

2014–2015: Results and prospects

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The twenty-first century is no longer a novelty. As we begin the New Year, the past 15 years provide sufficient data to allow us to identify the principal economic, geopolitical and social processes and tendencies that will determine the nature and direction of events in 2015 and the years ahead.

It must first of all be said that within the space of 15 years, the 21st century has refuted, in the most crushing manner, the “End of History” triumphalists who proclaimed, following the dissolution of the Soviet Union, that capitalism and bourgeois democracy represented the unsurpassable summit of human achievement. By the end of 2014, the prevailing economic and political structures appeared to be plunging, with ever greater velocity, into the abyss.

In the course of the past year—the centenary of the outbreak of World War I—the contradictions of the capitalist system acquired an acute character. The “peaceful” intervals between the eruption of major crises—geopolitical, economic and social—have become so short that they can hardly be described as intervals. Crises, on the other hand, appear not as isolated “episodes,” but as more or less permanent features of contemporary reality. The pattern of perpetual crisis that characterized 2014—an essential indicator of the advanced state of global capitalist disequilibrium—will continue with even greater intensity in 2015.

Let us review the major elements of the contemporary crisis.

1. The global economic crisis triggered by the collapse on Wall Street in 2008 persists. Far from signaling an economic recovery, the continuing and increasingly manic character of the rise of share values on the world’s equity markets—and, above all, in the United States—testifies principally to the triumph of economic parasitism. The relentless accumulation of personal wealth by a corporate and financial elite has been separated, to an historically unprecedented degree, from the process of generating value in production. Wall Street is addicted to seemingly endless infusions of liquidity from the Federal Reserve.

The rise of share values has taken place on top of a stagnating “real” economy. The noted economist Barry Eichengreen, in an essay published in the January 2015 edition of *Current History*, writes: “The new year is shaping up to be another disappointing one for the world economy.” He notes that IMF Managing Director Christine Lagarde has dubbed the anemic global growth rates as “the new mediocre,” and warns that this description of the global economy is probably too optimistic. There is no national or regional sector of the world economy that is experiencing robust growth.

In Europe, economic growth in 2014 was negligible, with its largest economy, Germany, just barely avoiding an official recession. Russia is in deep crisis and the ruble is in free-fall. In Asia, Japan fell into recession in the third quarter of last year, while the Chinese economy is slowing significantly.

In the United States, the “recovery” trumpeted by the Obama administration is non-existent for the vast majority of the population, amidst falling wages and continued mass unemployment. Near-zero interest rates have failed to spark any significant growth. The economies in Latin America and the “developing” countries are extremely vulnerable to unstable financial and capital markets.

The sharp fall in oil prices toward the end of 2014 is, in part, a consequence of a deliberate effort by the US and its allies to undermine Russia. However, it is also a component of a general fall in commodity prices throughout the world, reflecting deflationary pressures associated with declining demand and low growth levels. Eichengreen notes that there is good reason to believe that global capitalism is in the throes of “secular stagnation,” which “reflects not an unfortunate confluence of transitory problems in a number of the world’s largest economies, but a permanent slowdown due to deep-seated structural factors.”

2. Geopolitical tensions—rooted in the insoluble contradiction between, on the one hand, the global character of capitalist finance, production and markets, and, on the other hand, the nation-state system in which capitalism is historically and politically rooted—are intensified by the persistence of economic crisis. As in 1914 and 1939, the imperialist powers seek to find a way out of the economic crisis by striving, at the expense of their competitors, to strengthen the position of “their” nation in the world arena. Within this brutal and dangerous process, the United States is playing the leading role. The unending “war on terror” has revealed itself, over the past decade and a half, to be the means by which the United States is attempting to beat back potential rivals and maintain its position as the global hegemon.

The global operations of the United States have assumed a brutal character that brooks comparison to the operations of Nazi Germany. But there is a crucial distinction: Nazi Germany aspired “only” to rule Europe. The American ruling class aspires to rule the world. In the course of 2014, the Obama administration was engaged, without stopping, in war or preparations for war in virtually every part of the globe. Driving the operations of the Pentagon and the CIA headquarters in Langley, Virginia—where all critical government decisions are made—is the conviction that China represents an unacceptable obstacle to American domination of Asia and the Asian-Pacific region, and, therefore, to America’s role as global hegemon.

