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Capitalist crisis

# Capitalist crisis, "deglobalization," and the Left's challenges

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**This speech by Manuel Garçon of Anticapitalistas and the editorial board of *Viento Sur* in the Spanish state was presented to the national convention of International Workers Left (DEA) in Athens, Greece, last December. In it, he discusses economic and political perspectives for the world, for Europe and for the Spanish state.**

Good morning. Thanks to DEA for the invitation to participate in this meeting. In Anticapitalistas, we have closely followed the situation in Greece since the victory of Syriza, with hope and passion turning into disappointment and worry following Tsipras's drift. In our recent years of close collaboration, my party and DEA have come to know each other and have come to agree on a number of points. Today, we in Anticapitalistas consider that DEA is a core component of our European and international alliances. For that reason, I feel at home and will speak freely.

## 1 We are living in the midst of a long wave of capitalist crisis

Capitalism was not able to stabilize itself and appears about to enter into a new phase of the longer slowdown that began in 2008 brought on by the tendency of the rate of profit to fall. Financial capitalism has achieved a symbiosis with the principle sectors of productive capital. So it's not realistic to distinguish between a "good" productive capitalism and a "bad" parasitical or usurious capitalism.

Methods that served in the past to restart cycles of accumulation, like imperialist expansion, are foreclosed because, today, no part of the world is free from the logic of capital. The possibility of a major war seems to be temporarily off the agenda, for political reasons. At least for now. At the same time, technological advances haven't generated a new cycle of accumulation sufficiently solid to produce a long wave of economic growth.

Capitalism has sought, as systemically as it can, a new departure based on the intensification of exploitation of labor and of the environment. In the process, it is permanently devaluing human labor and the biosphere. The social crisis and the climate crisis today are part of the global crisis of civilization under capitalism.

The tendency toward the recomposition of capitalism at a world scale takes the form of "deglobalization," although the backdrop of these trends remains the global financialization of the economy. While this appears to be a way out, it carries the seed of future convulsions.

This is the central node, today, of capitalist geopolitics: in a crisis-ridden and competitive world, the great powers want to improve their position vis-à-vis each other. States compete for capital, and as a result, have produced a global reorganization of the capitalist oligarchy with new players—Euros—and new capitals—Euros—coming on the scene, particularly those in Asia. This has increased competition for control of world wealth and income.

The trade war between the U.S. and China, or Brexit, are part of the process of a restructuring of the system at a global level that seeks to divide the world into spheres of influence. The political correlate of this is the rise of right-wing nationalist populism in important countries like the U.S., Britain, India or Brazil. These political forces want to run neoliberalism in a different way. Despite their national particularities, they have common features: anti-social neoliberal policies, ultra-conservative religion, nationalist mythology, racism, homophobia, sexism, climate denialism, and authoritarianism with constant attacks on the rights and freedoms of the working-class majority.

We have to recognize what they have achieved. Their lies and demagoguery have seeped into the consciousness of millions who feel threatened by the effects of globalization and accept the rhetoric from capitalist oligarchs that blames the most vulnerable and marginalized: migrants, women, minorities. Perhaps the greatest victory the far right has gained is to have made its extremist proposals part of the everyday political dialogue, normalizing and legitimizing racist and antidemocratic ideas, while diverting attention away from those who are really responsible for the capitalist crisis.

Trump, Bolsonaro and the rest of the right-wing and extreme-right populists rising in Asia, Europe and America are a nationalist and protectionist political reaction in the face of the negative consequences for sectors of capital in their countries feeling the effects of a globalized and financialized world economy. Nationalist protectionism has big impacts on world trade, but these leaders have not broken with any of the basic principles of globalization under late capitalism.

What's more, this explains the appearance of new forms of pillage from poor countries, most seriously that of mining extractivism, control of fertile land and water resources. This thieving and dirty capitalism is the real brand within which fights for new sources of profit in technology, logistics and other more glamorous places unfolds.

Capital accumulation is totally tied to three factors: privatizing public services to generate new niches for accumulation, attacks on living standards to counteract falling profits, and maintaining privatized social reproduction, keeping it outside of the realm of social rights. Toward this end, the oligarchy has initiated a double operation based on the direct control of political apparatuses, while trying to reduce the public sphere and the role of politics.

Neoliberalism's illiberal turn occasions a more open and radical questioning of the structure and principles of liberal democracy. We can identify this authoritarian turn in the progressive concentration of power in the executive, and away from parliaments; in the attempts to reduce social rights, and in attacks on free expression and the right to political protest.

On the other hand, the ecological crisis introduces new limits to capitalist developmentalism as well as new and urgent challenges to those of us who want social and ecological change before it's too late.

We're living through a sharpening of inter-imperialist rivalries as well as the practical impossibility of reformist projects such as the Green New Deal, which is nothing more than an attempt to reactivate the cycle of capitalist accumulation through a "green" boost in aggregate demand.

