

# THE BIG BANG. IS IT IN FRONT OF US OR BEHIND US?

*For a decade I have hypothesized that capitalism faces four interleaved crises. Each is significant on its own, but collectively they are unmanageable by capitalism. They are, in no particular order, stagnating reproduction, the march of the robots, the hegemonic struggle between China and the USA, and finally global warming. I was wrong. Capitalism faces five interleaved crises. The fifth is the sheer size of the financial bubble. Capitalism could indeed go out with a bang.*

This article was inspired by rereading Eric Hobsbawm's book titled - *How to Change the World, Reflections on Marx and Marxism* - especially chapters 14 and 15 in which Hobsbawm investigates the balance of class forces in the post war period marked by the ascendancy of the USSR in its Sputnik period. Throughout the book Hobsbawm is intrigued by one question, how it is that the capitalist class is able to exert such ideological hegemony over a majority of workers ensuring they remain tied to reformism rather than being drawn to revolution. Why these workers continue to see their class interest as a shared class interest with the capitalist class instead of one in which they see their class as a "class for itself" in permanent conflict with capitalism.

These chapters by Hobsbawm together with earlier chapters, provide a sober reflection of the balance of class forces, and the resulting subordination of the working class over the course of a century. Only in the aftermath of WW1 does Hobsbawm underestimate how the fulcrum could have shifted in favour of the working class. He does not repeat this mistake after the Second World War. The ruthless and cynical mass bombing of cities in Germany and Japan were designed, not to achieve military goals, but political ones, to pulverise workers and prevent a repeat of the revolutionary wave that erupted after WW1.

All Marxists share Hobsbawm's concerns about the ideological domination of the working class which has led to its political paralysis. The question which follows, is what are the agencies for this domination, and are these agencies boosted or diminished by changes to material conditions?

Explanations range from the actual, that is commodity fetishism through to simple domination (political) and finally on to the more complex hegemonic control (political as well as cultural). By commodity fetishism we understand the spontaneous consciousness of workers is that of commodity owners and sellers, in this case of labour power. Another example where "being determines consciousness". In this sense workers are driven to organise around improving the terms of the sale of their labour power which includes forming trade unions to balance the domination of the buyers of labour power - employers. Here economics plays a double role. In an expanding economy, there is a resulting improvement in the labour market, or conversely, in the case of defensive strikes, workers may end up being forced back to work because of economic privations. By political control, the focus is on the power exerted by that part of the state organised to dominate workers and keep them in line. In this case batons alongside hunger. By hegemonic, as popularised by Gramsci, is understood all of the institutions and paraphernalia which entice and encourage rule by consent - from academia, through to media and on to the welfare state.

I am not a fan of hegemonic control because it minimises the effect of changing material conditions. It places too much emphasis on the superstructure and not enough on the base. In support of this we can cite the events before and after 2008. In the celebrated "*British Social Attitudes*" Survey, class identifications changed dramatically pre and post 2008. So did politician's language as they aped the changes in class identities. Prior to 2008 most British respondents saw themselves as aspiring middle class

because of the opportunities at the time including home ownership. After the shock of 2008 over 60% of respondents now saw themselves as workers and even Tory politicians began to address the population as “hard-working families”, “deserving workers” or even “working-class voters”. It always takes a recession to strip workers of their pretensions, to reveal their place in society, as well as their vulnerabilities. <https://www.bsa.natcen.ac.uk/latest-report/british-social-attitudes-33/introduction.aspx> Of course this did not stop workers being mean towards the unemployed though even this has changed with the pandemic.

Thus it strikes me that it is more important to put the emphasis on material conditions rather than the institutions keeping capitalism upright. But to do so on a broad basis by examining how the objective and subjective conditions interact via all the **contemporary** mediations. And here the cultural (subjective) aspect that Hobsbawm draws attention to turns into its opposite. Workers today are culturally incomparable to workers who lived a hundred years ago, even 80 years ago at the time of the Wars. Living standards are higher, life expectancy is longer, the nature of work has changed, the state has had to adapt, and expectations are more demanding; compared to earlier times when privations were the norm, when more primitive technology make life hard, arduous and short lived. What workers endured then in wars and depressions may no longer be tolerated especially if humanity faces the possibility of a nuclear war. Thus it could be said that the more capitalism develops, embroidering culture on the way, the greater the probability that changing material conditions will resonate more forcefully and loudly in society.

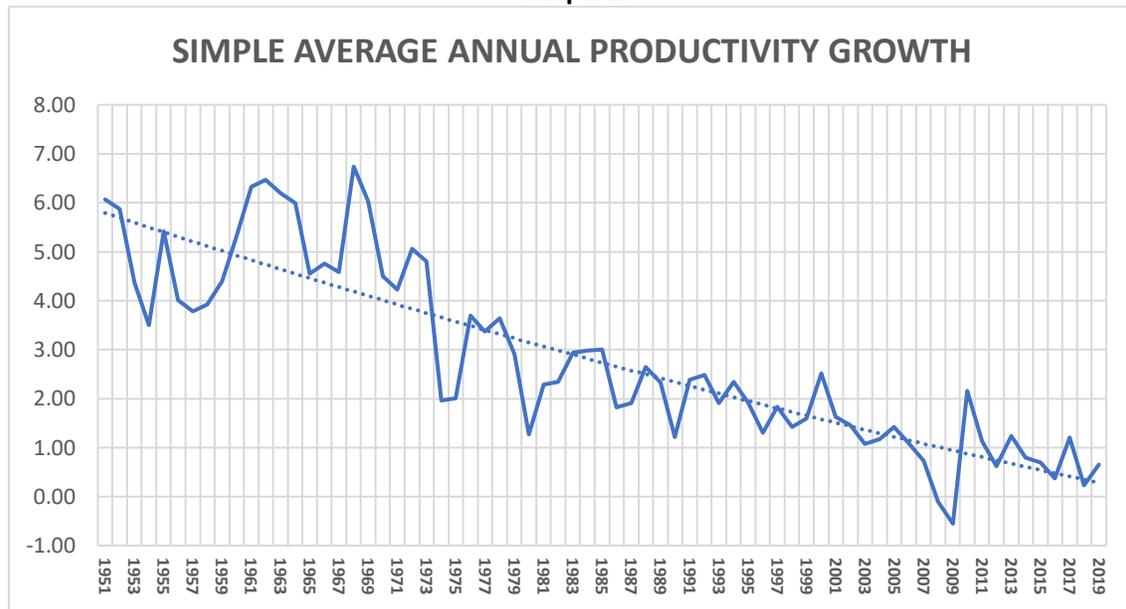
#### **How do the five elements affect the material conditions?**

