

# 2023: The global capitalist crisis and the growing offensive of the international working class

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1. The celebration of the beginning of the New Year will be brief. The old year has passed into history, but its crises persist and will intensify. As 2023 begins, the COVID-19 pandemic is entering its fourth year with no end in sight. The US-NATO war against Russia continues to escalate. The world capitalist economy is afflicted simultaneously by ruinous inflation and recession. The institutions of bourgeois democracy in the advanced capitalist countries—first and foremost, in the United States—are breaking down. The American political system is grappling, with little success, with the aftershocks emanating from the insurrection of January 6, 2021. Right-wing and neo-fascist movements are steadily gaining ground throughout the world. As living standards for the laboring masses plunge globally, the class struggle is intensifying and breaking out of the control of the official trade unions.

2. In 2022 the accumulating pressure of these intersecting elements of the world capitalist crisis attained the equivalent of critical mass: that is, they have reached the point where the dynamic of crisis has passed beyond the ability of governments to control the movement toward a social cataclysm. The ruling classes are incapable of containing the crisis; their policies—economic, political and social—are of an increasingly reckless and even irrational character. In their promotion of “herd immunity” as a legitimate response to the pandemic and in their willingness to risk nuclear war in a confrontation with Russia, the imperialist powers are demonstrating a homicidal contempt for the lives of the great mass of the world’s population. Only the intervention of the working class, armed with an international socialist program, can provide humanity with a way out of the disaster created by capitalism.

## The COVID-19 pandemic

3. The emergence of the Omicron variant in November of 2021 was welcomed by capitalist governments, led by the United States under the Biden administration, as a pretext for abandoning mitigation measures that slow the spread of COVID-19. The government’s “theory”—for which there was no credible scientific basis—was that Omicron would be a “live virus vaccination,” whose spread would endow some level of immunity, and on this basis the coronavirus would fade away.

4. The ruling class demanded that Americans “learn to live with the virus,” with the false promise that it would become “endemic” and no more dangerous than the seasonal flu. A media campaign promoted the end of masking, testing, contact tracing, the isolation of infected patients, and the systematic reporting of cases and deaths. Biden proclaimed that “the pandemic is over” and life could return to normal, disarming the

population to the ongoing dangers of COVID-19.

5. This narrative was based on lies and propaganda. It ignored the scientific truth that COVID-19 reinfections, which have become common, compound the infected individual’s risk of hospitalization and death. The capitalist mass media paid virtually no attention to Long COVID and its persistent impact on a substantial percentage of those who contract the virus. They lied about the danger, established by virologists, that the continuous and rapid evolution of new variants undermines the effectiveness of vaccines and immunity acquired from previous infections. The year concluded with the revelation that for the second time in three months the US Centers for Disease Control and Prevention (CDC) has covered up the spread of a dangerous new Omicron subvariant. The XBB.1.5 variant has rapidly become dominant across the US, after first becoming dominant and causing a surge of infections and hospitalizations throughout the Northeast region.

6. “Living with the virus” has meant accepting staggering levels of death and debilitation amid unending waves of infection and reinfection. Global life expectancy has declined for the first time since the Second World War. More than 10 million children worldwide have lost a parent or primary caregiver from COVID-19. Hundreds of millions of people are suffering from Long COVID, which can impact nearly every organ in the body.

7. According to excess death estimates, more than 21 million people have died directly or indirectly from COVID-19 in three years, approximately equal to the total military and civilian casualties during the four years of the First World War. A recent study on excess deaths by the World Health Organization found that COVID-19 was the third-leading cause of death globally in 2020 and *the world’s leading cause of death* in 2021. There were approximately 5.1 million excess deaths globally in 2022, making the “mild” Omicron variant the third-leading cause of death. Governments allowed a novel virus to spread globally and become one of the world’s worst killers.

8. In the US alone, there were 270,000 confirmed COVID-19 deaths and over 350,000 excess deaths in 2022. These deaths have skewed sharply toward older individuals. Three-quarters of 2022 COVID-19 deaths, or 186,000 people, were over the age of 65, with the percentage rising throughout the year. A new Malthusianism has gripped the ruling class, which views with staggering indifference the death of the elderly. The words of Scrooge in Charles Dickens’ classic are now the mantra of the financial oligarchy: “If they would rather die, they had better do it, and decrease the surplus population.”

9. Until November 2022, China adhered to a policy of “Zero COVID,” that is, the implementation of the well-known public health measures necessary to stop the spread of the virus. In the first three years of the pandemic, this policy limited COVID-19 deaths in China to just over



5,000, out of a population of 1.4 billion, or 0.1 percent of the US death rate during that time. In March-June 2022, the Zero-COVID strategy successfully stopped an outbreak of the Omicron BA.2 subvariant in Shanghai, proving that it is effective in combating even this highly infectious variant.

10. China's measures, however correct they were in themselves, suffered from one fundamental and fatal flaw: The global pandemic cannot be stopped on the basis of a national strategy. State borders cannot be made impenetrable. Preventing the infiltration of the virus into China was a Sisyphean task. Moreover, governments and the media in the major capitalist countries carried out an aggressive campaign to demand that China abandon its Zero-COVID strategy, on the grounds that the measures taken were undermining global trade and supply chains—that is, that they were harmful to the profit interests of transnational corporations. Apple, Nike and other major corporations threatened to move their production facilities to other countries.

