

Workers of the World, Unite!

A Turning Point in History:

Trump, Crisis, and the Decline of the Liberal Order

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“The bourgeoisie has been the first to show what man’s activity can bring about. It has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals; it has conducted expeditions that put in the shade all former Exoduses of nations and crusades... The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Modern bourgeois society, with its relations of production, of exchange and of property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer who is no longer able to control the powers of the nether world whom he has called up by his spells... For many a decade past the history of industry and commerce is but the history of the revolt of modern productive forces against modern conditions of production, against the property relations that are the conditions for the existence of the bourgeois and of its rule. It is enough to mention the commercial crises that by their periodical return put the existence of the entire bourgeois society on its trial, each time more threateningly. In these crises, a great part not only of the existing products, but also of the previously created productive forces, are periodically destroyed. In these crises, there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity—the epidemic of over-production. Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation, had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed; and why? Because there is too much civilization, too much means of subsistence, too much industry, too much commerce. The conditions of bourgeois society are too narrow to comprise the wealth created by them. And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented.”

— Marx and Engels, *The Communist Manifesto* (1848)

(1) These words are far more significant and thought-provoking today than they were nearly two centuries ago when they were written and published. With each passing day, it becomes clearer that humanity stands at a crossroads. One path inevitably leads to a barbarism that could erase the unparalleled achievements of civilization—spanning productive forces, economy, society, politics, and culture—in a very short time. This barbarism, in its initial forms and manifestations, is becoming increasingly evident every day.

(2) The events of the past decade and a half, much like the two world wars, have once again demonstrated that even in the most advanced societies, the foundations of capitalist order and civilization are neither absolute nor permanent. In times of crisis, these societies can rapidly descend into fragmentation, chaos, and conflict. Meanwhile, the condition of underdeveloped or so-called developing societies, already plagued by poverty, backwardness, and instability, continues to deteriorate.

(3) The scale of production and consumption humanity engages in today is without precedent in the history of civilization. However, the crises generated by capitalism's rapid advancement in science, technology, and productive forces are equally severe and are now confronting humanity in stark forms.

(4) Interestingly, within the colossal—almost unimaginable—scale of production under capitalism lies a deep-seated deprivation, an endless race for survival, and a pervasive uncertainty. Fundamentally, it is a manifestation of scarcity amidst abundance and abundance amidst scarcity. This contradiction cannot be resolved within the confines of the system itself.

(5) Humanity faces a multidimensional crisis (also called “polycrisis”), with new dimensions continually emerging. Global warming, climate change, and environmental destruction are taking on a catastrophic form. The global balance of power is destabilizing, as evidenced by the Ukraine war, which could be a precursor to even bloodier internal and external conflicts.

(6) Since 2008, most economies have effectively been in a state of stagnation. In a few exceptional cases where some growth is occurring, it is devoid of any significant social benefits. Factors such as debt crises, declining living standards, austerity, inflation, and layoffs have left not only the Third World but also developed societies in a state of constant turmoil. The welfare state in the West is gradually crumbling. Meanwhile, opportunities for a better life in former colonial regions are shrinking to such an extent that an unprecedented wave of legal and illegal migration to the West has surged. In these circumstances, the rise of ethnic and religious fundamentalism, along with their politics of extremism and terrorism, are also different facets or aspects of this same crisis.

(7) Whether it be the “end of history” or talks of reducing international tensions and arms buildup, all the promises and claims made by the representatives of imperialist capitalism after the collapse of Stalinism in the Soviet Union and Eastern Europe are turning into their opposites. On the international stage, the intensity, severity, and complexity of tensions between imperialist powers are far greater today than during the Cold War. The process of

globalization, with all its economic and social aspects, has been in retreat since 2008. The liberal dreams of softening national borders and merging countries into political and economic blocs have been shattered. The European Union is showing growing cracks, while NATO has faced deep disruption since Trump came to power. Markets are under restrictions everywhere, and protectionist policies are on the rise.

(8) The economic crisis that erupted from the 2008 financial crash was fundamentally an inevitable product of the contradictions inherent in capitalism, which have been festering within the system since its inception. The rise of Keynesianism after World War II and the subsequent neoliberal onslaught were essentially different stages of attempts to control or suppress these contradictions. These contradictions and the policies to combat them can take various forms and intensities depending on time and place. However, the core of the problem remains the same as what Marx discovered and explained.

(9) In the post-2008 crisis period, every rule and norm of the past has been upended. The economic foundations upon which post-World War II politics, the state, diplomacy, and society were built have crumbled. In their absence, the entire superstructure now trembles—jolted by shocks, gripped by decay, and teetering on the brink of collapse, like a society caught in the throes of an unending earthquake. Today, capitalism is not only facing an economic and political crisis but also a deep cultural and ideological crisis, which is inevitably manifesting itself in the crisis of bourgeois leadership.

(10) Since 2011, the global wave of revolutionary movements, protests, uprisings, governmental crises, coups, civil wars, the emergence of new left and right-wing trends, and increasing tensions between imperialist powers can all be explained only in this context.

(11) There is an unending series of events, and the situation is changing rapidly. This is a new normal of extraordinary changes, in which Trump's second term represents a qualitative shift in many ways. It has created a situation analogous to the collapse of the Soviet Union. In this context, neglecting to accurately assess the situation becomes a crime for revolutionaries.

(12) The global liberal order established after World War II, along with all its values and institutions, is melting in the crucible of crisis. But the important question is: what new forms of economy, politics, and society can emerge from this crucible?

The Sick Economy

(13) In the long run, capitalism is not a balanced system. Its equilibrium is constantly disrupted. This process can continue imperceptibly beneath the surface for years, but it becomes glaringly obvious during periods of crisis. After emerging from these crises, a new equilibrium is established at a higher level, where the process of disruption begins again on an even larger scale.

(14) No philosophy other than Marxism is capable of providing a scientific explanation of historical evolution and motion. Consequently, tendencies like liberalism and left-wing

reformism, under the mechanistic method of analysis, offer only ahistorical interpretations of emerging phenomena. This method ultimately leads to idealism, where the driving force of historical progress or events is generally attributed to the subjective desires of important personalities, government policies, or “sudden” accidents.

(15) Trotsky once said that for a historian, it is not enough to merely describe the course of history or its significant events. It must also be clear why these events occurred at that particular point in time and why history took that specific course (i.e., why these events did not occur earlier or later, and why history did not take a different path). But apart from history, the Marxist method and perspective are also the same when it comes to analyzing current affairs and identifying future possibilities.

(16) The classical political economy of the 18th and 19th centuries was a serious attempt by the intellectuals of the emerging bourgeoisie to understand and explain economic processes. Despite all its contradictions and shortcomings, it considered not only price but also value. It viewed the economy as a social process based on the interaction of social groups or classes and linked it with politics and society. It placed micro and macroeconomics within a single framework, focusing more on the production process than on consumption and market transactions. Behind all this was the Enlightenment of the Renaissance and the effort to present capitalism as a better and more just system compared to feudalism.

(17) Marx fundamentally provided a critique of this bourgeois discipline. Through a dialectical approach, he clarified its contradictions and presented a coherent framework for analyzing and explaining the economy, which is also known as Marxist economic theory.

(18) In the 20th century, classical political economy was gradually replaced by the economic discipline we now know as “economics.” Marx and Engels, in their time, rightly categorized the trends of “economics” as vulgar. However, the economics taught in universities and colleges today has reached new heights of absurdity. Over the past few decades, it has become less of a social science and more of a propaganda tool to justify capitalism. Its purpose is to deny facts and shape the minds of young people on irrational grounds.

(19) The shift from political economy to economics reflects changes in the bourgeoisie’s own composition, historical character and social role, its escape and detachment from the production process, the dominance of large monopolies over markets, and the rise of non-productive tendencies such as financial speculation and rent-seeking. This is fundamentally a manifestation of the ideological defeat and decline of a system that is no longer capable of seriously analyzing its own economy—or perhaps does not want to, out of fear of exposing its own repugnant character, historical obsolescence, and stark truths.

(20) Nobel Prize-winning economist Paul Krugman, in the context of the 2008 economic crash, stated that all the work done in macroeconomics over the past three decades has been useless at best, and harmful at worst. This single statement not only exposes the bankruptcy of neoclassical economics but also reveals that the more intelligent and serious policymakers of

capital do not believe in their own mainstream theories and ideas. Many of them, if not most, through their practical experiences and empirical evidence eventually arrive at the same conclusions that Marxists have theoretically deduced. However, since they are incapable of seeing the objective world beyond the confines of capitalism, they ultimately sink back into right-wing or left-wing reformism.

