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# International Communist Current

Winter 2021

# International Review

## Presenting the *Review*

**Report on the Covid-19 pandemic and the period of capitalist decomposition**

**All pandemics of the past were the product of decadent societies and Covid-19 is no exception**

Report on the economic crisis

### **Introduction**

**The irruption of decomposition on the economic terrain**

**Report on the international class struggle and the impact of the Covid-19 pandemic**

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# Presenting the *Review*

The ICC analyses the social crisis resulting from the Covid-19 pandemic as being the most important in world history since the Second World War. This is the reason why our organisation has had to put a great deal of energy into trying to grasp the essential aspects of the situation and in particular to take into account the considerable acceleration of the decomposition of society that is now taking place. To this end three reports were discussed in the ICC in July 2020, looking at the pandemic as a phenomenon of the decomposition of capitalism, and its implications for the development of the economic crisis and of the class struggle.

By the decomposition of capitalist society, we mean not only the fact that the current period concentrates all the elements of putrefaction which deeply affect society: dislocation of the social fabric, the rotting of its economic, political and ideological structures, and so on. Beyond the strictly quantitative aspect, the phenomenon of social decomposition has for a long time attained such a depth and extent that it has signalled the entry of decadent capitalism into the final phase of its history, in which decomposition has become a – if not the – decisive factor in the evolution of society, as we explained in our “Theses on Decomposition of Capitalism”.<sup>1</sup> The collapse of the eastern bloc in 1989, itself a product of this process of decomposition, constituted a considerable factor in its aggravation.

Today the global shock wave of the Corona crisis has in turn marked a new stage in capitalism’s descent into decomposition. This is what is shown in the “Report on the Covid-19 pandemic and the period of capitalist decomposition”. Here we want to highlight the following aspects of this report:

- The bourgeoisie has shown its inability to face up to the irruption of the pandemic, notably its social and health dimensions, which are the result of the aggravation of the insoluble economic crisis which began in 1967, with its train of increasingly harsh austerity measures.
- Production and economic activity have been strongly affected by the lock-downs and economic slow-downs, severely aggravating an economic crisis that was already developing.
- It’s the accelerating destruction of the environment – a result of the persistence of the chronic capitalist crisis of overproduction – which lies at the origin of the pandemic in China, where condi-

tions “favourable” to the transmission of the virus can be found: deforestation, uncontrolled extension of human habitation enabling the virus to be passed on to human beings; the existence of markets where animals and meat are sold without any veterinary regulation.

- The different national factions of the bourgeoisie have not been able to avoid being embroiled in the rivalries between states, which has considerably weakened their ability to respond to the pandemic, turning it into a world-wide fiasco.
- The inept response of the ruling class to the health crisis has revealed the growing loss of political control of society by the bourgeoisie and its state within each nation.
- This decline in the political and social competence of the ruling class and its state have been strikingly accompanied by an ideological putrefaction: the leaders of the most powerful capitalist nations pour out ridiculous lies and superstitious absurdities to justify their ineptitude, while we see the flourishing of conspiracy theories, many of which simply deny the existence of the Covid-19 virus.

To complement this report we are publishing an article which shows, as its title says, “All past pandemics were the product of decadent societies: Covid-19 is no exception”. The Covid-19 pandemic is the result of the growing incapacity of the bourgeoisie to take charge of a question which it had erected as a principle when the World Health Organisation was set up in 1947: to raise all populations to the highest possible level of health. The cause of this is that, in the final phase of its decadence, the phase of decomposition, capitalism is more and more a prisoner of a short-term vision which has led it to progressively lose control of the tools which, up till now, have allowed it to limit the damage resulting from the frenzied competition which all the

actors of the capitalist world are engaged in. In this context, it’s quite feasible that a series of pandemics or other catastrophes could precipitate the collapse of capitalism. But if this happens without the proletariat being able to react and impose its own force, then the whole of humanity will be caught up in this collapse.

A second report dedicated to the implications of the pandemic at the economic level is also published here. It aims to respond to the following questions: What is the historic significance of the evolving economic crisis, which will be the most serious in the whole period of decadence, including the world crisis which began in 1929? What are the implications of the fact that the effects of social decomposition will have an increasing weight in the evolution of the of this new phase of the open economic crisis?

A final report looks at the implications of the pandemic for the struggle of the working class. Here we aim to discern the impact of the pandemic on the consciousness and combativity of the working class.

The irruption of the pandemic and the stage it represents in the descent into decomposition sharpens the race between, on the one hand, the development of the class struggle and of the capacity of the proletariat to put forward a revolutionary perspective; and, on the other hand, this new advance in decomposition which continues to undermine the historic conditions for the construction of a communist society.

The pandemic came about at a time when the class struggle in France and internationally was showing a change in the state of mind within the working class, marked by anger and discontent but also a will to respond to the attacks of the bourgeoisie and the beginning of a process of reflection within the proletariat about capitalism’s lack of any perspective. But the pandemic brought a halt to this process that was just beginning within the working class. The violence of the attacks (drastic reduction in wages, rising mass unemployment, decimation of entire sectors of industry and the blackmail of job-losses) will probably, in an initial period, postpone the response of the working class to the situation. Nevertheless, when it does take place, it could then benefit – at the level of consciousness – from certain consequences of the social crisis, given that the bourgeoisie cannot prevent

1. *International Review* n°107, “Decomposition: the final phase of capitalism2.

capitalism from appearing, in certain parts of the working class, as being responsible for the effects of the pandemic:

- Decades of attacks and austerity measures are responsible for the dismantling of the hospital sector, contributing to the scale of the health crisis; it's the first time that thousands of employees of the medical sector have died from such a pandemic – to a large extent because of the lack of protective material.
- The democratic states as well as those led by populists have shown the same contempt for human life.
- The democrats and the liberals have spread the same lies and shown the same negligence as the populists.
- In spite of the efforts to hide the fact that the recession is the fruit of the historic crisis of its system, the bourgeoisie has not succeeded completely in obscuring the origins of a crisis which had already begun to manifest itself prior to the pandemic.

On the other hand, the development of the class struggle is already coming up against a number of obstacles deriving directly from the accelerating decomposition of the capitalist system, such as interclassist popular revolts which have no perspective, the development of movements which are directly situated on the terrain of the defence of democracy in reaction to expressions of racism or police violence. Any social dynamic which does not place itself on a class terrain will necessarily have a negative impact on the development of the class struggle.

Revolutionary organisations are facing a real challenge posed by the advancing dislocation of society. The working class, which has been severely weakened at the level of its consciousness but has not suffered a decisive defeat, will have to embark on the struggle for the overthrow of capitalism in extremely difficult and unprecedented conditions. All the more important for the revolutionary minorities in its ranks to be up to the task of clarifying the methods and conditions of its combat. This means that revolutionaries must make the necessary theoretical efforts to bring their political analyses up to date and confront them with reality.

24.12.20

# Report on the Covid-19 pandemic and the period of capitalist decomposition

This report was written for a recent congress of our section in France and will be followed by other reports on the world situation.

The disaster continues and worsens: officially there are 36 million infected and over a million deaths worldwide.<sup>1</sup> Having recklessly postponed preventive counter measures to the spread of the virus, then imposed a brutal shutdown of wide sectors of the economy, the different factions of the world bourgeoisie subsequently gambled on an economic recovery, at the expense of an even greater number of victims, by re-opening society while the pandemic had only temporarily abated in certain countries. As winter approaches it is clear that the gamble has not paid off, presaging a deterioration, at least in the medium term, both economically and medically. The burden of this disaster has fallen on the shoulders of the international working class.

Up till now one of the difficulties of recognising the fact that capitalism has entered the final phase of its historic decline – that of social decomposition – is that this present epoch, opened up definitively by the collapse of the Eastern Bloc in 1989, had superficially appeared as a proliferation of symptoms with no apparent inter-connection, unlike previous periods of capitalist decadence which were defined and dominated by such obvious landmarks as world war or proletarian revolution.<sup>2</sup> But now in 2020, the Covid pandemic, the most significant crisis in world history since the Second World War, has become an unmistakable emblem of this whole period of decomposition by bringing together a series of factors of chaos that signify the generalised putrefaction of the capitalist system. These include:

- the prolongation of the long-term economic crisis that began in 1967,<sup>3</sup> and the consequent accumulation and intensification of austerity measures, has precipitated an inadequate and chaotic response to the pandemic by the bourgeoisie, which has in turn obliged the ruling class to massively aggravate the economic crisis by interrupting production for a significant period;
- the origins of the pandemic clearly lie in the accelerated destruction of the

environment created by the persistence of the chronic capitalist crisis of overproduction;

- the disorganised rivalry of the imperialist powers, notably among former allies, has turned the reaction of the world bourgeoisie to the pandemic into a global fiasco;
- the ineptitude of the response of the ruling class to the health crisis has revealed the growing tendency to a loss of political control of the bourgeoisie and its state over society within each nation;
- the decline in the political and social competence of the ruling class and its state has been accompanied in an astonishing way by ideological putrefaction: the leaders of the most powerful capitalist nations are spewing out ridiculous lies and superstitious nonsense to justify their ineptitude.

Covid-19 has thus brought together in a clearer way than before the impact of decomposition on all the principal levels of capitalist society – economic, imperialist, political, ideological and social.

The current situation has also dispelled the significance of a number of phenomena that were supposed to contradict the analysis that capitalism had entered a terminal phase of chaos and social breakdown. These phenomena, our critics alleged, proved that our analysis should be “put in question” or simply ignored. In particular, a few years ago the stunning growth rates of the Chinese economy appeared, to our critical commentators, to be a refutation that there was a period of decomposition and even of decadence. These observers

had in reality been taken in by the “perfume of modernity” emitted by Chinese industrial growth. Today, as a result of the Covid pandemic, not only has the Chinese economy stagnated but it has revealed a chronic backwardness that gives off the less pleasant aroma of underdevelopment and decay.

The ICC perspective from 1989 that world capitalism had entered a final phase of inner dissolution, based on the marxist method of analysing underlying global and long-term trends, instead of running after temporary novelties or sticking with outworn formulas, has been strikingly confirmed.

The present health catastrophe reveals, above all, an increasing loss of control of the capitalist class over its system and its increasing loss of perspective for human society as a whole. The increasing loss of mastery of the means that the bourgeoisie has hitherto developed to constrain and channel the effects of the historic decline of its mode of production has become more tangible.

Moreover, the current situation reveals the extent to which the capitalist class is not only less able to prevent a growing social chaos but is also increasingly aggravating the very decomposition that it previously kept in check.

## Pandemic, decadence, decomposition

In order to more fully understand why the Covid pandemic is symbolic of the capitalist decomposition period we have to see how it could not have happened in previous epochs in the way it has today.

Pandemics of course have been known in previous social formations and have had a devastating and accelerating effect on the decline of previous class societies, like the Justinian Plague at the end of ancient slave society or the Black Death at the close of feudal serfdom. But feudal decadence did not know a period of decomposition because a new mode of production (capitalism) was already taking shape within and alongside the old. The devastation of the plague even hastened the early development of the bourgeoisie.

1. As of 9 October 2020.

2. This problem of perception was noted by the “Report on Decomposition” from the 22nd ICC Congress in 2017, *International Review* n° 163.

3. This long-term economic crisis, which has lasted over five decades, emerged at the end of the 1960s following two decades of post-war prosperity in the advanced countries. The worsening of this crisis has been punctuated by specific recessions and recoveries that have not resolved the underlying impasse.



The decadence of capitalism, the most dynamic system of the exploitation of labour in history, necessarily envelops the whole of society and prevents any new form of production from emerging within it. This is why, in the absence of a route to world war and of the re-emergence of the proletarian alternative, capitalism has entered into a period of “ultra-decadence” as the ICC “Theses on Decomposition” put it.<sup>4</sup> So, the present pandemic will not give way to any regeneration of mankind’s productive forces within existing society but forces us instead to glimpse the inevitability of the collapse of human society as a whole unless world capitalism is overthrown in its entirety. The resort to the medieval methods of quarantine in answer to Covid, when capitalism has developed the scientific, technological and social means to understand, pre-empt and contain the eruption of plagues (but is unable to deploy them), is testimony to the impasse of a society that is “rotting on its feet” and increasingly unable to utilise the productive forces that it has set in motion.

The history of the social impact of infectious disease in the life of capitalism gives us a further insight into the distinction to be made between the decadence of a system and the specific period of decomposition within its period of decline that began in 1914. The ascendancy of capitalism and even the history of most of its decadence show in fact a growing mastery of medical science and public health over infectious disease especially in the advanced countries. The promotion of public hygiene and sanitation, the conquering of smallpox and polio and the retreat of malaria for example, is evidence of this progress. Eventually, after the Second World War, non-communicable diseases became the dominant reasons for premature death in the heartlands of capitalism. We shouldn’t imagine that this improvement in the power of epidemiology took place for the humanitarian concerns that the bourgeoisie has claimed. The overriding goal was to create a stable environment for the intensification of exploitation demanded by the permanent crisis of capitalism and above all for the preparation and ultimate mobilisation of the populations for the military interests of imperialist blocs.

From the 1980s the positive trend against infectious disease started to reverse. New, or evolving pathogens began to emerge such as HIV, Zika, Ebola, Sars, Mers, Nipah, N5N1, Dengue fever, etc. Vanquished diseases became more drug resistant. This development, particularly of zoonotic viruses, is linked to urban growth in the peripheral regions of capitalism -

particularly of mass slums which account for 40% of this growth - and deforestation and burgeoning climate change. While epidemiology has been able to understand and track these viruses the state’s implementation of counter-measures has failed to keep pace with the threat. The insufficient and chaotic response of the bourgeoisies to Covid-19 is a striking confirmation of the capitalist state’s growing negligence toward the resurgence of infectious diseases and public health, and thus of a disregard of the importance of social protection at the most basic level. This development of growing social incompetence by the bourgeois state is linked to decades of cuts to the “social wage”, particularly of health services. But the growing disregard for public health can only be fully explained in the framework of the phase of decomposition, which favours irresponsible and short-term responses by large parts of the ruling class.

The conclusions to be drawn from this reversal in the progress of infectious disease control over the past few decades are inescapable: it is an illustration of the transition of decadent capitalism to a final period of decomposition.

Of course, the worsening of the permanent economic crisis of capitalism is the root cause of this transition, a crisis which is common to all periods of its decadence. But it is the management - or rather the growing mismanagement - of the effects of this crisis that has changed and is a key component of present and future disasters that are characteristic of the specific period of decomposition.

Those explanations which fail to take this transformation into account, like those of the International Communist Tendency for example, are left with the truism that the profit motive is to blame for the pandemic. For them the specific circumstances, timing and scale of the calamity remains a mystery.

Nor can the reaction of the bourgeoisie to the pandemic be explained by reverting to the schema of the Cold War period, as though the imperialist powers have “weaponised” the Covid virus for imperialist military purposes and the mass quarantines are a mobilisation of the population in this regard. This explanation forgets that the main imperialist powers are no longer organised in contending imperialist blocs and do not have their hands free to mobilise the population behind their war aims. This is central to the stalemate between the two main classes that is the root cause of the period of decomposition.

Generally speaking, it is not viruses but vaccines which benefit imperialist bloc

military ambitions.<sup>5</sup> The bourgeoisie has learnt the lessons of the Spanish flu of 1918 in this respect. Uncontrolled infections are a massive liability to the military as the demobilisation of several US aircraft carriers and a French aircraft carrier by Covid-19 has shown. By contrast, keeping deadly pathogens under strict control has always been a condition for every imperialist power’s bio-warfare capability.