Stagnating production and the financial bubble cannot be separated out. Hobsbawm pointed to the concessions that workers were able to wring out of the capitalist class - improvements in wages and living standards together with universal suffrage which opened the perspective of reforming the state - as underpinning the reformist movement. Clearly had standards not improved, had concessions not been won, reformism would have been derailed early on and rule by consent rendered impossible.

Precisely because capitalism is crisis prone, what it gives in times of prosperity it takes back during times of recession, it is convulsive. Generally recessions are shorter lived than periods of expansion, thus in the consciousness of workers “sacrifices” are temporary, a pause before the uplift. The question is what if this pause is no longer temporary but enduring. What if consciousness now registers the distinct possibility that each generation will be worse off, rather than better off, compared to their parents. This is becoming the norm in the advanced capitalist countries which this article focuses on omitting countries like China. Productivity, the source of additional profits and wages, is beginning to flatline as our Graph below shows.

The productivity graph is based on the simple average for the following 8 countries: USA, Canada, Japan, Germany, the UK, France, Spain and Italy. (And the equation used by the Conference board is - Productivity = adjusted value of output/number of hours.)

Graph 1.



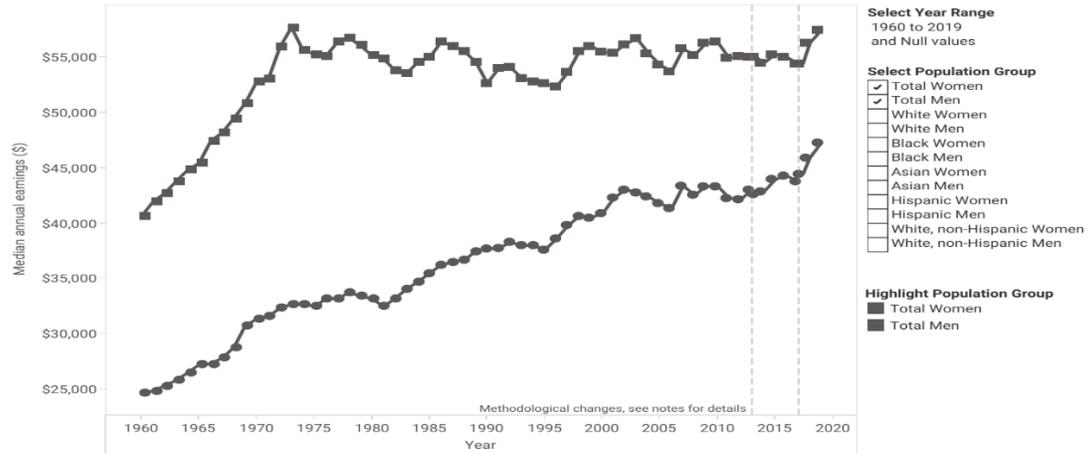
The Conference Board Total Economy Database™ - Output, Labor and Labor Productivity, 1950-2021

In the golden age of capitalism, the period of the post war boom which ended in the early seventies, productivity growth averaged 5%. Productivity growth was substantial because the capitalist world reindustrialized on a more advanced basis following the destruction of the Second World War, a destruction not only caused by bombing, but from the wear and tear on machinery a war economy imposes. Productivity then halved as deindustrialization took place in the 1980s and capital was exported to countries like China where low wages compensated for low productivity. Finally this century, productivity has fallen below 1% because the rate of fixed investment fell, because more of it was diverted to the service sector with its lower compositions of capital, because many Hi-Tech companies offered free services, and because inequality fostered luxury goods production based on handicrafts. Between 2001 and 2019 productivity averaged 0.92% annually, falling to 0.77% between 2011 and 2019. Even this low level of productivity growth is being threatened because countries like China keep rising up the value chain diminishing the transfer of value from them to these 8 previously dominant countries. (This hidden transfer of value or underpriced inputs ends up being added to the value being produced by the workers in the 8 countries thus boosting final output or GDP and consequently productivity.) Therefore the conclusion that productivity is flatlining in the advanced capitalist countries is no exaggeration.

The consequence for workers of this collapse in productivity is its impact on wages. In Graph 2 which looks at the USA, median wages for men has not risen since the early 1970s or nearly 50 years equal to two generations. Compare this to the sharp rise in wages during the 1960s. Clearly, Trump did not appear from nowhere. The rise in the median wage for women owes much to the shift by many of them from temporary into permanent work, as well as their entry into better paying jobs. Nevertheless, because a higher proportion of women are still trapped in temporary work and low paid work, their median wage remains \$10,000 below the pay for male workers.

