The precarious position of the working class and the prospects for a radicalization of the masses in Russia

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A number of economic forecasts for Russia confirm that an attack on the already precarious position of the Russian working class is underway in the remaining months of 2022 and the year 2023. The forecasts emphasize the country's volatile economic situation, which is increasing the pressure on the Putin regime and setting the stage for a widespread mobilization of the Russian working class.

On Wednesday, November 2, MBFinance, an online market analysis and forecasting platform, published a short, eight-minute forecast for the Russian economy. The very beginning of the article explicitly refers to the "disappointing forecasts of economists and analysts for the remainder of 2022-2023."

"Many experts argue that unless Russia comes up with a detailed, new draft for economic reforms in the very near future ... the country will face imminent trouble. The greatest pessimists predict a situation similar to that of the wild 90s in the foreseeable future: widespread unemployment and poverty," writes the author of the article, Igor Kuznetsov.

The article notes the shocking fact that only 3 percent of the population have no financial and material problems. The remaining 97 percent, or 140 million people have them, and most of them experience serious financial difficulties. This shows the whole essence of capitalism.

Only 12 percent of Russians can afford to pay for most commodities, except an apartment or a house. Thirty-five percent are unable to buy appliances. Twenty-three percent of the population can afford to buy groceries to avoid starvation but are unable to afford new clothes and shoes.

Eight percent of Russians are unable to buy even food, which puts them in real danger of dying of hunger or going into debt. For them, the only choice is either a slow and painful life of debt or an equally painful death by starvation. The number of poor Russians has risen by 3 million within just three months this year, and 60 percent of the population, or about 87 million people, are on the brink of poverty.

The article references the economic expert Konstantin Selyanin. In his opinion, the most pessimistic forecast suggests nothing less than the collapse of Russia's economy in the very near future. According to Selyanin, we are effectively already witnessing the biggest economic collapse in the entire history of Russia since the Stalinist dissolution of the Soviet Union in 1991.

This is indeed true. While the world is sinking into recession due to tight central bank policies, Russia has already entered its own recession, caused by the reaction of the imperialist powers to Putin's invasion of Ukraine. It would be too optimistic to believe that Russia has already "survived" this recession.

Despite all the sanctions, Russia was, and still is, an important raw material supplier for the world market. Direct economic relations between Western countries and Russia have indeed declined to a record low, but there are many intermediaries on the world stage. There is also a large uncontrolled trade market on a world scale, which plays no less of a role than the controlled one, and in which Russia has a substantial share.

Kuznetsov's article brings up a report by Dmitry Belousov, head of the Center for Macroeconomic Analysis and Short-Term Forecasting (CMASTF). The report raises three "possible" paths for Russia's economic development:

The first path is autarky. Kuznetsov writes: "In this option, Russia will have to produce everything necessary for its development on its own, even if this means reducing the quality of manufactured products, including both consumer products and those that are necessary for the operation of industry. This will affect the standard of living of the country's population, which could be significantly reduced by this path. This path will be the only possible one if Russia transitions to a 'war economy' as a result of a further escalation of the conflict with the enemy countries."

Thus, this option is considered possible in the case of an expansion of the conflict in Ukraine between Russia and NATO. This is indeed quite likely to happen, since capitalist wars have always been accompanied by the dissociation of countries from the world market, a decline in industrial production and a serious collapse in living standards. But this situation seriously threatens the position of the capitalist class as well.

In the case of autarky, the country would be set back decades. Such a radical collapse can only lead to an equally radical explosion of the struggles of the working class against the bourgeoisie. The main question will not be whether this explosion takes place, but what level of consciousness the working class will have and the extent to which the revolutionary party of the proletariat will successfully influence it.

The second path is "institutional inertia." According to the article, this is the most likely path of economic development.

"This is the situation that has been developing for the last 15 years: [the aim has been] to maintain as much macroeconomic stability as possible, implement investment projects, finance their obligations," writes the author of the article. "Under this scenario, unemployment will remain high up to 2030, within 6%, wages and labor productivity will not increase. With such a method Russia will face the following: in such indicators as quality of life, national security, and technological development the country will inevitably lag behind the rest of the world, which will give rise to a 'gray economy' as it existed in the 1980s."

The reader should recall that it was this "gray economy" of the 1980s that contributed to a serious political and economic crisis by the mid-1980s, which forced the Stalinist bureaucracy to adopt Gorbachev's "perestroika" policies, which in fact proposed a counterrevolutionary way to resolve the crisis: the restoration of capitalism in the Soviet Union.

The restoration of capitalism ended with the liquidation of the Soviet Union and the establishment in its place of 15 "independent" capitalist

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republics, open to “partnership” with Western and Eastern capital through the world capitalist market. The consequences of this disintegration are still being felt to this day. The U.S.-NATO proxy war against Russia in Ukraine is one such consequence.