11. In response to these economic and geopolitical pressures, beginning in November the ruling Chinese Communist Party (CCP) abandoned Zero-COVID. In the span of one month, it ended all lockdowns, mass testing, contact tracing, quarantine and isolation protocols, and travel restrictions.

12. In just the first three weeks of December, it is estimated that 248 million people were infected with COVID-19 in China, 100 times the number infected in the first three years of the pandemic. The majority of China's 1.4 billion people are expected to be infected by March 2023. Estimates of the number of people who will die range from 1 million to 2 million. Hospitals in cities across China are overflowing with patients, and morgues are suspending burial services in response to the inundation of bodies. Thousands are believed to be dying each day throughout the country.

13. The lifting of Zero-COVID in China and the adoption of a "forever COVID" policy marks a new and potentially even more dangerous stage in the pandemic. Scientists have warned that mass infection increases the likelihood that new variants will evolve. The world's capitalist ruling elites are playing Russian roulette with society, raising the danger that a more infectious, immune-resistant and deadly variant could unleash an even more lethal global wave of infections.

14. There is no precedent in modern history for governments that are not openly fascist implementing policies that it is known will result in mass illness and death. But this is precisely what all the capitalist states have done over the course of the pandemic.

15. The response to the pandemic can leave no doubt that capitalist governments will react no differently to the even greater threat posed by climate change. Not even the danger of mass extinction will deter the ruling elites from their destructive pursuit of corporate profits and personal wealth. The past year saw a major intensification of the climate crisis, including terrible flooding in Pakistan and throughout much of Africa, devastating drought conditions across Europe, China and East Africa, Hurricane Ian and the winter bomb cyclone in the United States, and other extreme weather events throughout the world. Scientists have warned that climate change will continue to exacerbate the global food crisis, kill millions of people, displace hundreds of millions more and increase the likelihood of future pandemics.

## The US-NATO war against Russia

16. The US-NATO war against Russia is a milestone in the progression to World War III. The essential cause and nature of a war is not determined by what country "fired the first shot," but by the socioeconomic and geopolitical interests of the classes controlling the

countries engaged in the conflict. Ukraine has been placed by its corrupt capitalist oligarchy at the disposal of US and European imperialism in a proxy war. Its aim is the defeat of Russia, for the purpose of 1) dismembering this vast country and securing control over its immense supply of critical natural resources, 2) removing all obstacles to imperialist domination, under the aegis of the United States, of the Eurasian subcontinent; and 3) completing the encirclement of China and its subordination, through a combination of economic and military measures, to American imperialism.

17. The propaganda of the capitalist media, built around the claim of an "unprovoked invasion" by Russia of Ukraine on February 24, 2022, is based on lies, half-truths and the suppression of vital information. It separates the conflict from its entire antecedent history and the past 30 years of US-led wars and invasions.

18. The United States viewed the dissolution of the Soviet Union in 1991 as an opportunity to utilize its military power to establish unrivaled domination throughout the world. It was glorified by the propagandists of imperialism as a "unipolar moment" in which the US would dictate a "New World Order" in the interests of Wall Street. A 1992 Pentagon strategy document proclaimed that US strategy had to be based "on precluding the emergence of any potential future global competitor."

19. The same government that now denounces Russia for "genocide" in Ukraine destroyed entire societies and killed hundreds of thousands in its project of global conquest. The first war against Iraq in 1990-91, launched in the final year of the USSR, was followed by the dismantling of Yugoslavia throughout the 1990s, culminating in the war against Serbia in 1999. The same imperialist powers that now insist upon the territorial integrity of Ukraine and demand the return of Crimea had no compunctions whatever about ripping Kosovo out of Serbia.

20. The attacks of September 11, 2001 were seized on to proclaim a "war on terror" and what President George W. Bush termed the "wars of the 21st century." The US invaded Afghanistan in 2001 and led a second war against Iraq in 2003. Then, under the Obama administration, it waged a war against Libya and orchestrated a civil war in Syria in 2011. Each of these wars was justified in one way or another on the basis that the US was fighting for "democracy" and "freedom" against one or another devil who had to be deposed.

21. However, the bloodbath orchestrated and led by American imperialism failed to achieve its aim: unrivaled control over the Middle East, Central Asia and the Eurasian landmass. Increasingly, US geopolitical strategists began discussing the necessity for a direct conflict with Russia as the prelude to a conflict with China. In August of 2021, when Biden announced the withdrawal of US troops from Afghanistan, he claimed that he was ending the "forever war." It is now evident that this was in preparation for war against Russia—which he has pledged to continue for "as long as it takes."

22. The US and European powers instigated this war through decades of NATO expansion to the east, up to the borders of Russia. In the years leading up to the invasion, particularly after the US-orchestrated 2014 coup in Ukraine which unseated a pro-Russian government, the US and NATO funneled tens of billions of dollars in weaponry into Ukraine, which has been transformed into a member of NATO in all but name.

23. Former German Chancellor Angela Merkel blurted out the truth when she told *Die Zeit* last month, "The 2014 Minsk agreement [following the coup in Ukraine] was an attempt to give Ukraine time. It also used this time to become stronger, as you can see today."

