplaces and industries to unite with our whole class. To do that, we have to be committed to fighting racism, sexism, anti-LGBTQ2S bigotry and every other attempt to divide workers.

And we must reach beyond the borders of the U.S. to join hands with workers in other countries who are confronting the same bosses and the same system of exploitation.

Socialism is the solution

If the working class is organized, we can use many tactics to fight back and make the bosses pay for their own crisis — from demanding more and better unemployment insurance and social services paid for by taxing the rich, to sitting in and taking over plants and stores that the bosses want to close.

While we can and should fight for every reform and emergency measure to protect our class from bearing the brunt of the capitalist crisis, it's important to understand that these reforms can't solve the problem. Crisis is built into capitalism. Even if the

bosses are forced to grant concessions to the workers, they will take them away at the first opportunity, and the cycle will repeat itself at our expense.

The only way to guarantee an end to recessions, layoffs, plant closings, retail bankruptcies and service cuts is for the workers and oppressed to take power for themselves: politically, socially and economically. This is what we call revolutionary socialism.

Real socialism can't be voted in or won through reforms. It requires a fight. The whole political system that exists in the United States was created and maintained to protect the interests of finance capital—the merger of big business and big banks—and the domination of the repressive military-industrial complex.

Real socialism requires the workers and oppressed to establish their own form of government and challenge the political institutions of capitalism, like the presidency, the Congress and the Supreme Court. It means workers taking over not only their own workplaces, but the whole economic system, and coming up with an economic plan to meet the needs of all the people and to protect the planet for future generations.

It also requires a commitment to solidarity — to repudiate the divide-and-conquer politics that the bosses and their media use to poison people with racism, xenophobia, sexism and anti-LGBTQ2s bigotry. It means raising up the most oppressed members of our class and redressing the historic injustices of capitalism and imperialism against the descendants of slaves and the Indigenous peoples.

Sound like a big job? It is! But people all over the world, from Cuba and Venezuela to Korea and Vietnam, have started the process of building socialism. We can learn from their experiences as well as by using our own creativity.

You are needed! Together, we can fight back against the bosses' crisis. And we can

fight for a socialist future that guarantees the livelihoods and rights of all.

Let's get to work!

To connect with people organizing for revolutionary socialism in your area, contact info@struggle-la-lucha.com.

[The coming economic crisis, Part 1](#)