Political instability in the West is a fact. No government is stable today. At the same time, forces on the left that can destabilize the system haven't arisen, and the surge in the far right is a new phenomenon that we on the left have to address

## 2 The left and the European Union

The European Union has entered into a constant crisis. This crisis is reflected in two interrelated areas. On the one hand, the economic, since its relative weight in the world economy is constantly diminishing, the banking crisis in the central countries of the EU and the Euro Zone (such as in Germany and Italy) has not been overcome; and only the European Central Bank (ECB) has propped up their economies with loose monetary policy that is proven to be inefficient, among other issues.

On the other hand, the political construction of the EU is paralyzed. Several member states are challenging it for various reasons, including the advance of extreme right-wing populisms, the difficulties of implementing common migration policies and the weakness of its "foreign policy", which lacks sufficient consensus and force to carry it forward.

Brexit (which has not meant a progressive break-up of the EU, but rather the national-sovereignist re-articulation of the alliance between the U.S. and the U.K.) and the instability of governments of the extreme center create a sense of the "end of the era" of the European project.

In the short term, it does not seem that left-wing movements capable of overcoming the balance of power imposed by the extreme centre-right dynamic will emerge in Europe. In France, Italy or Germany, the influence of the left is far from decisive. The Greek defeat was a turning point from which the European left has not yet recovered. The weakness of the revolutionary forces is evident in this context.

In that sense, in static moments at the level of social mobilization, we can characterize the situation as defensive. The left finds itself in a state of extreme social weakness and with a lack of vision and strategy that impedes it from articulating a transitional program capable of challenging the structural logic of capitalism.

Solving this deficit of vision and strategy is our main concern. Meanwhile, on the level of political struggle, along with support for the demands of social movements, the main political arena in this defensive phase should be the defense of democracy against the rise of neoliberal authoritarianism and the extreme right.

### **3 The end of the cycle of progressive populism and social explosions**

These objective tendencies of the capitalist dynamic condition the period's political developments. The great reformisms of the "progressive populisms" in Latin America have had serious difficulties in preserving the redistributive policies that allowed them to stabilize their political regimes in the past decade.

In fact, the great paradox of the Latin American populisms is that their redistributive policies, without altering underlying structural economic relations, fostered a new middle class that has played a key role in the rise of new right-wing forces that look to roll back previous social gains. At the same time, their authoritarianism and the difficulties they posed to the self-organization of the masses did not contribute to popular empowerment. At this new historical stage, they lack real possibilities to enact effective post-neoliberal policies.

Today, late capitalism in its current neoliberal phase is more characterized by a dynamic of "expulsions". An expulsion from the "welfare society" which, for some people, such as migrants and asylum seekers, also takes a physical form as national state borders.

The duality between increasingly politically connected groups representing a minority of society and the exclusion of far more numerous sections of society is one of the main characteristics of our time. It produces an accelerated process of oligarchization of power and an exponential increase in inequality. This has led to a gradual breakdown of social consensus around neoliberal policies, but not necessarily to a left-wing critique of them.

Across the globe, it seems that the cycle of revolts that had been interrupted by the defeat of the Arab revolutions and the debacle of the Syriza capitulation led by Tsipras has begun anew. From Lebanon or Iraq, through Chile,

France, Catalonia, Lebanon, Hong Kong, Colombia, Ecuador, Algeria, Nicaragua or Sudan, hundreds of thousands of people have taken to the streets and confronted the political regimes responsible for their miserable conditions. It is essential to analyze the national particularities of each crisis. Here I will only point out some genetic traits of these organic crises and of the type of revolts taking place.

Organic social crises in the form of these revolts are not revolutionary crises. The difference is not inconsequential. In a revolutionary crisis, the great masses tend to point to the question of power (political, economic, social), to the constitution of a power of their own. In revolts, the people demand; in revolutionary ones, the people act on their own behalf.

Revolts occur when there is a brutal separation between "rulers" and "ruled". They are temporary and power can, in the absence of a thorough-going challenge, redirect the situation and try to use secondary concessions to close that gap. A revolution is not about creating a new relationship between "rulers" and "ruled," but about liquidating it and overcoming that separation through "self-determination" of the masses.

But these revolts also open up possibilities for popular reorganization and re-founding on new bases of the left and revolutionary options.

## 4 Anticapitalistas and the end of the Podemos cycle

The popular explosion in the streets in 2011, the May 15 (15M) movement of the indignados and those of subsequent years, did not express itself as feminist and environmentalist, as the great social mobilizations of the last years did. It was organized around democratic-radical demands that put into question the two-party system, the electoral model, a lack of direct democracy and government policies of austerity. Austerity was particularly outrageous and contrary to popular sovereignty after the reform of article 135 of the Spanish Constitution of 1978 (which required a balanced budget, and massive cuts to state spending) and the bailouts of the banks with public money. All this opened a process of critical reevaluation of the political regime and calls for its refoundation.