24. The plans for war against Russia were operationalized in 2022. Seven weeks before the outbreak of the war, the WSWS warned:

The New Year begins with the Biden administration leading a reckless NATO-backed military buildup in Ukraine, spurring the



right-wing Ukrainian government to deploy 125,000 soldiers to its border with Russia and warning Russian President Vladimir Putin that the US will not “accept anybody’s red lines.” Far from restraining the Ukraine regime, the Biden administration seems intent on encouraging a military clash. In December, Democratic Senator Chris Murphy threatened that “Ukraine can become the next Afghanistan for Russia if it chooses to move further.”

25. As in every war waged by the United States and its NATO accomplices, there are endless claims that the conflict with Russia is a struggle in defense of democracy. But there is not to be found in the media any reference to the economic interests that underlie the actions of the imperialist powers. But this issue was examined in detail by the *World Socialist Web Site* in a detailed article posted on May 22, 2022, titled, “Critical resources, imperialism and the war against Russia.” It explained:

Russia is the largest country in the world. While its economy is relatively minuscule compared to the imperialist powers, its landmass spans across two continents, with a total size of 6.6 million square miles. The runners up, Canada (3.8 mi<sup>2</sup>), China (3.7 mi<sup>2</sup>) and the US (3.6 mi<sup>2</sup>) are significantly behind in terms of size. Russia alone comprises 11 percent of the entire world’s landmass.

In this vast landmass are an array of important minerals and resources.

Russia produces roughly 40 percent of the EU’s natural gas and almost 12 percent of the world’s oil. Russia is also the second largest holder of coal reserves in the world, 175 billion tons. These resources play a key role in the ongoing conflict. Amid tightening global energy supplies, these resources are a major impediment to US imperialism globally, but particularly in its effort to combat the rise of China...

In addition to hydrocarbons, Russia contains massive quantities of basic metals. Russia is the third largest reserve holder of iron, with 25 billion tons. It also holds the second largest reserve of gold (6,800 tons) and is near tied for the fifth spot in silver. The country is also the largest producer of diamonds, producing, on average, about a third of the world’s diamonds in recent years.

While each of these resources deserves attention in understanding the geostrategic ambitions of the United States and its allies, this article looks at a lesser-known aspect of global resource politics: critical minerals. Critical minerals refer to a host of metals and minerals increasingly vital to global production which, over the next two decades, are expected to explode in demand. Russia sits on substantial sources of a diverse array of critical minerals that the US believes will be crucial to global economic and political power in the 21st century.

26. On the basis of a careful review of Russia’s strategic resources, the article concluded:

The breaking apart of Russia and its domination by American capital would be a strategic stepping stone in the efforts of the American ruling class to impose a “new American century” through the subordination of China and Eurasia more broadly to its aims. Resources play a role in this. Amid the enduring need for oil and natural gas, as well as the rapidly growing need for critical minerals, Russia is seen as a vital landmass with a vast array of riches.

27. The imperialist character of the war being waged by NATO does not, however, justify the Russian invasion of Ukraine, let alone endow it with any progressive character. In the online rally against the war held by the International Youth and Students for Social Equality on December 10, 2022, the International Committee of the Fourth International unequivocally condemned the actions of the Putin regime:

Notwithstanding the central responsibility of the US-NATO alliance in the instigation of the war, the Russian invasion of Ukraine on February 24, 2022 was a reactionary and desperate action undertaken by the Putin regime, acting on behalf of the ruling capitalist oligarchy that came to power in the aftermath of the dissolution of the Soviet Union in December 1991.

The Putin regime’s efforts to justify the war by invoking the reactionary heritage of tsarism and neo-Stalinist national chauvinism represent a despicable historical regression. The provocations of NATO would not have been successful were it not for the fact that the Putin regime is the outcome of the total repudiation of the far-sighted democratic principles upon which the Union of Soviet Socialist Republics was founded in 1922, five years after the October Revolution. The Bolshevik government, led by Lenin and Trotsky, founded the USSR as a *voluntary* union, and was constitutionally committed to the democratic equality of all the national and ethnic groups. The deliberate encouragement of national chauvinism in Russia—which finds its openly fascist counterpart in Ukraine—created the ideological prerequisites for the fratricidal conflict between the masses of both victimized countries.

When placed in historical perspective, the US-NATO war in Ukraine proves again the necessity for ending capitalism and the nation-state system in which it is embedded. The war is, in fact, only one manifestation of the fatal incompatibility of capitalist private ownership of the means of production and the division of the world into hostile nation states with the progressive development, and even survival, of mankind.

28. The war is yet another tragic consequence of the dissolution of the USSR. All the claims made by Gorbachev, Yeltsin and their supporters within the privileged middle-class *Nomenklatura* about the spectacular benefits that would flow from the restoration of capitalism have been refuted by the events of the past 30 years. Rather than peace, prosperity and democracy, the repudiation of the entire heritage and monumental social and cultural achievements of the October Revolution has produced fratricidal wars, mass poverty and autocratic regimes.

29. The Kiev and Moscow regimes, both products of the dissolution of the Soviet Union, draw their ideological inspiration from the cesspools of political reaction. The fascist Stepan Bandera, the leader of the Organization of Ukrainian Nationalists, which collaborated with the Nazis in the mass murder of Jews and Poles during World War II, is now honored as a founding father of Ukraine. For his part, Putin epitomizes the political and social type which Lenin, with Stalin in mind, described in 1922 as “that really Russian man, the Great-Russian chauvinist, in substance a rascal and a tyrant, such as the typical Russian bureaucrat is.” [*Collected Works*, Vol. 36]

30. Among the most reactionary consequences of the proxy war has been the normalization of nuclear weapons as a legitimate instrument of geopolitical conflict. The repeated claim that the NATO powers will not be “deterred” by the possible use of nuclear weapons can only mean that they are determined to pursue their war to complete victory over Russia and, when the time comes, over China, even if that means risking the lives



of billions of people.

