



## Communiqué of Worker-communism Unity Party - Iran on:

### World capitalist crisis and our main tasks

1- Mass media, ideologists, financial experts and the ruling class politicians give a limited and misleading picture of the present crisis. The first step in getting to grips with the real cause of the present crisis is to disclose this picture. Terms such as “Corrupt loans”, “constrains in the financial market” or “financial crisis” do not describe the whole truth behind the present crisis. They are used to conceal and hide the real reason for the crisis. On the contrary, the present crisis is not the result of “corrupt loans” but the result of economic crisis in capitalist economy. The nature and reasons for the crisis can not be explained by its consequences. Factors such as unemployment in its millions, reduction of means

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of existence and welfare, constrains in credit and investment, and reduction of volume of production world wide, all reflect the depth and dimension of world crisis today.

What we are witnessing now which has engulfed the world is simply the international crisis of capitalist system. Cyclical economic crises with its devastating social and economic consequences are the inevitable and inherent character of capitalist system. The contradictions within the capitalist system, after a relatively long period of accumulation after the Cold War, and expansion of markets for capital investment and profit world wide have led to a crisis which is in its initial phase.

The present crisis, like all previous cyclical crises, is caused by a fundamental contradiction with the process of accumulation of capital. At the most basic level, the law of the tendency of the rate of profit to fall is the basis of all the economic crises of capitalist society. In capitalist society, work (labour) is the source of profit and capital accumulation. The tendency of the rate of profit to fall (in the total social capital) is the inevitable result of the process of accumulation of capital. Crisis indicates that the tendency of the rate of profit to fall has become concrete and the profit of capital has actually decreased. This is when the whole of capitalist system enters crisis.

Unlike many previous cyclical crises, the present crisis has a deeper and more extensive dimension and has engulfed most capitalist countries. After the fall of the Soviet block capitalism which led to provision of more markets for investment, the world entered a new phase of accumulation and profit making process. Although these new profit making areas limited and postponed the inherent cyclical crises of capitalism for a while, they themselves contributed towards a deeper and more concentrated crisis. Sooner or later this concentration would catch up and manifest itself in unemployment in its

millions, corrupt loans, reduction of production and constrains in the financial-credit market in the world. The collapse and bankruptcy of America's biggest financial and banking institutions are the results of the present crisis.

2- The present economic crisis is an ideological defeat for the free market policy and capitalism in the world. Following the fall of the Eastern block, there were so much propaganda by defenders of free market and competitive capitalism. They claimed that capitalism relies on free market and competition is the best, most efficient and practical mode of economic system for the human society. They announced the end of history, class struggle, the end of endeavors by people to gain freedom, welfare and a life fit for humans. What replaced it was individualism, careerism, profit making and own interest. Any form of humanity and defense of social interests were frowned upon. The law of jungle and survival of the fitter were made the law of the society. The present crisis is the inevitable result of a system in which profit is its main goal.

Now even the most fanatical defenders of free market admit the defeat of this economic model. If in the past nationalized economic policy demonstrated that state capitalism, state ownership, and market controlled and planned by state as a reformed model of capitalism could not be a suitable and practical framework for reducing the inherent contradictions of capitalist system; now the market, universality of capital and escalation of expansion and competition too can not reduce the contradictions. It in fact makes it more obvious.

This reality is indicative of a fundamental truth, i.e., capitalism, irrespective of its different economic models, state or competitive based on free market forces is a total anti worker inhumane system. As long as the despicable basis of this system is built on private property, class division of society and wage labour, workers and deprived people receive nothing but devastation,

exploitation, discrimination, oppression and rightlessness. Capitalist system is the cause of poverty and all the devastation imposed on people today.

3- Capitalist method of resolving the crisis follows the same general rule of the system. Intensification of exploitation, rise of unemployment, cut in social and welfare benefits and difficult times for majority of people. In one word, bourgeoisie and the states introduce austerity measures. Up till now, the American government has paid nearly 1000 milliard Dollars of people's money to the financial institutions. Transferring such a huge volume of wealth which is produced by people to capitalist class is massive and an unprecedented act. With just a fraction of this amount one can resolve the question of national health insurance, unemployment benefit, homelessness and many other social issues in favor of people.