The conflict with Russia over Ukraine, which erupted in 2014, is just one theater of this global struggle. The American ruling class believes that it cannot settle accounts with China in Asia unless it has secured control over the Eurasian landmass. The installation of a pro-US puppet regime in Kiev was aimed at inflicting a decisive geopolitical setback on Russia, and compelling the Putin regime—or its replacement—to accept American domination.

The United States, however, is not the only actor in the politics of world imperialism. Even as it is torn by internal crisis, Britain hopes that its “special relationship” with the United States can facilitate the recapturing of some portion of its old imperialist glory. France—which only a decade ago was a particularly harsh critic of the US invasion of Iraq—has been transformed into the staunchest ally of Washington. It seeks, on a quid pro quo basis, to secure American support for French depredations in northern and central Africa. All the members of NATO resemble a pack of hungry wolves, looking for one or another prey to pounce upon. And thousands of miles away from Europe, the Australian ruling class has signed on enthusiastically for Washington’s “pivot to Asia.”

A particularly significant development in 2014 was the unabashed

resurgence of imperialist ambitions on the part of Germany and Japan. Both are in the process of formulating programs for the expansion and international deployment of their military forces. And while both countries have aligned themselves with the United States in opposition to Russia and China, it is entirely possible—indeed, highly likely—that, in the course of the development of their imperialist agendas, the decision-makers in Berlin and Tokyo will find themselves in conflict with Washington.

This year will mark the 70th anniversary of the end of World War II, the imperialist conflict that destroyed tens of millions of lives. Between 1939 and 1945, the ruling elites of all the contending imperialist powers—both fascist and “democratic”—revealed the barbarism of which the capitalist order is capable. And yet, in the course of the Ukrainian crisis, the possibility of a Third World War—which would, in all probability, begin with the use of nuclear weapons—was openly discussed.

In examining the strategies and policies of the ruling elites of one or another country, it would be a mistake to either underestimate their ruthlessness or overestimate their intelligence. But the specter of a Third World War arises not from one or another capitalist leader’s ambitions or from mere geopolitical miscalculations by one or another power. Rather, war flows from the objective political logic and consequences of the unstoppable struggle of imperialist powers for an advantageous and even—as in the case of the United States—hegemonic position in the world capitalist system. War can be prevented only through the overthrow of the nation-state system. This requires the revolutionary conquest of political power by the working class and the establishment of an international socialist system.

This is the only progressive and, one should add, realistic alternative to imperialist aggression. There is no progressive nationalist alternative to the program of world socialist revolution. The efforts of Putin to “defend” post-Soviet Russia on the basis of a repulsive revival of Tsarist-era Great Russian chauvinism can only lead to catastrophe. The October Revolution of 1917 was the response of the Russian working class—acting as the vanguard of the international working class—to not only the crimes of the Tsarist autocracy, but also, and above all, to the world imperialist system and its nation-state foundation.

The creation of the Union of Soviet Socialist Republics in 1922—in which Ukraine was a critical component—represented an initial effort by the Bolshevik regime to transcend the reactionary and historically outmoded nation-state system. The subsequent betrayals of Stalinism—on the basis of the nationalist program of socialism in one country—do not diminish the historical significance of the achievement of the October Revolution and the establishment of the USSR. The nationalist program of Putin, who aspires to retain for capitalist Russia some degree of political and economic influence within a capitalist Ukraine, has absolutely nothing in common with, and is, indeed, utterly hostile to the program and principles upon which the Soviet Union was founded.

The persistence of the nation-state system based on capitalism—in contradiction to the objective requirements of humanity’s global development—is the source not only of international war, but also of bloody fratricidal conflicts among people living within anachronistic state borders. Great Britain, formed by the Act of Union of 1707, is threatened with breakup by the upsurge of a thoroughly reactionary nationalist campaign for the creation of an independent capitalist Scotland. The outcome of this campaign, were it to succeed, would be the weakening of the working class on both the northern and southern sides of the border. And if further proof were needed of the gruesome implications of nationalism, one has only to look at the evolution of Israel. Founded on the basis of the reactionary program and ideology of Zionism, the Jewish State—which justified its existence as a response to the fascist-instigated Holocaust—employs a crude racism to justify its remorseless persecution of the Palestinian people and violation of their democratic rights.

all along the “Political a characteristic imperialism,” wrote Lenin in 1916. “The difference between the democratic-republican and the reactionary-monarchist bourgeoisie is obliterated precisely because both are rotting alive...”