This is not to say that the imperialist powers haven’t used the health crisis to further advance their interests at the expense of their rivals. But these efforts have on the whole revealed that the vacuum of world imperialist leadership left by the United States is increasing, without any other power, including China, being able to assume this role or capable of creating an alternative pole of attraction. The chaos at the level of imperialist conflicts has been confirmed by the Covid catastrophe.

The mass quarantine by the imperialist states today is certainly accompanied by the greater presence of the military in daily life and the use of war-like exhortations by the states. But this demobilisation of the population is to a considerable extent motivated by the state’s fear of the threat of social disorder in a period when the working class, while quiescent, remains undefeated.

The fundamental tendency to self-destruction that is the common feature of all periods of capitalist decadence has changed its dominant form in the period of decomposition from world war to a world chaos that only increases the threat of capitalism to society and humanity in its entirety.

## The pandemic and the state

The loss of control by the bourgeoisie that has characterised the pandemic is mediated through the instrument of the state. What does this calamity reveal about state capitalism in the decomposition period?

We will recall, in order to help understand this question, the observation of the ICC pamphlet *The Decadence of Capitalism* on the “overturning of the superstructures” that the growth of the role of the state in society is a feature of the decadence of all modes of production. The development of state capitalism is the extreme expression of this general historical phenomenon.

4. *International Review* n° 107, 1990, “Decomposition: the final phase of capitalist decadence”.

5. The antibiotic properties of penicillin were discovered in 1928. During the second world war the drug was mass produced by the US, and 2.3 million doses were prepared for the D-Day landings of June 1944.

As the GCF<sup>6</sup> pointed out in 1952 state capitalism is not a solution to the contradictions of capitalism, even if it can delay their effects, but is an expression of them. The capacity of the state to hold a decaying society together, however invasive it becomes, is therefore destined to weaken over time and in the end become an aggravating factor of the very contradictions it is trying to contain. The decomposition of capitalism is the period in which a growing loss of control by the ruling class and its state becomes the dominant trend of social evolution, which Covid reveals so dramatically.

However, it would be wrong to imagine this loss of control develops in a uniform way at all levels of the state's actions, or that it hits all nations equally or is merely a short-term phenomenon.

### At the international level

With the collapse of the Eastern bloc and the consequent redundancy of the Western bloc, military structures like NATO have tended to lose their cohesion as the experience of the Balkan and Gulf wars have shown. The dislocation at the military and strategic level has inevitably been accompanied by the loss of power - at different speeds - of all the inter-state agencies that were set up under the aegis of US imperialism after the 2nd World War, such as the World Health Organisation and UNESCO at the social level, the EU (in its former guise), the World Bank, the IMF, the World Trade Organisation at the economic level. These agencies were designed to maintain the stability and the "soft power" of the Western bloc under the leadership of the US.

The process of dissolution and weakening of these inter-state organisations has particularly intensified with the election of US president Trump in 2016.

The relative impotence of the WHO during the pandemic is eloquent in this regard and is connected to each state playing its own game chaotically with the deadly results we know. The "war of the masks" and now the coming war of the vaccines, the proposed withdrawal from the WHO by the US, the attempt of China to manipulate this institution for its own benefit, hardly needs comment.

The impotence of the inter-state bodies and the resulting every-man-for-himself among the competing nation states has helped turn the pathogenic threat into a global disaster.

However, at the level of the world economy - despite the acceleration of the

trade war and tendencies to regionalisation - the bourgeoisies have still been able to coordinate essential measures, like the action of the Federal Reserve Bank to preserve dollar liquidity throughout the world in March at the beginning of the economic shutdown. Germany, after an initial reluctance, decided to try and coordinate with France an economic rescue package for the European Union as a whole.

Nevertheless, if the international bourgeoisie is still able to prevent a complete meltdown of important parts of the world economy it hasn't been able to avoid the enormous long-term damage done to economic growth and world trade by the shutdown necessitated by the delayed and dislocated response to Covid-19. In comparison with the response of the G7 to the 2008 financial crash, the present situation shows the long term wearing out of the ability of the bourgeoisie to coordinate actions to slow down the economic crisis.

Of course, the tendency towards "every man for himself" has always been a feature of the competitive nature of capitalism and its division into nation states. But today it is the absence of imperialist bloc discipline and perspective which has stimulated the resurgence of this tendency in a period of economic impasse and decline. Whereas before a certain amount of international cooperation was maintained, Covid-19 reveals its increasing absence.

### At the national level

In the "Theses on Decomposition" in point 10 we noted that the disappearance of the perspective of world war exacerbates rivalries between cliques within each nation state as well as between the states themselves. The dislocation and unpreparedness concerning Covid-19 at the international level has been replicated to a greater or lesser degree in each nation state, particularly at the executive level:

*"A major characteristic of the decomposition of capitalist society we should emphasise is the growing difficulty of controlling the evolution of the political situation."*<sup>7</sup>

This was a prime factor in the collapse of the Eastern bloc aggravated by the aberrant nature of the Stalinist regime (a single party state that defined the ruling class itself). But the underlying causes of the conflicts in the "executive committee" of the whole bourgeoisie - chronic economic crisis, loss of strategic perspective and foreign policy fiascos, disaffection of the population - is now hitting the advanced capitalisms, which is nowhere more clearly shown in the current crisis than in major countries

where populist or populist-influenced governments, especially those led by Donald Trump and Boris Johnson have come to power. The conflicts in these major states inevitably reverberate in the other states which have, for the moment, followed a more rational policy.

Before these two countries were a symbol of the relative stability and cogency of world capitalism; the woeful performance of their bourgeoisies today shows they have instead become beacons of irrationality and disorder.

Both the US administration and the British government have, guided by nationalist bluster, willfully ignored and delayed their responses to the Covid calamity and even encouraged a lack of respect for the danger by the population; they have undermined the advice of the scientific authorities and are now opening up the economy while the virus is still raging. Both governments scrapped pandemic task forces on the eve of the Covid crisis.

Both governments, in different ways, are deliberately vandalising the established procedures of the democratic state and creating discord among the different state departments such as Trump's abrogation of military protocol in his response to the Black Lives Matter protests and fraudulent manipulations of the judiciary, or Johnson's current disruption of the civil service bureaucracy.

It's true that, in a period of every-man-for-himself, each nation state has inevitably followed its own path. However, those states which have displayed more intelligence than others are also facing growing divisions and loss of control.

Populism is proving the idea of the Theses on Decomposition that senile capitalism is returning to a "second childhood". Populism's ideology pretends that the system can return to a youthful period of capitalist dynamism and less bureaucracy simply through demagogic phrases and disruptive initiatives. But in reality decadent capitalism in its phase of decomposition is exhausting all palliatives.

While populism appeals to the xenophobic and petit bourgeois illusions of a disaffected population that is disoriented temporarily by the absence of a proletarian resurgence, it is clear from the current health crisis that populism's programme - or anti-programme - has developed within the bourgeoisie and the state itself.

It is not accidental that the US and UK, of the more developed countries, have seen the greatest casualty rates for the pandemic.

6. Gauche Communiste de France - precursor of the ICC.

7. *International Review* n° 107, 1990, "Decomposition: the final phase of capitalist decadence", Point 9.

However, it should be remembered that the economic agencies of the state in the majority of developed countries have by contrast remained stable and taken rapid emergency measures to prevent their economies going into free fall and delayed the effect of mass unemployment on the population.

Indeed, as a result of the actions of the central banks we are seeing the state strongly increase its role in the economy. For example:

*“Morgan Stanley [the investment bank] notes that the central banks of the G4 countries - US, Japan, Europe and the UK - will collectively expand their balance sheets by 28% of gross domestic production over this cycle. The equivalent number during the 2008 financial crisis was 7%.”*<sup>8</sup>

The perspective for the development of state capitalism however, at root, is a sign that the state's capacity for containing the crisis and the decomposition of capitalism is waning.

The increasing weight of the intervention of the state into every aspect of social life as a whole is not a solution to the growing decomposition of the latter.

It should not be forgotten that there is a strong resistance within these states to the vandalism of populism by the traditional liberal parties or important sections of them. In these countries this sector of the state bourgeoisie forms a vocal opposition, particularly through the media, which, as well as ridiculing populist buffoonery, can hold out the hope to the population of a return to democratic order and rationality, even if there is no real capacity now to close the populist Pandora's box.

And we can be sure that the bourgeoisie in these countries has by no means forgotten the proletariat, and will be able to deploy all its dedicated agencies when the time comes.

### **The “boomerang” effect experienced in the period of decomposition**

The “Report on Decomposition” of 2017 highlights the fact that in the first decades after the emergence of the economic crisis at the end of the 60s, the richest countries pushed the effects of the crisis onto the peripheries of system, while in the period of decomposition, the tendency tends to reverse or rebound on the heartlands of capitalism - such as the spread of terrorism, mass influx of refugees and migrants, mass unemployment, destruction of the environment and now deadly epidemics to Europe

and America. The current situation where the strongest capitalist country in the world has suffered the most from the pandemic is a confirmation of this tendency.

The Report also remarked in a prescient way that:

*“...we considered that [decomposition] had no real impact on the evolution of the crisis of capitalism. If the current rise of populism were to lead to the coming to power of this current in some of the main European countries, such an impact of decomposition will develop.”*

One of the most significant aspects of the current calamity is that decomposition has indeed rebounded on the economy in a devastating way. And this experience has not diminished the taste of populism for further economic mayhem, as shown by the continuing economic war of the US against China, or the determination of the British government to pursue the suicidal and destructive course of Brexit.

The decomposition of the superstructure is taking its “revenge” on the economic foundations of capitalism that gave rise to it.

*“When the economy trembles, the whole superstructure that relies on it enters into crisis and decomposition... Beginning as consequences of a system they then most often become accelerating factors in the process of decline”*<sup>9</sup>

16.7.20

8. *Financial Times* 27 June 2020.

9. ICC pamphlet: *Decadence of Capitalism*, Chapter one.



# All pandemics of the past were the product of decadent societies and Covid-19 is no exception

In her 2017 work *Pale Rider* (*La Grande Tueuse* in French), the science journalist Laura Spinney shows how the international context and functioning of society in 1918 decisively contributed to the outcome of what was called the "Spanish Flu": "*Basically, what Spanish Flu teaches us is that another influenza pandemic is inevitable but its net result - whether it is 10 million victims or a 100 million victims - only depends upon the world in which it is produced*".<sup>1</sup> As the planet has confronted Covid-19 for many months, this lesson leads us to ask what this pandemic teaches us about the world in which we are living.

The link between the development of an infection on one hand, and the organisation and state of society on the other, doesn't only concern the Spanish Flu outbreak of 1918-20. Marxism has already effectively discovered that, in general, the mode of production of any time conditions all social organisation and, by extension, everything regarding the individuals of that society.

## From the plague of the Roman Empire to Covid-19

In the period of the decline of the Western Roman Empire, conditions of life and the expansionist policy of the Empire allowed the bacilli (a class of bacteria) of the plague to spread like wildfire, bringing about a hecatomb among the population: "...*public baths became Petri dishes: sewage stagnated and decomposed under towns and villages; granaries of corn were a blessing for rats; the commercial routes that linked the Empire facilitated the propagation of epidemics from the Caspian Sea to Hadrian's Wall with an efficacy unknown until then*".<sup>2</sup>

The Black Death, which hit Fourteenth Century Europe, found its conditions for expansion both in the development of commerce with Asia, Russia and the Middle East and also in the development of war, particularly linked to the Islamification of the Asiatic regions.

These two pandemic episodes figured hugely in the decline of slave and medieval societies by wiping-out important parts of society and greatly disorganising it. It's not the sickness in itself which engenders the fall of a system of production but, above everything, the decadence of these systems

which have favoured the expansion of infectious agents. The Justinian Plague and the Black Death contributed to, and doubtless strongly accelerated, the destructive forces already well under way.

Since the beginnings of capitalism, sicknesses have been a permanent fetter on the good functioning of production by hampering the labour power which is indispensable to the creation of value. It has also hobbled imperialist undertakings by weakening the soldiers mobilised on the battlefield.

When the Spanish Flu virus began to infect the human species, the world of capitalism needed, more than ever, a human workforce at the highest levels of capacity. However, this need was linked to the conditions that themselves were the soil of a pandemic which killed between 50 and 100 million human beings; between 2.5 and 5% of the world population. The world of the Spanish Flu was a world at war. Beginning four years earlier and on the point of winding up, the First World War had already fashioned a new world, that of capitalist decadence, endless economic crises and constantly growing imperialist tensions.

But the war wasn't finished. Troops remained massed on the front as at the rear, creating the conditions favourable to the contagion. The transportation of soldiers from America to Europe in particular was made by boat in deplorable conditions: the virus spread greatly here and of course, when they disembarked they carried the virus with them and contaminated the local populations. With the war finished, the demobilisation and the return home of the soldiers constituted a powerful vector of the development of the epidemic, and much more so as the troops had been weakened, malnourished and with the least medical care during four years of war. When one

talks of the Spanish Flu one necessarily thinks of the war, but the latter was not the sole factor explaining the expansion of the sickness; far from it. The world of 1918 was a world where capitalism had already imposed its mode of production throughout; where its interests pushed it outwards and where it had put in place conditions of terrible exploitation. It was a world where workers were regrouped, heaped together close to factories in areas that were filthy and lacking proper food, with sanitary services largely non-existent. If workers became sick they were sent back home to their village where they ended up contaminating the majority of the inhabitants. It was a world of miners confined all day underground hacking rock in order to extract coal, gold or other minerals which often produced chemicals that destroyed their organs and weakened their immune systems; at night workers and their families slept in extremely cramped conditions. It was also the world of the war effort, where sickness didn't prevent the workers from going to work and thus contaminating fellow workers.

More generally, the world of Spanish Flu was also a world where knowledge of the origins of sicknesses and the vectors of contagion were largely unknown. The theory of germs, which put forward the concept of infectious agents external to the organism suffering the sickness, had hardly been born. If some microbes had begun to be observed, the existence of a virus was only posed as a hypothesis by some exceptional scientists: twenty times smaller than a bacterium, a virus wasn't observable by the optical microscopes of the time. Medicine then was still undeveloped and inaccessible to the great majority of the population. Traditional remedies and all types of beliefs largely dominated the fight against the unknown malady which was often terrifying and overwhelming.

The breadth of the human disaster brought on by the Spanish Flu pandemic should have made it the last great health catastrophe of humanity. The lessons that could be drawn from it, the subsequent research on infections, the unequalled development of technology since the beginnings of capitalism, could lead one to think that humanity would be able to win the battle against disease.