## Graph 2. USA.

Median annual earnings by sex, race, and Hispanic ethnicity



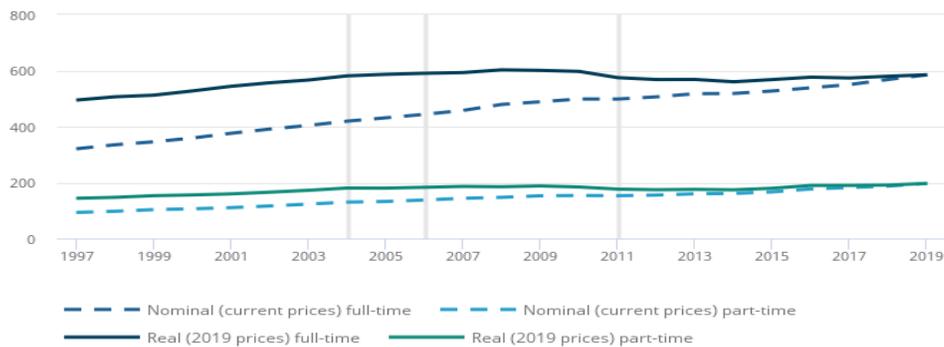
Notes: Earnings are based on median annual earnings of full-time, year-round workers, 15 years and older beginning in 1980 and people 14 years and older as of the following year for previous years. Before 1989, earnings are for civilian workers only. Whites, Blacks and Asians include people of Hispanic ethnicity. People of two or more races are not included beginning 2002. Data for Asians from 1988 until 2001 included Pacific Islanders. Hispanics may be of any race. The comparability of historical data has been affected at various times by methodological and other changes in the Current Population Survey Annual and Social Economic Supplements (CPS ASEC). The 2014 CPS ASEC included redesigned income questions. The 2018 CPS ASEC included updates to the processing system. To account for these changes and support consistent comparisons with the previous time series, two sets of estimates were published for 2013 and 2017. For more on information on CPS ASEC methodology changes see <https://www.census.gov/topics/income-poverty/income/guidance/cps-methodology-changes.html>. Earnings are in 2019 CPI-U-RS adjusted dollars. Data: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements 1960-2020. Graphic: U.S. Department of Labor, Women's Bureau.

The second graph looks at the UK median wage. Here wages have been depressed for a shorter period, or 12 years. Nonetheless this is a remarkably long period for such a depression. In both the US and UK, the fall in the median wage is actually worse than the data suggests. This is because the top 5% and particularly the top 1% have enjoyed a much bigger slice of the wages pie in recent years. Excluding them, median wages for the bottom 90% would be much lower. Additionally, as standards of living are supplemented by government services which have also been cut, the fall is greater than wages alone suggest.

## Graph 3.

Figure 1: Median weekly earnings for full-time employees increased by 2.9% in 2019 but in real terms are lower than a decade ago

Real and nominal median gross weekly earnings for full-time and part-time employees, UK, 1997 to 2019



Source: Office for National Statistics – Annual Survey of Hours and Earnings (ASHE)

It may seem strange to associate the financial bubble with the crisis of reproduction. It is not the financial bubble that has caused the crisis of reproduction, but instead, it is the crisis of reproduction that has

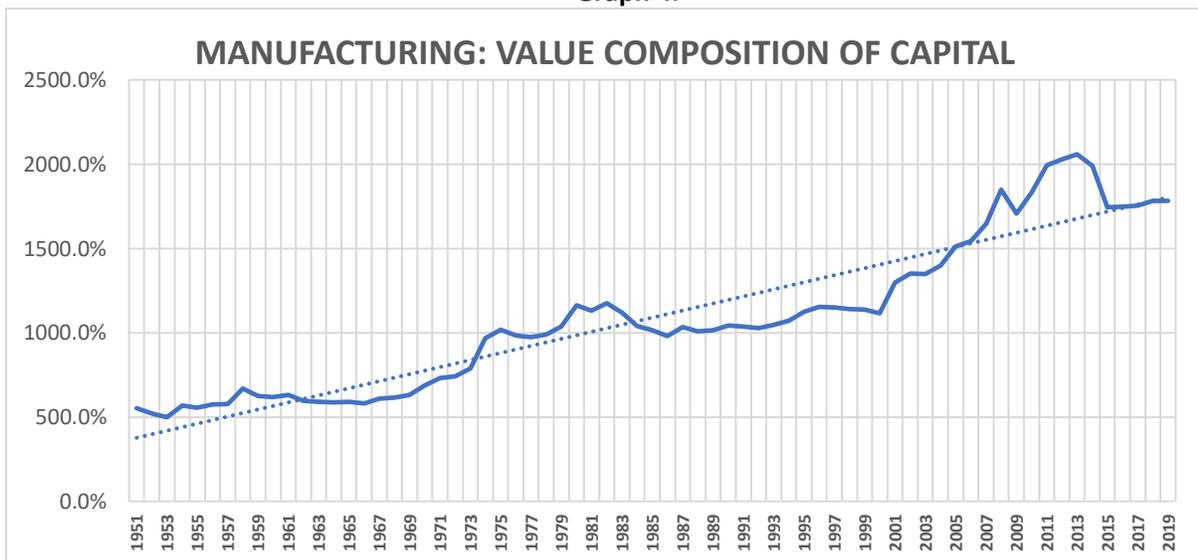
caused the financial bubble. Capitalism is facing a crisis of profitability and is only being kept upright because of the financial crutches provided by the state - a most unhealthy and precarious situation.

But before we analyze this in detail, we need to make a detour by examining Marx’s propositions about how capitalism would end its days. Probably his most celebrated quote is this one. *“In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the general process of social, political and intellectual life. It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness. At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or – this merely expresses the same thing in legal terms – with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution. The changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure.”* — Karl Marx, A Contribution to the Critique of Political Economy

Here Marx describes the overarching progress of human economic development, one which is not specific to capitalism although it has been interpreted as such. Rather the task of Marxists today is to tailor this observation to capitalism, to see what exactly collides with what. To do so we need to turn to Volume 3 of capital and Marx’s analysis of the composition of capital.

