

The capitalist crisis is just beginning

written by Gary Wilson
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Worldwide there is a “cost-of-living” crisis. Inflation is raging. Food prices are out of

reach. Access to housing is collapsing, with unsheltered homelessness [up more than 30%](#) in U.S. cities. [New apartment sizes](#) have dropped severely across the U.S., making Manhattan-style micro apartments the new affordable norm.

[Oxfam reports](#) that with the post-COVID-19 recession came the “largest increase in global poverty since World War II. ... Tens of millions more people are facing hunger. Hundreds of millions more face impossible rises in the cost of basic goods or heating their homes. Climate breakdown is crippling economies and seeing droughts, cyclones and floods force people from their homes.”

Oxfam concludes: “Poverty has increased for the first time in 25 years. At the same time, these multiple crises all have winners. The very richest have become dramatically richer and corporate profits have hit record highs, driving an explosion of inequality.”

Capitalism has had economic crises every 10 years or so since 1825. Recessions are built into capitalism’s cycle of boom and bust.

Recent recessions have occurred in 1973, 1980, 1981, 1990, 2000, 2007, and 2020. That’s a recession about every seven-to-ten years, with the exception of the back-to-back recessions of 1980 and 1981.

The [Great Recession of 2007](#) lasted the longest (almost two years). The [2020 recession](#) produced the most severe decline in GDP (down 19.2% in the U.S.).

Until capitalism is overturned worldwide, the boom-and-bust crises will return, again and again, each one destroying jobs, housing, and food while at the same time increasing the centralization of capital and expanding monopoly domination.

Capitalist overproduction always causes these recessions. This is because of the laws of competition. The capitalists are in a permanent race to outproduce each other to gain the most profit. So capitalist production expands, but the market does

not equally grow.

While production expands rapidly under capitalism during a boom period, the bosses eventually find that they cannot sell at a profit. So they shut down businesses and cut workers' hours; an unemployment crisis begins. Inventory must be reduced or destroyed.

This is the law of capitalism. It cannot operate in any other way. This is the boom-and-bust cycle.

The capitalist drive to expand is also the drive to war – the imperialist drive for big business to control the raw materials such as oil and ores, the agricultural production, and most of all, the labor in every part of the globe.

But that's never the way the talking heads on TV explain recessions. There's always some other explanation, usually blaming financial corruption, like Lehman Brothers' lending practices for the 2008 recession. Never is it said that capitalism or overproduction is responsible for the crisis. Yet that is the underlying cause.

Congress recognizes the capitalist roots of the crisis, of course, and its sole act (Democrats and Republicans together) in response to the looming recession was to [pass a resolution denouncing socialism](#).

