

The current crisis in capitalism

Statement by the Connolly Youth Movement

The exact causes of the current crisis in capitalism are difficult to unravel and comprehend in the midst of events. The full extent of the fall-out is still being revealed. The respective strengths of class forces are being played out in a global struggle, with definite outcomes yet to be decided. But there is one thing we can say for sure: the events we are witnessing are a direct result of the anarchic system of capitalist production. The lack of regulation, transparency and accountability—in a word, planning—in the major source of profit in the capitalist world, the financial services, has caused a crisis that threatens millions of jobs worldwide and entire countries' economies.

Bourgeois economists will blame individual greed—a few rouge traders, the state falling behind financial realities—and will present us with many more half-truths. The full truth, which some of these economists know, is that capitalism is not just unfortunately prone to crisis but actually creates crisis on a regular basis as a systemic product of its market and productive anarchy. Crisis in capitalism furthers the centralistic and monopolistic trend we have witnessed in global economics for the last century and more. Competitive capitalism, although the mantra of bourgeois economists, has not existed for a long time. In fact, as Lenin correctly described it, we have been living in an era of monopoly capitalism—imperialism; and the crises that reoccur on a regular and almost predictable basis serve to destroy the weak and strengthen the powerful.

What we are witnessing in the most crucial area of capitalist economic activity is nothing more than the siphoning off of weaker institutions, businesses and companies and the strengthening of the more powerful. The exact consequences of the current crisis are impossible to predict, as class struggle—that global force—is ongoing, and our actions will help determine that outcome; but if capitalism continues as the global economic system the likely outcome is fewer in control and so a further monopolisation of economic and political power.

In the banking industry we will have fewer banks; in insurance services we will have fewer insurers; and, as is also increasingly evident, in airline services we will have fewer major players. The knock-on effect for small business will follow this trend, with the smallest players either going bankrupt or giving in to their larger competitors in one way or another, and the trophy-story rags-to-riches dreams of the few lucky “entrepreneurs” will find it harder to get the backing they need.

While the above is surely a likely result within a capitalist framework, it is not the most important outcome, or the most critical. The real losers, those that will suffer most, are, as usual, ordinary workers, and in the typically patronising way their suffering will be seen as an unfortunate by-product of capitalist “restructuring.” It is working people losing their jobs, losing their houses, having to make essential cut-backs, seeing their pensions collapse that are really feeling the pinch. Working people are the victims of this great injustice, and so working people must fight back.

It is not good enough to accept our lot in this world as our inevitable lot. The world we live in is subject to class struggle. The amount of relative injustice in this world is subject to class struggle. Working people are the more numerous class, and yet they are the weakest class. This is the reality we must acknowledge, face, and change.

Government intervention, in its current form, is not good enough. In fact it is not welcome, for their motives are not—nor, more importantly, is the outcome—job protection. The part and complete nationalisation of major financial institutions, the bailing out of the banks, will not secure jobs. These institutions will still be run upon a capitalist model. They will still, for financial survival within a state’s budget, need to cut costs, meaning job losses. The packages currently being prepared by the US, British and Irish governments, among many more countries, are about one thing, and that is the survival of the capitalist method of production, of monopoly capitalism, of imperialism, of the very system that has created this crisis for us all.

The CYM vehemently opposes these deals as, in their very mildest form, corporate welfare but at worst as a desperate attempt to save global

capitalism and its powerful elite. We also criticise those on the so-called left in our own country who have supported these measures and who are failing working people. Now is the time for all democratic and socialist forces to be working to exploit, expose and overthrow the anarchic system that has left us in this mess and not be working to patch it up.