The development of capitalism, its revolutionizing of the techniques of production, has but one outcome, an increase in the technical composition of capital. More means of production are set in motion by fewer workers, in relative terms. More means of production results in more fixed capital while fewer workers employed results in relatively less variable capital. That change in the ratio between the value of fixed capital and that of variable capital can be graphed. The US manufacturing sector is examined here.

**Graph 4.**

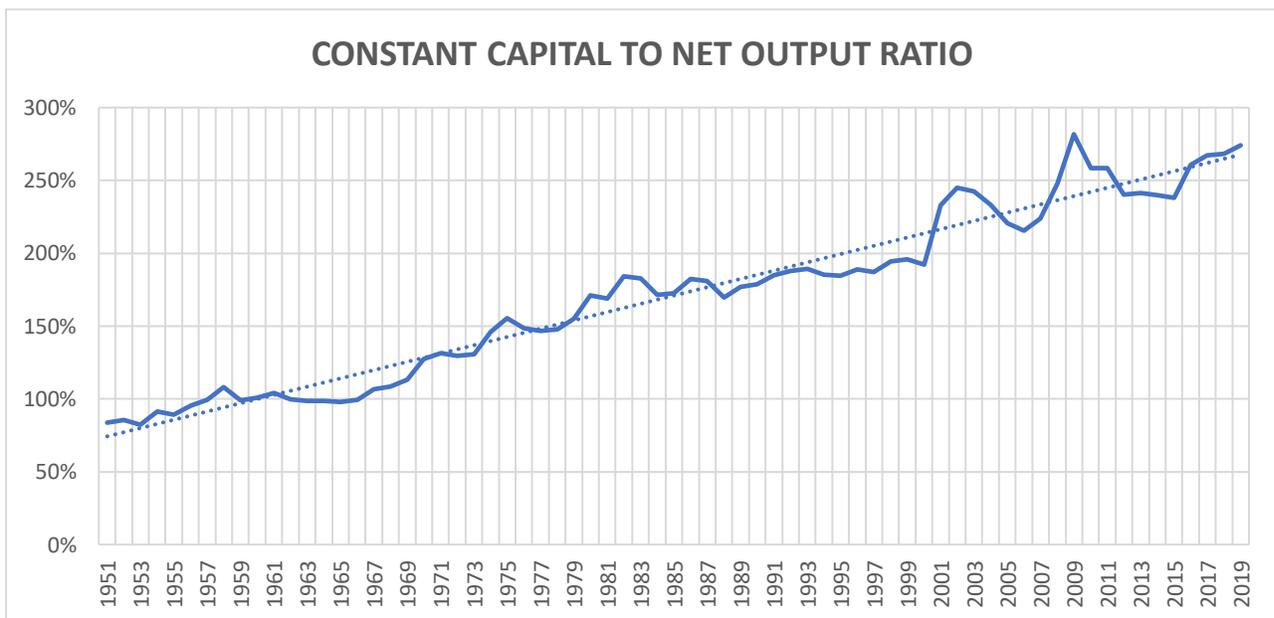


(Source: See attached spreadsheet “GRAPHS manufacturing composition of capital 1951 onwards)

We note that the value composition of capital has quadrupled over 70 years. It peaked around 2013 before retreating due to the deceleration in the investment of fixed investment and a deceleration in the annual rate of turnover which increased variable capital. Looking backwards, the 1950s and early 1960s saw a moderating in the growth of the composition because of rising wages. From 1967 there was a sharp increase in the composition which helped drive down the rate of profit culminating in the 1974 recession. In the 1980s de-industrialization and the emergence of the rust belt saw a sharp fall in the composition. Such was the scale of destruction of fixed assets, that it helped restore the rate of profit. From the early 1990s, the acceleration in globalisation once again saw investment accelerating as well as turnovers resulting in a near doubling in the composition of capital.

Another way of viewing the contradiction squeezing capitalism is shown in Graph 5. Manufacturing has been selected because it is home to the highest and fastest growing compositions of capital. The graph plots the ratio between the value of constant capital going in (fixed and inventories) against the net output coming out (undivided profits + wages). Over the course of 70 years the ratio of capital to output has increased by 150%. If we take a simple example in which we assume a rate of exploitation yielding an equal division of net output it would give capital 50c in profit and workers 50c in wages. Then for every \$1 invested in the 1950s, the return would have been 50% (50c divided into \$1). If the rate of exploitation was unchanged by the late 2010s the return would have fallen to 20% (50 cents divided into \$2.50). To maintain the return of 50% in the 2010s, the share of net output would have had to rise to an impossible \$1.25. Little wonder Marx opined that: *“Capital is dead labour, that, vampire-like, only lives by sucking living labour, and lives the more, the more labour it sucks.”* (Marx, Capital, Volume I, Chapter 10.) To this we can add, as capital grows in magnitude, it is forced to suck more surplus labour out of the labourer to preserve its precious rate of profit. Hence the stagnation in median wages discussed above.

**Graph 5.**



(Source: See attached spreadsheet “GRAPHS manufacturing composition of capital 1951 onwards)

We are now approaching an understanding of the concretization of the relationship between the forces and relations of production. The more capitalism develops, the higher the composition of capital, the

greater must be the destruction of means of production to restore profitability, the more disrupted will be the economy whose increased complexity now requires more stability and certainty, not less. Thus the industrial cycle or what is the same thing, periodic overproduction in terms of profit, does not simply repeat itself ad nauseum, it increases in intensity and in consequence.

This allows up to contemplate the difference between the relative crises of capitalism and the ultimate or absolute crisis. The restoration of the rate of profit requires the destruction of capital - means of production. The higher the composition of capital, the more capital that needs to be culled. Thus the culling is progressive in nature. We saw its scale in the US and the UK in the 1980s when whole regions were devastated. The greatest cull, predictably, occurred within these two victors of WW2.