31. As the war enters its second year, the logic of military escalation proceeds inexorably, fueled by the need to achieve a decisive breakthrough, based on unrealistic goals and disastrous miscalculations. The dangerous trajectory of the war is shown in the New Year's Day attack by Ukraine on a building in Donetsk housing Russian soldiers, killing scores, and possibly hundreds, of recruits. This massive attack occurred only one week after Ukrainian President Zelensky's trip to the United States, whose openly stated purpose was to secure additional weaponry and military support.

32. The January 1 attack was carried out with missiles fired by the advanced HIMARS artillery supplied by the United States. Given the commanding role of the US in the direction of the war and the sophistication of this rocket system, it is beyond doubt that the attack was authorized by the Biden administration, and that American military technicians were directly involved in the targeting of the Russian soldiers and the launching of the missiles.

33. It is not clear whether the Biden administration is seeking to provoke a drastic Russian response or whether it believes that the Putin regime will avoid escalation of the war with NATO. But whether through deliberate provocation or an incorrect appraisal of Russian policy, the White House is taking risks that could lead to a global disaster. The United States and the other major NATO powers, using Ukrainians as cannon-fodder and pawns, are determined to achieve a military victory and are seeking nothing less than a Russian capitulation. As the *Financial Times*, the principal organ of British finance capital, stated in an editorial posted on January 2: "Ukraine's battlefield successes do not mean its allies can ease up on support... Nor is this the time to entertain the idea of ceasefires or negotiation."

34. The other major imperialist powers are also preparing for world war. The massive military budgets passed by Germany and Japan this past year are war budgets. And while the major powers are presently united in the conflict with Russia and China, as was noted at the IYSSE online rally: "The NATO alliance and the ancillary military pacts that include countries in Asia and the Asia-Pacific comprise not a 'Band of Brothers' but a den of imperialist thieves and cut-throats. The logic of inter-imperialist rivalries will lead in the not too distant future to bitter conflicts among the temporary allies of today. The enmities of the past, as for example between the United States and Germany, will inevitably reemerge."

### **The January 6 coup and the crisis of American democracy**

35. The recklessness of US foreign policy cannot be understood solely in relation to the geopolitical interests of American imperialism. A central factor is the extreme domestic crisis within the United States itself. For all its dreams of global conquest, the American ruling class presides over an increasingly dysfunctional political system. As far back as the Clinton impeachment crisis of 1998-99 and the Supreme Court's intervention in 2000 to suppress the counting of votes and award the presidency to George W. Bush, the International Committee has warned that the American ruling class was moving toward dictatorial forms of rule.

36. This protracted process of anti-democratic degeneration culminated on January 6, 2021 in Donald Trump's attempt to carry out a fascist coup to block the transfer of power and establish a presidential dictatorship. This coup had the support of the majority of the Republican Party and significant elements within the ruling class and the military-state apparatus.

37. Over the course of the past year, the House Committee investigating

January 6 held a series of hearings, which proved: 1) That Trump conspired to lead and direct the coup; and 2) The coup came very close to succeeding. The hearings concluded in December with referrals to the Justice Department for Trump to be arrested and charged with a "conspiracy to incite, assist or aid an insurrection."

38. The International Institute for Strategic Studies (IISS) pointed to the fragility of American politics in its annual *Strategic Survey for 2022*. It states:

Though Trump's plot failed, the audacity of the effort portended a revolution in consciousness and expectations about whether future election results might be rejected and reversed. Such an outcome is conceivable only because of the extraordinary level of political polarisation driving behaviour among political elites in Washington and in state capitols across the US in 2021-22, and because Americans themselves have become more socially and politically differentiated from each other than at any time in recent memory...

There is an academic debate about whether the US could face civil war in the coming decade. The answer may depend on definitions. Violence has re-emerged as a salient feature of American politics.

39. Trump by no means represents the only threat of fascist authoritarianism in American politics. The Republican Party largely rejects traditional democratic norms and seeks to create an authoritarian state which will ruthlessly suppress political opposition, as shown by the emergence of such figures as Governor Ron DeSantis in Florida. The Supreme Court decision to overturn *Roe v. Wade* has unleashed a wave of anti-democratic state laws criminalizing abortion. Local police continue to kill more than 1,000 people every year. And underlying all these manifestations of the erosion of democracy there is continuous growth of the machinery of domestic repression: massive agencies of surveillance and repression like the NSA and FBI, and their counterparts in every state and major city.

40. The breakdown of democracy and the growing political influence of far-right and fascist movements is a global phenomenon. In Italy, the Brothers of Italy (FdI), the successors to the fascist Italian Social Movement and the heirs of fascist dictator Benito Mussolini, came to power in October, headed by Prime Minister Giorgia Meloni. In France, the neo-fascist candidate, Marine Le Pen, won 45 percent of the vote in run-off elections against Emmanuel Macron in March. In Germany, where the Nazi dictatorship was responsible for the worst crimes of the 20th century, a raid in December exposed a fascist terrorist plot to seize power by military force. The "Reichsbürger" movement has close ties to the far-right Alternative for Germany (AfD), and the neo-Nazi movement has intimate connections within the intelligence and military apparatus.