2. Laura Spinney, *Pale Rider: The Spanish Flu of 1918 and how it changed the world*. Jonathan Cape, 2017

2. Kyle Harper, *The fate of Rome*. Princeton, 2019



Quarantine camp in Australia during the Spanish Flu

### Health policies of the state are at the service of capitalist exploitation

The ruling class has understood the dangers that health issues represent for its system. Within this understanding there is no human or progressive dimension but only a will to do what it can so that the workforce is affected as little as possible, so that it remains as productive and profitable as possible. This concern of the bourgeoisie already appeared in capitalism's ascendancy after the cholera pandemic in Europe in the years 1803 and 1840. The development of capitalism was accompanied by an intensification of international exchanges and, at the same time, the comprehension that pathogens didn't stop at capitalist frontiers.<sup>3</sup> The bourgeoisie thus began to put in place a multilateral health policy with the first international conventions from 1850, and above all the creation of the International Office of Public Hygiene (IOPH) in 1907. At the time the aim of the bourgeoisie was crystal clear: these measures were essentially centred on the safeguarding of the industrial countries along with the protection of their indispensable commerce and economic growth. The IOPH was composed of only 13 members. After the war, the League of Nations created a committee of hygiene whose vocation was already more international (its actions concerned around 70% of the planet) with its programme openly aiming to ensure that all the cogs of the capitalist machine functioned optimally with the promotion of health policies. After the Second World War a more systematic approach to health appeared with the creation of the World Health Organisation (WHO) and, above

all, with a programme for the amelioration of health standards aiming not only at member states but the whole world population. Provided with the necessary means the WHO organised and financed its operations around many illnesses with a strong accent placed on prevention and research.

Here again, one shouldn't look for a sudden outbreak of humanitarianism from the dominant class. But in the world of the Cold War, health measures were seen as a means of ensuring, right from the end of the 1939-45 war, the possibility of getting the most productive and numerous workforce up and running, particularly during the period of reconstruction and subsequently to conserve a presence in and a domination over the developing countries and their populations: prevention was seen as a less costly solution than looking after people in hospital.

At the same time research and medicines were being developed, allowing a better understanding of infectious agents, how they functioned and the means to combat them, particularly with antibiotics which produced a cure for a growing number of illnesses of bacteriological origin, along with the development of vaccines. This to such a point that in the 1970's, the bourgeoisie had begun to think that the battle was won and that numerous infectious illnesses belonged to a distant past: the development of vaccination and notably that of children, the access to a better health system led to infant sicknesses like measles and mumps becoming rare; smallpox was virtually eradicated, as was poliomyelitis over most of the globe.<sup>4</sup> Capital could perhaps now rely on a work force that was invulnerable, readily available and fully exploitable.

### AIDS, SARS, Ebola... indications of a retreat in capitalist mastery of the laws of nature

The anarchic development of capitalism in its decadent phase beginning at the opening of the Twentieth Century generated a strong demographic transition, an accrued destruction of the environment (notably de-forestation), an intensification of displaced persons, an uncontrolled urbanisation, political instabilities and climatic changes which are also factors favouring the emergence and diffusion of infectious sicknesses.<sup>5</sup> Thus at the end of the 1970's there appeared a new virus among the human species whose pandemic origins are still with us today: AIDS. The hopes of the bourgeoisie were extinguished as soon as they were lit, because, at the same time, the capitalist system entered into the ultimate phase of its existence, that of its decomposition. It is not in the remit of this article to develop on the origins and consequences of the decomposition of capitalism but we can note that the most striking manifestations of this decomposition very rapidly affected health issues: each for themselves, short-term vision and a progressive loss of control by the bourgeoisie over its system, and all this in the context of a still-more profound economic crisis that is becoming more and more difficult for the ruling class to fight against.

Today the Covid-19 pandemic is an exemplary manifestation of capitalist decomposition. It is the result of the growing incapacity of the ruling class to manage a question that it itself raised in principle with the creation of the WHO in 1947: to get populations to the highest levels of health possible. One hundred years after the Spanish Flu, scientific knowledge about diseases, their origins, their infectious agents and viruses have developed to an absolutely incomparable level. Today, the genetic code allows the identification of viruses, the following of their mutations and the development of more efficient vaccines. Medicine has made immense progress and has imposed itself more and more over traditions and religion. It has also taken a very important preventative dimension.

However, it's the impotence of states and panic in front of the unknown which has dominated proceedings faced with the Covid-19 pandemic. Whereas a century ago humanity reached out to progressively master the laws of nature, we now find ourselves in a situation where this is less and less the case.

Covid-19 is in fact far from a bolt appearing out of a clear blue sky: we've had HIV

3. "A new Twenty-first century science for effective epidemics response", *Nature*, Anniversary Collection no. 150, vol. 575, November 2019, p. 131.

4. *Ibid*, page 130.

5. *Ibid*.



of course, which pointed to new pandemics still to come. But since then there have also been SARS, MERS (Middle-East Respiratory Syndrome), Swine Flu, Zika, Ebola, Chikungunya (like Zika spread by mosquitoes), BSE, etc. Some maladies which have disappeared or almost disappeared, such as tuberculosis, measles, rubella, scurvy, syphilis or scabies are, along with poliomyelitis, making a comeback. All these warnings should have led to research and preventative actions; this was not at all the case. Not through negligence or miscalculation, but because with decomposition capitalism is necessarily more and more a prisoner of a short-term vision which leads it to progressively lose its mastery over its tools of regulation which, up to now, have allowed it to limit the damage caused by its frenzied competition in which all the actors of the capitalist world are engaged.

In the 1980's, the first criticisms appeared from member states of the WHO based upon its overly expensive prevention strategy, particularly when there was no direct benefit to their own national capitals. Vaccinations began to lessen. Medicine became more difficult to access as a result of cuts in public health systems. And this backward step gave way to parallel, "alternative medicines" feeding off the irrational climate favoured by decomposition. Thus, a hundred years on from the time when they didn't even know that the sickness was down to a virus, the "remedies" recommended against today's virus (SARS Cov2) are the same as those deployed against the Spanish Flu (rest, nourishment, hydration).

Science globally lost its credibility and with it, credits and subsidies. Research on viruses, infections and the means to fight them had almost ground to a halt everywhere due to a lack of funding. Not that it's so costly, but in relation to its immediate profitability, the cost is necessarily judged to be too high. The WHO abandoned its operations around tuberculosis and was summoned by the United States, under the threat of halting its financial contribution (the WHO's most important, 25% of it), and told to focus on illnesses that the US regarded as a priority.

The needs of science, which still tends to work in the long term, are not compatible with the constraints imposed on a system in crisis, driven by the pressing need for a direct profitability from all investments. For example, when the Zika virus was recognised world-wide as a pathogenic agent causing a fall in the birth rate, there followed almost no research, nor any vaccine in an advanced stage of development. Two-and-a-half years later, clinical trials were postponed. The absence of a profit-



Hospital in Kansas in 1919 during the Spanish Flu

able market between two epidemics did not leads states or pharmaceutical enterprises to invest in this type of research.<sup>6</sup>

### Cutting-back the policy of prevention reflects a society without a future

Today the WHO is almost reduced to silence and research on illnesses is in the hands of the World Bank which demands a profit-based approach (via the implementation of its DALY indicator which is based on a cost ratio/benefit in number of years of life lost).

Thus, when a specialist in the coronavirus, Bruno Canard, evokes "*a long-term work which should have been started in 2003 with the arrival of the first SARS*" and when a fellow virologist, Johan Neyts, states his regrets that "*for 150 million euros, we could have had in ten years a broad-spectrum antiviral against coronavirus that could have been given to the Chinese in January. This done, we wouldn't be where we are today*",<sup>7</sup> they put themselves against the actual dynamic of capitalism.

We are seeing the demonstration of what Marx had already written in 1859 in the *Contribution to the critique of the political economy*: "*At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production (...) From forms of development of the productive forces these relations turn into their fetters*".

6. Ibid. page 134.

7. "Covid-19 on the track of future treatments", *Le Monde* (October 6, 2020).

Whereas humanity possesses the scientific and technological means to combat diseases as never before, the maintenance of capitalist society constitutes a fetter on the realisation of these means.

Thus in 2020, humanity, which is capable of understanding living organisms in all their forms and knows how to describe their functioning, finds itself forced to take up the "remedies" of the past where obscurantism still reigned. The bourgeoisie close their borders in order to protect themselves from the virus, just as they did in the Eighteenth Century when a wall was built in order to isolate Provence from the plague. Sick or suspected cases are isolated, ports are closed to foreign boats, as at the time of the Black Death. Populations are confined, public places closed, meeting-up and activities forbidden, curfews are decreed, just as in the big towns of the United States at the time of the Spanish Flu.

Nothing effective has been devised since and the return to these violent, archaic and outmoded methods shows the impotence of the dominant class faced with the pandemic. Competition, the basis of capitalism, doesn't disappear faced with the gravity of the situation: each national capital must outdo the other or die. So, at the time when deaths were accumulating and hospitals faced not being able to take a single patient more, all states still tried to confine everyone, some later than the others. Some weeks later, there was a rush to lift lock-downs and put back in place the economic machine for the conquest of competing markets. These actions showed nothing but contempt for human health

and were taken despite the warnings of the scientific community of the still-lively and mutating SARS-Cov2 virus. The ruling class is incapable of going beyond the dog-eat-dog principle which reigns over all levels of society. It simply cannot achieve, just as with the question of global warming for example, the elaboration of a common strategy in the fight against the virus.

The Justinian Plague precipitated the fall of the Roman Empire and its system of slavery; the Black Death precipitated the end of the feudal system. These pandemics were products of these decadent systems in which “the material forces of society (come) into contradiction with the existing relations of production” and were, at the same time, accelerating factors in their fall. The Covid-19 pandemic is also the fruit of a decadent and decomposing world order; it will also be an accelerator of its demise.

Should we be happy to see the fall of capitalism accelerated by the pandemic? Could communism advance as capitalism did on the wreckage of feudalism? Comparisons with pandemics of the past end there. In the world of slavery and the feudal world, the bases of an organisation adapted to the level of development reached by the productive forces were already present within the old society. The methods of production in place, having already reached their limits, left a space for a new dominant class already capable of bearing new, more adequate relations of production. At the end of the Middle Ages, capitalism had thus already taken up an important part in social production.

Capitalism is the last class society in history. Having put under its control the quasi-totality of human production, it could leave no place to another organisation before its disappearance and no other class society could replace it. The revolutionary class, the proletariat must first of all destroy the present system before posing the basis of a new era. If a series of pandemics, or other catastrophes, precipitate the fall of capitalism without the proletariat being able to react and impose its own force, then the whole of humanity will be dragged down with its demise.

The stakes of the period really lie in the capacity of the working class to resist capitalist disorganisation and inefficiency and from there to progressively understand the reasons for it and take up its historic responsibility. That’s how the quote above from Marx ends:

*“At a certain stage of its development, the productive material forces of society come into contradiction with the existing relations of production (...) From forms of*

*development that they were, these relations become fetters. Thus opens up an epoch of social revolution.”*

GD (October, 2020)



## Report on the economic crisis

# The irruption of decomposition on the economic terrain

## Introduction

The global economic crisis is now worsening sharply. Concretely, and without a doubt, the working class everywhere in the world will suffer the explosion of unemployment, exploitation, precariousness and poverty.

With this new step, capitalism is going further down the road of its decadence, which forces revolutionary organisations to clarify the following questions:

- 1) What is the historical significance of this developing crisis, the most serious of decadence, including the one that began in 1929?
- 2) What are the implications of the fact that the effects of the decomposition of society will have a very important weight on the evolution of this new phase of the open crisis?

At the same time, we must beware of an immediatist and economistic vision of the crisis, as the report presented argues: to avoid any hazardous prognoses, having in mind past overestimations on our part concerning the rhythm of the crisis and a certain catastrophist vision with the idea that the bourgeoisie was at an impasse. In addition to a lack of mastery of Rosa Luxemburg's theory, we underestimated the capacity of state capitalism to act faced with the manifestations of the open crisis, to accompanying its deepening historical crisis and thus allow this system to survive. Its weapons: permanent intervention in the economic field, manipulation and cheating of the law of value... In doing so, the bourgeoisie has maintained the illusion within the proletariat that capitalism is not a bankrupt system, its convulsions being only transient, the product of cyclical crises necessarily followed by a period of intensive general development.

In the 18th and 19th centuries, the great capitalist nations were in a frantic race to conquer new markets and territories. But around 1900, they encountered a small problem: the earth was round and not that big. Thus, even before a global economic crisis erupted, imperialist tensions reached their climax, world war broke out and capitalism entered into decadence.

The war of 1914-18 was the manifestation of the most extreme barbarism, the consequence of the fact that "*At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production (...)* From forms of development of the

*productive forces these relations turn into their fetters.*"<sup>1</sup>

It was only at the end of the 1920s that the various national bourgeoisies were to be confronted for the first time with the directly "economic" manifestation of this entry into decline: the crisis of generalised and historical overproduction. Let us quote Marx again:

*"The more capitalist production develops, the more it is forced to produce on a scale which has nothing to do with the immediate demand but depends on a constant expansion of the world market (...) [Because] the commodity has to be converted into money. The demand of the workers does not suffice, since profit arises precisely from the fact that the demand of the workers is smaller than the value of their product. The demand of the capitalists among themselves is equally insufficient."*<sup>2</sup> *"If it is finally said that the capitalists have only to exchange and consume their commodities among themselves, then the entire nature of the capitalist mode of production is lost sight of; and also forgotten is the fact that it is a matter of expanding the value of the capital, not consuming it."*<sup>3</sup>

In other words, the crisis of generalised overproduction which appeared in broad daylight in 1929 is not linked to a kind of dysfunction that the bourgeoisie can regulate or overcome. No, it is the consequence of a fundamental and insurmountable

contradiction inscribed in the very nature of capitalism.

The national bourgeoisies drew lessons from the catastrophic crisis of 1929: the need to develop state capitalism and establish international organisations in order to manage the crisis so as not to reproduce the error of protectionist policies.

At the end of the Second World War, the bourgeoisie put into practice the lessons of 1929. The post-war boom sowed the illusion that capitalism had recovered prosperity, momentarily erasing the nightmare of the Great Depression of the 1930s and the horrors of war. But, inevitably, the contradictions inherent in the very nature of capitalism remained, as its historic crisis. This is what the return of the open crisis of 1967-1968 reveals.

Since then, from stimulus plans to deeper recessions, the bourgeoisie has been trapped in a headlong rush into indebtedness, in an attempt to constantly push back to the next day the effects of the historic bankruptcy of its system. World debt has become more and more massive, not only absolutely but also compared to the evolution of world GDP. At the same time as this headlong rush, the central countries changed the organisation of the world economy:

1) During the 1970s, the increase in public spending, the end of the Bretton Woods agreements and the policy of Special Drawing Rights, the opening of credits to weaker countries, all allowed a level of growth to be maintained which gave the illusion that, despite the "oil crisis", capitalism remained dynamic.

2) In the 1980s, following the serious recession at the start of the decade, entire sections of production were moved to areas where labour power was inexpensive, such as in China. For this, it took colossal investments made possible by extensive financial "liberalisation" on a global scale. This is the beginning of "globalisation".

3) In the 1990s, after the fall of the Eastern bloc, international organisations were

1. Preface to the *Critique of Political Economy*, 1859.

2. *Theories of Surplus Value* Part 2, Chapter 16.

3. *Capital* Volume 3, Chapter 15.

reinforced, giving rise to a structure of “international cooperation” at the monetary and financial level, to coordination of economic policies with the establishment of international production chains, stimulation of world trade by the elimination of customs barriers, etc. This framework is obviously established by and for the strongest countries: to conquer new markets, relocate their production, appropriate more profitable companies from weaker countries...

If this “international cooperation” has been able, to a certain extent and for a time, to slow down and mitigate the effects of everyone-for-themselves economics on states, it has been incapable of stemming the underlying tendency inherent in capitalism’s entry, at the same time, into its phase of decomposition.