If this is the case, then the disruption to society intensifies. Marx spoke of capitalism creating the barriers to its further development requiring it to crash through them. In the end that barrier is not material but social. Scrapping machinery, equipment, factories, offices is not simply the scrapping of things, it is the scrapping of the past labours of the working class and the source of its future livelihood. It is not about inanimate shaped pieces of steel, but animated workers. The real barrier confronting the capitalist class is the working class and its willingness to oppose this uncivilized, and certainly not creative, destruction of the hard-earned gains of society produced by the workers whom the capitalists consider trespassers.

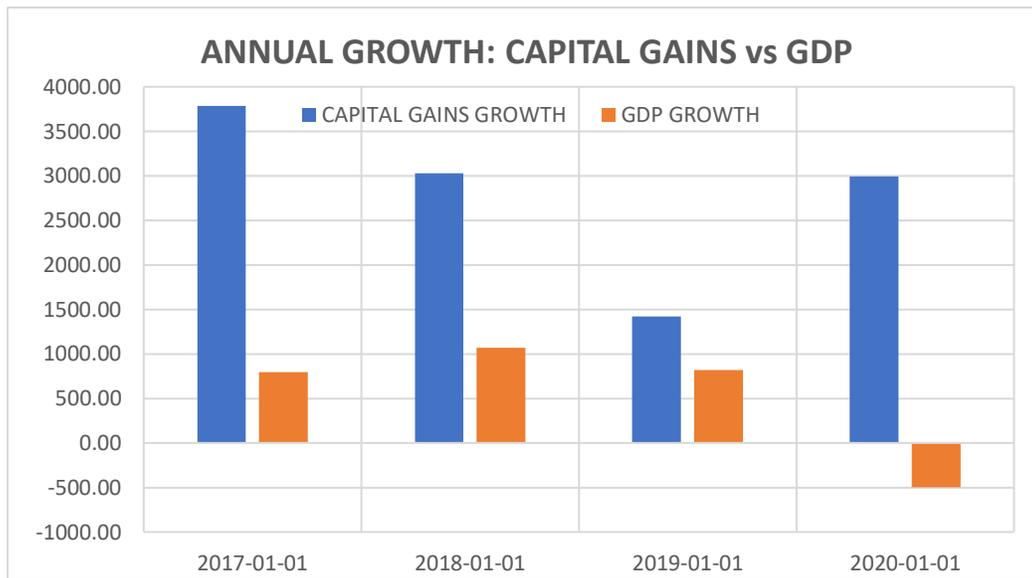
Only if workers are unable to defend their jobs, conditions and services can capitalism regenerate itself. But if workers are able to do so, then capitalism cannot regenerate itself. In that case the relative crisis becomes an absolute crisis from which capitalism cannot recover. That is the substance of the class struggle at this decisive moment. And here we can propose a general theorem. Regardless of the consciousness of workers at the time, objectively, the onward march of capitalism, by driving up the composition of capital, raises the barriers which have to be overcome, thereby precipitating a greater clash of classes because of the scale of the destruction now required.

Having said this we can return to the earlier observation that the moribund economy and the financial bubble are linked. We live in a different world to that found 80 to 100 years ago. In the 21<sup>st</sup> Century the number of people living in urban areas overtook the number of people living in rural areas for the first time. Today two million capitalist families and individuals are confronted by 2 trillion employed workers. Materially, the international working class has never been larger, both absolutely and relatively. Materially, the latent balance of class forces has never been less favourable to the capitalist class.

Little wonder that the international capitalist class is petrified by the consequences of another deep recession. They fear arousing the working class. The aftermath of 2008, politically, was bad enough. Thus they are playing a high stakes game by keeping the world economy alive via financial speculation. The growth in capital gains from this speculation has dwarfed the gains in GDP. In turn some of these gains have percolated back into the real economy by elevating personal consumption expenditures as well as capital gains taxes, thereby boosting GDP.

In the graph below the scale of capital gains relative to nominal gains in GDP can be seen. The capital gains are limited to those gains found only in the share markets in the USA. The graph uses the Wilshire 5000 index which incorporates 97% of listed shares. All figures are in Billions of Dollars. Thus in 2017 capital gains amounted to \$3.5 trillion or nearly 20% of GDP. Over the four years, aggregate Capital Gains amounted to \$11.2 trillion versus \$2.2 trillion for the nominal gain in GDP, a five-fold difference.

Graph 6.



In keeping the economy going central banks have created a monster. It now has more than one head, and they have to keep feeding it. But all they are doing is stretching the elastic tighter and tighter, building up more and more potential energy, which sooner or later will become irresistible. At that point we could be having a much more lively discussion about the demise of capital in a what will have become an economic wasteland. In hindsight it could even be said that capitalism was always going to end thus – with a bang.

Where the forces and relations of production becomes more direct is in the sphere of machine learning. The holy grail of machine learning was never lower paid production workers where most of the low fruit has already been plucked by less sophisticated systems. It is the more highly paid white-collar workers found in accounting departments, legal departments, and marketing department that is the real target. Those clerical workers whose salaries are found on the loss side of the Profit and Loss Accounts.

Over the last few years, that is pre-pandemic, deep learning algorithms had already emerged able to cope with the complicated processes found in most clerical departments. The word complicated is chosen because we are dealing with finite processes, not the evolving and transforming processes associated with complex systems, which despite programmers' assertions, are still out of reach of algorithms. Thus these programs are able to displace and replace workers in these departments reducing their numbers.

This is a process accelerated by the pandemic and lockdowns where many clerical workers have worked from home. The resulting atomization of the workforce has been taken advantage of by employers and it is unlikely that all the workers will be returning to their offices. The next three months will reveal how extensive this is. A change of this magnitude presents the capitalist class with a number of political problems. Traditionally the divide between factory workers and clerical workers, often referred to as blue collar and white collar workers, has been a source of weakness in the working class. Often while factory workers were unionised, white collar workers were not, and if white collar workers were unionised, they were not in the same union and often in a less militant union. The result was that when factory workers went on strike, many times white collar workers remained at work.

