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Global capitalist crisis: Are we at a pivotal point?

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Analyzing imperialist wars, economic contractions, and the struggle for a multipolar world



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Our plenum is dedicated to the Palestinian people and all who resist!

We dedicate this weekend's plenum to the courage, resistance, and sacrifice of the Palestinian people! In addition, our dedication extends to the global movement of workers and youth, including in the belly of the beast, who have taken to the streets in unprecedented resistance.

It is this movement of the oppressed against the oppressor, workers against capitalists, youth against the fascist imperialist war machine that points the way to the future.

Are we at a pivotal point in the global capitalist crisis?

In Ernest Hemmingway's "The Sun Also Rises," one of the main characters, Mike Campbell, a bankrupt Scottish war veteran, was asked how he went bankrupt. He replied: "Two ways. Gradually and then suddenly."

Change can seem imperceptible for long periods, before it bursts forth in a major break that is impossible to ignore

The question before us is, have we entered that period for the world imperialist system?

At the conclusion of World War II, the United States emerged as the world's most powerful imperialist power. It gained control of the former European empires in Asia and Africa and engaged in a never-ending series of wars to maintain its dominance.

In the recent decade, notwithstanding the wholesale wars on Iraq and Afghanistan, much of the anti-imperialist movement has been focused on what has been called hybrid war, a grinding combination of conventional military actions combined with cyber-attacks, economic sanctions, and political subversion.

Its targets include Cuba, Venezuela, Iran, Zimbabwe, North Korea, as well as Russia and China. The U.S. Africa Force, for example, has been engaged in military operations across Africa, including in Burkina Faso, Mali, Niger, Cameroon, Somalia, Libya, Djibouti, Uganda, Sudan, Rwanda, and Chad. As we speak, Haiti, the first republic to overthrow slavery in this hemisphere, is threatened.

Today, we are at an unprecedented acceleration of overt, interconnected, and overlapping wars.

We will be discussing some of the particulars of the current imperialist war in Palestine, the U.S./NATO proxy war in Ukraine, and the deepening threats against China in the following reports.

The danger hasn't been lost in bourgeois press discussions.

The headlines of two very recent Bloomberg articles outline their fears: “The World Risks Sliding Into a New Global War” and “Fears of World War III Prey on Hedge Fund Titans and Policymakers Alike.”

Quoting from the first article,

“Some officials and investors suggest the web of overlapping conflicts stretching from West Africa through Ukraine to the Middle East could be the prelude to another global conflagration. That, this time it begins not with a bang, but with several.” (alluding to WWI)

What lies beneath the surface of military and political developments is the contraction of the capitalist economy — which should awaken our interest for both the dangers and opportunities.

Struggle for a multipolar world against dollar supremacy

Following World War II, the U.S. dollar became the dominant currency in the capitalist world market, and at that time, it was linked to gold.

By 1971, in a secret meeting at Camp David, it took three days, Nixon and his team, including top representatives of the imperialist banking system, decided to delink the dollar from gold in the international arena. That event alone could be the subject of an entire report. *It was a symptom of the weakness in the U.S. economic system and simultaneously a kind of global economic coup against any nation holding dollars.*

What has been a constant, and we are all thoroughly versed in, is the stranglehold that the IMF and the World Bank, and for that matter the entire U.S. banking system, have over the oppressed world and smaller developing capitalist countries.

No matter how uneven or jagged, the struggle against imperialism — just like a river pushing its way through rock — will find an avenue to express itself. In many ways, this describes the movement for a multipolar world. It is a part of the fight to break from the dependence on the U.S. dollar — in other words, from the U.S. imperialist system.

As revolutionary communists, we aspire to the abolition of the capitalist market. The period following the collapse of the Soviet Union handed difficult obstacles both materially and ideologically to the global working class, the oppressed, and the movement for socialism — all of which are intertwined. It is in this historical context that the anti-imperialist struggle for a multipolar world should be viewed.

While there are many reasons for why and how this is happening — the unprecedented growth of the Chinese economic system has undergirded this development, particularly the Belt and Road Initiative and, in general, China's economic growth.

What is taking place now is an acceleration of this process. A firestorm of recent economic summits this past year is an expression of this phenomenon. This includes the BRICS (Brazil, Russia, India, China, South Africa) held in South Africa in August; the G20 in India; and notably the G-77+China in Cuba in September.

In addition, the Far East Economic Forum, held in Vladivostok, Russia, took place in the same month.

The process of de-dollarization has been moving quickly and is an indicator of the weakening of the global power of the U.S.

Here are some statistics from Rodríguez Gelfenstein, a Venezuelan international relations expert.