4) The systematic recourse by all states to massive indebtedness to respond to the lack of outlets was also a risky policy, causing the financial crisis of 2008 which resulted in even more indebtedness. The “global organisation of production” began to be shaken in the decade from 2010; China, after having benefited greatly from the mechanisms of global trade (WTO), began to develop a parallel economic, commercial and imperialist “circuit” (the New Silk Road). In July 2017, Germany passed a decree blocking the sale of strategic national companies to foreign investors. The trade war escalated further with the rise to power of Trump. These phenomena undoubtedly demonstrate that capitalism is increasingly encountering major difficulties in pushing ever further the limits of the capitalist mode of production, as was the case with globalisation.

Today, the bourgeoisie has accumulated immense experience in slowing down the effects of its historic crisis, thus prolonging its agony even further. We must therefore be extremely careful about our forecasts and beware of any catastrophism. In the current worsening global economic crisis, it is above all the major underlying historical trends that we must highlight: From 1929, the bourgeoisie learned to support its declining economy, notably through “international cooperation”. Even in 2008, the famous G20 showed this capacity of the big bourgeoisies to maintain a certain cohesion in order to manage the crisis with the least possible damage. The year 2020 marks the growing difficulty of maintaining this world organisation, the irrationality linked to the decomposition hitting the highest summits of the state. Everyone for themselves, which has come to light with the calamitous management of the pandemic, is its most spectacular expression. This centrifugal force has two roots:

1. The inexorable worsening of the global economic crisis is exacerbating the struggle to the death between all rival nations. Note that, unlike 2008, the most affected are the central countries (Germany, China and especially the United States) and that if the bankruptcy of the banks was then mainly caused by real estate speculation, today it is directly productive enterprises that are in danger.

2. Decomposition, which first and foremost affected the nations in their imperialist relations, is also starting to strike at their capacities for managing the economy. This only follows and worsens the perspective emerging from the resolution on the international situation of our last international congress:

*“The current development of the crisis through the increasing disruptions it causes in the organisation of production into a vast multilateral construction at the international level, unified by common rules, shows the limits of ‘globalisation’. The ever-increasing need for unity (which has never meant anything other than the imposition of the law of the strongest on the weakest) due to the “trans-national” intertwining of highly segmented production country by country (in units fundamentally divided by competition where any product is designed here, assembled there with the help of elements produced elsewhere) comes up against the national nature of each capital, against the very limits of capitalism, which is irremediably divided into competing and rival nations. This is the maximum degree of unity that it is impossible for the bourgeois world to overcome. The deepening crisis (as well as the demands of imperialist rivalry) is putting multilateral institutions and mechanisms to a severe test.”<sup>4</sup>*

What we see is that, in response to the pandemic, a very significant advance in measures of “national relocation” of production has begun to develop, the preservation of key sectors in each national capital, development of barriers to the international circulation of goods and people, etc., which can only have very severe consequences for the evolution of the world economy and the overall capacity of the bourgeoisie to respond to the crisis. National decline can only worsen the crisis, leading to a fragmentation of production chains that previously had a global dimension, which in return can only wreak havoc on monetary, financial, trade policies... This could go as far as the blockage and even the partial collapse of some national economies.

It is too early to measure the consequences of this relative paralysis of the

4. *International Review* n° 164, “Resolution on the International Situation”, Point 20.

economic apparatus. Most serious and most significant, however, is that this paralysis is taking place internationally.

The current acceleration of the global economic crisis is part of the general evolution of the decadence of capitalism. Beyond the visible phenomena linked to the current “open crisis”, what matters to us is to better understand the reinforcement of the deep contradictions of capitalism and therefore the worsening of its historical crisis.

# Report on the economic crisis

With regard to the economic crisis, there are central aspects that we can clearly point out:

- The crisis that is already looming will be, in its historical scope, the most serious of the period of decadence, surpassing in this respect the one that began in 1929.
- What is new in the history of capitalism is that the effects of decomposition will have a very important weight on the economy and the evolution of the new open phase of the crisis.

However, beyond the validity of these general forecasts, the unprecedented situation that has opened up will be more than ever dominated by strong uncertainty. More precisely, at the current stage reached by the historical crisis of overproduction, the irruption of decomposition on the economic terrain profoundly disrupts the mechanisms of state capitalism intended to accompany and limit the impact of the crisis. However, it would be false and dangerous to draw the conclusion that the bourgeoisie will not use its political capacities to the maximum to respond, to the best of its abilities, in the face of the global economic crisis that is beginning to unfold. The irruption of the weight of decomposition means moreover that there is a factor of instability and fragility in economic functioning that makes it particularly difficult to analyse the evolution of the situation.

In the past, we have too often fixed our eyes only on those aspects of the situation that were pushing the economic crisis of capital towards its inexorable worsening, forgetting to take sufficient account of all the factors that tended to slow down its development. However, in order to be faithful to the marxist method of analysis, we have to identify, not only the historically important trends from the perspectives that are opening up, but also the counter-tendencies that the bourgeoisie will activate. It is therefore our duty to identify, as clearly as possible, the general lines of the future evolution, without falling into risky and uncertain forecasts. We must arm ourselves to face the situation, ensuring that we develop and implement our capacity for rapid reflection and response to events of very great importance, which are sure to develop. Our method must be inspired by the approach already recalled in our debates:

*“Marxism can only trace with certainty the general historical lines and trends. The task of revolutionary organisations must obviously be to identify perspectives for their intervention in the class, but these perspectives cannot be ‘predictions’ based on deterministic mathematical models (and even less so by taking at face value the predictions of the ‘experts’ of the bourgeoisie, whether in the sense of a false ‘optimism’ or an equally mystifying ‘alarmism’).”*<sup>1</sup>

## The seriousness of the crisis

The crisis of 2008 was a very important moment for capitalism. The recovery (2013-2018) has been very weak, the weakest since 1967. It was described by the bourgeoisie as a “soft” recovery. In the decade 2010-2020, before the Covid 19 crisis, the *Cycle Business Bourse* site assessed world growth at slightly less than 3% on an annual average. The economic crisis that came to light with the pandemic had already seen its first clear expressions, especially from 2018. We anticipated this in the report and Resolution on the international situation at the 23rd ICC Congress (2019):

*“On the economic level, since the beginning of 2018, the situation of capitalism has been marked by a sharp slowdown in world growth (from 4% in 2017 to 3.3% in 2019), which the bourgeoisie predicts will be worsening in 2019-20. This slowdown proved to be greater than expected in 2018, as the IMF had to reduce its forecasts for the next two years and is affecting virtually all parts of capitalism simultaneously: China, the United States and the Euro Zone. In 2019, 70% of the world economy has been slowing down, particularly in the ‘advanced’ countries (Germany, United Kingdom). Some of the emerging countries are already in recession (Brazil, Argentina, Turkey) while China, which has been slowing down since 2017 and is expected to grow by 6.2% in 2019, is experiencing its lowest growth figures in 30 years.”*<sup>2</sup>

It is in this context of slowing growth that the pandemic has become a powerful accelerator of the crisis, bringing to the fore three factors:

- The degree to which public health systems, one of the key elements of state capitalism since 1945, have been undermined. This process of weakening of the health system is linked to the economic crisis and has accelerated considerably with the 2008 crisis. In the vast majority of states the health systems have been unable to cope with the pandemic, which has forced containment measures leading to a brutal economic shutdown never experienced in peacetime. For capitalism, ready to sacrifice the lives of millions of people in imperialist wars, the dilemma was not whether to save lives or maintain production, but how to simultaneously maintain production, economic competitiveness and imperialist rank, since the full blossoming of the pandemic could only seriously damage production and the commercial and imperialist position of each power.
- The growing degree of loss of any sense of responsibility and the negligence of a majority of bourgeois fractions in all countries and especially in the central countries, a factor linked to the decomposition of society.
- The brutal irruption of everyone for themselves on the economic level, a factor also linked to decomposition but having very important consequences on the economic level.

The most important manifestation of the gravity of the crisis is that, unlike 2008, the most central countries (Germany, China and especially the United States) are the most affected; even if they deploy all the means to cushion the crisis, the shock wave they provoke will strongly destabilise the world economy.

The brutal fall in oil prices has hit the USA hard. Before the outbreak of the pandemic crisis, there was a “price war” over oil. As a result, oil prices became negative, perhaps for the first time in history:

*“Even the most optimistic energy analysts are predicting the collapse of hundreds of oil companies in the United States. Some have accumulated billions of dollars in debt, much of it high risk. ‘The first hotbed of risk in corporate debt is energy,’ says Capital Economics, although Macadam*

1. From an internal discussion document.

2. *International Review* n° 164, “Resolution on the International Situation”, Point 16.



says it is not a systemic risk. But a chain of defaults in the oil sector would increase the risk of a financial crisis. And if one of the world's most indebted oil giants - Shell, for example, has a debt of US\$77 billion, one of the highest in the world - were to run into trouble, the repercussions would be devastating.”<sup>3</sup>

These negative prices are a perfect illustration of the level of irrationality of capital. Overproduction of oil and rampant speculation in this sector has led to the owners of oil companies paying to get rid of oil that can no longer be stored due to lack of space.

While in 2008 the failure of the banks was mainly driven by property speculation, today it is directly productive companies that put them at risk:

*“The four largest American lenders, JP Morgan, Bank of America, Citigroup and Wells Fargo, have each invested more than \$10 billion in the oil fracking sector in 2019 alone, according to Statista. And now these oil companies are at serious risk of becoming insolvent, leaving banks with paperwork on their balance sheets (...) According to Moody's, 91% of US corporate bankruptcies in the last quarter of last year occurred in the oil and gas sector. Data provided by Energy Economics and Financial Analysis indicates that last year, oil fracking companies were unable to pay \$26 billion in debt.”<sup>4</sup> With the pandemic, the situation is seriously worsening: “Rystad Energy Consulting estimates that even if \$20 a barrel were to be recovered, 533 US oil companies could become insolvent by 2021. But if prices remain at \$10, there could be more than 1,100 bankruptcies, with virtually all the companies being affected.”<sup>5</sup>*

### The crisis of the “multilateral” phase of state capitalism

Capitalism - through state capitalism - is making an enormous effort to protect the vital centres of the system and avoid a brutal fall, as the report on the crisis of the 23rd Congress says: “By relying on the levers of state capitalism and drawing the lessons of 1929, capitalism is able to preserve its vital centres (especially the USA and Germany), to follow the evolution of the crisis, to lessen its effects by pushing them back to the weakest countries, to slow down its rhythm by prolonging them in time.”

State capitalism has gone through dif-

ferent phases that we have begun to deal with, notably in a day of study in 2019. Since 1945, the needs of the blocs have imposed a certain coordination of the state management of the economy at the international level, especially in the US bloc, with the creation of international bodies for “cooperation” (OECD, IMF, early EU) and trade organisations (GATT).

In the 1980s, capital in the central countries, overwhelmed by the rise of the crisis and suffering from a sharp fall in profits, tried to move whole sections of production to countries with low-cost labour power such as China. To this end, it required a very strong financial “liberalisation” on a global scale to mobilise capital to make the necessary investments. In the 1990s, after the fall of the Eastern bloc, international organisations were strengthened, giving rise to a structure of “international cooperation” at the monetary and financial levels, for the coordination of economic policies, establishment of international production chains, stimulation of world trade by the elimination of customs barriers, etc. This framework was designed to benefit the strongest countries: they could conquer new markets, relocate their production, and take over the most profitable companies in the weaker countries. The latter were forced to change their own state policy. From now on, the defence of the national interest was not done through the customs protection of key industries but through the development of infrastructure, training the workforce, international expansion of its key companies, capture of international investments, etc.

There was “a vast reorganisation of capitalist production on a global scale between 1990 and 2008 (...) Following the EU's reference model of eliminating customs barriers between member states, the integration of many branches of world production has been strengthened by developing veritable chains of production on a global scale. By combining logistics, information technology and telecommunications, allowing economies of scale, the increased exploitation of the proletariat's labour power (through increased productivity, international competition, free movement of labour to impose lower wages), the submission of production to the financial logic of maximum profitability, world trade has continued to increase, even if less so, stimulating the world economy, providing a “second wind” that has extended the existence of the capitalist system.”<sup>6</sup>

This “international cooperation” was a very risky and bold policy to alleviate the crisis and mitigate some of the effects of

decay on the economy by trying to limit the impact of the capitalist contradiction between the social and global nature of production and the private nature of the appropriation of surplus value by competing capitalist nations. Such an evolution of decadent capitalism is explained in our pamphlet on decadence where, criticising the vision according to which decadence is synonymous with a definitive and permanent blockage of the development of the productive forces, it argues:

*“If we defended the hypothesis of the definitive and permanent halt in this development, the deepening of this contradiction could only be demonstrated if the outer bounds of the existing property relations were ‘absolutely’ receding. However, it happens that the characteristic movement of the different periods of decadence in history (including the capitalist system) tends rather in the direction of expanding these frontiers up to their final limits than towards their restriction. Under the aegis of the state and under the pressure of economic and social necessities, the system's carcass swells while casting off everything that proves superfluous to the relations of production, everything not strictly necessary to the system's survival. The system is reinforced but at its last limits.”* This is even truer of capitalism, the most elastic and dynamic mode of production in known history.

As the 23rd Congress Report on the economic crisis and the Resolution on the international situation shows, this “world organisation of production” began to be shaken during the decade from 2010: China, after having profited greatly from the global trade mechanisms (WTO), began to develop a parallel economic, commercial and imperialist mechanism (the New Silk Road); Germany has taken protectionist measures; the trade war has accelerated with the coming to power of Trump... These phenomena clearly express the fact that capitalism increasingly encountered major difficulties in its tendency to enlarge the frontiers cited in our decadence pamphlet.

*“Since the 1960s, this indicator [which measures the proportion of exports and imports in each national economy] has followed an upward trend that has slowed down over the last 18 months. Over this period, it has gone from about 23% to a stabilisation at about 60%, and since 2010 it has been falling steadily.”<sup>7</sup>*

3. *La Vanguardia*, 25 April 2020, “Las zonas de riesgo del sistema financiero”.

4. *La Vanguardia*, 22 April 2020, “La quiebra de las petroleras golpeará a los mayores bancos de EE.UU.”.

5. *Ibid.*

6. *International Review* n° 164, “Resolution on the International Situation”, Point 8.

7. *La Vanguardia*, 23 April 2020, “Cómo el coronavirus está acelerando el proceso de desglobalización”.



## The brutal irruption of decomposition into the economic terrain

Three factors at the origin of the pandemic crisis show the irruption of the effects of decomposition into the economic terrain: each for themselves, negligence and loss of control. Two of these find their origin directly in capitalist decomposition: each for themselves and loss of control. These are very sensitive factors which the bourgeoisie - at least in the central countries - had succeeded in controlling as best it could, even if with increasing difficulty. At the present stage reached by the development of the internal contradictions of capital, and given the way in which they manifest themselves in the evolution of the crisis, the explosion of the effects of decomposition now becomes a factor of aggravation of the world economic crisis, of which we have only seen the very first consequences. This factor will influence the evolution of the crisis by constituting an obstacle to the effectiveness of state capitalist policies in the current crisis.