There is a second aspect to this. It is a rule of thumb that white collar workers outside education are more conservative voters who tend to vote for bourgeois parties like the Conservative Party here. The escalating attacks on this layer of workers could prejudice rule by consent as it will rob these parties of the support they have taken for granted and which has kept them in power more often than traditional labour parties. Driving large numbers of clerical workers into the geek economy, into part-time work and into even longer-term unemployment will not endear them to the capitalist class. Thus the shake out of clerical workers without the promise of equivalent work may reduce operating costs but at the cost of raising the political costs. (As an aside, much of the investment in I.T. currently is going in this direction. While reducing the number of clerical workers reduces the number of total hours worked in the productivity equation it does not increase the value of output. Thus the effect of this kind of investment on productivity improvements is much lower than when it comes to investing in productive workers on the shop floor which affects both sides of the equation, hours as well as output.)

It has been said by a number of commentators that the shake out of clerical jobs will be met by the growth in employment in other areas of the economy. They point to the rise of the internet which created as many jobs as were lost. This is a wrong comparison. The internet was a new technology which spawned many offshoots in information technology and information gathering. Machine learning adapted to culling jobs is not a new technological platform. Rather this culling of jobs is more analogous to the culling of industrial jobs in the 1980s which restructured the working class, and it can be argued, from which the working classes in the West have yet to fully recovered from. The evidence is in Graph 2 and its effect on median male wages.

In fact, the culling of clerical jobs is likely to have a greater impact on female median wages than it will on male wages. Moreover, the figures of job losses projected by organisations such as Ernest & Young exceeding 20% of the workforce projects a future of political instability for capitalism. With unemployment in real terms of around 30% it is unlikely that capitalism can rule by consent. The very basis of electoral democracy will be brought into question, and it is likely that white collar workers will no longer remain the passive stratum of workers the capitalists depended on and are allied with. Here in graphic relief is the prime example of the forces of production colliding with the relations of production, in this case computer power outgrowing the relations of production based on waged labour.

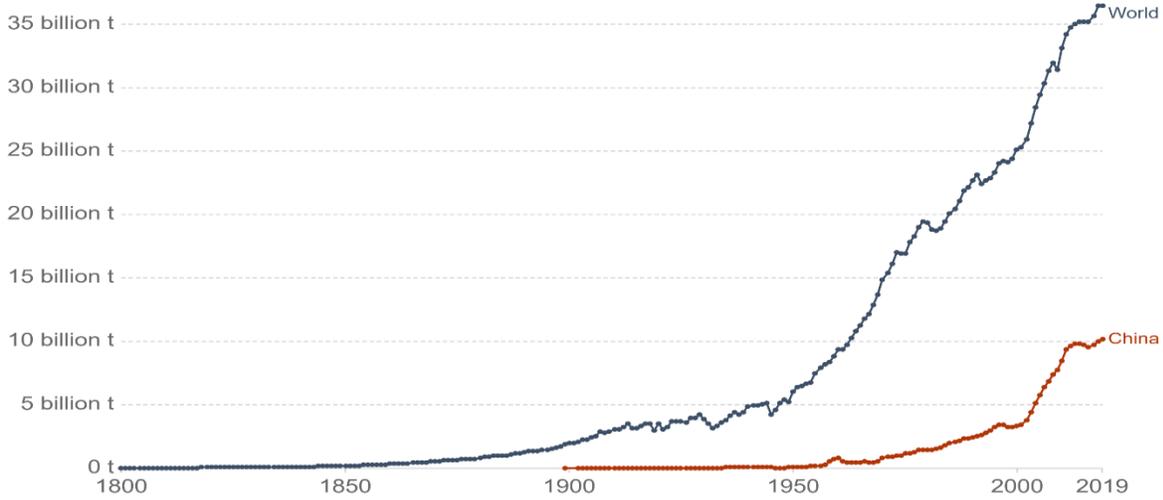
The fourth trial facing capitalism is global warming. Despite all the pious pledges capitalism is losing the fight to reverse global warming. Every attempt to do so is tripped up by the profit motive. The Long Read in the Guardian newspaper on the 1<sup>st</sup> July titled *Sixty Years of Climate Change Warnings: the signs that were missed (and ignored)* is a devastating critique of the behaviour of Big Corporations and Governments and their reckless endangerment of our planet. Had action begun to take place 50 years ago the world would not be so imperiled today. But capitalism rarely makes good its past mistakes. Instead it usually adds to them as Graph 7 and 8 shows. Alas, the output of greenhouse gasses continues to surge reaching catastrophic proportions. (Graph 7 data from the I.E.A. and Graph 8 data from NASA).

Even if the world has not yet reached an irreversible tipping point, it is wobbling precariously on the edge of one. Only a concerted global effort of a kind seen only previously during world wars will be sufficient to reverse global warming. But instead of this mobilization, the US, as we shall see, mobilizes for war with China. Does anything highlight the absurdity of capitalism more than this? Their house is on fire and they want to start another one!!!

Graph 7.