(21) Economic realities ultimately express themselves forcefully in politics. The condition of the economy determines the character of politics and the state. The scientific explanation for the political and diplomatic upheavals of the past decade and a half in the world can only be based on these foundations. Otherwise, we are left with explanations that suggest people's views change 'suddenly' and without reason, leading them to embrace revolution. Or, that figures like Imran Khan and Donald Trump unexpectedly appear out of nowhere, mislead people, and come to power.

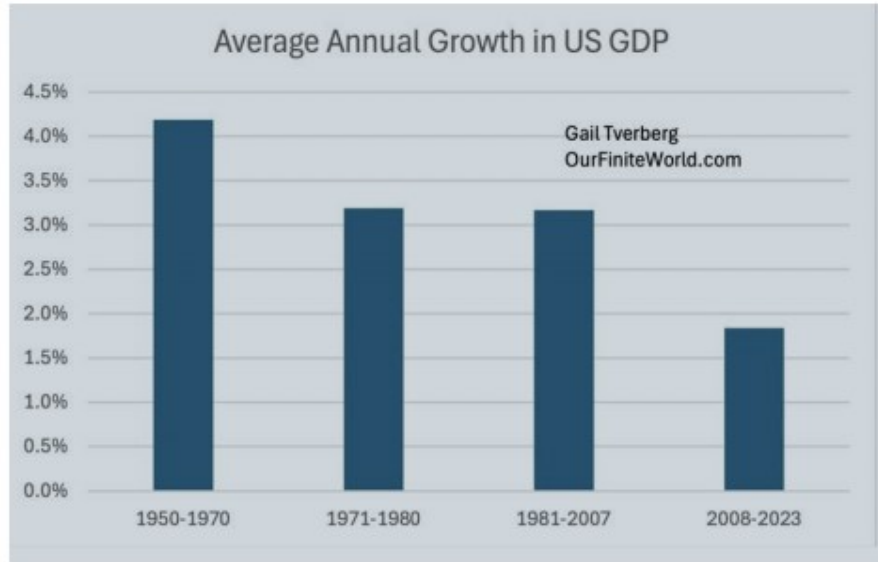
(22) An accident is always the expression of a long-standing necessity, and to understand this "necessity," it is essential to comprehend the process or factors that operate imperceptibly over long periods. In this regard, a consistent analysis of the capitalist economy becomes essential.

(23) If we begin with capitalism's birthplace, the West, then all the major events and phases since World War II can adequately be explained by considering the long-term secular decline of the market economy. All the shifts in imperialist capitalist policy have essentially been attempts to reverse or at least halt this decline.

(24) World War II gave capitalism a new lease on life through large-scale war economies and unprecedented destruction, but the fundamental contradictions remained active. In this regard, examining the post-war economic growth rates reveals much. For example, the annual growth rate of the US economy, which averaged 4% during the "golden age of capitalism" from 1945 to 1973, fell to 3% between 1973 and 2000 and further declined to around 2% between 2000 and 2020. Currently, this growth rate fluctuates between 1.5% and 2%.

(25) In another perspective, over the past 15 years, the average growth rate of the US economy has declined by more than 40% compared to the previous 25 years.

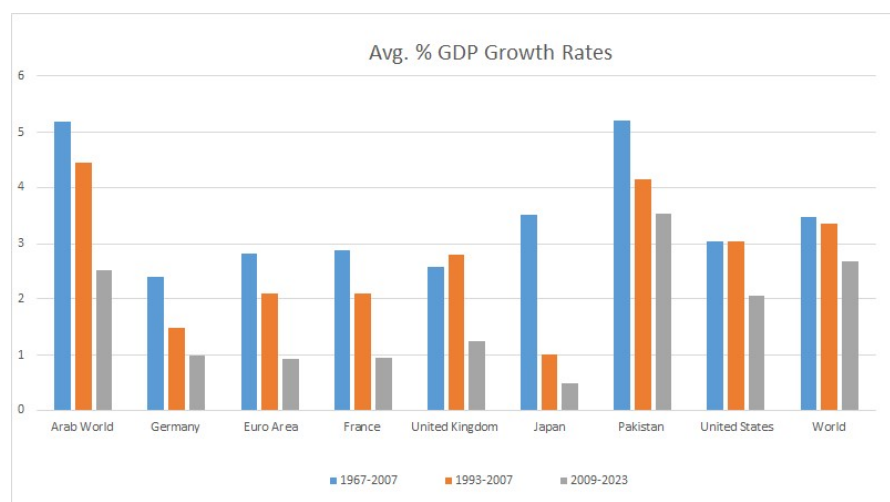
(26) The growth rates of major Western European economies also fell from an average of 5.5% between 1950 and 1973 to 3% in the 1990s. By 2008, this growth rate hovered around 2%. After 2008, further slowdowns are evident, and since the 2020 COVID crisis, these economies have struggled to achieve even 1% growth.



(27) Japan's economy, which was growing at a phenomenal rate of 8–10% until 1973, has barely managed to stay above zero since 2008.

(28) Let us try to understand this situation in a relatively simpler way by comparing the 15 years before and after 2008. If we compare the 15 years from 1993 to 2007 with the 15 years from 2009 to 2023 for some major economies, the decline in average annual growth rates appears as follows:

- Germany: Fell from 1.4% to 0.9%.
- France: Fell from 2% to 0.9%.
- UK: Fell from 2.7% to 1.2%.
- Entire Eurozone: Fell from 2% to 0.9%.
- Japan: Fell from 1% to 0.4%.
- US: Fell from 3% to 2%.
- Arab World: Fell from 4.4% to 2.5%.



(29) During the same time frame, the average global growth rate fell from 3.3% to 2.6% per annum.

(30) If we extend the analysis further back in time, the trend of declining growth rates becomes even more apparent. In all the above scenarios, the post-2008 economic growth rates are significantly lower than before and, in many cases, practically stagnant.

(31) This is essentially a massive long-term decline—a great slowdown. However, the factors used to explain this decline or stagnation—economies “maturing,” rising debt, shrinking fiscal space, declining populations, aging demographics, economic inequality, falling productivity growth, etc. —themselves require explanation. In other words, these answers raise further questions. No matter how “natural” this decline in growth rates is portrayed, it remains a serious problem for capitalism.

(32) After a temporary recovery from the COVID crisis, the condition of these economies has worsened in recent years. In Europe, economies like Ireland, Hungary, Austria, Germany, and Sweden have contracted rather than grown in 2023. Norway, Poland, the Netherlands, and the UK have barely stayed above zero growth. Switzerland and Italy have seen economic growth rates below 1%, while France has struggled to reach 1%. Overall, the EU’s growth rate was only 0.4%.

(33) Austria continued facing economic contraction in 2024. Ireland and Hungary’s growth rates were barely above zero, while Sweden and Belgium struggled to reach 1%. The UK’s economy once again failed to reach 1% growth in 2024, while France’s situation remained similar to 2023 (barely above 1%). The EU’s overall growth rate in 2024 was 1%, with a slight “improvement.”

(34) Germany, considered Europe’s economic powerhouse, has been in deep crisis for the past three years, with the economy contracting for two consecutive years (a contraction of 0.3% in 2023 and 0.2% in 2024).

(35) Over the past two years, Canada’s growth rate has also hovered around 1–1.5%.

(36) Nevertheless, it is also necessary to analyze this situation in terms of per capita GDP growth (in simple terms, average per capita income). This further highlights the decline of developed economies. If we take the G7 economies, between 2019 and 2023, the UK, Canada, and Germany saw per capita GDP declines of 1.8%, 1.4%, and 0.5%, respectively. During this period, France’s per capita GDP remained virtually unchanged, while Japan and Italy saw minor increases of 2.1% and 3.4%, respectively. In this group, only the US saw a 5.2% increase in per capita GDP, which can be considered somewhat better or satisfactory (a further analysis of the US economy is provided below).

(37) It should be clear here that a decline in growth rates negatively impacts productivity, private and public investment, government revenue, debt repayment capacity, infrastructure development, employment opportunities, and living standards. In fact, all these factors are

dialectically interconnected and influence each other. However, the growth rate is a consolidated or concentrated expression of the state of the economy, and its decline inevitably disrupts political and social stability.

(38) In recent years, the US has been described as an “exceptional” economy in terms of growth, outperforming its peers. For example, in 2023 and 2024, it showed growth rates of 2.9% and 2.8%, respectively, with an overall growth of around 11% since the COVID crisis. However, a closer look at the data presented above reveals the flaw in this analysis: the economies being compared are in such poor shape that the US economy appears better by comparison.