The breakdown of the basic norms of democratic rule, which has been documented by the exposure of violations of domestic and international law by individuals occupying the highest posts in the American state, vindicates Lenin’s analysis. The Senate Select Intelligence Committee Report on Torture establishes irrefutably that the president, the vice president, the secretary of defense, the director of the CIA, and other important government personnel in the Bush administration committed criminal acts. But as the response of the Obama administration makes clear, those who authorized, designed and implemented the American torture program will not be held legally accountable.

The violence carried out beyond its borders—the use of torture, the drone killing program, etc.—and the rapid erosion of democratic rights within the United States are interconnected components of the same reactionary process. The United States is more and more assuming the character of a police state. In accordance with new military doctrine, and in flagrant violation of the legal principle of *Posse Comitatus*, the local police forces are being incorporated into what is being termed “the total army.”

The year 2014 saw the direct application of the apparatus of repression, built up in the “war on terror,” to domestic opposition. Police armed with military hardware placed the town of Ferguson, Missouri under virtual martial law following protests over the killing of 18-year-old Michael Brown.

The same tendency toward authoritarianism is present in every country, as the ruling class builds up the apparatus of repression in response to internal social tensions. It is highly significant that one of the most attractive countries for financial investors in 2014 was Egypt, where a brutal military regime has dispensed with democratic rights and carried out mass slaughter against all opposition. The ruling class internationally sees such tactics as a model for similar measures wherever its wealth and interests are at stake.

4. The ripping away of the veneer of democracy is an expression, fundamentally, of the unending and explosive growth of social inequality. Since 2008, the single-minded policy of the ruling class has been to maintain and increase its wealth by funneling trillions of dollars into the stock markets, combined with a relentless assault on the jobs and living conditions of the working class.

As a direct consequence of these policies, the 400 wealthiest individuals in 2014 saw their combined net worth grow by \$92 billion, to \$4.1 trillion. The total number of billionaires rose to a record 2,325 last year, up more than 7 percent from the year before. The net worth of this tiny portion of the world’s population rose by 12 percent, to \$7.3 trillion.

The net worth of the 400 richest Americans increased to \$2.29 trillion in 2014, nearly double what it was in 2009. Since 2010, the median household income in the US has fallen by 5 percent. The same processes are present in every country. Of the three billionaires who enjoyed the greatest increase in their wealth last year, two live in China. The richest 1 percent of the world’s population saw their share of global wealth increase to 48.2 percent in 2014, up from 46 percent in 2013, according to Credit Suisse.

5. The prognosis for 2015 foresees the intensification of economic, geopolitical and social crisis. However, along with the development of the objective contradictions of the capitalist system, the popular anger and dissatisfaction of the great mass of the population will acquire an increasingly intense character. The events of the past 15 years have left their imprint on mass consciousness. The endless wars, the exposure of the corruption of the financial elite, the criminal and sadistic practices that violate the most elementary sense of justice, the relentless decline in living standards among the great majority of the working population, the

frustration of the youth who feel they live in a world without a future and without hope, the grotesque displays of wealth amidst pervasive poverty, and the daily hardships that most people confront in their lives—these are elements of the objective reality that is leading to a profound change in consciousness and political orientation within the working class.

But the growth of popular dissatisfaction and the outbreak of open class conflict are not sufficient to solve the great problems posed by the crisis of the capitalist system. The critical task is the development of socialist political consciousness within the working class.

In the course of 2014, the International Committee of the Fourth International and its national sections made significant progress in the development of their work among workers and youth who are being radicalized by the crisis. The political stature of the *World Socialist Web Site* has continued to grow, as events substantiate its analysis.

But there is no room for complacency. Great challenges lie ahead. 2015 will witness both the intensification of capitalist crisis and a significant upsurge of popular resistance. We call on the many readers of the *World Socialist Web Site* to join us and fight to build the Fourth International as the World Party of Socialist Revolution.



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