

THE POLITICAL ECONOMY OF IMPERIALISM AND ITS EFFECT ON CLASS STRUCTURE

Notes based on discussion in branch

The new technology

The early phase of the current capitalist crisis intensified unemployment, and this created conditions where new technology could be introduced in a massive way.

This has the effect of making unemployment endemic, even in the event of an upturn. Whatever the level of activity, it is now hard to envisage capitalism eliminating unemployment, as it did during the post-war boom.

New technology effects both the production process itself and the management and planning of production.

It renders traditional forms of working class struggle much more difficult. Already there have been attempted strikes where management was able to maintain a certain level of production through automated production lines.

Moreover the existence of a large permanent reserve army of unemployed will weaken collective bargaining power of the industrial workers.

These changes bring about important differences to the form of the class struggle, but they do not remove its essence. On the contrary there is increasing polarization and sharpening antagonism of interest between those who control and manipulate capital and the broad masses of the population. New forms of struggle are certain to develop.

Capitalist politics in the context of economic change.

The present Tory government is carrying out extremely reactionary economic policies which constitute an attack on the living standard of the working class and on whatever few reforms it was able to extract in the aftermath of the anti-fascist war.

However, these events must be seen as part of an overall pattern in the development of post-war capitalism. Although Labour is at the moment dispensable to the bourgeoisie, it did play an important historical role on behalf of capital by using the power of the state and public money to build up economic sectors which are now ripe for being sold back to the capitalists at a massive profit to the latter.

Structure of the capitalist world-economy

Although the economy even in Britain appears to be growing, it is based on very shaky foundations. Increasingly, debt is being promoted as an artificial way of creating internal demand; the interest on this debt represents a transfer of value from the working class to the capitalists.

Reagan-Thatcher's policy has been to turn its back on the plans put forward by the Brandt faction of the bourgeoisie for a long-term restructuring of the world economy based on a new division of labour in which the third world would be 'given' some of the low-technology industrial sectors and 'allowed' to raise its living standard somewhat in the interests of creating a larger market for the products of capitalism.

Instead, the imperialists are hanging on to any sectors they can, and relying on the new technology to undercut the advantages of cheaper labour in the third world.

In these circumstances, on a world level the bourgeoisie of the oppressed nations is squeezed between the demands of the working masses for at least a subsistence level and the arrogant pressures of the imperialists and the international monetary bodies which serve them. This is an explosive situation.

Capitalism - more than ever the enemy of humanity

The role of purely speculative, as opposed to productive, industrial capital, has increased in proportions unheard of even in earlier periods. Gigantic manipulations of capital and savage take-over battles are fought out in complete disregard for any human factors.

The destruction of the environment and the food crisis provoked by imperialism are a major reason why it is necessary to make revolution without delay. The abolition of imperialism will create indispensable conditions for resolving these problems, but even so, such is the problem that any reforms which can be won in the meantime would be very valuable. The main environmental damage is exported to the oppressed nations, and any campaign which failed to highlight this fact would be counterproductive.

The recent great changes in the structure of the production process in no way remove the contradictions of capital, but on the contrary take them to a higher level. The tendency to a falling rate of profit can only be accentuated by the decline in the proportion of variable capital within the total body of capital, associated with the new technology. This can only be offset by a increasing the mass of profit, a factor which can probably help explain the increasing competition between the

major blocs, following the initial consolidation of the scientific-technological revolution.

The major capitalist blocs

Europe, the USA and Japan are the three major blocs in the capitalist world-economy. They are heavily interdependent, particularly at the level of investment by the transnational corporations.

The trend seems to be that they are concentrating increasingly on investing in each other and abandoning the third world to its plight with the exception of a number of sub-imperialist staging-posts, mainly in the pacific.

Along with their interdependence, there is also a strong tendency to rivalry and conflict. These are the two contradictory aspects of their relations. With the weaker position of the third world and the less aggressive conduct of the Soviet Union, the west may well be able to afford the luxury of increasingly bitter economic confrontations.

Developments in Europe

The trend towards the single European market is designed to benefit capitalism by creating a larger and more competitive base.

By switching to multilateral relations with the third world in place of the old colonial spheres of influence, Europe has sought to maximise its own bargaining position, and has more to gain than the third world.

The economic conflicts of Europe with the USA and Japan are an example of inter-imperialist conflict and do not have a progressive aspect as far as the working class is concerned.

The Soviet Union and China in the capitalist world-economy

The existing markets for the products of capitalist industry are not reliable, as pointed out above, and the the bourgeoisie is increasingly nervous about the security of its massive investments in the third world.

The Soviet Union and China form massive potential markets and areas to which investment could be switched. Particularly the Soviet Union has great weaknesses on the supply side and cannot fulfill its people's demands. This is a mouth-watering prospect for the capitalists. This is one of the reasons why the western capitalist governments and companies are supporting Gorbachov's reforms.