(39) In reality, like other advanced economies, the US economy has been in a long-term crisis, which intensified after 2008. Since 2008, the US economy’s average annual growth rate has remained below 2%. Productivity and productive investment growth rates have also declined. The initial estimate for US economic growth in 2025 was only 1.9%. However, with Trump’s return, talks of recession and economic contraction have resurfaced.

(40) Immigration has played a significant role in the relatively better economic growth of the US in recent years, as it increases the labor force and output.

(41) It is important to note that immigrants have been crucial to the development of Western countries, especially since World War II. Imperialist countries do not grant refuge to immigrants—including student scholarships, study visas, work permits, residency, citizenship, etc. —out of compassion or humanitarianism but rather due to solid economic interests.

(42) Their primary objective is to attract the most intelligent, skilled, and physically and mentally healthy individuals from around the world and settle them in their own countries. This yields long-term economic benefits. Even illegal immigration is beneficial for their economies.

(43) This legal and illegal immigration provides them with labor for everything from the most advanced fields of science and technology to the most menial jobs. It fills gaps in their labor markets while also helping to suppress or control wages. The increase in the labor force also boosts tax revenues. Even illegal immigrants pay significant taxes, both directly and indirectly.

(44) Immigrants bring new knowledge, skills, and businesses to these countries. Foreign students make their educational industries profitable, and their valuable research in science, technology, social sciences, and literature paves the way for new inventions, discoveries, and economic growth opportunities.

(45) With the crisis of the system, trends such as avoiding marriage and not having children among the youth of Korea, Japan, and the developed West have led to declining populations and an increasing proportion of elderly individuals. In this context, rising life expectancy is also becoming a “problem” because retired individuals require pensions and care facilities, the costs

of which crisis-ridden capitalism is increasingly unable to bear. As a result, many countries have been forced to relax immigration and long-term visa policies in recent years.

(46) In light of these developments, the irrationality and absurdity of the far-right's anti-immigration and racist politics, which have gained prominence in recent years, become even more apparent. Most leaders of such currents are well aware of the aforementioned facts. However, in times of crisis, the ability of developed countries to absorb and integrate immigrants diminishes, and the rise of ethnic prejudices and conflicts becomes inevitable.

(47) Interestingly, the US appears at the forefront of countries benefiting from immigration (in fact, it is a country built by immigrants). Immigrants have played a key role in the development of America since World War II. For example, one out of every four high-tech businesses in the US is started by an immigrant (an individual not born in the US). In Silicon Valley, the hub of the world's most advanced technological progress and inventions, this ratio is as high as 50%. Similarly, immigrants are twice as likely as the native population to start small businesses.

(48) Thus, immigration is a fundamental factor behind the relatively better economic situation of the US compared to its peers. However, figures like Trump exaggerate the number of immigrants and falsely portray them as a threat. Ground realities contradict their claims. The number of illegal immigrants in the US today is roughly the same as it was two decades ago.

(49) If we look a little deeper, the economic and social condition of the US is not as good as it appears on the surface. Otherwise, Trump would not be in power today.

(50) The problem is that the fruits of this relatively better economic conditions are not reaching the majority of ordinary American citizens. Several factors are at play here, the most important of which is perhaps economic inequality or disparity. For example, the US currently ranks first among G7 countries in terms of income inequality. Housing in the US is also much more expensive compared to these countries, while life expectancy is the lowest.

(51) Since World War II, the rate of increase in the income of ordinary American citizens has steadily declined. Since 2008, it has increased at a mere 0.9% annually.

(52) When inflation is taken into account, the real hourly wage of most blue-collar American workers has remained roughly at the 1979 level, while productivity has increased many-fold during this period.

(53) Another reason for the disparity between the rhetoric of economic growth and the actual condition of the masses is the lower "quality" of this growth. Since the neoliberal onslaught of the 1980s, the role of non-productive sectors in the economy has steadily increased. These include finance, real estate, the stock market, etc., which are increasingly disconnected from the real productive economy. However, their boom indices are interpreted as economic prosperity and progress. Even when GDP growth rates rise rapidly with the boom in these sectors, it is mostly joyless growth.

(54) For example, in 2023, finance, insurance, real estate, and rental and leasing activities accounted for more than 20% of US GDP. In contrast, manufacturing accounted for only 10%, while agriculture-related activities accounted for less than 1%. Clearly, the growth of the aforementioned non-productive sectors, which is primarily based on short-term investment, speculation, and rapid profit-seeking, does little to improve the lives of ordinary people.

(55) This problem is not unique to the US but is shared by all economies structured along neoliberal lines, also known as Washington Consensus economies. The most prominent example is India, where there is much talk of economic growth, but the condition of society continues to deteriorate.

(56) American companies are currently burdened with the heaviest debt in history. Their outstanding debt has reached 487% of their income. Over the past two years, corporate bankruptcies have increased by 87%. In this regard, the situation is worse than the COVID crisis, with high interest rates to control inflation playing a key role.

(57) The post-COVID global inflation trends have somewhat subsided. However, the US Federal Reserve has kept interest rates at 4.5%, meaning the risks of inflation rising again not only persist but have multiplied since Trump came to power.

(58) The US healthcare system, based on private profit, is notorious for producing the worst outcomes in the developed world and is one of the primary reasons for the anger and discontent among the American public. Every year, half a million people go bankrupt solely because they cannot pay their medical bills, accounting for 66% of all personal bankruptcies!

(59) It is no accident that a 26-year-old youth who killed the CEO of a major health insurance company a few months ago was hailed as a hero by a large section of the American public. After the incident, social media in the US was filled with celebrations. Images of the young man, along with memes condemning the looting of the health industry, were widely shared for weeks. Interestingly, people from both the right and left of the political spectrum were active in this social media trend.

(60) This single incident gives a clue of how frustrated people are with their living conditions and how filled with hatred and rage they are against the bosses.

(61) Thus, the relatively “high” growth rate of the US economy is proving to be an indicator of worsening conditions for the majority of the population rather than improvement. This is one of the reasons why people have not paid attention to Biden’s claims of “extraordinary” and “exceptional” economic growth.

(62) In light of the situation in the US, if we examine other major Western countries—whose economies, as reviewed above, are in even worse shape—the grounds and extent of socio-political instability become abundantly clear.

(63) Despite all the oppression, exploitation, and other vices, capitalism has always justified itself by presenting continuous economic growth, increasing social wealth, and improving living standards as its ultimate rationale. However, even in its most developed forms, this justification is now eroding. This is a manifestation of the long-term decline, prolonged depression (“Long Depression”), and historical obsolescence of the system.

(64) Regardless of the human and environmental cost at which economic growth is achieved under capitalism, the economic and social structure of this system is such that it cannot function without continuous and significant expansion.

(65) The problems of the developed world must be viewed according to its own standards. In this regard, it is clear that Western societies are in the midst of a deep crisis, which is a precursor to major upheavals in the coming days. Upheavals before which even the extraordinary events since 2008 may pale in comparison.

The Nature and Essence of the Crisis

(66) What is the nature or essence of the crisis of capitalism? This question has long been a subject of debate in Marxist circles. It has even led to factionalism and splits. Yet, if we set aside sectarian bigotry, ideological dogmatism, stubbornness, and the complexities of “academic Marxism,” this is not an unsolvable mystery.

(67) Marx and Engels were the first to scientifically refute the so-called “Say’s Law” of classical economics—which states that the production/supply of goods creates its own demand—and to clarify the inevitable tendency of overproduction under capitalism. This phenomenon is fundamentally the result of the contradiction between social production and private appropriation or between the forces and relations of production. Curiously, upon closer examination, it is hidden within the contradictory nature of the ‘commodity’ itself.

(68) However, if the problem were this simple, the two gentlemen would not have needed to spend thousands of pages analyzing the capitalist economy from their youth to old age. After all, they had already identified capitalism’s tendency toward overproduction in *The Communist Manifesto*. It should be remembered that Marx remained occupied with writing *Capital* until his last days. The second and third volumes of *Capital* were completed and published by Engels after Marx’s death, while the *Theories of Surplus Value*, considered the fourth volume of *Capital*, was published in an incomplete form after Engels’ death.

(69) The tendency of overproduction has always existed under capitalism. Nonetheless, this is only one aspect of the system’s long-term, organic crisis. To describe the entire problem as merely a “crisis of overproduction” is an oversimplification. Not only does it present a one-sided picture of the situation, but it also fails to adequately explain or clarify many politico-economic phenomena. Moreover, this approach ultimately leads to Keynesian reformism.

(70) In this respect, the third volume of *Capital* is of utmost importance, as its primary focus is on the key driving force of capitalism—profit—and the underlying indicator behind numerous economic metrics—the rate of profit. In simple terms, Marx, while analyzing the process of profit-making from every angle, formulated a multidimensional crisis theory, which he called the “law of the tendency of the rate of profit to fall.” It should be noted that classical economists were also aware of the problem of the falling profitability over long periods but were unable to fully comprehend it.