“The figures are clear: In 2001, world reserves in dollars were 73% of the total; by

2021, that figure had been reduced to 55% and to 47% the following year. This exposes that last year, the dollar's share of world finance fell ten times faster than the average of the last two decades, which is undoubtedly a figure of extraordinary impact. According to the Brazilian international analyst Pepe Escobar: 'Now it is no longer unreasonable to project a world share of the dollar of only 30% by the end of 2024, coinciding with the next U.S. presidential elections.'

"Paradoxically, the origin of this abrupt drop came from the freezing of Russian reserves in the West (an amount greater than \$300 billion), sounding the alarm that it was no longer safe to hold dollar reserves abroad. The decision to freeze unleashed a veritable avalanche of de-dollarization that has been evidenced through decisions of countries and international alliances throughout the planet."

In a recent trip to China, Brazil's President Lula da Silva questioned, "Who decided that the dollar was the currency after the disappearance of the gold standard? Why not the yuan or the real or the peso?"

Other countries have joined this process. This includes Russia, Iran, Saudi Arabia, Belarus, and Egypt, which are promoting the use of national currencies for bilateral currencies. All of this alarms Washington.

In March, a Reuters calculation based on data from China's State Administration of Foreign Exchange reported that the yuan became the most used financial instrument for cross-border transactions in China, surpassing the dollar for the first time.

In May, the Zimbabwean government set out to launch a gold-backed digital currency to reduce its dependence on the dollar and protect its people from currency fluctuations.

What is at the heart of these crises, including the threat of worldwide war — the unmerciful and grotesque genocide taking place in Palestine — the utter destruction

taking place on the Ukrainian battlefield and, for that matter, the planet and every aspect of oppression that keeps us up at night?

At the heart of capitalist crises is capitalist overproduction and, at a more micro level, production for profit.

Karl Marx described it, and Lenin expounded on it.

Without capitalist overproduction (and let me say that on the surface that sounds like an oxymoron — how can there be too much food when people are starving, or for that matter, any particular commodity or service, when people need housing, clothing, technology or so many other things) the genesis of imperialism would not have occurred.

It is the great conundrum — that technology itself, a product of the collective labor of the global working class, has now made it possible to produce in such breathtaking abundance — cannot be used or consumed if it is not profitable.

The consequence of the inherent contradictions in capitalism is ultimately economic contraction. It is the motive force behind war.

Many times, the anti-war movement will say in a popular way that oil or gas or diamonds or gold are the cause of war.

But it is not the commodity itself that causes war — but rather the built-in drive of imperialist countries for control of those commodities, which also includes wholesale destruction. This extends to the arms industries, including all the technology involved in their development.

Capitalist contraction, the outcome of overproduction inherent in the for-profit capitalist economic process — is like the Sword of Damocles hanging over the world capitalist class. The thread holding that sword is wearing thin.

In conclusion

I have likely elaborated too much or too little on one aspect or another in this report. We certainly have not explored the impact of the COVID epidemic, nor is my brief discussion of overproduction and capitalist contraction adequate.

I have not elaborated enough on the general trend of U.S. capitalism to rely more and more on war production, popularly referred to as the military-industrial complex, as opposed to the production of useful goods and services.

It is also critical to underscore that in discussing trends, it is clear that none of these developments take place in a linear fashion but rather in an uneven, jagged, up-and-down fashion, as explained in the boom and bust cycles of capitalism.

An explanation and study of imperialism is imperative for us, and I'm confident that the launch of the book authored by Gary Wilson and its introduction to Lenin's "Imperialism the Highest Stage of Capitalism" will be a contribution and part of our work.

What's urgent, in my opinion, is that we take up what I believe is a qualitative change in the world situation including how it impacts here in the metropolis of imperialism.

While it has major implications for the direct struggle against imperialism abroad, it also has implications for the working class inside the United States, a working class that is thoroughly multinational and multi-gendered.

The growing isolation and failures of U.S. imperialism impact everything from the 2024 bourgeois elections to the growing emergence of working-class struggle, as evidenced by the phenomenal strike wave of workers.

Is the bourgeois electoral system teetering on collapse, and what does this mean for

the growth of state violence and the far right?

The expansion of U.S. capitalism and imperialism allowed a certain level of stability or bourgeois norms to exist, even if it was extended to only a certain segment of the working class, which in most cases was denied to the oppressed.

Social and economic problems haunt the U.S., from housing to the growing epidemic of drug addiction, alienation, and violence.

The question of access to food and water is not just a problem of what is called the developing world, but it is right here in the belly of the beast.

The world that at least the older generation has been accustomed to is radically different from the one the current generation is experiencing — and even it is changing at breakneck speed.

Understanding these crises is critical to map out where we are and what we need to do. It is important in the metropolis of imperialism that the final solution — the death of the decaying capitalist system — must find its solution — socialist revolution.