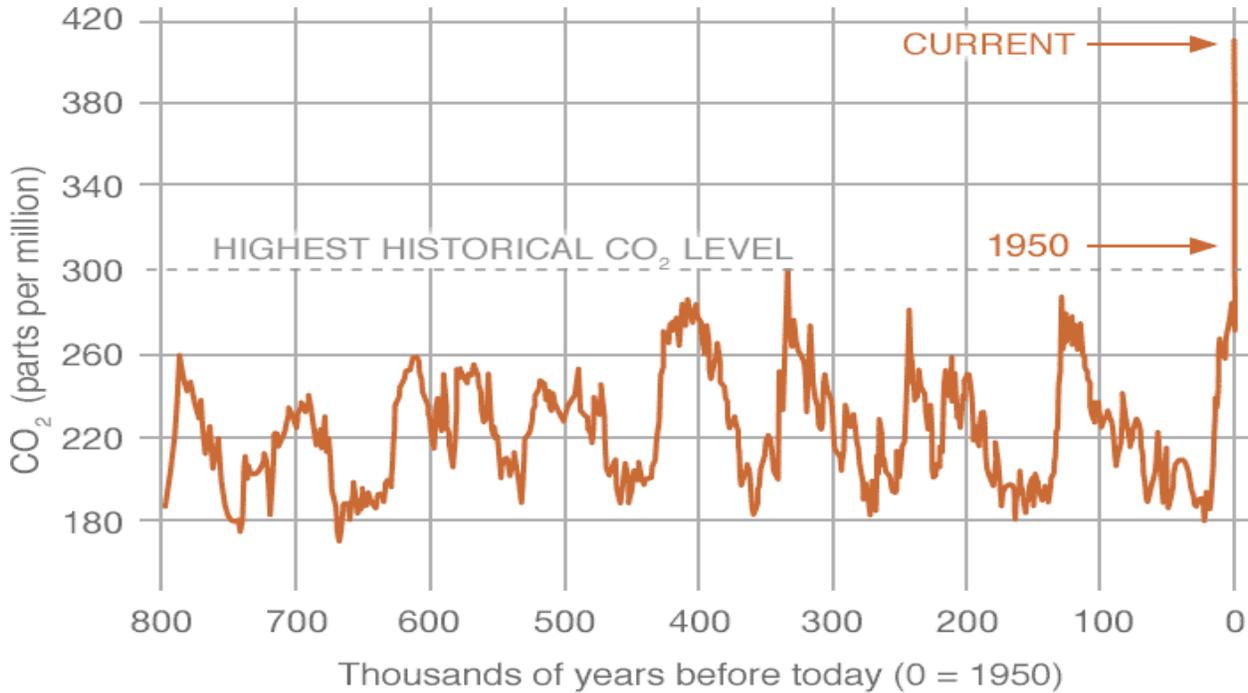
### Annual CO<sub>2</sub> emissions

Carbon dioxide (CO<sub>2</sub>) emissions from the burning of fossil fuels for energy and cement production. Land use change is not included.



Source: Global Carbon Project; Carbon Dioxide Information Analysis Centre (CDIAC)  
Note: CO<sub>2</sub> emissions are measured on a production basis, meaning they do not correct for emissions embedded in traded goods.  
OurWorldInData.org/co2-and-other-greenhouse-gas-emissions/ • CC BY

Graph 8.



Elements of the green movement have tried to guilt trip society into individual measures to combat global warming. Devoid of class content, this endeavor is misdirected. As an Oxfam report showed, the world's richest 1% cause double the CO<sub>2</sub> emission compared to the poorest 50%. And their carbon footprint is growing three times faster than the bottom 50%. Thus taking measures against the top 1% would be a hundred times more effective than measures against the bottom 50%. And yet when I pointed this out to

the Labour Party commission when Corbyn was leader, arguing for a highly graduated consumption tax on the top ten percent of the population, this suggestion was rebuffed because what little tax rises were being contemplated were for a development bank, housing and green infrastructure. <https://www.theguardian.com/environment/2020/sep/21/worlds-richest-1-cause-double-co2-emissions-of-poorer-50-says-oxfam>

And yet such a tax, whose proceeds should be spread internationally would be the single biggest source of finance needed to reverse global warming. As would eliminating the grand waste of resources capitalism is so renowned for, especially arms spending. The \$1 trillion wasted on arms each year could provide sufficient desalination plants and their associated green power plants to end all water shortages and combat the droughts to come. They could even be built on large ships and sent to where they were most needed. Or take the almost \$10 trillion the US has wasted on the self-inflicted War on Terror. That could have paid for converting energy production throughout the USA from black to green. Finally, the \$20 trillion spent globally on economically surviving the pandemic, which is not over, will make it harder not easier, to convince Treasuries to part with cash to combat global warming.

It is likely that within 5 years we will witness a global weather event that will put capitalism on notice.

Moving on to the hegemonic economic war between China and the USA. "Celebrating" the mythical 100<sup>th</sup> anniversary of the CCP, the misnamed Chinese Capitalist Party, Xi has stated to a vast audience which extends beyond China's border, that the Chinese People will not be intimidated and will never again be subjugated by foreigners. This is not a bluff by the world's largest industrial economy whose capacity exceeds the combined output of the USA, Japan, Germany and India. Modern ships and planes are pouring out of Chinese production plants on a scale the West cannot match, all of which adds to global warming.

Trump's attempt to disrupt the Chinese economy with embargoes and tariffs has failed. The economy instead of weakening has strengthened and the government there is fostering technological self-sufficiency in a way that will weaken the US economy in the longer run. The failure of the economic war, or should we say arrogant economic intimidation, makes a military conflict more likely because it is the sole remaining avenue open for the US to protect its economic hegemony.

Recent intel from Russia now shows that over 400,000 US army personnel are stationed around or adjacent to China in over 50 bases. Little wonder the US scrambled out of Afghanistan as their forces become stretched by the Chinese pivot. In addition the report describes the deployment of the most advanced weaponry to these bases, the kind of weaponry made ready when war is being planned. To this observation should be added the repurposing of US strategic nuclear weapons from 250 kilotons to 5 kilotons, sufficient to take out a port, an airfield, an industrial area, or equal in destructive power, although not in accuracy, to a 500-bomber raid during the Second World War. Clearly the US is seeking to turn nuclear bombs from being a war deterrent into a war winner.