Therefore, if this economic path is realized, it is safe to say that a serious political crisis awaits capitalist Russia. For Putin’s regime, this crisis could be fatal. Another question is: Who will replace Putin’s bourgeois rule: other defenders of bourgeois society or revolutionary Marxists who stand on the principles of the October Revolution?

The third and final possible path is the “struggle for growth.” The article presents this path as the second most likely to be realized after “institutional inertia.” These two economic strategies are the subject of debate among the Russian ruling elite, which is trying to somehow cope with the storm coming at them from the West and from within, that is, from the Russian working class.

“The authorities and business will act together,” Kuznetsov writes, “the role of the state in the economy will increase, but the profits will be kept by private companies. Technology would have to be borrowed, and active entry into all sorts of markets would have to be ensured. This path would allow to keep the unemployment rate within the natural 4-5%, and the incomes of the population would grow by about 2.5-3.7% every year. Forecasts for this scenario are more positive—in a couple of years the country would reach a pre-crisis state”—a very positive scenario indeed.

Looking at the global environment, there is no guarantee that the third “optimistic” scenario will work. For Russia to be able to gain access to all sorts of markets, the war must end. But the fact is that the war is not going to end, its very existence is testimony to the crisis of the entire global capitalist system.

The Russian working class faces the same threats as the working class in other capitalist countries. Unemployment in Russia is expected to reach 6.5 percent next year, thus putting 1.6 million jobs at risk. Food inflation will still remain at 9 percent, and the interest rate of the Central Bank of Russia will remain at 6 percent.

For the first time in many years, the state budget will go into deficit. State expenditure will be reduced, first of all in the social sphere. National debt will rise from 18 percent to 23 percent of GDP. GDP growth will be negative throughout 2023. The course of the global recession will also determine the domestic economic situation in Russia.

“All for the front, all for victory” will be the justifying slogan of the future financial and economic machinations of Putin’s regime. The first wave of mobilization has come to an end, but there is already talk in the open about the second wave. What guarantee is there that the second wave will be at least as good as the first? Putin’s regime can give no guarantees other than guarantees for a further deterioration of the situation.

In its report for the first half of 2022, published August 30, Labor Protest Monitoring, analyzing the feverish state of labor protest in Russia, noted:

“All of this suggests increasing fluctuations and at the same time an increase in protest. Periods of relative decline do not compensate for the growth [in protest activity]. The peak of periods of growth [in protests] and the minimum point reached in periods of growth are both constantly increasing. This means that there is a general increase in protest. In general, there is a rather alarming dynamic with a tendency to increase despite the high variability of the data.”

This was written only with regard to the first half of 2022, when the Russian working class was paralyzed in February and March by Putin’s invasion of Ukraine, and only began to engage in serious protest activity by the summer. The second half of the year will likely not only continue this trend toward growing protests and strike activity, but intensify it.

Ultimately, the fate of the Russian working class is closely linked to the fate of the international working class, which is now at a turning point in the class struggle. Workers internationally are challenging the reactionary trade union apparatuses in their struggle against the cost-of-living crisis, the war and the ongoing pandemic. Russian workers face the same problems as workers everywhere.

It is “optimistic” stupidity and short-sightedness to hope that the capitalist powers will bring about an early end to the war. The redivision of the world has just begun, with all major leaders acknowledging that the decisive decade in the establishment of a “new world order” is now underway. The perceived need by the capitalists for such a “new world order” and the drive by the imperialist powers toward a new redivision of the world is rooted in the crisis and irrationality of the world capitalist system, which is plagued by unresolved contradictions.

Some leaders seek the final realization of a “unipolar moment” (the US), others try to get out of a “stalemate” (Europe), others think about establishing a utopian project of “multipolarity” (China, Russia and others). Ultimately, all these methods are based on the preconception that capitalism must be preserved. We have nothing in common with these methods and conceptions, nor do we intend to.

The main purpose of the existence of the International Committee of the Fourth International and its sections and supporters around the world is the overthrow of the capitalist system, which has become an irrational system leading humanity to self-destruction. We conceive of the overthrow of capitalism only on the basis of an internationalist socialist perspective, developed in the course of all the previous experience of the workers’ movement.

The only revolutionary force capable of realizing a socialist alternative to capitalist barbarism is the international working class, which has been woven together by the threads of a globalized economy.

Only a worldwide mobilization of workers is capable of resolving the contradictions of capitalism: between the public character of production and the private-capitalist form of appropriation, the global economy and the division of the world into nation-states.

This mobilization is impossible without building a conscious Marxist-Trotskyist leadership in the working class. The International Committee seeks to resolve the crisis of proletarian leadership and to lead the working class to victory over a society of exploitation of man by man.

This will be possible if a section of the International Committee of the Fourth International is built and strengthened in each country. The Young Guard of Bolshevik-Leninists is fighting for the construction of such sections in Russia and throughout the former Soviet Union.

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