41. Throughout Europe, fascist parties have been politically legitimized, providing critical political support for the promotion of militarism, the abandonment of public health measures, the attack on immigrants and refugees, and, above all, preparations for a confrontation with the working class.

42. The significance of fascism as a response of the ruling classes to the threat of socialist revolution has been established by historical experience. Mussolini and his squadrons of *fascisti* in 1922 were placed in power by the Italian bourgeoisie to violently suppress the movement of the working class. Hitler and his Nazis were utilized, with even greater brutality, for the same purpose in Germany. The forms assumed by fascist movements have differed from country to country. In some cases, as in Germany and Italy, they have attained virtually absolute control of the capitalist state. In



others—and, in fact, more frequently—fascist organizations have functioned as auxiliary paramilitary instruments of state repression, assisting (as they did, for example, in Spain, Argentina, Chile, Indonesia) the army and police in the bloody work of state-directed counterrevolution.

43. In the present situation, the pressure of the objective crisis drives the ruling elite to abandon democratic forms of rule and strike a preemptive blow against the emerging movement of the working class.

### **The economic crisis of American and world capitalism**

44. The extreme political instability is driven, in the final analysis, by the increasingly unstable economic and financial situation. The central element of ruling class policy over the last three decades has been the infusion of ever greater sums of liquidity into the markets. This began in the aftermath of the “Volcker Shock” of 1979—the period when the US Federal Reserve under Paul Volcker sharply raised interest rates to manufacture a recession and drive up unemployment. A sustained period of low interest rates that followed, beginning in the 1990s and extending through the first two decades of the 20th century, funneled money into the financial markets and fueled rising share values.

45. The American ruling class responded to the 2008 economic and financial meltdown with a bailout of Wall Street. The national debt was doubled virtually overnight to finance the purchase of hundreds of billions of dollars in speculative assets by the Federal Reserve. This was repeated on an even greater scale in 2020 during the initial months of the COVID-19 pandemic, propelling share values to record levels amidst mass death and social misery.

46. The policy of the ruling class, led by the United States, was to inflate financial assets through the printing of money, while keeping wages low through the suppression of the class struggle. Wealth—of the corporate and financial elite, but also significant sections of the upper-middle class—was increasingly divorced from the actual process of production.

47. The most extreme form of this speculative mania occurred in the market for cryptocurrency, a fictitious currency for fictitious capital, which exploded in value in the decade following the 2008 crisis. The price of Bitcoin, which was created in 2009, rose to more than \$64,000 at its zenith in 2021. In November 2021, the total crypto market—including Bitcoin and others—peaked at more than \$3 trillion, sustained by the massive infusion of cash into the overall financial market.

48. Over this past year, this policy reached a dead end. The world economy was hit by the highest levels of monetary inflation in four decades, the product of the money-printing operations of central banks, compounded by the impact of the pandemic and the US-NATO war against Russia on global supply chains.

49. Led by the US Federal Reserve, central banks have responded with the sharpest interest rate rises since the early 1980s. The measures taken in response to inflation, however, are only compounding the economic crisis while intensifying the social tensions that are producing an upsurge of the class struggle.

50. The raising of rates has already had a significant impact on financial markets. The NASDAQ stock exchange has fallen nearly 35 percent over the course of the year, while the S&P 500 fell 20.6 percent and the Dow Jones 9.5 percent. The market value of companies like Tesla, Google, Amazon, Microsoft and many others that thrived on speculation has plummeted. The total value of the cryptocurrency market fell by more than 60 percent, from \$2.3 trillion to just over \$800 billion. The arrest in December of Sam Bankman-Fried, the founder of the collapsed cryptocurrency exchange FTX, is only the most naked expression of deflation of the speculative mania of finance capital.

51. There are growing indications that the world economy will enter a recession in 2023. In October, the International Monetary Fund projected that global growth would fall to 2.7 percent this year, the lowest growth level since 2001, excluding the 2008-09 crisis and the initial year of the pandemic. This assessment, however, appears overly optimistic. In November, the *Economist* wrote that a global recession in 2023 is “inevitable,” citing the impact of the “permacrisis” caused by geopolitical conflict, rising commodity prices, and “the loss of macroeconomic stability” due to rising interest rates.

52. From the standpoint of the ruling class, the impact of interest rate hikes on the stock market is seen as a necessary evil to achieve the more important strategic aim: beating back resistance in the working class to the staggering decline in its standard of living over the past year. In August, when Fed Chairman Jerome Powell announced that there would be no let-up on interest rate rises, he stressed that it was necessary to create “softer labor market conditions”—that is, create mass unemployment—which would “bring some pain to households and businesses.”

53. Soaring inflation has had a devastating impact on the living conditions of workers throughout the world. According to the International Labor Organization (ILO), real wages declined by nearly 1 percent in 2022, marking the first such global decline in decades. In the European Union, where year-on-year inflation reached 11.5 percent in October 2022, real wages fell by a whopping 2.4 percent in the first half of 2022 compared to the previous year.

