

Cracks recently appeared in the edifice of world capitalism

By *Balazs Nagy*

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We really ought to draw our readers' attention to two major current events which – each in its own political and economic way – testify to a considerable deterioration in the painful death-agony of capitalism-imperialism. On the one hand, there is the current stage reached in the breakdown of its arrangements in the Middle East with the in itself unusual and surprising but real political blockage affecting this system in relation to the civil war in Syria; on the other, the fresh upsurge of world crisis in the – for many – unexpected shape of a general fall in the rate of growth in production among more or less all the so-called “emerging” countries: India, Russia, Indonesia, Brazil, South Africa, etc., including China. This fall is expressed and accompanied by a real upheaval in their financial system through a brutal fall in the values of their currencies, excepting China. As luck would have it, all of these serious problems of imperialism have matured and are concentrated at the Moscow meeting of the 20 countries which are considered to be the most important, the famous G20 on 7 and 8 September 2013.

The attempt to consolidate imperialism's rickety mechanism in the Middle East has turned into its opposite in Iraq and Afghanistan, accelerating its decomposition throughout the region. This historical set-back has laid bare its congenital weaknesses and its contradictions to such an extent that, faced with the rise of the proletarian revolution, even in its incomplete and unfinished form, in North Africa, and the Middle East, it finds itself almost completely impotent and incapacitated. The civil war in Syria has completely paralysed it; its leaders no longer have a clue what to do or how to do it to win back dominance. And that is their only pre-

occupation. Their breast-beating about the miserable fate of the Syrian people is merely a hypocritical facade to mask their real concerns. To put it more exactly: the existence of a near-unanimous camp of those who advocate inactivity and abstention shows their disarray in the face of uncertainty. Imperialist war-lust has been reduced to the roaring of a toothless lion. But beware – it is still a ferocious predator!

On the other hand, there few better indications of the notable shortcomings and retreat of the workers' movement than the total absence of its voice and independent initiatives on this whole question.

Under these conditions, the process of decomposition will go on, as we can already see in Libya and Turkey. But this disarray is also an opportunity which the various oppressed peoples (like the Palestinians and Kurds) will seize in order to break free from the imperialist yoke and its local satraps, who will not give up easily, so that there is a risk the whole region will become the seat of a future inter-imperialist war. The charges are already laid and the fuses lit.

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The other event of considerable international import is the sudden economic deterioration in the so-called "emerging" countries, with a significant and rapid drop in their economic growth, which since the beginning of the new century had been spectacular. The basis for this fall was when the US central bank (the Fed) decided to stop the artificial issue of millions of dollars not backed by actual production. It is common knowledge that in the last six months alone, this bank has bought back worthless bonds to the value of \$86 billion a month (!) in order to bolster the sickly US economy.

As soon as this policy was announced, US interest rates started an irresistible rise, so much so that capital massively deserted the economies of India and other "emerging"

countries. At the same time their currencies depreciated dangerously, thus expressing the fact that the value of their production was actually rather modest. At a stroke, their real growth was shown to be quite a lot lower than it had appeared to be previously. Even China's growth rate fell because her exports are marking time. At a general level, what we are dealing with is a persistent phenomenon which lays bare the organic inter-dependence of national economies within the contradictions of the system as a whole. Despite what the proponents of so-called "globalisation" say about the economic levels of these countries as a whole tending to converge, with the more backward ones catching up with the more advanced (really?), following the same scheme of development as the advanced countries, this inter-dependence actually makes the differences between their levels greater and more obvious. As it happens, the massive displacement of dollars – the expression of the economic dominance of the US – has placed the "emerging" countries at a disadvantage and caused their fictitious growth to evaporate. In place of growing "equality" or "catching up" harmoniously, what we have is the development of contradictions. In place of the fantasy of the everywhere uniform and even capitalism that was an article of faith for those who swore by "globalisation" or "mondialisation", we see an ever greater accentuation of capitalism's internal contradictions. The problems of China, which still has a non-capitalism system, are at a different level, even if, overall, she cannot absolutely escape the constraining effects of international economic interdependence and its contradictions.

All of this also drives forward and exacerbates international competition, which contains within itself the germ of a new international conflagration, the warning signs of which are already visible. We shall have occasion to return to its various aspects in greater detail in future.

Why did Putin invade the Crimea?

by Radolslav Pavlovic April 2014

Since Ukraine was declared independent in 1991, Russia has had the use of the Crimea as a base for its Southern Fleet along with 25 000 personnel through a long-term contract in due and proper form. The majority of the population speaks Russian, so their support is secure. The Russian army set up shop there as a state within a state. Never for a single moment has Kiev had the slightest intention of putting this contract into question, partly because it brought them certain advantages and partly because the military relationship of forces meant it was inviolable. The coup d'etat has shown that the Ukrainian army's presence there is mainly symbolic. There was no Maidan protest in Crimea, just Russian propaganda about a Nazi coup d'etat in Kiev.

Nor was there any economic interest for Russia, who now will have to bear the enormous cost of paying the salaries, pensions and welfare benefits for which the local state is responsible. Not to mention the cost of gas, sold cheaply to Ukraine when the government there is amenable, but at prohibitive cost when the government shows signs of independence (but then cannot pay the bill). In neither case does Russia make a great deal out of it. To supply the peninsula, Putin will have to either cross Ukrainian territory or take over more of it. That would shake things up much more than Moscow can handle, leave aside the turbulence on the stock market, capital flight and so on. So why is he playing with fire?

