

**Today's Article:**

**Beyond the Description of the Financial Crisis**

*What Matters is, what is to be done.*

*From Theoretical Barricades to Street Barricades*

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Many insightful analyses and diagnoses have been written on the Financial Crisis. Many have attributed this crisis to the era of globalization which mainly started by Reaganomics and Thatcherism, the terrorist theory of shock therapy, de-regulation, privatization, the greedy financial elite and the dictatorship of “democracy”. Others, who consider all these points, attributed it to the entrenched long-term crisis of capitalist system that stems from the nature of the dominant capitalist mode of production especially the form of relations of production that stems from the form of capitalist ownership/rule.

I might be right to deduce that most of these good analysts lack the courage to advance their deep analytical writings to the field of social challenges to confront liberalism, the fascist neo-liberalism and their articulations all over the globe. This lack of courage is taking place when the enemy, capitalism, is in retreat, when its foundation has been shaken, despite the fact that it did not collapse, and will not collapse soon. On the hand, it is our chance and duty to move forward, to attack, to capture the moment and develop it further. If we fail to do so, then we are, in fact, conservative, reluctant, and below the expectation of revolutionary intellectuals.

This hesitation in taking positions and attitudes is in contradiction with the spirit of many of us, as dreamers and militants fighting for change and revolution. It might be due to the side-effects of the collapse of Soviet block, the semi-victory of capitalist roaders in China, and the terrified Communists in many places in the world who easily renegade to capitalism, liberalism, religion...etc.

It is ironic that many of us failed to read the capitalist era of imperialism and were deeply terrified when it embarked on the era of globalization, and now lost the courage to read it properly when it fell into the current crisis. The current development teaches us that capitalist crisis is an introduction for change and revolutions which are the train of history.

I am not arguing here that socialism is knocking the door, but I would like to emphasize that socialism is a historical process, not a drastic coup-de tat. Socialism has existed throughout the history of mankind and the world for many centuries. The socialist state of al-Qaramita started in Bahrain twelve centuries ago and expanded to Damascus, Cairo and to the superb of Baghdad, the capital of the Arab Khalifa. Paris Commune lasted 71 days; the Soviet Union lasted seven decades, while China still is in some form of class struggle against capitalist roaders. That is why socialism of today is about understanding the world and develops progressive factors of life and development, at least at the levels of theory, analysis and discourse.

It is obvious that capitalism is corrupt and is decaying. The crisis started in its 'head', the United States, the highest financial elite, whose organic intellectuals are the academic in general and Chicago Boys in particular, those of the school of Shock Therapy. It is protected by the higher political elite (the White House), and marketed by the media elite, C.N.N, New York Times...etc. Sure, it will not collapse soon, at least because its military-industrial complex is still strong and able to attack many places in the world. Capitalism might attack even haphazardly, but, the lessons of Iraq and Afghanistan tell us that this is not a real power. It taught us that little gun is able to defeat the most sophisticated weapons as long as bare hands can carry it. Bare hands vs. smart bombs!

## **Democratic Dictatorship a Fascist Case**

It is not a Marxist tutelage to combine democracy and dictatorship, but it needs an investigation to explore how did both merge on the one hand, and how do people normalize with their consequences, on the other. Striking examples of that normalization were the G.W. Bush's brutal and repressive measures after 11 September 2001.

The democratic dictatorship works through three hellish links:

The **First hellish Link** of capital's dictatorship is extracting of surplus value from all forms and groups of popular classes. The parasitic capitalists gain most of the value of labor power, to consume, to have luxurious life, save and expand their projects in the real economy or the financial gambling. Working class consumes some and save some

either in savings, bonds, or drinking some beer with their partners...etc. Their wages are enough to buy them bread or even a small car or a home on mortgage. Capitalist, however, accumulates, renews his machines to compete with others, reinvest and profit more and more in an endless fashion. Moreover, he, as part of a class, finances the military-industrial complex to gain, dominate and colonize others.