54. As real wages have declined, labor productivity has continued to grow, indicating that the exploitation of the working class is reaching unprecedented levels. As a result, corporate analysts are fearful that in both advanced and developing countries, strikes and social protests will dominate in 2023. A Bloomberg Law analysis of American industrial relations notes that “at least 150 large union contracts are set to expire next year, potentially heralding more worker unrest amid soaring inflation and rising corporate profits. The lapsing agreements represent at least 1.6 million workers, more than the population of Philadelphia.”

### **The emerging global offensive of the working class**

55. The surge in prices has accelerated the underlying processes that are driving a growth of class struggle throughout the world. The long period of enforced stagnation through the mechanism of the trade union apparatus is encountering mass opposition. In country after country, there is a renewal of working class militancy. “The laws of history,” as Trotsky once wrote, “are more powerful than the bureaucratic apparatus.”

56. A major factor in the growth of social unrest has been the rising cost of living, including soaring prices for basic necessities. According to the International Monetary Fund (IMF), the price of wheat increased 80 percent between April 2020 and December 2021 as the global COVID-19 pandemic took hold, sending food prices to their highest levels since the 1970s. Wheat prices have jumped 37 percent and corn 21 percent so far in 2022. Wheat futures are 80 percent higher than six months ago, and corn is up 58 percent.

57. In Sri Lanka, demonstrations against the government began in late March and continued throughout the year. Three massive general strikes forced the ouster of President Gotabaya Rajapakse, who fled the country on July 13 and resigned two days later. Major demonstrations centered on food and fuel prices also took place in Ecuador, Peru, Lebanon, Pakistan and other countries.

58. In Turkey, there have been a series of wildcat strikes in December and into January, involving steel workers, paper workers, shoe workers, iron workers and construction workers.



59. In Iran, anti-government protests began in September following the death of Mahsa Amini, who was arrested by the Guidance Patrol morality police for allegedly violating the mandatory hijab law. The initial protests involved primarily layers of the middle class motivated by hostility to the bourgeois-clerical regime of Ayatollah Khamenei. US imperialism is also seeking to exploit the domestic crisis in Iran to advance its own interests in the Middle East.

60. In December, layers of the Iranian working class, including petrochemical workers, steel and cement workers, and bus drivers, participated in a three-day “national strike” as part of the demonstrations. The development of the protests in a progressive direction—opposing the bourgeois government in Iran without supporting the regime-change operations of US imperialism—depends on the building of a Trotskyist leadership in the working class.

61. Inflation is having an immense impact on the development of the class struggle in Africa. Twenty-three of Africa’s 54 countries depend on Russia and Ukraine for more than half the imports of one of their staple goods. The surge in prices is exacerbating hunger under conditions where most African countries provide no social safety net. The impact is particularly extreme in the countries that import most of their food and where the economic effects of COVID-19 hit hardest, including Nigeria, Kenya, Ghana, Rwanda and Egypt. The number of people facing hunger in Africa is expected to reach more than 500 million of the continent’s 1.2 billion people.

62. Across Africa, workers have entered into struggle despite the efforts of the union apparatus. Kenyan health workers defied a court order and went on strike on December 9. Nigeria also saw strikes by university lecturers, bus drivers and civil servants. Of particular significance was the rank-and-file bus drivers’ strike in Lagos, Nigeria, which defied the union bureaucracies in the official union, the National Union of Road Transport Workers.

63. South Africa also saw strikes ranging from Makro workers who struck over pay to sacked South African electricity supply workers at Eskom, who struck to demand reinstatement. In South Africa, rank-and-file workers confront the bureaucracy of the Congress of South African Trade Unions, which is in a tripartite alliance with the bourgeois African National Congress and the Stalinist South African Communist Party. Thousands of South African government workers took part in nationwide demonstrations in November to demand a 10 percent increase in their salaries. This led to a one-day public-sector-wide general strike.

64. Latin America, which three years ago was the stage for massive uprisings against social inequality and the region’s rotten political regimes, witnessed a new wave of class struggle in 2022. Driven by general strikes of dock workers, tire workers, teachers, nurses, transport workers and others, Argentina registered more than 9,000 street protests in 2022, making it the year with the highest number of “*piquetes*” in the country’s history. In Brazil, a wave of wage struggles in the first half of the year has resulted in 75 percent more strikes and twice as many work hours stopped than the same period a year earlier.

65. Massive protests against the rising cost of living exploded in a number of Latin American countries, especially after the economic shocks caused by the US-NATO-instigated war in Ukraine, more than 6,000 miles away. Both openly right-wing governments—like those of Ariel Henry in Haiti and Guillermo Lasso in Ecuador—and those of the pseudo-left-backed “pink tide”—like Pedro Castillo in Peru and Gabriel Boric in Chile—responded to these demonstrations with brutal state repression.

66. In Europe, the French government of President Emmanuel Macron was rocked by a series of strikes by oil refinery workers. After threatening to requisition strikers to force them back on the job, Macron ultimately secured the services of the CGT unions in strangling the offensive. Developments in Germany were also marked by a radicalization of the working class, which found expression in a series of strikes. In the fall, the

metalworkers’ union IG Metall was forced to call hundreds of thousands of workers on a warning strike to control the growing anger of workers over the effects of inflation and the war policies of the German government. Other significant strikes occurred in the nursing and aviation sectors throughout the year and among dockworkers in the summer.