The capitalist way of overcoming economic crises and the constant reaction of the system in face of crises at the same time demonstrates the bound position of humans in this system. The victims are workers and deprived people. In capitalist society human beings are prisoners of blind laws of economy. In this system humans are deprived of their human nature and are turned into just means of production for capital and profit. In this system, people are classified according to their class and economic position. The majority of people, the producers of social wealth, are deprived of the products they produce. Workers in this system are only employed as long as their labour produces profit for capital, otherwise like machinery and means of production; they too are thrown out, joining the army of unemployed.

We must not allow the burden of capitalist crisis to be carried by people. We must not allow austerity measures, abolition of social insurance and services to be the means of resolving the crisis. We must not allow workers' living conditions to be reduced as the result of factories being closed. We must

struggle for unemployment benefit, social services, free health care, and education. We must defeat the capitalist way of combating the crisis by opposing the austerity measures.

4- One aspect of the propaganda being chanted by the defenders of free market, in opposition to Keynesians and Social Democracy, is that the state should not intervene in the economy and market. Thatcherism and Reaganism during the 1980s and 1990s were the dominant ideology of this tendency in the West. However, capitalism owes its survival to the constant intervention of state beyond market and economic institutions in defining the economic conditions and the operation of capitalist system. At present too, without the intervention of governments for bailing out the biggest financial and banking institutions, without the “rescue plan” of these institutions, the capitalist system will virtually collapse. The truth is that the “invisible hand” of free market, competition, economic individualism of Thatcherism and Reaganism on the one hand and the idea of planned capitalism of Keynes or Social Democracy on the other hand have nothing to do with people’s happiness. All capitalist economic models are exploitative.

The total defense of capital by states is at the same time indicative of the empty propaganda of the ideologues of capitalism about the role of state in the system. Contrary to the propaganda machinery of the ruling class, the state is not a national institution born out of the collective will of people for the common interest of all. State is not an independent organ above classes and indifferent to class interests in the society. It is the most important tool by which the ruling class controls and exploits masses of people. State is the executive organization of the ruling class. Every state, irrespective of its form or appearance is a class state and defends the interests of the ruling class. On the contrary, workers’ state, (in opposition to present states which

represent the minority who are the exploiters,) is the state of the majority for implementing freedom and equality of all.

5- The consequences of the capitalist crisis are not limited to the economy. Every crisis brings about devastating economic and social consequences. The two world wars, the disputes over political and economic areas of influence, militarism and invasions are all part of the consequences of economic crisis between different factions of world capitalism. Another characteristic of periods of capitalist crises is escalation of racist, fascist, reactionary and religious tendencies.

The crisis will also change the balance of forces and areas of influence in the world and increase rivalry between different blocks of capitalism. A change in the “super power” position of America in the world, escalation of the influence of other world blocks, advancement of terrorist wars are all part of the inevitable consequences of the crisis. The fall of the economic weight of America in the world will thus result in the fall of its political position. In the absence of a massive communist and working class presence, the world capitalist crisis will bring a darker perspective to the world.

6- History has once again demonstrated that Marx and Mansoor Hekmat were right in their critique of capitalist economic system and the actions of capitalist states and institutions. Marx has once again come forth. People will find the answers in Marx’s critique of capitalist system. Today more than any other time do we observe the genius of Marx’s critique of capitalism. Today more than any other time do we see clearly the role of state apparatus. Undoubtedly the permanent struggle of workers and capitalists, wage labourers and employers is at the centre of this tension.

It is high time for a Marxist and worker-communist offensive against capitalist system. Worker-communism can and must enter the political and class battle ground. The end of market prosperity and capitalist solutions has practically is here. Different shades of bourgeois ideologues are incapable of being offensive. They are in fact in defensive. Not only the attack against Marxism and socialism has been defeated, but also capitalist models have lost their popularity amongst people. This is the most favorable time for Marxism and worker-communism. Forming a worker-communist and Marxist movement in the world is essential.

7- Today, more than any other time, the world is awaiting another solution, i.e. a socialist alternative. Today more than any other time can we show that the claim of capitalist system being the best economic system is a biggest lie of the history. We can show that another system is possible. A system in which the aim of economic activity is not production for profit or capital accumulation, but it is for people's needs. Such system is both favorable and possible. The present situation provides the emergence of worker-communism in the political scene, especially in the industrial countries. The main precondition for progress is formation of worker-communist parties.

Equipped with Marxist critique of capitalism, organization of class struggle in every country, and internationalism of working class, worker-communist movement can and must rise and represent the interest of people for a better world.