The **Second Hellish Link:** The continuum of the first link, whose base, the political economy, led to the domination of the liberal bourgeois ideology over popular classes which while saving in banks or pension funds re-channel their savings to the bourgeois, albeit it might not be the same elite to use them and accumulate more. The popular classes did not protest against the privatization of everything including pension funds. Through that, the managers and speculators 'play' with the bonds and shares of companies gaining money, both, during decline and rise of values of these companies. At the end, the managers escape with all what they stole.

The **Third Hellish Link:** Daily life goes on, and appears too 'democratic', while below its surface there is class exploitation as the motor and fuel of the capitalist social formation. But, sooner or later, the crisis jumps to the scene. This is what took place in the center in the last few months. Here, and especially here, the bourgeois raises the stick. George. W. Bush told the US popular classes in his speech 25 Sep 2008, to either accept the bailout of \$700 billion, or all of us will sink! The real translation of his speech is: You must let our hands go into your pockets to finance the corrupt financial elite. Finally, the regime stole the savings of the popular classes, and the bailout was approved by the US Congress. If this is not a dictatorship, what it is?

### **The Danger of the "Solutions"**

The bourgeois, depends on the power of its hegemony and is still able to co-opt the little social unrest. Bourgeois, motivated by the pressure of its interests, is not threatened by popular classes which are still far from the mood of challenge. It sits on a movable chair which is able to rotate around itself horizontally serving the upper class and deliberately giving a lip service to the popular classes.

Besides his ineloquent speeches, George W. Bush blames the crisis on some greedy people, even without referring to them; he pretends that capitalism is still the best regime. That is why, the suggested 'solutions' are in the range of 'coordination', as the IMF suggest, or 'confidence' as the British Prime Minister suggested as well. The deepest suggested solutions are in the range of a limited vitalizing the role of the national state on the world scale.

States in this era are divided into:

- The triad core;
- Semi-core;
- Periphery;
- Periphery of periphery, countries which reside out of history or in its margin.

We must be aware here that the national state has never been the same or equal in the polarized capitalist system, especially in the era of globalization. States such as the US or France are not the same as the states in countries of the periphery, i.e. the so-called post-colonial states, that if colonialism really left, and more concrete national states in the third wave of nationalism which is a mere functional, compradoric and client one. Arab Qutriyah states are examples of that what are not national states.

Coordination is the description that world leaders made a consensus between themselves. But, what form of coordination is it and for whom? It is for the rich in the center at the cost of the poor world-wide. Coordination is crystallized in western countries in the form of some remedies by each national state through minimization of the rate of interest, bailout of banks and hedge funds, and governments buying the debts of financial companies.

On the world scale, remedy is oriented toward the interests of client states or imperialist paws in their own regions, Ukraine, Georgia, Hungary, Singapore, South Korea ...etc, IMF justification for giving priority to those states that have good record of loan repayment. But, the financing of the client states has been extracted from semi-peripheral and peripheral countries especially from Arab oil regimes and China. The recent visit of the British Prime Minister to Qatar and Saudi Arabia was a striking proof. He asked their rulers to pay \$1.3 trillion because they got profits from oil high prices. This justification means that all nations have the right to their own wealth except the Arabs!

### **An Economic, but in Reality a Social Crisis**

No economist was able, until now, to draw the real orientation of the crisis. All what have been done is more descriptions of what is taking place. The bourgeois politicians, academics and economists limit the crisis to the financial sector and try even to ignore its effects on the real economy.

I think that our discussion and argument must transcend this level and embark on class analysis and class struggle. We must challenge the bourgeois cultural and ideological hegemony by a cultural revolution of our own.

The collapse of the Soviet Union has been exploited by the bourgeois to pretend that the age of ideology has vanished. What has been proven later is that the bourgeois intellectuals and politicians imposed a conservative and aggressive ideology on the world. It is a fascist ideology that is shock therapy in economics and neo-conservative in politics and culture. Capitalism in the era of globalization was a cultural challenge against all progressive ideologies. They used economic prosperity as a weapon to prove their cultural supremacy, a prosperity that is always based on the exploitation of working people of their own nation and other nations.