*“Compared to the responses to the crises of 1975, 1992, 1998 and 2008, we see as perspective a considerable reduction of the capacity of the bourgeoisie to limit the effects of the decomposition on the economic terrain. Up until now, the bourgeoisie has succeeded in preserving the vital terrain of the economy and world trade from the highly dangerous centrifugal effects of decomposition. It has done this through the ‘international cooperation’ of the mechanisms of state capitalism - what has been called ‘globalisation’. At the height of the economic convulsion of 2007-2008 and in 2009-2011, with the ‘sovereign debt’ crisis, the bourgeoisie was able to coordinate its responses, which helped to soften the blow of the crisis a little and guarantee an anaemic ‘recovery’ during the 2013-2018 phase.”*<sup>8</sup>

With the pandemic we’ve seen how the bourgeoisie tries to unite the population behind the state, revamping national unity. Unlike 2008, when the nationalist tone was not as strong, now the bourgeoisies across the world have closed their borders, spreading the message: “behind national borders you find protection, borders help to hold back the virus”. This is a way for the different states to try to rally the population behind them; they speak everywhere in martial terms: “we are at war, and war needs national unity”, with the messages “the state will help you”; “we will bail you out”; “by closing the border, we will keep the virus away”; by imposing emergency plans, by organising shutdowns, the states

8. From a contribution on the economic crisis to an internal discussion in the ICC.

want to convey the message: “a strong state is your best ally”.

*“The WHO has been completely inoperative while its action was vital to develop effective medical action. Every state fearing a loss of competitive position has suicidally delayed action in the face of the pandemic. The obtaining of medical equipment saw the staggering spectacle of all kinds of robberies between states (and even within each state). In the EU, where ‘cooperation between states’ has gone as far as possible, we have seen the uncontrolled development of a brutal surge of protectionism and of economic every man for himself: ‘It is not only that the EU does not have any legal possibilities to impose its rules on the EU in the health sector; but above all each country took measures to defend its borders, its supply chains; and we have seen if not for the first time a real blockage of goods, confiscation of health equipment - and the prohibition to deliver them to other European countries.’”*<sup>9</sup>

We have here a more serious illustration of the perspective set out in the “Resolution on the international situation” at our last international Congress:

*“The current development of the crisis through the increasing disruptions it causes in the organisation of production into a vast multilateral construction at the international level, unified by common rules, shows the limits of ‘globalisation’. The ever-increasing need for unity (which has never meant anything other than the imposition of the law of the strongest on the weakest) due to the ‘trans-national’ intertwining of highly segmented production country by country (in units fundamentally divided by competition where any product is designed here, assembled there with the help of elements produced elsewhere) comes up against the national nature of each capital, against the very limits of capitalism, which is irremediably divided into competing and rival nations. This is the maximum degree of unity that it is impossible for the bourgeois world to overcome. The deepening crisis (as well as the demands of imperialist rivalry) is putting multilateral institutions and mechanisms to a severe test.”*<sup>10</sup>

What we see is that in response to the pandemic there has been a very significant return to measures of “national relocation” of production, preservation of key sectors in each national capital, development of barriers to the international circulation of goods and people, etc., which can only have far reaching consequences for the evolu-

9. From another contribution to the internal discussion.

10. *International Review* n° 164, “Resolution on the International Situation”, Point 20.

tion of the world economy and the global capacity of the bourgeoisie to respond to the crisis. The national withdrawal can only worsen the crisis, leading to a fragmentation of production chains that previously had a global dimension, which can only wreak havoc on monetary, financial and commercial policies. This could lead to the blocking and even the partial collapse of some national economies. It is too early to measure the consequences of this relative paralysis of the economic system. However, the most serious and significant is that this paralysis is taking place on an international scale.

The generalised response of states to the pandemic illustrates the validity of an analysis already made in the 23rd Congress Report on the economic crisis:

*“One of the major contradictions of capitalism is that arising from the conflict between the increasingly global nature of production and the necessarily national structure of capital. By pushing the economic, financial and productive possibilities of the ‘associations’ of nations to their ultimate limits, capitalism has obtained a significant ‘breath of fresh air’ in its struggle against the crisis that is plaguing it, but at the same time it has put itself in a risky situation. This headlong rush into multilateralism is developing in a context of decomposition, that is, a situation where indiscipline, centrifugal tendencies, entrenchment in the national structure, are increasingly powerful and affect not only fractions of each national bourgeoisie but also lead to large sectors of the petty bourgeoisie and even fringes of proletarians wrongly believing that their interest is attached to the nation. All this crystallises into a kind of ‘nihilist nationalist revolt’ against ‘globalisation’”.*

## How will the bourgeoisie respond?

We are going to examine the response initiated by the bourgeoisie which will be articulated in 3 parts: 1) continuation of astronomical levels of debt; 2) national withdrawal; 3) brutal attack on workers’ living conditions.

Global debt stood at \$255,000 billion, or 322% of global GDP, whereas before the 2008 crisis it amounted to \$60,000 billion, with global GDP since having progressed only relatively “sluggishly”. We have here a picture of the development of private and public debt over the last thirteen years, which has helped sustain what the bourgeoisie has called “sluggish” growth. Faced with the violent acceleration of the economic crisis induced by the pandemic, the bourgeoisie has reacted everywhere in

the world by the creation of money issued by the central banks of all the developed and emerging countries. Contrary to the crisis of 2008, no coordination between the world's main central banks has been implemented. This massive creation of central money and debt has been equal to the anxiety that immediately took over the bourgeois class in the face of the scale of the recession which seems to be opening up before it. Taking an average of the figures given by the bourgeoisie at the end of May, we have the following forecasts of falls in growth:

- 6.8% of GDP for the EU as a whole and 11 to 12% for the southern Mediterranean countries...
- For the United States the figures given express the difficulty or ideological perfidy of the bourgeoisie in its evaluation, giving figures ranging from 6.5% to 30%! In statistical terms this has never been seen before. The Philadelphia FED even put forward the figure of 35%.
- China announced a drop in its GDP of 3.5% and a 13% drop in its industrial activity.

If we take the lowest hypothesis put forward by the bourgeoisie and in the absence of a second wave of the pandemic, world growth in 2020 is expected to experience a sharp contraction of at least 3%, a much sharper decline than during the 2008-2009 crisis.

World Growth %	2019	2020
Advanced countries	2.9	-3
Euro zone	1.7	-6.1
Germany	0.6	-7
France	1.3	-7.2
Italy	0.3	-9.1
Spain	2	-8
Japan	0.7	-5.2
UK	1.4	-6.5
China	6.1	1.2
India	4.2	1.9
Brazil	1.1	-5.3
Russia	1.3	-5.5
World total	2.4	-4.2

Here is a summary of the uncertain outlook expressed by the IMF (which is in line with the average of the forecasts made by official bodies at the international level.

These tables provide an overview not only of the envisaged recessionary process, but also of the expected level of contraction in world trade.

A synthesis of our discussion gives the following figures, which are quite telling:

*"The situation is only sustainable because state debts and their repayment are taken over by the central banks; thus the FED is injecting into the US economy \$625 billion per week, while the Paulson Plan launched in 2009 to stop bank failures was globally \$750 billion (although it is true that other plans to buy back debts by the FED will be launched in the following years)". "The most striking response of all has come from Germany, although it is only part of a wider European reaction to the acceleration of the economic crisis. The reason that the projected measures of the German government are of especial importance is explained in an article in the Financial Times of Monday 23rd March: 'The measures proposed by Olaf Scholtz, finance minister, represent a decisive break with the government's strict adherence to the "schwarze Null" or "black zero" policy of balanced budgets and no new borrowing"<sup>11</sup> (...) "Since February, 14,000 billion dollars have been released, to avoid collapse. All this takes place in a completely different context from the past. How have these 'expansionist' policies, which have overcome differences between central banks and states, the recovery, rescue plans - how can they be effective?"<sup>12</sup>*

A less well known example concerns China, which is one of the most indebted

percentage in the world. It is also in this country that the rate of production capacity utilisation is the lowest; in fact all the developing countries are experiencing this phenomenon of excess production capacity. Officially, the industrial capacity utilisation rates of the world's two leading powers - and this before Covid-19 - were 76.4% in China and 78.2% in the United States. The stimulus package implemented in China would amount to \$64,000 billion, which is pharaonic and probably intended largely for ideological propaganda. The stimulus package is planned for a minimum of five to twenty years, and regardless of what the reality will be, it cannot be unrelated to China's economic and imperialist hegemonic aims. The US stimulus package has reached \$10,000 billion. In comparison the EU's recovery plan appears almost ridiculous, since it reportedly amounts to \$1290 billion in the form of loans, financed partly by the financial markets and partly directly by the ECB. In reality, the money injected by the ECB into the entire economy, private and shadow banks and businesses, amounts to several billion euros. The states, especially Germany, will guarantee by mutualisation part of this plan which will be in the form of subsidies and loans repayable between 2028 and 2058! In reality the bourgeois class is admitting that much of the world's debt will never be repaid. Which brings us to the aspects we are going to discuss now.

Volume of world trade %	2019	2020
Imports by advanced countries	1.5	-11.5
Imports by emerging and developing countries	0.8	-8.2
Exports by emerging and developing countries	0.8	-9.6

countries in the world, even if it also has significant advantages that should not be underestimated. China's global debt in 2019 is equal to 300% of its GDP, or \$43,000 billion. In addition, 30% of businesses in China are categorised as "zombie companies". This is the highest

11. BBC World Service, 6 April 2020.

12. Presentation in a meeting of the organisation.

We cannot describe in the framework of this report all the monetary creations in progress in all their extent, nor to detail all the recovery plans. If all this seems beyond imagination, the fact remains that capitalism is using this astronomical money creation to invest and make its goods. From this point of view, central and private



money creation must grow exponentially (in different forms) to allow accumulation as much as possible to be maintained and, as far as the present situation allows, to curb the plunge into depression. This depression contains within it the danger of deflation but above all of stagflation. The devaluation of currencies even beyond the current monetary war is inscribed in the perspective of the crisis of capitalism. The acceleration of the current crisis is a very significant step in this direction. The crux of the question is: in each country, more and more, global capital is mortgaging the future value to be produced and realised in order to allow current growth and continue accumulation. It is therefore largely thanks to this anticipation that capitalism manages to capitalise and invest. This process materialises the fact that, more and more, the colossal debt issued is less and less covered by the surplus value already produced and realised. This opens up the prospect of ever greater financial crashes and destruction of financial capital. Logically, this process implies that the internal market for capital cannot grow infinitely, even if there is no fixed limit in the matter. It is in this context that the crisis of overproduction at the current stage of its development poses a problem of profitability for capitalism. The bourgeoisie estimates that around 20% of the world's productive forces are unused. The overproduction of means of production is particularly visible and affects Europe, the United States, India, Japan, etc.

This is important if we want to establish how state capitalism must absolutely strengthen itself in the face of the looming crisis, but also how the recovery plans contain very strong limits and contain growing perverse effects. And how “everyone for themselves”, in this context, is the product of decomposition, but also of the growing economic stalemate, a trend which capitalism cannot escape, but which is also historically a deadly dynamic. It will be important in this sense, in the period to come, to study and compare the history of the open crises of capitalism, in particular those of 1929, 1945, 1975, 1998, 2008.

### National withdrawal

The situation that is opening up with the very deep acceleration of the current crisis brings back to the fore the role of states (and therefore of their central banks, because the myth of their independence is over). It would be interesting to show what the economic policies, the role of states and Keynesianism were in concrete terms in the periods 1930 and 1945, then to show the difference with the way in which the bourgeoisie faced the situation in 2008. There are during all of this period differ-

ences of very great importance: for example there is the question of the existence of markets and extra-capitalist zones, but also the extent of the world economy and the great imperialist and economic powers, plus the question of the blocs, etc. But in this crisis, the recovery plans have been made in the form of public deficit and state debt and not, as in the 1930s and 1940s, by tapping off most of the surplus value already realised and hoarded, to which was added a share of debt having nothing in common with that of today. The current stimulus packages will prove increasingly difficult to sustain in their financing, as the levels of debt they require and the growth they will generate will diverge. However, a number of questions are posed.

The lessons of the 1929 crisis led the bourgeoisie, despite and against its own “nature”, to move towards greater cooperation in order to slow down as much as possible the development of its crisis either by Keynesian policies or by the orchestration of globalisation by states. Even if, in the current situation, there will indeed be a return to Keynesian-type policies, in the context of a growing trend towards everyone for themselves, their effectiveness, with regard to the means implemented, will not be comparable with past periods.

We must see in this regard the tendency to a greater weight, compared to the previous period, of isolated responses by the bourgeoisie at the national level. For example, the new tendency consisting of closing the borders to stop passenger transport from one continent to another, or to close national borders, as if the virus respected national isolation; all this is much more a reflection of helplessness and a state of mind than a scientifically-based decision to quarantine intended to ward off the virus. In what way is there more risk of catching the virus in an international train between Stuttgart and Paris rather than between Stuttgart and Hamburg in a national train? Closing national borders is of no help; it expresses the “limits” of the means of the bourgeoisie.

The repatriation of production to central countries is increasing: with the pandemic 208 European companies have decided to bring back production from China:

*“According to a recent survey of 12 global industries, 10 of them - including the automotive, semiconductor and medical equipment industries - are already moving their supply chains, mainly out of China. Japan is offering \$2 billion to companies to move their factories out of China and back to the Japanese archipelago.”*<sup>13</sup> *A president like Macron, who seems to be a proponent of*

*multilateralism, has said that ‘delegating’ food and medical supplies is ‘crazy’. His finance minister, Bruno Le Maire, calls for ‘economic patriotism’ so that the French consume national products”*.<sup>14</sup>

In all countries local economic plans are favoured, preferably consuming local or national products. It is a withdrawal into oneself that tends to break the industrial, food and other production chains, designed on a global scale, and which have greatly reduced costs.

It can therefore be concluded that these centrifugal, “each-for-himself” tendencies have reached a new level, while at the same time every country, the state and each national bank has pumped or promised to pump gigantic sums (unlimited in the case of Germany) into industry. None of these measures have been adopted and harmonised by the ECB or the IMF; it must be added that it was not only the populist Trump who acted as a champion of each for himself; Germany – with the agreement of the main parties – has acted in the same direction, as has Macron. Thus, whether populist or not, all governments have acted in the same direction; retrenching behind national borders, “each for himself” - with only a minimum of international or European coordination.

The consequences of these actions seem counterproductive for every national capital and even worse for the world economy:

*“Between 2007 and 2008, due to a fateful convergence of unfavourable factors - poor harvests, rising oil and fertiliser prices, a boom in biofuels, etc. - the world economy has been hit hardest by the crisis. - 33 countries limited their exports to protect their ‘alien sovereignty’. But the cure was worse than the disease. The restrictions increased the prices of rice (116%), wheat (40%) and maize (25%), according to World Bank estimates (...). The example of China, the first country affected by the epidemic, does not bode well: the threats to global supply chains have already led to a 15% and 22% increase in food in this Asian country since the beginning of the year”*.<sup>15</sup>

### Counter tendencies to national withdrawal

The bourgeoisie is sure to react. At the EU level, Germany has finally agreed to “debt pooling”, which shows that counter-tendencies are at work in the face of this surge of decomposition. Perhaps the US

14. Ibid.

15. However, within the Democratic Party protectionist positions similar to Trump's are developing. Two Democratic congressmen presented in March 2020 a proposal to withdraw the United States from the WTO.

13. See *Política exterior*.



Hunger marchers in the UK heading to a demonstration in Hyde Park, London  
in 1933 during the Great Depression

bourgeoisie will sack Trump in the next elections in favour of the Democrats who are traditional supporters of “multilateralism”.<sup>16</sup> In addition, “On April 22, the 164 member countries of the World Trade Organisation (WTO), which account for 63% of world agri-food exports, pledged not to intervene in their markets. At the same time, the agriculture ministers of 25 Latin American and Caribbean countries signed a binding agreement to guarantee supplies to 620 million people”.<sup>17</sup>

With the “ecological transition” plan and the promotion of a “green economy”, efforts to reorganise the economy - at least at an EU level - will be made: with the massive development of telecommunications, the application of robotics and IT, new and much lighter materials, biotechnology, drones, electric cars etc., traditional heavy industry based on fossil fuels is tending to become obsolete, including in the military field. Imposing “new standards” for economic organisa-

tion is becoming an asset for the central countries, especially Germany, the United States and China.