Explaining the seizure of the Crimea in terms of Putins megalomania and desire to stand in monument alongside Stalin

and the Tsars is no profounder than blaming the Yugoslav wars on Slobodan Milosevic's delusions of grandeur. Both cases involve incomparably deeper social, class, motive forces than the acrobatics of some tightrope athlete. To get to the answer, you have to dig a lot further than superficial journalistic platitudes.

In fact, a short note such as this does not provide enough space to deal with it as thoroughly as it deserves. Lets just say: Putin invaded Crimea because it was the easiest and most accessible. He cant stop there if he wants to bring Ukraine to heel. At the very least he would have to cut the country in two and take over the whole of the eastern part, with its industries and mining, not for its economic wealth, but to make Ukraine unviable as a state the idea that a few hundred kilometres of land are urgently needed to protect Russia's borders against the threat posed by NATO bases is simply a fairy tale. In 1999 an American shell launched from the Adriatic, 400km away as the crow flies, was laser-guided right into Milosevic's conjugal bedroom in his villa in the upper-class Belgrade enclave of Dedinje; to within a metre! They knew Milosevic wasn't actually staying there, they just wanted to show off how powerful and accurate their weapons are. NATO's bases in Turkey are just as able to target the Crimea as anything they can set up in Kiev. So the legitimate national defence argument doesn't stand up. Russia's best defence against hostile western imperialism is a free, democratic and friendly Ukrainian state.

No, what is pushing Putin is neither economic nor military, but political. And although its possible that the few hundred Ukrainian Nazis have been manipulated from the start by the Russian FSB to use as a pretext, the impact they have owes more to the nationalism of a people under threat from their big brother than to any fascist ideology. What Putin is afraid of is how hugely the whole nation thirsts for democracy. His fear of the Maidan in Kiev is really fear of a Maidan in

Moscow.

Putins regime is in no way different from Yanukovych's absolute rule by oligarchs protected by the political police. He could not let the contagion spread unchecked. The Kiev Maidan wasn't in any way different from the ones in Tunisia or Egypt: it was a cry of opposition to the political oligarchy turned financial oligarchy protected by semi-fascist police. Bread and democracy; no more and no less. There were just as many salafists and Muslim Brothers in the mass rallies in Tunisia and Egypt as there were partisans of Bandera in the Kiev versions.

They talk of revolution on one side and fascism on the other! Could anything be more short-sighted? And why did Putin send the fascist Zhirinovsky as ambassador to the Crimea? And what about the hooded common criminals dressed in military uniforms without insignia? Isn't it all a bit over the top to talk about spontaneous popular support, or to claim that these battle-ready Cossacks are inspired by democratic values, while those that inspire their Ukrainian counterparts are supposed to be fascist?

The Yanukovych regime decided the social and democratic contagion had gone on too long and hoped to stop it in its tracks, using rooftop snipers to ignobly massacre 80 civilians. But it had the opposite effect: Yanukovych and his Berkut forces were forced to flee to avoid being lynched. They could not have done more to help the far right in Ukraine if they had tried. Their failed gamble was followed by another, and this time the stakes are considerably higher. Putin takes the risks he does because he knows that Western Europe and the USA are mainly worried about their own interests and will just bluff to fool the Ukrainians and shore up their own democratic credentials in the eyes of public opinion. But there are still the Russian people.

Nobody who saw how Greater Serb nationalist propaganda grew in

power has anything to learn from today's Russia. A regime with its back to the wall, unable to meet the people's elementary social and political needs, or those of the new generation, plays the card of the great nation humiliated by history, the celestial people, chosen but not recognised, to turn them against their weaker neighbours, the present or former members of the federation that emerged from the revolution. To sow distrust and then fear among neighbours of different nationalities who have lived together their whole lives in harmony and mutual aid, they had to find something big: propaganda that gets into every household; deliberately provoked bloodshed; the state; the media; glory-seeking intellectuals; journalists who would sell their grandmother for a good meal or a holiday in the sun; the church seeking income and ideological influence; fascist émigrés seeking a country; civil servants who would take orders from the Devil just to keep their petty jobs; and above all the numerous social class emerging from the social ruins, the Lumpenproletariat.

This is a class apart, the product of the ruin of all social classes, including the proletariat; a class ready to sell itself to anyone who suggests a way out of the sewers of society. A class of sporting, show-business and dodgy-dealing celebs, envied by a rag-tag army surviving from hand to mouth. Get them drunk on national myths, a patriotic song and some brandy or vodka, and then hand out the weapons. But watch out, anyone who says no, even on pacifist moral grounds, must be a traitor or a paedophile. Saying no takes courage, a lot of it, because there is nothing to face down this sacred union, no organised workers movement, no progressive or socialist alternative.

And yet the Russian people has shown its greatness. Not Putin and his admirers, not out of nostalgia for the Russia of the Tsars or Stalin, but in the democratic young people of Moscow. You can spread terror by killing their journalists, you can

use the fascist brutes of Putins Nachi youth movement to stop them demonstrating ? the nationalists proclaim there will be no Maidan in Moscow but they found the strength to demonstrate 50,000 strong through Moscow against the war in the Crimea: For your freedom and ours!. Given the general configuration of forces in Russia, this is an achievement little short of a miracle. A country that could produce a Chernyshevsky and a Dobrolyubov in the darkest days of Tsarism or a Trotsky in the darkest days of Stalinism and an Anna Politovskaia to castigate the war in Chchenya will have what it takes to create the phalanxes of a Russian, Ukrainian and European renewal.