But, NOW, they themselves dare to confess that capitalism, free market, shock therapy... should be controlled, regulation must replace de-regulation, state must regain its role...etc. In one way or another, they are conducting some form of self-criticism as a maneuver to camouflage the deep destructive crisis of their system.

Our challenge should be some form of an expansion of people's war against crony, greedy and exploitative capitalist elite. There is no doubt that this challenge is not an easy job especially in the core countries where popular classes are still taken by the 'magic' of capitalism and private property, the demagogic propaganda which summarize socialism in the role of Stalin who has been presented similar to Hitler...etc. Societies in the core countries failed to be real civil societies since they bear their regime's termination of other nations, accepting the capitalist exploitation as long as there is no internal economic crisis...etc. in their own societies.

The minimum we are able to do is to draw attention of popular classes all over the peripheral social formations to the fact that the crisis will increase unemployment, poverty in western formations, but in periphery famine will start knocking at the door.

Moreover, most of the analyses, even of progressive and leftist economists are still limited to analyzing the crisis in the core countries in a Eurocentric manner, i.e. unable to see that the world is divided to core and periphery, and they are not the same neither in the structure of the crisis or in its remedy. There is more than a billion people who are already under poverty line, hundreds of millions unemployed. But despite that, the ruling classes in the countries of the core are looking for solutions for themselves, and, at best, are looking only for the safety of their client states in the countries of the periphery. The political and civil society in the core countries is unaware of the turbulences in the countries of the periphery so long as there is one soldier against each civilian who might protest. Regimes of the countries of the periphery continue to succeed in turning the social crisis and its solution to a problem for each individual to solve his own problem separately. Our role is to challenge that through several means, one of them is to agitate against wealth transfer to the core countries to solve their crisis. The irony is that the core capitalist regimes are

competing now to restore some role for their national states, but at the same time blocking any patriotic role of state in periphery, the least to mention here is the obligation of regimes of the countries in the periphery to 'donate' their surpluses to the capitalist center.

There are three scenarios we might deduce from the current crisis, especially the weakness of the imperialist fist:

- Some countries of the periphery might get the chance to develop their economy in the form of Import Substitution, socialist alternative...etc, like several countries in Latin America and Iran.
- Regimes of some countries might sacrifice their nations' wealth to rescue the core countries.
- Some countries might suffer famine and either:
  - Repress their peoples
  - Or have social revolutions.

The weakening of imperialist fist might not last for a long time before it develops into military and aggressive coordination that might, and will take place by core capitalist regimes. It should be noted that multi-polarity may provide a good chance for poor countries to ally with one against another. Accordingly, the short era of weakening of imperialist fist must be highly utilized, at least at the political and theoretical levels as an introduction for next leap.

## **Crisis Re-Management**

One of the main reasons of the current crisis was the transformation of investments, surplus, from countries of the periphery to the center, a process that contributes huge liquidity in the center in the form of 'lazy capital' which pressurize the political elite and the banks to channel this money through sub-prime loans, which, in turn, accelerated the bubble explosion. There are two main sources of that lazy capital, one is the 'oil rent' and the other is the surplus value that extracted form the low wages of the working class in the transformed industries in the countries of the periphery.

My question here is: What matters for the core countries about the developments in the countries of the periphery following the current crisis other than these two forms of wealth extraction?

Will the multi-transnational corporations pull out their factories back to the center and pay again higher wages, or they will insist to continue operating in the countries of the periphery? Nothing in history is a mere repetition of its past. The corporations

will fight in countries of the periphery to maintain their investments, i.e. exploitation. This will provoke more socio-class resistance in the periphery against corporations and local comprador. The case will be the same for the oil companies. These two issues must constitute part of a militant program for resistance in the countries of the periphery, i.e. to nationalize these companies to create public sector, a national one that will the globalized capitalist public sector.

