

The breakdown of capitalism and the tasks of the working class

1 September 2011

Socialist Equality Party (SEP) conferences on “The Failure of Capitalism and the Fight for Socialism Today” were held in Sydney and Melbourne over the past two weekends. They discussed the new stage in the breakdown of global capitalism, and the fight for a socialist and internationalist perspective for the working class to answer the intensifying assault on jobs, living standards and basic democratic rights.

Below we published the first of three resolutions that were discussed and adopted unanimously at the two conferences. The second and third resolutions will be published tomorrow.

The breakdown of capitalism and the tasks of the working class

1. The collapse in global financial markets in 2007-2008 has escalated into the greatest failure of the capitalist system since the Great Depression of the 1930s. In every country, the ruling class and its political servants are seeking to make the working class pay. This conference of the Socialist Equality Party calls on workers and young people to fight for a socialist and internationalist perspective to meet the intensifying assault against their living standards, social conditions and democratic rights.

2. To rescue the capitalist elite from the financial crisis they created, governments internationally have taken onto their balance sheets some \$18 trillion of the losses suffered by private banks and financial speculators. They are now seeking to claw back this vast sum—more than the entire annual output of the US—through savage cutbacks to the basic social rights of the working class.

3. In the US, the Obama administration has announced \$2.4 trillion in budget cuts over the next 10 years. Across the European Union, governments are eliminating public sector jobs and services, slashing social welfare and privatising state-owned assets. Living standards in Greece are estimated to have plunged by at least 30 percent over the past two years. Unemployment stands at 10 percent or higher in the US and much of Europe, and is rising. Young workers already face depression levels of 20 to 50 percent unemployment in virtually every developed country.

4. The claims that this is a “debt crisis” confined to the major economies of the United States, Europe and Japan, or simply another downturn in the business cycle, have been refuted. Just as cancer spreads from one organ to the entire body, every part of the integrated world economy is being consumed. China and other

Asian manufacturing centres cannot replace the decline of their major export markets, and are lurching toward economic and social upheaval. Contrary to the nostrums of Australian exceptionalism, incessantly promoted by the media and political establishment, Australian capitalism is slumping into recession and financial instability.

5. There are no economic policies or regulatory mechanisms that can restore so-called normal conditions. The new “normal” for world capitalism is class war against the working class, along with rising global tensions and military conflict, as each national state seeks to protect the interests of its own ruling elite at the expense of its competitors.

6. The agenda of governments around the world is a social counter-revolution aimed at destroying the gains won by the working class during the twentieth century. The ruling elite is seeking to drive down living standards to those that prevail in the manufacturing hubs of Asia, in order to wrest back industries and sources of profit. In China and across Asia, governments are using state repression to block every effort by workers to win social rights, wage rises and improved conditions.

7. This agenda cannot be imposed peacefully or democratically. Already, the fig leaf of parliamentary democracy is being cast aside as governments impose the dictates of the financial markets and ruling elite, regardless of public opinion or popular opposition.

8. The working class internationally must take the sharpest warning from the right-wing hysteria and state violence unleashed by the British government in response to the recent youth riots in London and other cities—the product of decades of entrenched poverty and disadvantage. Working-class youth have been labelled sub-human “feral rats” and “wild beasts.” Thousands have been arrested and hauled before courts without the pretence of a fair hearing. The parents of alleged rioters are being thrown from their homes and sacked from their jobs. The riots have been blamed, not on social deprivation, but on insufficient “law-and-order” and state provision of welfare to the poor. The stench of a police-state permeates British society.

9. The working class must base itself on a scientific assessment of the global political and economic situation. Nothing less than a systemic breakdown in the entire structure of world capitalism is

underway, like that which began with the outbreak of World War I in 1914. The global profit system was only restabilised after World War II on the basis of the strength of American capitalism. Now, after a protracted economic decline, the US, the world's chief debtor nation, is the principal source of economic instability and militarism.

10. Geopolitical tensions, and the use of military force to gain economic advantage, as in Libya, the Middle East, and Central Asia, will only intensify as the global crisis deepens. The Obama administration has ominously declared that the United States will now "refocus on Asia" to block the growing influence of China, posing the danger of open conflict and a catastrophic war between nuclear-armed states.

11. This year has witnessed powerful movements of workers, from Tunisia and Egypt, to Greece, Portugal, Spain, France and the United States, fighting to defend their living standards and social rights. These developments signal the beginning of a new era of revolutionary struggle by the international working class.

12. The critical issue everywhere, however, is the lack of revolutionary consciousness, perspective and leadership. Around the world, the nationalist and pro-capitalist social democratic, Stalinist, Labor and trade union organisations, aided by the various ex-left and pseudo-radical organisations, have been able, thus far, to block any struggle from openly challenging the power, property and profits of the ruling class.

13. This conference endorses the following perspective as the basis for a new social and political movement of the working class, which fights for the establishment of workers' governments and the building of socialism on an international scale:

14. The international unity of the working class

Workers cannot combat internationally-organised corporations or resolve the global failure of the capitalist system at a national level. This conference calls for the closest unity between workers of all countries, the coordination of their struggles internationally and a constant political fight against every form of nationalism, anti-immigrant chauvinism and racism. The working class is the only truly international class. Its objective historical interests lie in ending national divisions and rationally planning the world's productive forces and resources to meet human need, not private profit. Only on that basis can the great problems and dangers confronting humanity, including global climate change and war, be tackled and resolved.

15. Oppose militarism and war

A third world war between nuclear-armed states would spell the end of human civilisation. This conference calls for determined opposition to every expression of militarism. All Australian and foreign troops occupying Afghanistan and Iraq must be immediately withdrawn. The criminal NATO bombardment of

Libya, which is supported by the Australian government, must immediately cease. The war machines being assembled by all the major powers must be dismantled. The Gillard government's neo-colonial operations in the Pacific region, must be ended, along with the closure of all Australian military bases and the repudiation of all military alliances.

16. For social ownership and democratic control

The world's productive forces must be freed from the stranglehold of private ownership. The banks, financial institutions and major corporations internationally must be expropriated and placed under the democratic control of the working class. The past three decades have produced revolutionary developments in technology and communications and brought about the unprecedented globalisation of every aspect of economic life. On the basis of socialist planning, the existing global productive capacity can be harnessed to provide a high standard of living for every person on the planet.

17. Build the International Committee of the Fourth International (ICFI)

The ICFI is the only genuine representative of Marxism and socialist internationalism. It is the direct continuity of the Fourth International, the World Party of Socialist Revolution established under the leadership of Leon Trotsky in 1938 against the Stalinist betrayals of the revolutionary struggles of the working class. The ICFI alone bases its program on the theory of permanent revolution, which was elaborated in its most complete form by Trotsky, and directs the struggles of the working class in both developed and developing countries to the taking of political power and the extension of socialist revolution throughout the world. The Socialist Equality Party is the Australian section of the ICFI.

18. This conference calls on workers and youth, to study the history and program of the world Trotskyist movement, to join and build the Socialist Equality Party, and to commit to the struggle for a socialist future.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact