World Economic Forum's global risk report: A devastating picture of the capitalist crisis

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Down through the years, the ideologists of the ruling classes have repeatedly accused Marxists of exaggeration and even "catastrophitis," as they drew out the deepening contradictions of capitalism, which threaten the very future of civilisation.

Those who agree with such assessments, endlessly regurgitated through media and academic outlets, would do well to examine the "Global Risks Report 2023" of the World Economic Forum (WEF) prepared for the annual gathering that is taking place this week in Davos, Switzerland.

The report paints a devastating picture of a socioeconomic system hurtling towards disaster, outside of the control of the ruling elites for which the WEF speaks.

The executive summary begins by noting that the first years of the present decade "have heralded a particularly disruptive period in human history."

Then follows a paragraph worth quoting in full:

> As 2023 begins, the world is facing a set of risks that feel both wholly new and eerily familiar. We have seen the return of "older risks"—inflation, cost-of-living crises, trade wars, capital outflow from emerging markets, widespread social unrest, geopolitical confrontation and the spectre of nuclear warfare—which few of this generation's business leaders and public policy-makers have experienced. These are being amplified by comparatively new developments in the global risks landscape, including unsustainable levels of debt, a new era of low growth, low global investment and de-globalisation, a decline in human development after decades of progress, rapid and unconstrained development of dual-use (civilian and military) technologies, and the growing pressure of climate change impacts and ambitions in an ever-shrinking window for a transition to a 1.5C world. Together, these are converging to shape a unique and uncertain and turbulent decade to come.

The Marxist analysis of the present situation is presented in the New Year's Perspective of the *World Socialist Web Site* (2023: The global capitalist crisis and the growing offensive of the international working class), which notes that the accumulating pressures of the world capitalist crisis have "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."

Everything in the Global Risks Report confirms, in its own way, the veracity of this analysis, which is probably why the WEF document has received little or no coverage in the so-called mainstream media.

The report traces out a series of deepening crises, including the ever-worsening economic outlook, the intensification of geopolitical conflicts and tensions that are not confined to Ukraine, but extend far more broadly, the rapid deterioration of health and health care, and the effects of climate change, both in terms of the weather and the decline in biodiversity.

One of the most significant shifts in 2022 was the ending of the ultra-low interest rate regime initiated in response to the global financial crisis in 2008 and extended after the financial crisis of March 2020, at the start of the COVID-19 pandemic.

The monetary tightening implemented by the Fed and other major central banks to suppress the global wages upsurge by the working class is driving the world economy into recession.

But according to the WEF report:

> Even if some economies experience a softer-than-expected landing, the end of the low-interest rate era will have significant ramifications for governments, businesses and individuals. The knock-on effects will be felt most acutely by the most vulnerable parts of society and already-fragile states, contributing to rising poverty, hunger, violent protests, political instability and even state collapse. ... Governments will continue to face a dangerous balancing act between protecting a broad swathe of their citizens from an elongated cost-of-living crisis without embedding inflation—and meeting debt and servicing costs as revenues come under pressure from an economic downturn, an increasingly urgent transition to new energy systems, and a less stable geopolitical environment.

The report warns that social unrest and political instability will not be confined to emerging markets, as economic pressures hit the middle-income bracket:

> Mounting citizen frustration at losses in human development and declining social mobility, together with a widening gap in values and equality, are posing existential challenges to political systems around the world.

The global slowdown and the development of recession in many parts of the world will increase geopolitical tensions and conflicts:

> Economic warfare is becoming the norm with increasing clashes between global powers and state intervention in markets over the next two years.

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Economic policies will not only be used defensively, but "increasingly offensively to constrain the rise of others."

The report also points to the increase of military spending as a proportion of GDP by the US, along with others, and notes the decision by Japan to double its military spending:

> Widespread defence spending, particularly on research and development, could deepen insecurity and promote a race between global and regional powers towards more advanced weaponry.

This will be accompanied by the rise of blocs that tie together countries across security, trade, innovation and investment.

The report does not raise it, but this assessment blows out of the water the World Economic Forum's earlier pronouncements that the globalisation of production and finance through the operation of the "free market" would lead to peace and prosperity.

That analysis, advanced in the years following the dissolution of the USSR, ignored the fact, emphasised by the Trotskyist movement, the International Committee of the Fourth International, that such organic peaceful development was impossible because the world is riven by the contradiction between global economy and the nation-state system in which capitalism is rooted.

The WEF report contains little analysis of the extent of the pandemic, apparently subscribing to the view, contrary to the evidence, that COVID is in the past. But it does point to the crisis in health care and the threat of further pandemics, under conditions where health care systems are facing "intensifying financial pressure."

It states:

> As COVID-19 recedes from the headlines, complacency appears to be setting in on preparing for future pandemics and other global health threats. Healthcare systems face worker burnout and continued shortages at a time when fiscal consolidation risks deflecting attention and resources elsewhere. More frequent and widespread infectious disease outbreaks amidst a background of chronic diseases over the next decade risks pushing exhausted healthcare systems to the brink of failure around the world.

Health problems will also continue to mount because of the effects of climate change and the disintegration of ecosystems, leading to an increased occurrence of zoonotic diseases—those which, as with SARS and COVID, start in animals but then leap over into the human population.

An objective measure of human progress is the increase in life expectancy. Today, for the first time since World War II, it is starting to decline. According to the report: "People are living more years in poor health, and we may soon face a more sustained reversal in life expectancy gains beyond the influence of the pandemic."

On the issue of climate change, as the prospect of keeping global warming under 1.5 degrees Celsius fades into the distance, the report notes that climate and environmental issues are a core source of risks over the next decade, but are at the same time "the risks for which we are seen to be the least prepared."

It adds:

> The lack of deep, concerted progress on climate targets has exposed the divergence between what is scientifically necessary to achieve net zero and what is politically feasible.

The same point could be made on the question of COVID elimination, which, however, the WEF chooses to evade. It does not even approach an explanation for the policy of mass infection pursued by governments all over the world because that would mean touching on the "holy of holies"—capitalist property relations, on which the global economy is based, and which make impossible the application of science where it conflicts with the interests of private profit.

Summing up the situation, the report says that present and future risks

> interact with each other to form a "polycrisis"—a cluster of related global risks with compounding effects, such that the overall impact exceeds the sum of each part.

Or, as the *World Socialist Web Site*'s New Year Perspective explains, the crisis of capitalism has reached a "critical mass." That perspective makes another decisive point—that the actions of capitalist governments are increasingly irrational, and instead of alleviating the crisis, intensify it.

The same point is made in another way in the conclusion of the WEF report:

> Without minimising the need for an effective response, the over-prioritisation of current challenges can quickly descend into a doom-loop of continuous global shocks, whereby resources are absorbed by crisis management, rather than directed to preparedness for future risks. Complex challenges cannot be solved by short-term decision-making—and yet long-term thinking alone is insufficient in the face of currently unfolding crises.

The image comes to mind of the boy rushing to put his finger in the dyke as the whole structure gives way to the flood.

Anyone still labouring under the illusion that the ruling classes have some progressive solution to the deepening crisis should read the concluding paragraph.

There we find the following:

> In a complex risks outlook, there must be a better balance between national preparedness and global cooperation. We need to act together, to shape a pathway out of cascading crises and build collective preparedness to the next global shock, whatever form it might take. Leaders must embrace complexity and act on a balanced vision to create a stronger, prosperous shared future.

In other words, the ruling elites, above all the oligarchs gathered at Davos with a collective wealth of trillions of dollars, whose actions over decades have led to an existential crisis for humankind, are somehow to turn on a dime and lead the way out of the disaster.

In fact, they have no policies to halt the deepening catastrophe, nor can they develop any, because, in the final analysis, it is rooted not in their psyche, but in the objective contradictions of the capitalist mode of production, which they defend above all else.

The capitalist ruling classes, and their political representatives, are the chief obstacles to human progress. But that does not mean they have no program. They do. It is to place the full burden of the crisis of their system on the backs of the working class and oppressed masses.

They are condemned by history, but are still a living social force, with vast resources and centuries of counterrevolutionary political experience.

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The way forward does not lie in appeals for them to change course, but in summoning the power of an even greater social force—the international working class—to remove them.

But for that enormous power to become transformed from potentiality to actuality, the working class must be armed with a clearly worked out program, grounded on the historically developed program and strategic lessons extracted by the world Trotskyist movement, represented today solely by the International Committee of the Fourth International, over the course of a century of unrelenting political and theoretical struggle.

The conclusion is a simple one. As the New Year's Perspective of the WSWS outlined, the future of humanity depends on the triumph of socialism, and the achievement of this necessary objective depends on the building of the ICFI as the world party of socialist revolution.

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