67. In the United Kingdom, rail workers, dock workers, telecommunications workers, mail delivery workers and other sections of the working class have engaged in a series of struggles that played a major role in destabilizing the British government, which has seen three prime ministers in the course of a single year for the first time since 1924. The year concludes with the unions seeking to limit growing demands for a general strike in what the media has dubbed the new “winter of discontent” in Britain.

68. In Australia, industrial action has reached levels not seen for more than a decade, despite the attempts by the union apparatus to limit and divide strikes. The election of the Albanese Labor government in May 2022 was followed by an upsurge in the strike actions of nurses, teachers, rail, maritime and transport workers and others against intolerable workloads and declining wages due to inflation. The response of both the Albanese government and state governments has been to intensify the anti-strike laws and measures that have been used to suppress working class struggles for more than four decades.

69. In New Zealand, with inflation hitting 7.2 percent, broad sections of workers entered struggles over living costs and pressures generated by the COVID crisis. Firefighters struck nationwide for the first time in 20 years along with academics, manufacturing and hospitality workers, while public hospital nurses refused to work overtime shifts in opposition to the Ardern Labour government’s ending of temporary “winter bonus” payments.

70. In Canada, 55,000 education support workers in Ontario defied an anti-strike law, which generated broad support in the working class for a general strike against the far-right provincial government of Doug Ford, which was only blocked through the shutdown of the strike by the unions.

71. Finally, some of the most explosive class battles are taking place in the United States, the center of world capitalism, where the number of strikes increased significantly in 2022 over the previous year, by 40 percent, according to a database run by Cornell University. This included strikes by oil workers, nurses and other health care workers, manufacturing workers, and teachers and other education workers. The year concluded with the shutdown of a powerful strike by 48,000 academic workers at the University of California based on concessions contracts accepted by the United Auto Workers.

72. The number of strikes, however, does not fully express the state of opposition in the working class. A much broader struggle has been held back by the bureaucratic apparatus, which has worked in close collaboration with the corporations and the government in a desperate attempt to contain social anger. This took the form of the suppression of the struggle of 100,000 railroad workers, where the unions blocked strikes despite repeated contract rejections and strike authorization votes. This culminated in the direct intervention of the government to illegalize a strike in December, a measure of an essentially fascistic character that went unopposed—indeed, was supported—by the trade union apparatus.

## **The ICFI in the decade of socialist revolution**

73. The development of the global class struggle represents a major historical inflection point. The downward slope in the graphic timeline of the class struggle that dates back to the late 1970s has clearly shifted direction and is curving upward.



74. Within this new objective situation, the role and practice of the revolutionary party is decisive. At its Summer School in 2019, the Socialist Equality Party (US), based on an analysis of the objective crisis of capitalism and the history of the Fourth International, identified the qualitative change in the political situation. The present period, it noted, would be characterized by “the intersection of a new revolutionary upsurge of the international working class with the political activity of the International Committee.”

The International Committee of the Fourth International has begun the fifth stage of the history of the Trotskyist movement. This is the stage that will witness a vast growth of the ICFI as the World Party of Socialist Revolution. The objective processes of economic globalization, identified by the International Committee more than 30 years ago, have undergone a further colossal development. Combined with the emergence of new technologies that have revolutionized communications, these processes have internationalized the class struggle to a degree that would have been hard to imagine even 25 years ago. The revolutionary struggle of the working class will develop as an interconnected and unified world movement. The International Committee of the Fourth International will be built as the conscious political leadership of this objective socio-economic process. It will counterpose to the capitalist politics of imperialist war the class-based strategy of world socialist revolution. This is the essential historical task of the new stage in the history of the Fourth International.

75. Building on this analysis, the WSWs wrote, in its New Year statement posted on January 3, 2020, that the coming decade would be the “decade of socialist revolution.” We wrote, “The growth of the working class and the emergence of class struggle on an international scale are the objective basis for revolution. However, the spontaneous struggles of workers and their instinctive striving for socialism are, by themselves, inadequate. The transformation of the class struggle into a conscious movement for socialism is a question of political leadership.”

76. The challenge of political leadership is to analyze the objective logic of the capitalist crisis and, on this basis, to develop initiatives that raise the consciousness of the working class, increase its self-confidence and undermine the political influence of the capitalist parties.

77. In November 2021, as the Omicron variant was just beginning its global spread, the ICFI launched the Global Workers Inquest into the COVID-19 Pandemic. In its first year, the Inquest has gathered statements from dozens of scientists and workers documenting the criminal response of the ruling class and elaborating a scientific and, above all, political strategy for ending the pandemic once and for all.

78. On December 10, 2022, the International Youth and Students for Social Equality, the student and youth movement of the ICFI, held a global online rally to initiate a global movement of young people against war. In November, the *Sozialistische Gleichheitspartei*, the German section of the ICFI, initiated an aggressive campaign in the Berlin elections, which will be held in January and February, 2023. The SGP is the only party that is fighting to mobilize the working class against the US-NATO war against Russia.

79. In Sri Lanka, the Socialist Equality Party launched an initiative in July calling for a Democratic and Socialist Congress of Workers and Rural Masses, in opposition to the conspiracies within the political establishment to replace the hated Rajapakse government with a new government equally committed to implementing austerity measures demanded by the IMF.