And the US is assembling its coalition potentially turning this war into a world war. From the G7 to NATO to war gaming with Japan as the Financial Times reported on Thursday, the US. Japan and other allies are conducting joint military exercises aimed at China. And this from a Japanese government which manages to run trains on time but neglects to vaccinate the population of Tokyo in preparation for the Olympic games. What an ugly government headed by Abe this is. Have the Japanese forgotten the atrocities they committed pre and during WW2 in China? And have they forgotten the other lesson of the War, this time experienced by Germany, who having devastated the Russian armies in WW1 were themselves crushed by the Red Army 25 years later later in WW2 as will Japan be today.

## Conclusion.

Revolutionaries tend to measure history by their own lifespans rather than objective milestones. For them, the glass is always half full rather than half empty. That said, there will come a time when capitalism does face obstacles it cannot overcome. This decade seems to be that time.

Of course in the end the absolute obstacle that capitalism has to overcome is the international working class. Will it rise to the challenge? Here the material conditions play a decisive role. Today the working class is measured in trillions. Most of them are concentrated in large metropolises. *"In 2020 there are 1934 metropolises with more than 300,000 inhabitants representing approximately 60% of the world's urban population. At least 2.59 billion people live in metropolises in 2020 which is equivalent to one third of the global population. 34 metropolises have surpassed 10 million inhabitants; while 51 have a population of 5 to 10 million; 494 of 1 to 5 million; and 1355 of 300,000 to 1 million."*  
<https://unhabitat.org/global-state-of-metropolis-2020-%E2%80%93-population-data-booklet>

The cultural level of many of the workers living in these areas are incomparable to earlier periods due to the revolutionizing of production and its' products which has not only enriched lives but extended them. In particular information dissemination is on a scale hitherto not found. All told, the more a society develops the higher the requirement for stability and certainty. Exactly what capitalism cannot provide.

True the political consciousness of workers is less developed than in times passed, but it is also true that the prevailing levels of awareness and education represents fertile ground for the development of this consciousness. In this sense, despite the despair of many Marxists, the conditions for disseminating communist ideas is actually quite favourable. Favourable, because under these conditions, changes to the material conditions affecting society resonates more loudly within that society.

And the material conditions as we have seen are the equivalent of a ticking time-bomb actually five ticking bombs. This does not mean a revolution will take place. A communist revolution has to be a conscious process. In the case of the revolutionary capitalist class, their consciousness developed first in the womb of capitalism because they were actual functioning capitalists held back by Feudal parasitism. In the case of workers their consciousness cannot be formed by being emancipated workers within the womb of capitalism simply because freely functioning producers cannot emerge prior to the seizure of state power.

Thus a workers' revolution is a unique revolution which is why it is the ultimate expression of the class struggle, one that emancipates the whole of humanity for all time. For this reason, the working class needs to be brought to an understanding of their historical interest and how this interest conflicts irreconcilably with that of capitalist private property. For this the ideological struggle is indispensable. In addition they need to be united around a commonly developed programme and be collectively organised, not through an external agency, but through their own abilities and initiatives. And finally they need to centralise their power to take on the capitalist state. Thus the pre-revolutionary period becomes the nursery preparing workers for the future.

All this could happen this decade because hundreds of millions of workers will come to see that capitalism imperils their future and the future of the planet. That unless workers replace this dying system, they will be dragged down with it, and all will be lost. This would indeed represent a true revolutionary wake up moment.

## Postscript.

### **Xi man of steel or steal?**

Xi addressed the assembled masses in Beijing at the ceremony marking the 100<sup>th</sup> year of the CCP by declaring that anyone seeking to bully China “*will find them(selves) on a collision course with a steel wall forged by 1.4 billion people.*” In other words hands off, we steal the labour of the Chinese workers behind our wall of steel.

There is no doubt that China continues to be more dynamic economically than the West. But just as the West has created a financial beast which must be fed, so the CCP has created a beast it needs to feed, the Chinese working class which is almost twice as big as the combined number of workers found in the 8 countries listed above. The CCP is like a one-legged stool, its legitimacy flows only from its ability to provide jobs and improve standards of living. Hence the reason Xi spoke at length about how China under the wise leadership of the CCP abolished poverty in the country.

China has seen the fastest growth of any capitalist country in history. And many Chinese are justifiably proud of their country’s achievements which has propelled China to center stage in the world. All the more so given the humiliating history of China at the hands of the West and Japan. No doubt Xi and his party are bathing in this glory.

Any misstep by the party on the economy, any recessions which would lead to mass layoffs across the country blowing a hole in workers’ standards of living, will impact the Party much more than similar events in the West which have less authoritative and intrusive governments. China and the West can be compared to two balls, one made of clay the other of rubber. At first sight the clay ball is harder and more resilient than the rubber ball which can be compressed. But should both fall, the clay ball will surely shatter while the rubber ball is likely to bounce. China is that clay ball.

The Chinese state is much more brittle than that found in the west which is reinforced by so called consensual rule with its checks and balances on the abuses of power. As the working class has grown in China and become second and third generation urban workers, so the CCP has responded by becoming more oppressive. In this they have been supported by the Chinese capitalist class.

The working class has outgrown the capitalist class, and both the capitalist class and the CCP know that a movement towards multi-party democracy would arouse this giant of a class and lead to workers raising their own independent demands which would jeopardize profits. So it is the status quo or nothing. Capitalist economies do differ at the margins because of their history, and the late emergence of China as a powerful capitalist economy has left its mark on Chinese society.

Clearly, while China is desperately trying to make the economy more technologically self-sufficient, it still depends on its export markets. A deep and enduring recession beginning in the West will rock the Chinese economy, and by undermining the CCP imperative of providing jobs and protecting standards of living, it will strip away the legitimacy of this authoritarian Party and its acceptance.

China does not alter the view that this decade will be the most turbulent in the history of capitalist class. Yes, China refloated the world economy after 2008, but since then debt and composition have both become elevated, making it likely that China will succumb to the next recession rather than avoid it.

Brian Green 2<sup>nd</sup> July, year 2 of the 2020s.