The New Economy and transforming of industries to the countries of the periphery contributed to the dividing of working classes in both, the countries of the core and the periphery. In the center the working class is divided into: workers in the high tech and those in traditional industries and service sector. Each of them has its own separate situation and interests leading to weakening their struggle. And in periphery, the working class is divided into small 'elite' who work in the branches of western corporation gaining high wages in comparison to local workers, but too little in comparison to wages in the West, and the local majority working class, each part is busy with its own situation.

What might matter here is how the ruling classes will cooperate in the core and periphery against the working classes in both parts of the world system? And what is the strategy of the popular classes in general?

Until now, there are no signs of protest within the working class in both parts of the world system because they are so far taken by bourgeois hegemonic ideology that capitalism is the end of history. This situation will change as soon as the crisis 'touches the bones' which is actually creeping now.

That is why capitalism is still moving around itself taking care of its interests and does not feel obliged to do something for the rest of its own society, not to mention the nations in periphery. The British Prime Minister's recent visit to Gulf counties commanding them to donate their surplus for the bailout of others, and China's 'smooth' and cooperative policy with the United States greed demanding China's support, clearly show that the world system is a real Globalized Capitalist Public Sector, led by western bourgeois of countries of the core while that of the countries of the periphery is satisfied by the trickle-down role.

This raises the question: How should the working class in periphery and core act? And how it will respond when core capitalist regimes start resistance to maintain their interests? The last attack against Syria, and the conflict in the Congo and Obama's threat to Iran, are just fresh examples.

What I am trying to prove here is that, the crisis did not change, until now, the basis of the world system's policies. But, as a crisis, it is deeply harming popular classes all

over the world. The main change here is that the bourgeois is maintaining its old weapons while its 'credibility' is depreciating. This leads to the issue of restoration of the credibility of class struggle and socialist alternative.

The decisive question here is: What are the steps that must be taken to uncover the manipulation of the ruling classes all over the world? How to explain to people that the bourgeois class, even when it returns back to national state, does that just to re-strengthen its fist over every nation's popular classes? It became clear that capital internationalism suffers a deep crisis, but that of working people is not ready yet, but must grasp the moment now, at least in an educational manner.

Why do peoples protest against IMF, WTO and WB meetings, but do not protest now against the same figures, elite and class/es which created these world financial organizations and still stand behind the current crisis and 'adjusting' it at the cost of its victims. The only way now to break down the movable chair which the bourgeois is sitting in is people's mobilization in all forms.

It is clear that the subjective factor is too far behind the objective one, but with the further development of the crisis, the objective factor will create great opportunities for mass mobilization.

The possible contribution of socialists, Communists and revolutionaries in general now is to launch a theoretical, analytical and political campaign against their own regimes. This is a battle against all ruling classes in every nation. The challenge is where should Communists stand in this world economic battle: on the side of their rulers or on the side of their masses?

Socialists must heat up this crisis through a political and analytical campaign to educate the masses how dangerous capitalism is and how it drew humanity to barbarism. They must re-build the barricades of the French and Bolshevik revolutions. This might take place in the countries of the periphery more than core countries as long as the response of the US people is voting for Barak Obama. The biggest irony is that MaCain was agitating against Obama who will take America to socialism.

If colonialists never withdrew from any place without defeat, will they leave power inside their own countries peacefully? In fact, they are waging war in both fronts. But, despite the huge military might of imperialism, it was defeated in Vietnam, in Algiers, and losing the war of attrition in Iraq. The 'small' gun and guerilla warfare taught us that victory of people is still possible and simple weapons are able to neutralize the most complex ones.

Capital's war against humanity will never cease, and it will intensify during the current crisis. Some of its manifestations are the free extraction of surplus from oil countries, exploitation of peasants in the countries of the periphery, supporting criminal states like Georgia, Ukraine and the Ashkenazi Zionist Regime, keeping periphery's markets open for core products, intensifying food and water prices...etc.

It should be noted that the relative revival of national state has to do more for the countries of the core than for the countries of the periphery. The state in periphery is expected to play a client role. World developments show that there is no real post-colonial era or state. Moreover, states of the core will compete against each other for markets in the periphery, a development that will open the horizon for revolution.

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