(71) The primary purpose of this document is not to engage in a theoretical discussion of the nature of the crisis under capitalism or to delve into the details of the aforementioned law. However, we consider it necessary to briefly state the basic point, which, in simple terms, is as follows: Under capitalism, there is an inherent tendency for the proportion of constant capital—machinery, computers, robots, tools, and, more recently, artificial intelligence—to increase relative to variable capital, primarily human labor power, in the production process. This gives rise to the phenomenon of “overproduction of capital,” for which the more accurate term might be “over-accumulation.” Marx also called it an “abundance of capital.” Consequently, beyond a certain point, capitalists are unable to employ this capital profitably. In simple words, the surplus value generated by the production process becomes insufficient relative to the total investment, leading to a decline or fall in the rate of profit. In this situation, it is entirely possible for the rate of profit to fall while total profits continue to increase. However, a point comes when the mass of profits also begins to decline. This is, in fact, the stage at which the crisis erupts. Investment comes to a halt, the production process is disrupted, the economy begins to contract, employment opportunities decrease, and wages start to fall. This reduces “effective demand” in the market. In other words, goods exist, productive capacity exists, but there is no one to buy them—overproduction!

(72) The entire situation inevitably manifests itself in the financial sector, real estate, and the stock market, where bubbles that have been inflating for long periods eventually begin to burst. We have already seen this entire scenario play out in the 2008 financial crash.

(73) Thus, the overproduction of goods is linked to the overproduction of capital. In Marx’s words, “The overproduction of capital always includes the overproduction of goods...”

(74) So how does the system emerge from the crisis? In fact, the very conditions of severe crisis pave the way for recovery. Due to bankruptcies, a large amount of “excess” capital is destroyed or sold for pennies, a kind of so called “creative destruction.” The prices of the means of production, i.e., constant capital, fall. Unemployment leads to a decline in wages. In short, investment becomes profitable again, and the economic cycle restarts.

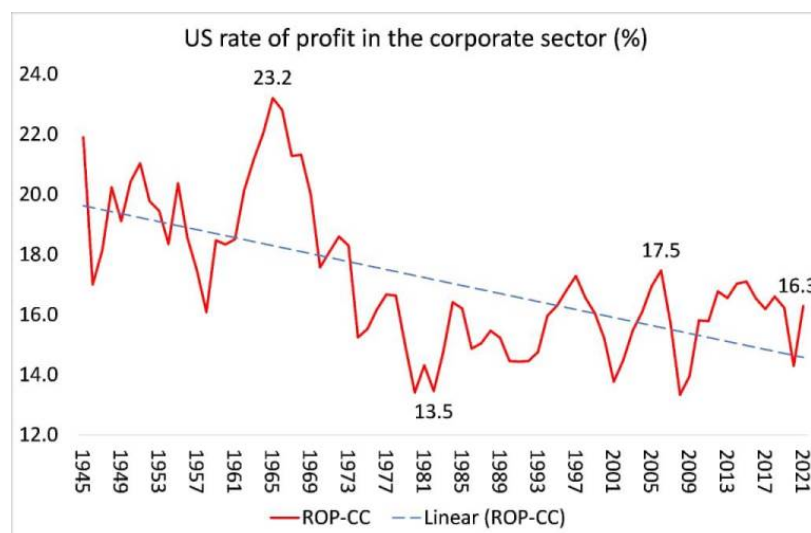
(75) What’s interesting is that major wars also pave the way for “recovery” in a more destructive and bloody manner through the aforementioned methods.

(76) However, even in normal and peaceful conditions, there are factors that counteract the tendency of the rate of profit to fall. For example, attempts are made to restore the falling rate

of profit by increasing surplus value through greater exploitation of workers—restrictions on unionization, layoffs, low wages, etc. Similarly, technological progress reduces the cost or value of constant capital, thereby supporting the rate of profit. Privatization turns public sectors into sources of profit, or new economic sectors or branches are created through new inventions and technological advancements. Environmental destruction, imperialist domination, expansion, and occupation are used to gain control over new markets and cheap labor and raw materials. Deregulating the market and giving tax breaks to capitalists also aim to increase their profits, for which the tax burden is shifted onto workers or the state cuts entire social welfare programs or sells them to capitalists. This is what austerity is all about.

(77) Neoliberalism has essentially been a massive project to strengthen these countervailing tendencies for restoring the rate of profit.

(78) Nonetheless, in the long term, the tendency of the rate of profit to fall persists, the room for recovery diminishes, and the intensity of crises increases. History has validated the prediction made in *The Communist Manifesto*, published long before *Capital*.



(79) If we connect the above discussion on the rate of profit with the previous section (“The Sick Economy”), the terminal illness of capitalism—along with all its effects and implications, including economic stagnation—becomes fully evident within a historical continuum. Perhaps no title captures this entire phenomenon better than ‘the historical obsolescence of the capitalist system.’

Donald Trump: Meaning and Implications

(80) While Trump’s rise in 2016 was an important development, his second term represents a qualitative leap in the crisis of liberal capitalism. However, it is important to understand once again that Trump is not just a person but a political phenomenon (“Trumpism”), which has obviously thrived under specific objective conditions.

(81) If we speak in a broader context, this is a continuation of the rise of new and more extreme forms of the right-wing after 2008, which are referred to as the far-right, populist right, hard right, or alt-right. These are essentially different forms and styles of the same current. Or, in other words, they are “sister” tendencies. Despite differences in organizational form, social influence, intensity, and methods of emergence, they share deep similarities. For example, they have thrived under similar conditions (as analyzed in detail above from an economic perspective). Values and beliefs such as conservatism, hatred for gender rights, superstitious thinking, racial prejudice, anti-immigration sentiment, and imperialist nationalism are also largely shared among them. In this regard, their ambitions and programs also show significant similarities.

(82) Figures like Viktor Orbán in Hungary, Giorgia Meloni (Fdi) in Italy, the AfD in Germany, Nigel Farage (Reform UK) and UKIP in the UK, Marine Le Pen (National Rally) in France, Jair Bolsonaro in Brazil, Geert Wilders (Party for Freedom) in the Netherlands, Javier Milei in Argentina, Narendra Modi in India, Imran Khan in Pakistan, and Donald Trump in the US can be placed in this category. Vladimir Putin in Russia, Benjamin Netanyahu in Israel, and Recep Tayyip Erdoğan in Turkey also share similarities with this group. Even Sheikh Hasina in Bangladesh might be considered a similar phenomenon.

(83) With the exception of Germany, France, and the UK, all the parties or individuals in the above list are either in power or have been in power. However, in these three countries as well, these parties are either hovering around power or may rapidly move toward it in the coming days.

(84) Ideologically, the most important commonality among all of them is that they do not believe in any liberal value, tradition, or decorum, including democracy, and seek a non-liberal solution to the crisis of capitalism.

(85) In terms of economic programs, they may appear somewhat different from each other, but the tendencies toward protecting national capitalism—basically protectionism—instead of globalization and free international trade are present in almost all of them to varying degrees. This is why they want to limit or completely dismantle economic unions like the EU and free trade agreements.

(86) In terms of domestic economics, they generally tend to implement neoliberal policies in a more savage and authoritarian way. They want state intervention in the economy only to the extent and in the manner that protects the interests of their class or gang.

(87) The economic programs of figures like Milei, Nigel Farage, and Trump fall squarely into the category of “libertarianism,” which is essentially an extremely unrealistic, unscientific, and inhuman theory of capitalist anarchism. That is, the role of the state (if it exists at all!) should be limited to protecting private property. Everything else should be left to the market. However, their “libertarianism” seeks market freedom only to the extent of completely negating the

rights of the working class and abolishing its organizations. Beyond that, nepotism and corruption are rampant among them.

(88) Notably, although all of them have come to power—or are attempting to—within the framework of bourgeois democracy, they adhere to the established laws and norms of politics and the state only insofar as these serve their interests. When necessary and given the opportunity, they adopt an extremely aggressive and authoritarian approach. Their goal is to transform the state into an instrument of their absolute power to the greatest extent possible. In this process, they may also clash with different parts of the state, as we have seen in the cases of Imran Khan and Donald Trump.

(89) If we consider it, figures like Putin, Orbán, Modi, and Erdoğan have largely dismantled the bourgeois democratic setup. It is very difficult to remove them through electoral means alone. Imran Khan in Pakistan had similar ambitions, while Trump in the US is rapidly advancing this process. In any case, this is a different phenomenon from traditional military dictatorships that come to power through coups.