The bourgeoisie will fight step by step against this tide of national fragmentation of the economy. But it comes up against the increased force of its historical contradiction between the national nature of capital and the global nature of production. This tendency of each bourgeoisie to want to save its economy at the expense of others is an irrational tendency which would be disastrous for all countries and for the whole world economy, even if there will be differences between countries. The tendency of each for themselves may be even irreversible and the irrationality which accompanies it puts into question the lessons drawn from the crisis of 1929 by the bourgeoisie.

As the 1919 Manifesto of the Communist International stated, “The end result of the capitalist mode of production is chaos”. Capitalism has resisted this chaos in many ways during its decadence and has continued to resist during its phase of

decomposition. Counter-tendencies will continue to emerge. However the situation that is opening up today is one of a significant aggravation of chaos, especially on the economic terrain, which is very dangerous from the historic point of view.

### **A nightmare for the proletariat of all countries, but especially in the central countries**

The 23rd Congress Resolution on the international situation gave the following framework:

“Concerning the proletariat, these new convulsions can only result in even more serious attacks against its living and working conditions at all levels and in the whole world, in particular:

- by strengthening the exploitation of labour power by continuing to reduce wages and increase rates of exploitation and productivity in all sectors;
- by continuing to dismantle what remains of the welfare state (additional restric-

16. Política exterior.

17. Política exterior.



tions on the various benefit systems for the unemployed, social assistance and pension systems); and more generally by 'softly' abandoning the financing of all forms of assistance or social support from the voluntary or semi-public sector;

- the reduction by states of the costs represented by education and health in the production and maintenance of the proletariat's labour power (and thus significant attacks against the proletarians in these public sectors);
- the aggravation and further development of precariousness as a means of imposing and enforcing the development of mass unemployment in all parts of the class.
- attacks camouflaged behind financial operations, such as negative interest rates which erode small saving accounts and pension schemes. And although the official rates of inflation for consumer goods are low in many countries, speculative bubbles have contributed to a veritable explosion of the cost of housing.
- the increase in the cost of living notably of taxes and the price of goods of prime necessity.”<sup>18</sup>

This framework has been strongly confirmed but the situation has also seriously aggravated with the outbreak of the pandemic. At the core of the economic situation is the attack on the conditions of the proletariat all over the world.

### High-speed pauperisation

In 2019, according to the UN, 135 million people were suffering from hunger; in April 2020, with the outbreak of the pandemic, the UN project that 265 million people will be in this situation. The World Bank stated in March that the poor population would reach 3.5 billion people with a sudden acceleration of more than 500,000 per month. Since then this pace appears to have continued, particularly in Central and South America, as well as in Asia including the Philippines, India and China. The impoverishment of workers will accelerate. According to a Report by the International Labor Organisation (ILO): “the pressure on incomes resulting from the decline in economic activity will have a devastating effect on workers who are near or below the poverty line”. Between 8.8 and 35 million more workers will be in poverty worldwide, compared to the initial estimate for 2020 (which predicted a decrease of 14 million worldwide).

18. *International Review* n° 164, “Resolution on the International Situation”, Point 23.

### Mass unemployment

In India and China, the number of proletarians being made unemployed is counted according to the IMF in the hundreds of thousands. *Business Bourse* speaks of several million workers having lost their jobs in China. All these figures really need to be taken with great caution as they often vary from one news site to another. What is true here is the massive aspect of this phenomenon and its rapid extension due to the containment and shutdown of a large part of global activity. During the same period, mass unemployment has reached 35 million people in the United States and, despite the exceptional state aid, the queues at food distribution points are growing longer and longer, resembling images of the 1930s in the United States. The same phenomenon is taking place in Brazil, where the unemployed are no longer even officially registered. In France unemployment could rise to 7 million within a few months. The explosion of mass unemployment is taking the same pace in Italy and Spain. At the moment, plans for mass redundancies are starting to arrive, as in aviation and aircraft construction but also in the automobile industry, oil production etc. The list will grow longer and longer in the coming period.

### Generalised precariousness

In an initial assessment of the consequences of the pandemic, the ILO estimated that it would cause the permanent loss of 25 million jobs worldwide, while precariousness would increase sharply: “Under-employment is also expected to increase exponentially, as the economic consequences of the virus epidemic are reflected in reductions in working hours and wages. In developing countries, restrictions on the movement of people (e.g. service providers) and goods may this time cancel out the buffer effect that self-employment has had in these countries.”<sup>19</sup> In addition, in the informal economy tens of thousands of workers - who do not fit into any statistics and who do not qualify to receive financial support from the state - are out of work. For the moment it is too early to have an idea of the level of overall deterioration in living standards.

### Attacks on all levels

Wage cuts, increased working hours, lower pensions and social benefits. It also appears, as in France, that the bourgeoisie is trying to extend real working time. But it is also lowering direct wages, in particular by means of new taxes, as a pretext. The European Union, for example, is seriously considering a Covid tax, a whole programme!

19. ILO Report, March 2020.

The debt is always more and more colossal, necessarily involving a *quid pro quo*: the intensification of austerity measures against workers. It is within this framework that we must examine the meaning of universal basic income as a means of containing social tensions and dealing a major blow to living conditions as a state-organised step towards universal impoverishment.

In the central countries and especially in Western Europe, the bourgeoisie will try to administer the attacks as judiciously as possible and to ensure they are applied in a “political” way, by provoking the greatest divisions within the proletariat. Although the bourgeoisie’s margin of manoeuvre on this terrain will tend to shrink, we must not forget that:

“At the same time, the most developed countries, in northern Europe, the USA and Japan, are still very far from such a situation. On the one hand, because their national economies are better able to resist the crisis, but also, and above all, because today the proletariat of these countries, and especially in Europe, is not ready to accept such a level of attacks on its conditions. Thus one of the major components of the evolution of the crisis escapes from a strict economic determinism and moves onto the social level, to the balance of forces between the two major classes in society, bourgeoisie and proletariat.”<sup>20</sup>

20. *International Review* n° 152, 20th ICC Congress: “Resolution on the international situation”.

# Report on the international class struggle and the impact of the Covid-19 pandemic

We publish here the third of the reports on the world situation written for the Congress of our section in France. This one focuses on the situation of the international working class prior to and during the global pandemic

The Covid 19 pandemic is a major event of the phase of decomposition, the most important for the world working class since 1989. It's both a product of the decomposition of capitalism and an essential factor in its aggravation, particularly because of its impact on the living conditions of the proletarians. The repercussions of this pandemic already have an historic importance, opening up a completely unprecedented period for the exploited class.

The pandemic has not yet reached its peak in many parts of the world; no one, not even medical specialists, can predict whether the current situation will be followed by a second wave all over the planet, or what the virus will do next. For the capitalist economy and the ruling class, it is also a leap into the unknown: the economic consequences will be devastating, but, again, no one can at this stage determine the extent and depth of these consequences. The whole of capitalist society is tipping over into an entirely new situation, one of considerable movement and instability, where "nothing will be the same as before".

In these circumstances, which are destined to last some time depending on the evolution of the situation at various levels, the organisation of revolutionaries must avoid hasty judgments and must keep in mind the impossibility of making definitive predictions, particularly in the area of class struggle.

However, the ICC is not approaching this situation without any weapons of analysis. Its political framework, as well as its reli-

ance on the marxist method, are the points of support that allow it to understand:

- the political situation of the proletariat as it is shaken by the pandemic;
- the repercussions of the pandemic on the conditions which it faces: the brutal shock of the acceleration of decomposition, the way it will impact on the economic recession, the inevitable and colossal obstacles in its path.

## 1) The balance of power between the classes just before the pandemic

### A. The framework of the ICC's 23rd Congress:

*"Because of the current great difficulty of the working class in developing its struggles, its inability for the moment to regain its class identity and to open up a perspective for the whole of society, the social terrain tends to be occupied by inter-classist struggles particularly marked by the petty bourgeoisie. This social layer, without a historic future, can only be a vehicle for illusions in the possibility of reforming capitalism by claiming that capitalism can have a more 'human face', can be more democratic, more just, cleaner, more concerned about the poor and the preservation of the planet..."*

*"Faced with the acceleration of economic attacks against the exploited class, and the danger of the resurgence of workers'*

*struggles, the bourgeoisie is now seeking to erase class antagonisms. By trying to drown and dilute the proletariat in the 'population of citizens', the ruling class aims to prevent it from regaining its class identity. The international media coverage of the Yellow Vest movement reveals that this is ....a concern of the bourgeoisie of all countries..."*

*"Only the proletariat bears within it a perspective for humanity. In this sense, the greatest capacity for resistance to this decomposition lies within its ranks. However, this does not mean that the proletariat is immune, particularly since it lives alongside the petty bourgeoisie which is one of the major carriers of the infection... During this period, it must aim to resist the noxious effects of decomposition in its own ranks, counting only on its own strength and on its ability to struggle collectively and in solidarity to*

*defend its interests as an exploited class"* (Theses on decomposition, *International Review* n°107).

*"The struggle for the class autonomy of the proletariat is crucial in this situation imposed by the aggravation of the decomposition of capitalism:*

- *against inter-classist struggles;*
- *against partial struggles put forward by all kinds of social categories giving a false illusion of a 'protective community';*
- *against the mobilisations on the rotten ground of nationalism, pacifism, 'ecological' reform, etc.*

*"...Despite its internal difficulties and the growing tendency to lose control of its political apparatus, the bourgeoisie has been able to turn the manifestations of the decomposition of its system against the consciousness and class identity of the proletariat. The working class has therefore not yet overcome the deep setback it has suffered since the collapse of the Eastern bloc and the Stalinist regimes. This is all the more so since democratic and anti-communist campaigns, maintained over the long term, have been regularly updated (for example on the occasion of the centenary of the October Revolution in 1917).*

*"Nevertheless, despite three decades of retreat of the class struggle, the bourgeoisie has so far failed to inflict a decisive defeat on the working class, as it did in the 1920s and 1930s. Despite the seriousness of the issues at stake in the current historical period, the situation is not identical to that of the counter-revolutionary period. The proletariat of the central countries has not suffered physical defeat (as was the case during the bloody crushing of the revolution in Germany during the first revolutionary wave of 1917-23). It has not been massively recruited behind national flags. The vast majority of proletarians are not ready to sacrifice their lives on the altar of defending the national capital. In the major industrialised countries, in the United States as well as in Europe, the proletarian masses did not join the imperialist (and so-called 'humanitarian') crusades of 'their' national bourgeoisie..."*

*"The worsening economic crisis has already revealed a new generation on the*



*social scene, even if it is still very limited and embryonic: in 2006, the student movement in France against the CPE, followed five years later by the 'Indignados' movement in Spain*".<sup>1</sup>

## **B. The movement against the pension reform in France: specific situation or indication of changes in the international class struggle?**

This framework has had to be updated with the emergence of expressions of workers' struggles, in France as well as at the international level, showing:

- the capacity of these struggles to situate themselves on the class terrain of the proletariat in response to attacks or the degradation of working conditions, wages; against the effects of the economic crisis;
- the ability of the proletariat to make its way through the historically unfavourable conditions of capitalist decomposition (and which have further deteriorated) and the negative influence of inter-classist struggles in which its weaker parts of the class are at risk of drowning. Despite the efforts of the ruling class in France to strengthen the deleterious inter-classist influence of the Yellow Vests within the class, this influence has remained very marginal; the class shows, by struggling, its resilience to the influence of populism in general and does not appear to be totally gangrened by it.

Our method, the criteria the ICC used in 2003 to identify the turning point in the class struggle, then allow us to evaluate:

- the dimension of the changes in the class struggle from 2018/spring 2019, culminating in the movement against pension reform in France in autumn 2019/winter 2020,
- to what extent they confirm the continuation of the slow, uneven and heterogeneous process of the development of the class struggle that began in 2003.

In the first place, in a report on the evolution of the class struggle adopted by the ICC's international central organ in October 2003, the ICC saw "*the simultaneity of the movements in France and Austria*", however tenuous and reduced to the situation in two countries, as an important criterion for the analysis of the situation. The situation at the end of 2019/early 2020 was marked by expressions of workers' combativity

at the international level, particularly in Europe and North America:

- In Europe: the movement in France against pensions, the postal and transport strike in Finland.
- In the U.S. and North America: "*In the last two years, the number of mass mobilisations and support for the unions has reached proportions not seen in several decades. Teachers and workers in the automobile, hotel and other industries have gathered on picket lines in crowds not seen since the mid-1980s*" (from an article on the NBC news channel). At General Motors: "*the most massive strike in 50 years, and the first in the U.S. in 12 years, after a period of little international mobilisation of the working class.*"<sup>2</sup> There was also the massive strike in January 2020 by the 30,000 public school teachers in Los Angeles, in the second largest population base in the United States, the first in 30 years and the first since 1989.

In the 2003 report, the ICC put forward the perspective of "*the growing impossibility for the class - despite its persistent lack of self-confidence - of avoiding the need to fight in the face of the dramatic worsening of the crisis and the increasingly massive and widespread nature of the attacks.*"

- The development of struggles shows that the working class and the class struggle are still alive.
- It confirms the role played by the crisis as a spur to the class to manifest its resistance to the attacks imposed by the crisis and its willingness to fight back; it demonstrates the return of a combativeness that had not been seen in the working class for more than a decade, or even since the 1980s and 1990s.
- These struggles are developing on the class terrain, a vital precondition for the recovery of class identity faced with all the traps of inter-classism and the general weight of decomposition.
- This situation is essentially demonstrated by fractions of the western proletariat; by contrast, in China or Southeast Asia, in India or Latin America (with a few exceptions) there have not been many important struggles.

## **C) The ongoing process of the subterranean maturation of consciousness in the working class**

In 2003, the emphasis was placed not on the pace of the development of combativeness but on the question of consciousness:

- **on changes in consciousness:** "*This change affects not only the combativeness of the class but also the state of mind within it, the perspective from which its actions take place. Signs of loss of illusions (...) such turning points in the class struggle - even if they are triggered by an immediate worsening of material conditions - are always the result of underlying changes in the vision of the future. (...) The working class has a historical memory: as the crisis deepens, this memory slowly begins to be activated. Massive unemployment and cuts in wages today bring back the memories of the 1930s, visions of widespread insecurity and impoverishment. Today, the qualitative advance of the crisis may allow questions such as unemployment, poverty and exploitation to be raised in a more global and political way: pensions, health, maintenance of the unemployed, living conditions, the length of a working life, the link between generations. In a very embryonic form, this is the potential that has been revealed in the latest movements in response to the attacks on pensions.*"<sup>3</sup>
- **the need for the proletariat to recover its class identity:** "*The current struggles are those of a class that has yet to regain, even in a rudimentary way, its class identity.*"<sup>4</sup> The essential point of the movement has precisely consisted in the tendency to recover class identity: "*The rebirth of this feeling of belonging to the same class, of all being struck by the same exploitation, the same iniquitous attacks by successive governments, of finally being able to gather in the streets with the same watchwords, the same demands, (...) this need and desire to be in solidarity in the struggle*"<sup>5</sup>
- "*The importance of struggles today is that they can be the stage for the development of class consciousness. The fundamental question at stake - the reconquest of class identity - is extremely modest. But behind class identity there is the question of class solidarity - the*

1. *International Review* n° 164, "Resolution on the balance of class forces", 23rd ICC Congress.