The creation of Podemos was the political expression of this popular movement. Podemos was a force perceived as anti-system against the dictatorship and rescue of the banks; anti-austerity against the cutbacks to investment and social expenditure and the state's acceptance of EU policies that prioritize paying government debt over social needs. It expressed opposition to the "regime of 1978," the transition agreement between the Franco regime and the social democratic and Eurocommunist parties that meant the imposition of the monarchy, the market economy, denial of self-determination to nations such as Catalonia and Euskadi, the role of the Catholic Church in education and that of the army as a vigilante police force.

Anticapitalistas, together with other sectors, created Podemos as an expression of this movement through a political party. We conceived it as an anti-neoliberal and radically democratic mass party-movement that would challenge the existing society and its functioning. But it didn't turn out that way.

Instead, Podemos developed a centralized and closed leadership that displaced internal democracy and internal debate and grassroots organizations. Podemos has an electoral apparatus (although it has been losing votes election after election), but it lacks organized social roots.

Progressively, the program we had voted for was abandoned and Podemos leaders moved from considering the Socialist Party (PSOE), one of the pillars of the regime, as part of the problem to describing it as a preferential

partner. Pablo Iglesias has traced the same political path that Tsipras did without having to face the pressure of the Troika's men in black. [1] He has the same attitude that Tsipras adopted.

Without a vision of a post-capitalist society, without an ecosocialist program that unifies a popular historical bloc, the Podemos leadership has been able to maneuver freely, changing the project's goals according to its own transactional interests: from its initial encouragement of its members to participate in its constituent assemblies to entering into co-governance with the Socialist Party under neoliberal leadership, without any programmatic scaffolding to support the agreement. Several regional governments are accepting neoliberal budgets and the same will happen at the level of the Spanish state, as the government seeks to reassure the European Commission, big business, finance and the stock exchange.

The new Socialist-Podemos government has not yet been formed as I speak. If it does not win enough parliamentary votes, the risk of new elections, with the danger of a new rise of the extreme right, exists. That is why many popular sectors that are not enthusiastic about Podemos's shift, however, see it as the lesser evil.

Beyond Podemos's dedication to electoralism (something we in Anticapitalistas have never managed to break, even in the places where our members have formal positions in the party structure) and its internal authoritarianism, the main feature of Podemos is its focus on governing. Inserting itself into the management structure of the regime from a "progressive" point of view ("doing what you can with what you have") is its main political function.

The elections of November 10, 2019 were the culmination of this change in the political cycle. The progressive government coalition of PSOE and UP (Unidas Podemos, the name Podemos adopted when it joined an electoral alliance with the Eurocommunist Izquierda Unida in 2019) will be a weak government, with little ability to enact reformist policies, in the sense of redistributing wealth and democratizing the state and society. Rather, it will be a government of mere management by the left of neoliberalism, under conditions EU neoliberal orthodoxy, the pressures from capital and the bourgeoisie, and the instability the Spanish national-territorial question (i.e. demands for independence from Catalonia and the Basque Country) will cause. To characterize this government as "social-democratic" may be excessive. The PSOE and UP call it "progressive".

On the terrain of social movements, we will see a number of different positions in relation to the new government. The main unions have already positioned themselves in favor of the logic of the "lesser evil": their only goal is to return to being accepted at negotiating tables with business and government, even if this does not allow them to rebuild their social power bases.

In independent social movements and struggles, whose demands have been represented in many cases by UP, we will see a strong tension between co-optation and autonomy.

Therefore, defending the programmatic and organizational autonomy of the movements is fundamental, but it is not enough. We must fight to imbue them with an independent, political perspective around the idea of democratic rupture and economic and social alternative. Key to this vision must be the intransigent defense of the interests of the majority, of the working and popular classes, the vindication of the public and common against capitalist profit and of social property against private property. This must be linked to the goal of an ecological transition and the struggle against patriarchy.

For Anticapitalistas, a difficult but exciting moment is opening up. Our objective is to restore confidence to people on the left, to strengthen their self-organization and expression: in trade union struggle against precarious conditions, among youth in the struggle for climate just and among feminists for real equality and against machismo.

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The aim is to create an educational opposition to the future government, taking into account the level of awareness and popular aspiration. We will be preparing new and more open political and electoral alliances. But we particularly want to occupy the space of challenging the political and economic system outside the institutions "Euros" although we will rely on the elected positions we have "Euros" to raise hopes and not to leave that field free for the extreme right of Vox.

Source [internationalsocialism.net](http://internationalsocialism.net).

PS:

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[1] The Troika is the popular name of the three institutions that enforced austerity through the European Union: European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF). Tsipras's enforcement of the Troika's austerity in exchange for billions of Euros in aid led to the unraveling and defeat of Syriza that Greek voters elected to fight austerity.