(90) This situation is fundamentally an expression of the deep crisis—indeed, the obsolescence—of the liberal order established after World War II, which is itself an aspect of the obsolescence of capitalism. The problem is that the system is unable to function through old methods. Liberal politics has been stripped of its economic foundations. There is intense unrest among the people, leading to the large-scale rejection of traditional reformist trends of the left and right with their “center-left” and “center-right” politics.

(91) However, while the rise of this hard or non-traditional right-wing is partly due to the compromises, betrayals, and ideological deviations of the old left, the failure and retreat of the new left-wing currents that emerged after 2008 also play a role. Examples include Syriza in Greece, Podemos in Spain, Jeremy Corbyn in the UK, and Bernie Sanders in the US

(92) Similarly, the rise of the left-wing in Latin America, associated with leaders like Hugo Chávez (Venezuela), Rafael Correa (Ecuador), Dilma Rousseff (Brazil), and Evo Morales (Bolivia), as well as various social movements in different countries—referred to as the “Pink Tide”—has also faced defeat, or at least a major setback. Additionally, the failure of the Arab Spring has generated widespread disillusionment.

(93) Regardless of whether they came to power or not, the failure of the left-wing in almost all the aforementioned cases is due to the common element of reformism. Despite having broad and repeated opportunities, they insisted on limiting their programs, strategy, and perspectives within the economic and political confines of capitalism.

(94) Even when reformist programs gained popularity, they were not adequately utilized. For example, Bernie Sanders’ popular class-based slogans gained significant traction in 2016. Yet, the entire movement was ultimately handed over to the Democratic Party—aptly described as the graveyard of movements. Had the Democratic Socialists of America (DSA), along with

figures like Bernie Sanders and Alexandria Ocasio-Cortez (AOC), broken away from the Democratic Party and advanced the movement with solid class-based slogans and a concrete program—while building independent organizations—the situation in the US could have been markedly different. Even if Trump had come to power despite this, a strong resistance could have been mounted against him today.

(95) A political vacuum cannot remain unfilled for long. If the left does not fill it, the right will. If reason fails to assert itself, folly and obscenity will reign. The rise of the “hard right” is a manifestation of exactly this situation, which we are witnessing in many parts of the world today.

(96) It is important to remember that such political currents gain popularity under conditions of intense disillusionment and disgust toward the prevailing conditions. Therefore, nonstop sloganeering and rhetoric of hatred and ridicule toward the old political elite and state apparatus—the so-called “status quo” or “establishment”—are essential elements of their politics. Through this, they present themselves as well-wishers and saviors of the people.

(97) Moreover, over the past four decades, the privatization, commercialization, deindustrialization, and corporate media onslaught of neoliberalism have culturally distorted societies and created an army of ignoramuses. This includes not only the lumpen sections of the working class but, more importantly, the new middle class and nouveau riche that have emerged as a result of neoliberal policies.

(98) The frustration of crisis-ridden conditions, combined with this objective hypocrisy, conservatism, vulgarity, and stupidity, finds its subjective expression in dominant politics, giving rise to phenomena like Bolsonaro, Javier Milei, Imran Khan, and Donald Trump. In Pakistan, supporters of PTI (Imran Khan’s party) are referred to by a specific epithet that functions not merely as a political jab, but as a characterization of distinct habits, modes of thinking, and patterns of behavior. In the US, Trump’s supporters are mostly of the same ilk—perhaps even worse.

(99) When the working class rises in movements and takes on a revolutionary direction, it not only drags along a significant portion of the middle class but also several layers of lumpen elements. However, in periods of class retreat and reaction, the opposite happens, and several layers of the working class, along with otherwise reasonable people from intelligentsia, are swept away by lumpen and vulgar trends. The backwardness, reaction, and low-grade beliefs and prejudices buried in people’s subconscious resurface and overpower logical thinking. We have observed all these things in the phenomenon of the PTI in Pakistan.

(100) In this regard, there is a deep similarity between Imran Khan and Donald Trump in terms of personality and behavior. However, to the extent that the US is more developed than Pakistan, Trump’s arrogance, overconfidence, stupidity, and vulgarity are equally intense, broad, and deeply consequential.

(101) Stubbornness, narcissism, bigotry, egotism, and recklessness are the fundamental traits of leaders of this type. Ironically, these very conducts make them popular among specific social layers or classes. Their conflicts with the state establishment and the more astute and serious representatives of capital are not merely due to policy disagreements. Rather, these individuals are inherently unruly and unreliable, making long-term planning and policy continuity impossible under them.

(102) This is why they are also called lumpen capitalists or lumpen representatives of capitalism. They are fundamentally short-sighted, i.e., indifferent to the consequences of their actions and incapable of long-term thinking or planning. Furthermore, in most cases, their personal yearnings and ambitions seem to override the demands of the system. This is fundamentally a profound crisis of bourgeois leadership.

(103) Imperialist states and ruling classes entrust power only to their most astute and reliable individuals, whether from the right or the left. Behind this lies decades of selection, shaping public opinion, and training, during which unreliable individuals or “outsiders” are systematically sidelined. Even in states like Pakistan, this mechanism has existed to some extent. But the crisis has turned everything upside down. The reins of Western imperialism, which once planned a hundred years ahead, are now in the hands of walking corpses like Biden and clowns like Trump, who create a new spectacle every day. The actions Trump is taking today would have been unthinkable—not only a few decades ago, but even during his own previous term.

(104) We will leave the discussion of the similarities and differences between Trumpism and classical German and Italian fascism for another time. Similarly, there is an endless series of threats, statements, and moves by Trump after coming to power, which we neither have the space nor the need to list here. What is important for us are Trump’s ambitions and their implications—what he wants to do and what the consequences might be. But does Trump really have a concrete plan and a coherent agenda? Interestingly, regardless of the answer to this question, the situation is perilous in any case.

(105) However, there is always some method or logic hidden within every madness. Even the most foolish people have some goals and plans, no matter how stupid, disastrous or impractical they may be. Additionally, we cannot expect enlightenment, sanity, or rationality from the leaders of obsolete and crisis-ridden systems. The crisis of their system drives them mad. This is, in a way, an expression of the ruling classes’ lack of confidence in their own system.

(106) In Trump’s case, there are several strategic and political reasons behind opening a new front, committing new vulgarity, and making new boasts almost every day. First, such people need to keep their followers in a constant state of frenzy, insecurity, and war psychology against the “enemy”—essentially fostering a siege mentality. Imran Khan’s entire politics in Pakistan was based on this tactic, which involved the unrestrained use of lies, slander, and

exaggeration. Additionally, such narcissistic individuals resort to absurd actions to stay in limelight.

(107) However, Trump's planning goes beyond this. On one hand, it involves advancing as aggressively and unexpectedly as possible—basically a kind of political Blitzkrieg. On the other hand, it aims to hide the real motives within a multidimensional chaos. Many of his absurd actions and orders are merely meant to create a “smoke screen.” This also gives his followers the impression that day and night, work is being done to achieve a great goal.

(108) The primary goal of this entire clique, including Elon Musk and Trump, is to increase their wealth, which, obviously, knows no bounds. To this end, they need not only unrestrained authoritarian power but also to control the unchecked deficits and debts of the economy. This requires an extremely aggressive and ruthless economic program, which, in turn, necessitates the suppression of democratic rights and all forms of resistance—whether political, class-based, or from any faction of the state. This is the fundamental logic behind all this insanity and chaos. Everything else revolves around it, whether they have a solid, long-term strategy or are merely moving forward through “trial and error.”

(109) It should also be noted that the extremely reactionary and conservative social and cultural ideas associated with the far-right—denial of gender rights, racial superiority and prejudice, religiosity, etc.—are an inevitable part of this project. This is not merely a matter of the personal beliefs. Rather, it is their social and political necessity. As the American Marxist Adam Shils explains:

Trump needs a strong social base in order to carry out such a huge enrichment program. This is where right wing social ideas come in. Trump's personal political proclivities are certainly towards the far right. One of his first steps on the political scene was buying a full-page ad in *The New York Times* calling for the execution of the (totally innocent) Central Park Five. However, right wing ideas are more than just ideology for Trump. He consciously and deliberately uses them to build a popular base. He could not create a massive following on the basis of “more money for me” so he has positioned himself as a far-right ideologue. The new President has been very successful in casting himself as a populist standing up for the “common man against the elites”. Of course, like any skilled demagogue, he not only reflects popular feelings and emotions he also fans and deepens them.