2. "Grève chez General Motors: les syndicats divisent les travailleurs et les montent les uns contre les autres" (*Revolución Mundial*, ICC section in Mexico, 21 November 2019).

3. "Report on the evolution of the class struggle in the context of the generalised attacks and the advance of the decomposition of capitalism". IB Plenum October 2003.

4. Ibid.

5. "Seule la lutte massive et unie peut faire reculer le gouvernement !" (13 January 2020) *Révolution Internationale* n°480.

*only alternative to the crazy bourgeois logic of competition, of every man for himself. Behind class identity there is the possibility of re-appropriating the lessons of past struggles and reactivating the collective memory of the proletariat.”*  
(2003 report)

The movement in France in 2019-20 expressed very clearly the search for solidarity and the extension of the struggles; but also in Finland: in solidarity with the employees of a subsidiary of the Post Office on whom a 30% wage cut was inflicted: *“the workers went on strike on November 11th. For almost 2 weeks, 10,000 postal workers followed the movement, in solidarity with the threatened workers and to demand wage increases. But the conflict extended beyond the Post Office: solidarity strikes were called on 25/11 in land and air transport, ferries, etc. When the threat of a blockade of ports or even a general strike loomed, the management of the Post Office withdrew its plan”*.<sup>6</sup>

In the face of the violent attacks impelled by the crisis and the ruling class, and in spite of the severe defeats (France, USA) it has suffered, the proletariat shows a refusal to surrender itself to the conditions that face it and shows an effort of consciousness on how to fight and reinforce the struggle.

#### **D) Signs of a change in the state of mind in the working class**

Much is revealed by the reaction of the bourgeoisie, which does not expect this situation to be temporary. This does not lead to the need for a wholesale adaptation of its political apparatus such as we saw in the 1980s, but nevertheless the unions adopt a more “class struggle” posture and even certain parliamentary forces are positioning themselves to deal with this.

So the change of state of mind in the working class is a reality that has gone through stages since 2003,<sup>7</sup> and the bourgeoisie has understood it well, noting the search for solidarity and the existing will to develop the struggle.

The current change poses the problems in a broader way than in 2003. The process of subterranean maturation is not at all homogeneous and is more evident in some parts of the world than others. For example, in the USA, where we can see a small but significant development of a milieu of young people looking to engage with the positions of the communist left.

6. “Finlande: Vague de grèves au «pays le plus heureux du monde”. Parti Communiste International 28 December 2019. [www.pcint.org](http://www.pcint.org).

7. We refer in particular to the anti-CPE struggles in France in 2006 and the Indignados movement in Spain in 2011.



Explosion in Beirut, August 2020

## **2) The impact of the pandemic on the class struggle**

The pandemic intervenes in this context where the class struggle in France and internationally had shown a change of state of mind in the working class marked by anger and discontent, but also by a willingness to respond to attacks, resulting in a development of combativeness (and even at the start of taking the initiative) and also a beginning of reflection in the class on the lack of perspective in capitalism. But this is a process that is at its very beginning.

#### **A) An unprecedented situation for the proletariat**

Even though exposure to epidemics is part of the class condition of the proletariat (most notably the terrible Spanish flu epidemic in 1918), it is facing an unprecedented situation: a global pandemic requiring the general lock-down of a major part of humanity and the near-total shut-down of the capitalist economy.

This pandemic is of international importance for the entire working class. The specificity of this pandemic is that it

constitutes a direct challenge to the health and life of workers. On an immediate level, for the health workers, who are forced to face it without the necessary equipment, and for the rest of the proletariat as well. In a situation that has analogies with a war situation, the population is confronted with life-threatening fear.

The impact of the pandemic is not identical in all parts of the world. It started in China and moved to other South East Asian countries; the wave then spread to Europe and then the United States, and wreaked havoc in Latin America, Brazil in particular, and began to hit the rest of the world (India). The proletariat is thus not everywhere in the immediate future confronted with the same impact. It is not yet known whether there will just be a second wave or whether Covid-19 will become endemic, seasonal.

The impact of the lock-down on the class has not been the same in different parts of the world either. It is simply not possible in many parts of the world where people are forced to live from day to day, and it





Scene from the Russia Revolution, October 1917

does not have the same effect of propelling entire sections of the population into impoverishment, depending on the social and health protection systems of the different states.

In the context where the advance of decomposition in many parts of the world had already resulted in many social upheavals and movements of various kinds affecting and endangering the cohesion of capitalist society (Covid can only accelerate these tendencies), the eminently political decision to impose general lock-downs has been forced on the majority of the world bourgeoisie as the only means (comparable to those of the past) available to the states to cope with the situation. Under these conditions, to remain inactive in the face of the pandemic contained the risk for the bourgeoisie of a catastrophic alteration of its credibility and its ability to ideologically ensure the direction of society, entailing a threat to its class domination. Moreover, it had to strengthen the iron corset of state control over society in order to maintain its cohesion in the face of the tendencies to chaos that could arise and to control the oppressed strata, and the exploited class in particular.

### **B) What are the similarities and differences with the crisis situations of 1989 and 2008?**

What is the impact on the consciousness, the combativeness of the working class? What is the impact on the credibility of the bourgeoisie and the effectiveness of its ideological campaigns, the way the bourgeoisie presents and uses the different crises? Will 2020 see a repetition of an identical scenario of regression of consciousness and regression of combativity on a historical scale?

The context for the working class is very different both in terms of the objective situation of the state of capitalist society and the political situation of the class.

1989 and 2020 represent two historical events of global significance: one, 1989, as the inauguration of a new phase in the history of the decadence of capitalism; the other, 2020, as the most important historical event within the phase of decomposition, marking a stage in its evolution.

*“The spectacular collapse of the Eastern bloc and the Stalinist regimes in 1989 dealt a brutal blow to the dynamics of*

*class struggle, thus changing the balance of forces between the proletariat and the bourgeoisie to the benefit of the latter in a major way. This event loudly announced the entry of capitalism into the final phase of its decadence: that of decomposition. When Stalinism collapsed, it did one last service to the bourgeoisie. It allowed the ruling class to put an end to the dynamic of class struggle which, with advances and setbacks, had developed over two decades”.*<sup>8</sup>

This was only possible because this collapse of a part of the capitalist world, which took place neither under the blows of the class struggle nor of imperialist war, could appear as a kind of event ‘outside’ capitalist relations. In itself this event could only have a negative impact on the class.

2020: the capitalist origin of the pandemic is much harder to hide. Certainly, the source of the pandemic is the subject of imperialist tensions between China and the US and the prey of conspiracy theories, which have shifted from the margin to the mainstream, increasingly encouraged by

8. *International Review* n°164, “Resolution on the balance of forces between the classes”, 23rd ICC Congress.

heads of state like Trump. Nevertheless, the magnitude of the cataclysm makes the responsibility of austerity policies and the negligence of all capitalist states appear more openly.

To the alleged “bankruptcy of communism” the bourgeoisie could oppose the victory of capitalism, which seemed to strengthen and proclaim the opening of an era of peace, democracy and prosperity. This event was not only not considered as a failure of capitalism, because economically the situation did not lead to an economic crisis in the years after the implosion, but gave rise to and was used as an ideological attack against the working class. This event was thus presented as proof of the superiority of capitalism.

2020: today nothing like it: the three decades of crisis and austerity, of degradation of the living conditions of the proletariat have led to a certain loss of illusions that capitalism offers a place to the proletariat, to an embryonic awareness of the impasse and the lack of perspective that capitalism offers. At the same time, capitalism is weakening in its ideological capacity to mask its bankruptcy:

- 1989: *“The bourgeoisie was able to use this event to unleash a gigantic ideological campaign to perpetuate the biggest lie in history: the identification of communism with Stalinism. In doing so, the ruling class dealt an extremely violent blow to the consciousness of the proletariat. The deafening campaigns of the bourgeoisie over the so-called ‘bankruptcy of communism’ have caused the proletariat to regress in its march toward its historical perspective of overthrowing capitalism. They have dealt a blow to its class identity. This profound retreat in class consciousness and class struggle manifested itself by a decrease in workers’ combativeness in all countries, a reinforcement of democratic illusions, a very strong revival of the unions’ hold and a very great difficulty for the proletariat to resume the path of its massive struggles despite the aggravation of the economic crisis, the rise of unemployment, of precariousness, and the general degradation of all its living conditions in all sectors and all countries.”*<sup>9</sup>
- The impact of this collapse was felt *“at a time when the third wave of struggles was beginning to be exhausted towards the end of the 1980s”*;<sup>10</sup> the current international dynamic is that of a nascent resumption of workers’ struggles, the beginning of a process of struggles.

- 1989 marked the starting point of the blow to class identity; 2020 the beginnings of a dynamic of recovery of class identity.
- 1989 *“a strengthening of democratic institutions, a very strong revival of the hold of the trade unions”*.<sup>11</sup> In 2020 in France the key question was: how to build a balance of forces that would force the government to step back from its pension reform.
- Again in 2008 *“With the bankruptcy of the Lehman Brothers bank and the financial crisis of 2008, the bourgeoisie was able to push one more wedge into the consciousness of the proletariat by developing a new ideological campaign on a global scale, aimed at instilling the idea (put forward by the left-wing parties) that it is the ‘crooked bankers’ who are responsible for this crisis, while making it appear that capitalism is personified by traders and the power of money.”*

*“The ruling class was thus able to hide the roots of the failure of its system. On the one hand, it sought to pull the working class into defending the ‘protective’ state... to reinforce its powerlessness in the face of an impersonal economic system whose general laws appear to be natural laws that cannot be controlled or modified.”*<sup>12</sup>

The state was presented in this crisis as a means of protection for individual workers. The alternative presented was therefore to ‘clean up’ capitalism – for example in the Occupy Wall Street movement. – by turning against the banking sector.

Today, the bourgeoisie no longer has the same leeway to hide its bankruptcy and to turn certain effects or aspects of it ideologically against the proletariat:

- While it is not immediately perceptible that Covid was produced by the conditions of the decaying capitalist mode of production, capitalism appears more clearly responsible for the effects of the pandemic even though the economic crisis can still be blamed on the virus.
- The policy of decades of attacks and austerity measures in the dismantling of the hospital sector was responsible for the magnitude of the health crisis.
- “Illiberal democracies” or populist-led states have been marked by a more open contempt for human life, but in essence “democratic” or “liberal” have told the same lies and displayed the same scarcity of materials.
- In spite of efforts to hide the fact that

the recession is the result of its system, the bourgeoisie has not managed to completely conceal the reality, which is that the recession started before the pandemic.

The analyses of the ICC have been confirmed by the “accompanying” economic measures taken by the main central states to alleviate the immediate impact of the sudden loss of jobs or income by large sectors of the working class (guarantee of minimum income for the unemployed, state benefits to allow technical or partial unemployment, creation of aid, etc.) even when they are largely symbolic, as in the USA where there is not the same social protection as in Europe. This extremely cautious approach on the part of the dominant class is partly motivated by a need to avoid a collapse in key economic sectors, but it also shows:

- The awareness of the bourgeoisie that it is far from dealing with a defeated class, on which it could easily impose any measure of degradation of its conditions or even embroil it in its imperialist projects.
- The circumspection of the bourgeoisie with regard to possible reactions of the exploited class;

The violent attacks on the working class and the measures taken by the bourgeoisie in all countries, its attempt to create a certain national unity, the strengthening of the control of the police state, the intimidation and stigmatisation that the capitalist states have tried to implement have failed to:

- erase the anger and discontent in part of the working class about the measures taken by the state before the pandemic, especially against the hospital sector, and the fact that during the pandemic part of the working class was sacrificed to face the dangers posed by the disease;
- erase the indignation and anger over the way the bourgeoisie handled the health crisis, especially with the decision to sacrifice part of the working class such as the old and the sick.

### C) The loss of confidence in the capitalist state

While in 2015 the migration crisis and the terrorist attacks led to a reflex within the working class to seek the protection of the capitalist state, the more evident role of the state as the defender of the interests of the ruling class has largely cracked the myth of the benevolent state.

- The minimisation of the pandemic by all governments in all countries (going as far as the denial of its danger by populist

9. Ibid, Point 7.

10. Ibid.

11. Ibid.

12. Ibid.



governments) in order to delay the taking of health measures, and then the will to restart economic activity as quickly as possible and at all costs, have shown that the state's concern for public health ("to avoid the remedy being worse than the disease") did not count for much compared to the necessity to save the profits of the ruling class.

- The state's willingness to sacrifice part of the labour force, first and foremost the nursing and "front-line" personnel (supermarket cashiers, etc.) on the altar of defending national capital (under the constraint of laws or the state of emergency) did not go unnoticed.
- The repeated lies of the governments about the real number of victims, or aimed at masking the negligence of the state (the unpreparedness and improvisation in face of the epidemic, the deplorable state of the hospital system or the shortage of equipment) have deeply fuelled distrust and anger towards the state, which has had to hide behind the screen of "scientific advice" to make its decisions accepted.

So it is quite clear that the working class is not ready to accept the sacrifices that the bourgeoisie is going to ask of it. In spite of the fact that the bourgeois class blames the virus for the terrible effects of the crisis, it will not be able to hide its responsibility in this catastrophe.

#### **D) What prospects for the working class?**

The working class finds itself in a complex situation confronted with combined and simultaneous effects:

- Confrontation with an unprecedented situation: the devastating pandemic, product and accelerator of decomposition.
- The vertiginous acceleration of the crisis and the plunge into the abyss of a recession (the worst of which is yet to come) without historical precedent since 1929 and comparable to the Great Depression; and thus the violence of the attacks against the living conditions of the working class.

The explosion of social movements produced by the significant worsening of decomposition, and the increasingly evident tendency of the bourgeoisie to lose control over its system, to maintain social cohesion, is being clearly expressed in the central countries themselves.

#### **A change in the objective conditions for the struggle of the proletariat**

In 1989, the consequences for the working class on a world scale were very different in the West and in the East; the development of China was made possible by the irruption of the phase of decomposition, carrying the illusion of a youthful capitalism, capable of really developing. In 2020, the proletariat will be hit everywhere with a worldwide and general tendency to drastic attacks on living conditions, not unlike those of the 1930s and in any case unheard of since the Second World War.

### **3) Obstacles to the capacity of the working class to develop its response**

Today we will have to analyse and understand what is changing or not, to what extent, etc. What is the significance of the fact that, unlike in the past, all parts of the world are affected - even in varying degrees - by the brutal sinking into the crisis (China, USA, Western Europe, emerging countries) and that the bourgeoisie must sooner or later attack the proletariat massively and simultaneously in an accelerated way?

#### **The immediate impact of the pandemic and the development of the recession**

- The conditions of the lock-down did not allow for a general development of workers' struggles, even though in several countries, particularly in the exposed sectors, there were movements demanding means of protection in the workplace.
- At the immediate level when the pandemic struck, it was a blow against the first signs of awakening of the class, against the beginning of a change of state of mind in Europe in the movements in France, and elsewhere internationally. This does not mean that everything was immediately forgotten - the combativeness, the anger, the reflection, but it was a major blow against the potential for development of the struggle and combativeness at the immediate level.
- The violence of the attacks (drastic wage cuts, rising mass unemployment, decimation of entire sectors, job blackmail) means that the working class response to this situation is likely to be delayed.