80. A principal block to the working class struggle in every country is the corporatist trade unions, which have played a critical role in enforcing decades of growing social inequality, supporting the ruling class’s war policy, and implementing the back-to-work campaign during the pandemic. The ICFI’s call for the International Workers Alliance of Rank-and-File Committees is the means through which the struggles of workers throughout the world can be unified. In opposition to all those who insist on the inviolability of the existing corporatist trade union apparatus, the IC advocates the building of organizations comprised of and controlled by the workers themselves.

81. Over the past year, the fight to break workers free of the union bureaucracy was powerfully expressed in the campaign of Will Lehman for president of the United Auto Workers in the United States, which began in June. The campaign won broad support from rank-and-file workers, who responded to his call for the complete abolition of the trade union apparatus and the transfer of power to workers on the shop floor.

82. The campaign exposed the vast social gulf that exists between rank-and-file workers and the UAW apparatus, which is staffed with thousands of individuals whose income places them in the top 5 percent and even top 1 percent of the population. Forced to hold a direct election due to the massive corruption scandal that engulfed the UAW, the apparatus responded with a deliberate campaign of voter suppression.

83. The extremely low turnout of only 9 percent was a product of this campaign, combined with the alienation of rank-and-file workers from the apparatus. Despite the relatively small number of ballots cast, the 5,000 votes cast for Lehman reveal the existence of a very large constituency in the working class for socialist policies. The campaign has established the basis for the development of a network of committees in auto plants and other workplaces throughout the country.

84. The building of rank-and-file committees, in every sector and in every country, is necessary for the development of the class struggle, which in turn is the necessary foundation for a movement not only against exploitation and inequality, but also against war, the ruling classes’ pandemic policy, and the drive to fascism and dictatorship.

## **The World Socialist Web Site and the centenary of Trotskyism**

85. In the founding program of the Fourth International, Trotsky wrote that outside of this party “there does not exist a single revolutionary current on this planet really meriting the name.” The same evaluation can be made of the role of the International Committee of the Fourth International in the global class struggle and the preparation of the working class for the world socialist revolution. The International Committee of the Fourth International is not one of many “factions” that claims to be Trotskyist. The ICFI is the only political party that works in the Marxist tradition and upholds the historical continuity of the Fourth International as the World Party of Socialist Revolution. This is not an idle boast. It is substantiated in the theory, program and practice of the ICFI.

86. On February 14, 2023, the *World Socialist Web Site* will mark the 25th anniversary of its founding in 1998. Utilizing the new communications technology of the internet, the ICFI created the WSWs as the first genuinely global publication of the international socialist movement. The revolutionary technology provided the possibility and the means for the development of such a publication. But the essential foundation of the WSWs—what made possible its daily publication over a period of 25 years—was its grounding in the entire theoretical and political heritage of the Fourth International. The scope of the *World Socialist Web Site*’s coverage of political, social, cultural and intellectual events and



processes has testified to the power of the Marxist method of analysis and the historical perspective of Trotskyism.

87. Drawing on the lessons of the central revolutionary and counterrevolutionary experiences of the 20th century, the WSWs has reported and analyzed all the central political events of the 21st century. Counteracting the mind-numbing and deceitful propaganda of the capitalist media, it has provided an intellectually liberating and revolutionary orientation for an entire generation of workers, students and youth. While providing the most politically advanced analysis of events, the WSWs has relentlessly combated the environment of cultural backwardness and intellectual deceit and charlatany.

88. There is yet another anniversary whose celebration will begin in the autumn of this year. October 2023 will mark the centenary of the founding of the Left Opposition, under the leadership of Leon Trotsky. This marked the beginning of the Trotskyist opposition to the Stalinist bureaucracy and the regime whose betrayals of the principles of the October Revolution resulted in historic defeats of the international working class and, ultimately, in the destruction of the Soviet Union and the restoration of capitalism.

89. One hundred years after the founding of the Left Opposition, the perspective and program of the Trotskyist movement have been vindicated by history. The role of Stalin and Stalinism as the “gravedigger of revolution” is recorded in their countless crimes against the socialist movement and the working class.

90. The International Committee of the Fourth International, the world Trotskyist movement, is the only representative of revolutionary Marxism in the 21st century. All the various Pabloite, state capitalist and other pseudo-left organizations have been exposed as agents of imperialism, defenders of the trade union apparatus and opponents of the working class.

91. Marxism is based on a historical materialist understanding of the objective laws and processes that give rise to mass revolutionary movements. The theory of permanent revolution, developed by Trotsky, remains the essential strategic foundation of the world socialist revolution. The perspective of the ICFI is imbued with a political optimism that is based on a scientifically grounded understanding of the revolutionary capacity of the working class to put an end to capitalism. But this optimism is not that of a passive observer who derives comfort from the idea that “history is on our side.” It is true that the crisis of capitalism leads to revolution. But the revolution must be prepared and fought for. The socialist resolution of the crisis of capitalism requires the resolution of the crisis of working class leadership.

92. As we begin the new year, we call on workers and youth to draw on the lessons of the past year, as well as the lessons of history, and recognize that capitalism has reached a dead end. The future of humanity depends on the triumph of socialism. We call on you to join this fight, to build the International Workers Alliance of Rank-and-File Committees, to participate in the Global Workers’ Inquest into the COVID-19 pandemic, to increase the circulation of the *World Socialist Web Site*, and above all, to make the decision to join the Socialist Equality Party in your country and work to build the International Committee of the Fourth International as the world party of socialist revolution.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**