(110) However, the problem is not limited to the US. With the same ambitions, they also want to create a new world order (or disorder?) with stakeholders from the same ilk of autocrats. Trump's handshake with Putin is not without reason. However, this camaraderie is not entirely new. Javier Milei in Argentina is Elon Musk's ideal. Similarly, the Trump administration is openly supporting far-right trends in Europe. Thus, this is once again an international grouping with many shared interests and deep business, ideological, and political connections.

(111) They view the decorum of the liberal order with extreme contempt. Old trade agreements, economic/military/political alliances or institutions (European Union, United Nations, NATO, etc.), and talks of environmental protection, democracy, and human rights are, in their view, entirely losing propositions. It is true that capitalism has always employed such promises as tools of deception and hypocrisy. Today, however, even maintaining this hypocrisy has become a liability.

(112) The bourgeois state itself is neither the capitalist nor the ruling class. Rather, it functions as the administrative committee of the bourgeoisie, tasked with maintaining order and formulating policies that serve the long-term interests of capital. To this end, it does not hesitate to use force—even against elements within the elite that pose a threat to systemic stability. Notably, institutions such as the judiciary often deliver verdicts that cultivate an image of being “neutral,” “respected,” and “sacred.”

(113) In this regard, states also incur many expenses that have no immediate or direct benefit. An ordinary capitalist would consider these a loss or waste. However, they have indirect and long-term benefits and are necessary for maintaining the stability and dominance of the system. Public welfare programs also fall into this category. But there can be several other types of expenditure aimed at the state’s PR and “image-building.”

(114) Imperialist states also have to bear similar expenses at the global level, including concessionary loans for poor countries, defense guarantees for allies, scholarships for students from the Third World, grants, aid, and funds for various UN projects and NGOs. These expenses do not yield immediate returns but are by no means “charity.” Rather, they are necessary for maintaining the imperialist order in the long term.

(115) However, the shortfalls of capitalism have grown to such an extent that it is increasingly unable to bear such expenses. This process has been ongoing for several decades but has intensified since 2008. The most obvious expression of this is, once again, populists like Trump and Milei.

(116) Just as Imran Khan saw everything as a cricket match, Trump and Elon Musk see every issue as a business deal. For them, the US state is a private corporation, and every economic matter should be viewed in terms of immediate profit and loss. Fundamentally, they want to exempt the state from all its regulatory, welfare, and administrative responsibilities and reduce it to just armed gangs that protect, through naked coercion, the interests of their gang. Anyone who does not accept them as messiahs and masters is a traitor and enemy. With this perspective, they are carrying out a major purge in institutions like the FBI, CIA, and the military, as well as the state bureaucracy.

(117) In line with the aforementioned agenda, the Trump clique is implementing an extremely ruthless program of privatization and downsizing in the US, which includes the majority—or at least a very large number—of the 2.4 million federal employees. Although these hostile designs

are not being fully revealed at the moment, there are plans to eliminate or gut entire government sectors, including the Department of Education and the Labor Department, and institutions like USAID and VOA. For this purpose, threats and “golden handshake” like packages are being used simultaneously. According to some reports, 75,000 employees have already accepted the latter offer. However, initial signs of resistance from unions are also emerging.

(118) Just as Imran Khan, after coming to power, made a mountain out of a molehill over the buffaloes and scrapped cars at the Prime Minister’s House, Elon Musk is “uncovering” billions and trillions of dollars in alleged corruption every day through his “DOGE,” which by the way has no reasonable constitutional or legal status and is composed of even bigger charlatans and clowns than Musk himself. They are also trying to gain access to the state’s most sensitive financial matters and information. Lies, deceit, and exaggeration are rampant, but since ordinary people are usually not very familiar with complex economic data and state accounting, they are easily misled or confused.

(119) It is the same in matters of foreign economics. While they do not believe in principles such as human rights, democratic values, freedom of expression, environmental protection, and public health—including vaccination—even to the extent of maintaining a façade of hypocrisy, there are also economic motivations behind actions like pulling the US out of UN health and human rights organizations and shutting down agencies such as USAID. Or at the very least, the American public is being given the impression that the money the whole world was living off is now being saved. However, like their other actions, such claims of saving and “efficiency” are extremely vulgar and pathetic. We will elaborate on this further below.

(120) The issue of the environmental disaster and climate change is particularly serious. This entire national and international gang denies global warming. Trump has pulled the US out of the Paris Climate Agreement and has indicated unrestrained environmental destruction for profit, including unlimited petroleum drilling. It should be remembered that over the past year and a half, the Earth’s average temperature has been steadily rising, reaching 1.5°C above the preindustrial levels. This is a precursor to a major catastrophe, the effects of which are already being observed in the form of extreme weather events. While a viable solution to this issue is not possible under capitalism, environmental destruction will only intensify under people like Trump. These psychopaths are pushing humanity toward complete ruin and annihilation.

(121) The question is: how much can they save through such schemes? To answer this, we must first look at the state of the America’s deficits and debts. Currently, the America’s internal (fiscal) deficit is approximately \$2 trillion, and its external (current account) deficit is \$1 trillion. Combined, these deficits amount to about 10% of GDP. Meanwhile, the federal government’s outstanding debt is \$36 trillion, which is about 125% of GDP (it was only 55% in 2001!). This is a catastrophic economic situation that cannot be sustained for long.

(122) Now, compare these figures with USAID, whose annual budget is not even \$40 billion. Even if we include all other forms of foreign aid and funds given to the UN, the total amount probably does not reach \$100 billion. Clearly, this is not even a fraction of the deficits faced by the country. While USAID is undoubtedly an imperialist project, it should be noted that nearly 2.5 million people in extremely poor countries depend on it for food, medicine, and other basic necessities of life.

(123) Although we can expect penny-pinching and nickel-and-diming from these lumpen capitalists, they also harbor deep resentment toward liberal international institutions. In any case, behind these seemingly absurd attempts at savings lies a bigger maneuver. Their real target is the US Social Security system, whose annual expenses amount to approximately \$1.3 trillion and which Elon Musk has been eyeing since day one. In this regard, “billions of dollars” in alleged “corruption” within Social Security are being uncovered, and occasionally, 150-year-old individuals are “found” to still be receiving government aid long after death. However, a few days ago, taking this intrigue and propaganda a step further, Musk outright called Social Security a “Ponzi scheme”!

(124) Now, let us turn to Trump’s tariff policy, which has further worsened the already fragile global economy. International markets are in a state of severe uncertainty. Stock markets in the US and most of the world are falling. The prospects of a deep recession are growing, and global economic growth rate figures are being revised.

(125) A tariff is essentially a type of tax on imports, which a state imposes to discourage the import of certain or most goods. The purpose of this policy is to reduce trade deficits and provide protection to local capitalists in a competition they cannot win.

(126) The general idea is that if national capitalists are protected from foreign competition, they will gradually accumulate capital and be able to compete in the future. Thus, this is a method of promoting national capitalism. India also used this method with considerable firmness until 1991. China still adopts such methods in various forms, which greatly irritate liberal economists. However, even the advanced states of the West adhered to such protectionist policies for long periods in the past. Although, after World War II, they hypocritically shifted to free trade in line with their imperialist interests, and forced underdeveloped countries like ours to open their markets.

(127) Tariffs can also target specific countries or groups of countries. For example, if the US buys steel from both Canada and China, it may impose a 25% tariff only on Chinese steel (just a hypothetical example). However, generally, tariffs are met with retaliatory tariffs. For example, if the US imposes tariffs on Chinese goods, China will also impose tariffs on US goods entering its country. This is essentially a trade war.

(128) Here, some points are worth considering. First, the economy of the country on which tariffs are imposed is negatively affected because its exports are impacted. Second, inflation increases in the country imposing the tariffs. Obviously, if a product that previously cost \$100

now costs \$125 due to the tariff, the additional \$25 will come out of consumers' pockets. Third, the state's revenue increases because the additional \$25 goes into the state's treasury.

(129) Thus, the short-term and long-term implications of tariffs on national and global economies are complex. Domestically, it must also be seen on what basis the economic model of the country imposing tariffs is structured. Will this protectionist policy ultimately benefit the people, or is it merely an attempt to favor national capitalists? And if national capitalists are being favored, are they capable of standing on their own feet in the future? Nonetheless, even a workers' state, in conditions of isolation, may have to take such measures, which would obviously be devised in the interest of the working masses.

(130) In terms of global or regional economies, an important factor is the share or weight of the country imposing tariffs in the global economy. If a major economy imposes tariffs (as is the case with the US), it has extremely negative effects on global trade and economic activity. Bourgeois economics generally concludes that tariffs are not beneficial in the long term. They reduce consumption, increase inflation, and lower growth rates. However, this is the contradiction of market competition—whether between individuals or national states, it ultimately hurts everyone.