#### **Impact of the pandemic on consciousness in the working class**

While the working class is not going to develop an immediate response to the attacks, the following must be taken into account:

In our analysis of the situation of the proletariat we have constantly put forward:

- the capacity of the bourgeoisie to transfer the effects of the economic crisis to the periphery of its system (which was still the case in 2008);
- its capacity to slow down and to spread out in time the sinking into the economic crisis, planning its attacks by deploying all means to avoid a unified response from the working class and a re-appropriation of the ultimate political goals of its struggle against capitalism.
- The pandemic has exposed the fact that the functioning of the capitalist system is entirely dependent on the "indispensable" work of the class it exploits. The fact that, in order to cope with the dramatic effects of the pandemic, the bourgeoisie was forced to put forward sectors of the working class which until then had been undervalued or considered as mere personnel in health, education, transport etc. could allow the workers of these sectors to begin to understand their irreplaceable role in the life of capitalism. This is, potentially, a first step in the working class' ability to regain its class identity.
- The process of reflection that existed in the class before the pandemic on the lack of perspective offered by capitalism has not been erased by the ideological campaigns aimed at making the working class feel guilty and by the strengthening of state control over the class. This process can only be reinforced by the negligence of the bourgeoisie in managing the pandemic crisis;
- The workers see the capitalist interest of the bourgeoisie in forcing them back to work despite the terrible health conditions. This is a first step towards seeing the conflict between the needs of profit and human need, and thus an element in the subterranean maturation of consciousness. During the lock-down, a rally by hospital workers raised the slogan "the disease is capitalism, the vaccine is revolution". The working class is not ready to forget what happened during the pandemic - it is not a class based on revenge but it has seen the criminal negligence of the bourgeoisie and its willingness to risk the lives of the workers. It will not forget those who died.



## The pandemic as a factor of consciousness?

Employees in the medical sector are aware of acting on the “battlefield” of their own health, but also that of patients. The ethical question arising from the contradiction between what science can or could offer and the miserable “conditions of death” and scarcity offered by capitalism (e.g. the need to triage patients admitted to care, effectively sentencing some to death) means that the struggle can take on this ethical/moral dimension. The ethical question (which is a matter of life and death in the medical sector) can be a factor in raising awareness not only among health care workers but also more widely in the working class.

## A necessary distinction to be made between the different parts of capitalism

Faced with the universal problem of the health crisis the different fractions of the working class are confronted with different conditions, so that the impact of the pandemic is different according to the region or country:

- The main aspect is first of all that of the heterogeneity of the class in terms of its experience of the different conditions of exploitation to which it is subjected at the global level. Not all parts of the working class are affected at the same time or in the same way because of the different systems of security and social protection.
- Differences in the conditions of lockdown and its relaxation which are not identical from one country to another.

These are all elements that will tend to weaken the possibility of a simultaneous response.

## The economic consequences will be catastrophic for a long time to come

The heterogeneity of situations both at the level of the class (in terms of consciousness and combativeness depending on the country), and at the level of the situation in each country, will have an impact on the response of the working class to the consequences of the crisis which will not be the same everywhere.

In Europe, unemployment is very old, but the welfare state has served as a buffer and has prolonged decomposition by preventing an acute deterioration of conditions.

In China this will be the first time that the working class has been confronted with mass unemployment. Twenty-five years ago, the rust belt in China, under state control, was in trouble and unemployment was high. Then there was a massive surge

of economic growth and a resulting labour shortage. The proletariat in China has much less experience of unemployment, although we have seen demonstrations against the high cost of living. Although Chinese capital seems to have coped with the pandemic better than its main rivals, it will still be obliged to demand more and more sacrifices from the working class faced with a mounting world recession.

In the US, there is no welfare state, the explosion of unemployment, evictions, homelessness, etc. are a big challenge; the beginning of a class reaction was immediately confronted with the explosion of social contradictions due to decomposition.

The situation in Latin America and elsewhere is again different. There is not yet a direct confrontation with the effects of the crisis.

## a) The danger of decomposition

The irruption of the pandemic and the stage it represents in the descent into decomposition speeds up the race between, on the one hand, the historical necessity of the development of the revolutionary perspective in the working class, and on the other hand this further advance of decomposition which increasingly undermines the historic conditions for socialism. It underlines the historical responsibility of the proletariat and the urgency of the development of the revolutionary perspective. *“We certainly recognise that the longer capitalism sinks into decomposition, the more it is sapping the basis for a more human society. Again this is illustrated most clearly by the destruction of the environment, which is reaching the point where it can accelerate the tendency towards a complete break-down of society, a condition which does not favour the self-organisation and confidence in the future required to make the revolution; and even if the proletariat does come to power on a global scale, it will be faced by a gigantic labour not only to clean up the mess bequeathed by capitalist accumulation, but to reverse a spiral of destruction that it has already set in motion.”*<sup>13</sup>

## (b) The impoverishment of other classes or social strata

The very violent crisis hits not only the proletariat but also other sections of the population, a large part of which will become drastically impoverished. This perspective of a general impoverishment

– of the proletariat and of other strata – makes inter-classism a dangerous trap for the struggle. Faced with the degradation of its living conditions, the class will necessarily have to develop its response, its combativeness. This development of the class struggle will come up against the danger of inter-classism in the months to come. The perils represented by the present historical period have thus been multiplied by the aggravation of decomposition and thus emphasises what is at stake in the class struggle:

*“The struggle for the class autonomy of the proletariat is crucial in this situation imposed by the aggravation of the decomposition of capitalism:*

- *against inter-classist struggles;*
- *against partial struggles put forward by all kinds of social categories giving a false illusion of a ‘protective community’;*
- *against the mobilisations on the rotten ground of nationalism, pacifism, ‘ecological’ reform, etc.”*<sup>14</sup>

## c) The situation of the working class in the USA: what role in the resumption of the class struggle?

The movements in the US around the question of race and police violence, which are either posed on the terrain of riots that have no perspective, or directly on a bourgeois political terrain, illustrate the serious immediate dangers facing the class today. They are the kind of movements that the organisation must expect and that will increasingly materialise in the central countries (or in countries such as Lebanon which are on the brink of the abyss) in the period ahead.

The “Black Lives Matter” movement has rapidly gained international resonance and extension to other central states. The latter are fundamentally affected by the same social contradictions, contradictions which have been accumulating over decades and which the bourgeois state is increasingly forced to try to contain through the strengthening of its control and repression. These movements in response to racism have been rapidly absorbed by the organs of the bourgeois left, allow the ruling class to concentrate all attention on the question of race and the demand for a truly democratic system. It is thus able to take full advantage of this movement and use it against the class struggle at a time when the capitalist system as a whole is

13. *International Review* n° 164, 23rd ICC Congress: “Report on the class struggle: Formation, loss and re-conquest of proletarian class identity”.

14 *International Review* n° 164, 23rd ICC Congress: “Resolution on the balance of forces between the classes”.

revealing its total bankruptcy.

In the US, the initial reactions to the police murders took the form of riots. Normally such responses have a limited life-span, although since their underlying causes remain, they can easily flare up again. But in general, they were replaced by more peaceful demonstrations demanding the end of police violence, and these mobilisations will be prolonged by the campaign around the forthcoming presidential elections, which will also have a negative effect.

the onslaught of capital. In the meantime, revolutionaries have a great deal of work to do in fertilising the fragile green shoots of consciousness already visible in small minorities across the world – products of a deeper undercurrent of awareness that the present system of production is profoundly and irreversibly bankrupt.

July 2020

#### **d) A situation illustrating the difficulties that are emerging for the class**

- It is still difficult to discern the extent of the negative impact of the riots against police violence on the working class in the United States, and in the world.
- Any social (and therefore political) dynamics that are not on a class terrain will have a negative impact.
- The acceleration of decomposition is a major obstacle that tends to become a decisive element in social life; every attempt by the class to take a step forward comes up against the obstacle of the effects of decomposition. This is something we must expect in the period ahead....

-oOo-

This report was written in advance of the Congress of our section in France in October. Since that time the possibility of a second wave of the pandemic has become a reality, especially in the central countries of capitalism. This only underlines a point made at the beginning of the report – that with the pandemic, we are entering uncharted waters, and in this situation it would be foolish to speculate about even the short term perspectives for the class struggle. It is likely that the continuation of the lock-downs will place further obstacles in the way of the revival of open struggles, and even though we can be more certain about the necessity for the bourgeoisie to launch massive attacks on working class living conditions, the scale of these attacks, especially given that they will feature large-scale lay-offs and closures of enterprises could, in an initial period, act as a further factor of inhibiting and intimidating the proletariat. But this report has also shown that the capacity of the working class to respond to the crisis of the system has by no means disappeared; and this implies that sooner or later we will see significant reactions to

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## ICC Publication

**Unions against the working class**  
International Communist Current  
Pamphlet N°1



Why trade unions can no longer be used as the organisational form for working class struggle. How the unions consistently sabotage independent class action.

### The Dutch and German Communist Left



The Dutch communist left is one of the major components of the revolutionary current which broke away from the degenerating Communist International in the 1920s. Well before Trotsky's Left Opposition, and in a more profound way, the communist left had been able

to expose the opportunist dangers which threatened the International and its parties and which eventually led to their demise. In the struggle for the intransigent defence of revolutionary principles, this current, represented in particular by the KAPD in Germany, the KAPN in Holland, and the left of the Communist Party of Italy animated by Bordiga, came out against the International's policies on questions like participation in elections and trade unions, the formation of 'united fronts' with social democracy, and support for national liberation struggles. It was against the positions of the communist left that Lenin wrote his pamphlet *Left Wing Communism, An Infantile Disorder*, and this text drew a response in *Reply to Lenin*, written by one of the main figures of the Dutch left, Herman Gorter.

In fact, the Dutch left, like the Italian left, had been formed well before the first world war, as part of the same struggle waged by Luxemburg and Lenin against the opportunism and reformism which was gaining hold of the parties of the Second International. It was no accident that Lenin himself, before reverting to centrist positions at the head of the Communist International, had, in his book *State and Revolution*, leaned heavily on the analyses of Anton Pannekoek, who was the main theoretician of the Dutch left. This document is an indispensable complement to *The Italian Communist Left*, already published by the ICC, for all those who want to know the real history of the communist movement behind all the falsifications which Stalinism and Trotskyism have erected around it.



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# BASIC POSITIONS OF THE ICC

**The International Communist Current** defends the following political positions:

\* Since the first world war, capitalism has been a decadent social system. It has twice plunged humanity into a barbaric cycle of crisis, world war, reconstruction and new crisis. In the 1980s, it entered into the final phase of this decadence, the phase of decomposition. There is only one alternative offered by this irreversible historical decline: socialism or barbarism, world communist revolution or the destruction of humanity.

\* The Paris Commune of 1871 was the first attempt by the proletariat to carry out this revolution, in a period when the conditions for it were not yet ripe. Once these conditions had been provided by the onset of capitalist decadence, the October revolution of 1917 in Russia was the first step towards an authentic world communist revolution in an international revolutionary wave which put an end to the imperialist war and went on for several years after that. The failure of this revolutionary wave, particularly in Germany in 1919-23, condemned the revolution in Russia to isolation and to a rapid degeneration. Stalinism was not the product of the Russian revolution, but its gravedigger.

\* The statified regimes which arose in the USSR, eastern Europe, China, Cuba etc and were called 'socialist' or 'communist' were just a particularly brutal form of the universal tendency towards state capitalism, itself a major characteristic of the period of decadence.

\* Since the beginning of the 20th century, all wars are imperialist wars, part of the deadly struggle between states large and small to conquer or retain a place in the international arena. These wars bring nothing to humanity but death and destruction on an ever-increasing scale. The working class can only respond to them through its international solidarity and by struggling against the bourgeoisie in all countries.

\* All the nationalist ideologies - 'national independence', 'the right of nations to self-determination' etc - whatever their pretext, ethnic, historical or religious, are a real poison for the workers. By calling on them to take the side of one or another faction of the bourgeoisie, they divide workers and lead them to massacre each other in the interests and wars of their exploiters.

\* In decadent capitalism, parliament and elections are nothing but a masquerade. Any call to participate in the parliamentary circus can only reinforce the lie that presents these elections as a real choice for the exploited. 'Democracy', a particularly hypocritical form of the domination of the bourgeoisie, does not differ at root from other forms of capitalist dictatorship, such as Stalinism and fascism.

\* All factions of the bourgeoisie are equally

reactionary. All the so-called 'workers', 'Socialist' and 'Communist' parties (now ex-'Communists'), the leftist organisations (Trotskyists, Maoists and ex-Maoists, official anarchists) constitute the left of capitalism's political apparatus. All the tactics of 'popular fronts', 'anti-fascist fronts' and 'united fronts', which mix up the interests of the proletariat with those of a faction of the bourgeoisie, serve only to smother and derail the struggle of the proletariat.

\* With the decadence of capitalism, the unions everywhere have been transformed into organs of capitalist order within the proletariat. The various forms of union organisation, whether 'official' or 'rank and file', serve only to discipline the working class and sabotage its struggles.

\* In order to advance its combat, the working class has to unify its struggles, taking charge of their extension and organisation through sovereign general assemblies and committees of delegates elected and revocable at any time by these assemblies.

\* Terrorism is in no way a method of struggle for the working class. The expression of social strata with no historic future and of the decomposition of the petty bourgeoisie, when it's not the direct expression of the permanent war between capitalist states, terrorism has always been a fertile soil for manipulation by the bourgeoisie. Advocating secret action by small minorities, it is in complete opposition to class violence, which derives from conscious and organised mass action by the proletariat.

\* The working class is the only class which can carry out the communist revolution. Its revolutionary struggle will inevitably lead the working class towards a confrontation with the capitalist state. In order to destroy capitalism, the working class will have to overthrow all existing states and establish the dictatorship of the proletariat on a world scale: the international power of the workers' councils, regrouping the entire proletariat.

\* The communist transformation of society by the workers' councils does not mean 'self-management' or the nationalisation of the economy. Communism requires the conscious abolition by the working class of capitalist social relations: wage labour, commodity production, national frontiers. It means the creation of a world community in which all activity is oriented towards the full satisfaction of human needs.

\* The revolutionary political organisation constitutes the vanguard of the working class and is an active factor in the generalisation of class consciousness within the proletariat. Its role is neither to 'organise the working class' nor to 'take power' in its name, but to participate actively in the movement towards the unification of struggles, towards workers taking control of them for themselves, and at the same time to draw out the revolutionary political

goals of the proletariat's combat.

## OUR ACTIVITY

Political and theoretical clarification of the goals and methods of the proletarian struggle, of its historic and its immediate conditions.

Organised intervention, united and centralised on an international scale, in order to contribute to the process which leads to the revolutionary action of the proletariat.

The regroupment of revolutionaries with the aim of constituting a real world communist party, which is indispensable to the working class for the overthrow of capitalism and the creation of a communist society.

## OUR ORIGINS

The positions and activity of revolutionary organisations are the product of the past experiences of the working class and of the lessons that its political organisations have drawn throughout its history. The ICC thus traces its origins to the successive contributions of the *Communist League* of Marx and Engels (1847-52), the three Internationals (the *International Workingmen's Association*, 1864-72, the *Socialist International*, 1889-1914, the *Communist International*, 1919-28), the left fractions which detached themselves from the degenerating Third International in the years 1920-30, in particular the *German, Dutch and Italian Lefts*.

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