(131) During periods of economic boom, imperialist states sing the praises of globalization and free trade, as we have seen in the decades before 2008. However, in times of crisis, the return of protectionist policies becomes inevitable. Everything turns into its opposite.

(132) However, consider this: today, it is not a weak, dominated or insignificant state talking about tariffs. Rather, it is the world's largest and historically most powerful imperialist state, which has been the boss of the liberal model of free-market economics for nearly 80 years. What more compelling evidence could there be of this system's failure?

(133) In light of this entire discussion, Trump's tariff policy is a complete recipe for pushing the already declining global economy into a deeper crisis.

(134) Trump justifies tariffs by claiming that drugs and illegal immigrants are being smuggled into the US from Canada, Mexico, and China, and therefore, they must be punished. He is now threatening to impose heavy tariffs on European goods as well. Obviously, lying and exaggeration are his habits. However, these tariffs are, in any case, a clumsy and crude way for a declining US imperialism to assert its dominance over the world.

(135) Beyond bullying and boasting, Trump also aims to achieve some concrete economic goals through tariffs. First, he believes that this will not only reduce trade and current account deficits but also benefit US domestic industry and force affected foreign companies to relocate their production to the US. This will create new jobs and boost the economy. However, perhaps an even more important goal is that the increase in government revenue from tariffs—according to his fantastic claims, amounting to trillions of dollars—will reduce the internal deficit and enable major tax cuts for his clique.

(136) However, this is only one side of the picture. Obviously, the countries on which the US imposes tariffs will retaliate with their own tariffs. This will further shrink international trade, and reduce global economic growth rates. It is no accident that stock markets are falling and fears of a drastic decline in economic growth are being expressed. Sensible economists have been consistently warning that the situation could escalate into a major trade war, triggering a vicious cycle from which it may become impossible to pull the economy out.

(137) The tariffs will also increase inflation. We know very well that since the COVID crisis, inflation has become a major problem worldwide. Declining purchasing power has caused severe unrest even in Western countries. For example, between 2020 and 2024, the prices of basic necessities in the US have increased by of 21.1%. 52% of Americans believe that their economic condition has worsened since 2020. It should be remembered that inflation was a major issue in the recent US elections.

(138) Not only in the US but worldwide, inflation is resurfacing. In 2024, the global inflation rate was 5.76%, the highest since 1996. However, the trade war Trump is fueling will further increase inflation in the US and elsewhere, necessitating another increase in interest rates. As a result, the debt burden on fragile national economies and companies will increase, and bankruptcies will rise. Not only will the bubbles in real estate and stock markets burst, but investment in productive sectors will also decline. Thus, a severe form of stagflation will emerge.

(139) The commentary of relatively farsighted policymakers of capital regarding Trump's rise and the successive assaults on the liberal imperialist order is not without interest. In this context, we would like to present some excerpts from recent issues of *The Economist*. In this issue published on March 8, *The Economist*, while reassessing the economic situation and prospects, writes:

In his speech to Congress on March 4th President Donald Trump painted a fantastical picture. The American Dream, he declared, was surging bigger and better than ever before. His tariffs would preserve jobs, make America richer still, and protect its very soul. Unfortunately, in the real world things look different. Investors, consumers and companies show the first signs of souring on the Trumpian vision. With his aggressive and erratic protectionism, Mr. Trump is playing with fire. By imposing 25% tariffs on goods from Canada and Mexico... Mr. Trump is setting light to one of the world's most integrated supply chains... He has also raised tariffs on China and has threatened the European Union, Japan and South Korea. Some of these duties may also be deferred; others may never materialize. Yet in economics as in foreign relations, it is becoming clear that policy is being set on the president's whim. That will cause lasting damage at home and abroad.

When Mr. Trump won the election in November, investors and bosses cheered him... Alas, those hopes are going up in smoke. Elon Musk's DOGE is causing chaos and grabbing headlines, but with little sign yet of a deregulatory bonanza.

No wonder that, despite Mr. Trump's talk of a roaring comeback, the markets are flashing red.

Underlying the alarm is a dawning realization that Mr. Trump is less bound by constraints than investors had expected...

Just as important, the people around the president also appear to lack influence. Scott Bessent, the treasury secretary, and Howard Lutnick, the commerce secretary, are both financiers, but if they are trying to rein in Mr. Trump, they are not doing very well... Few businesspeople want to speak truth to power for fear of drawing Mr. Trump's ire. And so the president and reality seem to be drifting ever further apart.

The world economy is at a dangerous moment... As the message that Mr. Trump is harming the economy grows louder, he could lash out at the messengers, including his advisers, the Fed or the media. The president is likely to inhabit his protectionist fantasy for some time. The real world will pay the price.

(140) In its March 15 issue, *The Economist* commented as follows regarding the allied countries facing Trump's wrath:

For decades America has stood by its friends and deterred its enemies. That steadfastness is being thrown upside down, as Donald Trump strong-arms allies and seeks deals with adversaries. After freezing all aid to Ukraine on March 3, his administration restored it when Ukraine agreed in principle to a 30-day truce. It is unclear how hard the White House will press Vladimir Putin to accept this. On the same day, Mr. Trump briefly slammed even more tariffs on Canada...

Mr. Trump and his supporters believe his frenetic actions enhance American power, breaking deadlocks and shaking up deadbeat or parasitic allies. The proposed ceasefire in Ukraine is evidence that he can change countries' behavior. But at what cost? His trade war is panicking financial markets. The 40-odd countries that have put their security in America's hands since 1945 are suffering a crisis of confidence. They dread Team Trump's inconsistency and short-termism: a ceasefire in Gaza that is rather like the Ukrainian one may soon collapse... Allies are asking whether they are certain that Mr. Trump or a President J.D. Vance would fight alongside them if the worst happens. Unfortunately, the answer is: not certain enough.

Asian allies worry that Mr. Trump will turn on them next. Australia, Japan, South Korea and others hope his hostility to China runs deep enough that he will not abandon them. But his grievances over trade and defense treaties do not have geographic limits. Given his determination to avoid world war three with Russia over Ukraine, negotiations with

China or North Korea could see him offering concessions that weaken allies and make Taiwan more vulnerable.

America's allies should try to avoid that dismal outcome, starting today. One idea is to deter America from mutual harm. That means identifying unconventional retaliatory measures while calibrating their use to avoid a 1930s-style downward spiral.

America's allies should seek strength in numbers. Europe needs a plan to take over the leadership of NATO, join the CPTPP, an Asian trade deal, and co-operate with Japan and South Korea more closely on military and civilian technology. That would create scale and help manage rivalries. It would also preserve an alternative liberal order, albeit vastly inferior to the original. Allies should be ready to welcome back America under a new president in 2029, though the world will not be the same. Nuclear proliferation may have been unleashed, China will have grown stronger and America's power and credibility will have been gravely damaged. For its allies, there is no point whingeing: they need to toughen up and get to work.

(141) The March 1 issue also reflects similar thoughts:

The rupture of the post-1945 order is gaining pace. In extraordinary scenes at the UN this week, America sided with Russia and North Korea against Ukraine and Europe. Germany's probable new chancellor, Friedrich Merz, warns that by June NATO may be dead... Team Trump claims that its dealmaking will bring peace and that, after 80 years of being taken for a ride, America will turn its superpower status into profit. Instead it will make the world more dangerous, and America weaker and poorer.

The world will therefore suffer. What Mr. Trump does not realize is that America will suffer, too. Its global role has imposed a military burden and an openness to trade that has hurt some American industries. Yet the gains have been much greater. Trade benefits consumers and importing industries. Being the heart of the dollar financial system saves America over \$100 billion a year in interest bills and allows it to run a high fiscal deficit. The foreign business of American firms is worth \$16trn. Those firms thrive abroad because of reasonably predictable and impartial global rules on commerce, rather than graft and transient special favors—an ethos that suits Chinese and Russian firms far better.

Advocates of dealmaking assume that America can get what it wants by bargaining. Yet as Mr. Trump exploits decades-old dependencies, America's leverage will rapidly fall away... Congress, financial markets or voters could yet persuade Mr. Trump to walk back. But the world has already started planning for a lawless era.

(142) The gravity of the situation is clearly reflected in the concern expressed in these lines. However, several points are worth considering. For instance, they themselves acknowledge that the ceasefire in Gaza is not sustainable. Like most other conflicts in the world, this issue,

created by imperialism, is a continuously festering wound. But the “solution” proposed by Trump—entailing the complete displacement of the Palestinian population and the transformation of Gaza into a “resort”—reveals the depth of bigotry and vileness to which the imperialist bosses have descended. In Gaza, Trump does not see genocide and devastation but rather a profitable real estate deal. However, if we ponder, he has only articulated what “civilized” imperialist leaders have been hesitant to say openly. But since Trump is boorish and impatient, he wants to settle decades of work in months or years. Nevertheless, this is the first time since World War II that the complete eradication of a nation—basically ethnic cleansing—is being proposed and discussed openly.

(143) Displacing the Palestinians is certainly not easy. However, the heavy losses suffered by Hezbollah and Hamas in the recent conflict with Israel—including the killing of key leaders—and the fall of the Bashar government in Syria have dealt a significant blow to Iran. But even before that, Iran has been unable to take any concrete action in favor of the Palestinians beyond hollow rhetoric and controlled confrontations with Israel. Behind this lies the internal crisis of the Iranian state, as well as its technical, military, and economic weaknesses compared to Israel. More importantly, the corrupt Iranian clergy has long weaponized the Palestinian cause and anti-American rhetoric to legitimize its tyranny. How can one expect an anti-imperialist struggle from a reactionary and exploitative state that leaves no stone unturned when it comes to oppressing its own people? In any case, these events have dispelled many illusions associated with Iran.

(144) Although Zionism itself is suffering from a deep internal crisis and decay, it has gained some confidence from Iran’s weak position and Trump’s full backing. However, while Hamas and Hezbollah have indeed been weakened, their complete elimination through military means is nearly impossible. In this regard, the recent ceasefire is only a temporary arrangement, which could collapse at any moment. The contradictions driving the conflict remain intact. As long as the malignant tumor called Israel exists on the body of the Middle East, the region will continue to writhe in pain and suffering.

(145) But Trump wants to “resolve” the Ukraine issue in the same way he wants to handle Palestine. His “proposal” is that the part of Ukraine occupied by Russia (about 20%) should be permanently ceded to Russia, while the remaining Ukraine should hand over all its mineral resources to the United States, which could then be looted in collaboration with Russia. This is essentially a plan for the imperialist partition of Ukraine between Russia and the US. In this context, the public spat between Zelensky and Trump at the White House, witnessed by the entire world, is also a unique event—one that was unimaginable beforehand.

(146) The Ukraine war has laid bare the ideological bankruptcy of many on the left. These campist tendencies have utterly failed to grasp the complex historical context of the issue, the national question, the ground realities of the region, and the crucial distinction between the Ukrainian state and its people. Reducing this conflict to merely a consequence of NATO’s expansion or dismissing it as simply a proxy war between two imperialist powers is not only

incorrect but a criminally negligent stance. Many of them refuse to even recognize Russia as an imperialist power, or at best, consider it the “lesser evil.” Similar flawed reasoning has characterized their stance on the Bashar al-Assad regime. Therefore, we believe it is essential to analyze the situations in Syria and Ukraine separately. In this regard, two appendices have been included at the end of this document.

(147) If we consider the excerpts from *The Economist* mentioned above, it becomes clear that they are more concerned about Trump’s style and methods than his actual policies. For example, he doesn’t listen to anyone, is uncontrollable, lacks consistency, and acts arbitrarily. This is why he is unreliable, and long-term planning is impossible under him. Despite supporting internal deregulation policies, *The Economist* complains that there is more noise than action.

(148) The excerpts also emphasize the planning to save the remnants of the liberal order. European policymakers are already seriously considering the situation in this context. After Zelensky’s scolding by Trump, the EU foreign policy chief openly stated, “The free world now needs a new leader.” These are unusual words.

(149) However, running this order without the US is not only very challenging but also expensive. Europe will have to rearm itself, massively expand its militaries, and take over the defense guarantees previously provided by the US. This requires heavy expenditures, which is not a good omen for already crisis-ridden economies and populations suffering from austerity.

(150) European “rearmament” means a new arms race. Another alarming aspect is that several European countries may seek to acquire nuclear weapons. Previously, the US had taken responsibility for their defense in case of nuclear war (only France and the UK in Europe have nuclear weapons). However, in the new situation, the wicked tendencies of nuclear proliferation will intensify.

(151) NATO is already in a state of dysfunction. Trump is taunting Europe for not spending enough on NATO. But he has also thrown in a new twist: he wants NATO to support him in seizing Greenland. In other words, NATO would have to help a member state seize a large part of another member state! Denmark has already strongly condemned the US talk of occupying Greenland. The Danish Prime Minister has indirectly told Trump to stop his nonsense. Similarly, the Canadian government, political figures, and public have reacted strongly to the idea of making Canada the 51st state of the US

(152) However, the problem is not just with NATO but also with the European Union. The EU is already facing centrifugal inclinations. But Trump’s support for far-right governments and political parties will only strengthen these propensities. If we examine the situation, European countries are already divided in terms of their relations with Trump. If far-right parties come to power in more countries, this division will only deepen.

(153) Interestingly, even outside Europe, Trump’s attitude is relatively warmer toward authoritarian states or governments. He even unexpectedly invites historically anti-American

countries to negotiations. For example, this was the case with North Korea in the past, and now he has invited Iran to talks on nuclear issues, while simultaneously launching attacks on Iran's allied Houthi rebels, which could escalate into a major conflict. Although Iran has ostensibly rejected this offer to save face after its humiliation at the hands of Israel. After the recent events, the Iranians might seriously consider developing nuclear weapons or at least give the impression of doing so to strengthen their bargaining position. At any rate, behind-the-scenes efforts to reach some understanding are certainly ongoing. Similarly, in his recent address to Congress, Trump surprisingly praised Pakistan!

(154) In a similar vein, Trump's policy toward China during his second term is still unclear. He is imposing tariffs even on his allies. So, the tariffs imposed on China are nothing extraordinary—at least so far.

(155) Some believe that one reason for his policies of shaking hands with Russia, adopting a relatively softer stance toward Pakistan, and fueling extreme nationalist tendencies in the US is that he wants to gradually isolate and encircle China. This would obviously include efforts to sabotage projects like CPEC, BRI, and China's foreign investments. However, as we have seen above, even imperialist policymakers fear that he might reach out to China (or, as they put it, “make concessions”). Therefore, this issue is also fraught with uncertainty. Anyway, in the next part of the document, we will examine China in a relatively detailed historical context.

(156) In recent years or decades, two extreme trends have emerged in Marxist circles regarding the rise of the far/hard right. The first exaggerates the danger, paving the way for alliances and compromises with liberal bourgeois or left-wing reformism. In contrast, there are trends that either do not recognize the far-right as a distinct phenomenon or do not consider it a threat (because it does not fit the classical definition of fascism, or the conditions are not the same!).

(157) Time has proven both positions wrong. The far-right tendencies that have emerged in recent times are quite different from the traditional right and may intensify and expand in the coming days, posing serious threats to working masses. However, since their rise has been facilitated by the very failure of reformism, reformism cannot stop them.

(158) Nor can much hope be placed in the judiciary. Some lower courts are trying to block Trump's actions, but most higher courts are filled with Trump supporters. Those who are not will be removed or sidelined by him. Thus, the judiciary cannot block his path for long. Force can only be countered by force. This is a battle that workers will have to fight themselves.

(159) What further moves Trump will make in the coming days cannot be sufficiently predicted. For now, a large part of the American ruling class is enamored with him—particularly the tech millionaires. In the hope of increase in their profits and wealth, they are tolerating his impudence. However, as conditions worsen, the situation could change rapidly. The possibility of Trump and his cronies being ousted—or even eliminated—cannot be ruled out.

(160) In any case, we have examined the socio-economic foundations and ambitions of Trump and similar figures in the context of the character of the current era and objective conditions. This makes the future possibilities largely clear.

China, India, and BRICS

(161) In recent years, with the decline of Western imperialism and the rise of China, the perception has grown that alliances like BRICS could become an alternative to the Bretton Woods and Washington Consensus-based world order (NATO, IMF, World Bank, EU, etc.) in the coming days.

(162) This narrative has several forms, including the idea that China is progressive compared to Western imperialism. In Pakistan, people like Mushahid Hussain are actively lobbying for this. Similarly, there is talk of a new anti-imperialist “Eastern Bloc” comprising China, Russia, Iran, and various Third World countries. Some believe this bloc is already a reality, while others express such desires. Obviously, everyone is free to dream, and stupidity knows no bounds.

(163) In contrast, there are people that do not consider China a progressive force but exaggerate its capabilities and influence. In other words, they see it as equal to or even more influential than the US. In their view, the sun has already set on American imperialism.

(164) Another overly simplistic approach is to label China’s economy as merely “capitalist,” and to forcibly apply the dynamics and principles of market economies—as well as the analyses of imperialist economists—to the Chinese state and economy, while ignoring its distinctive, exceptional, or peculiar characteristics.

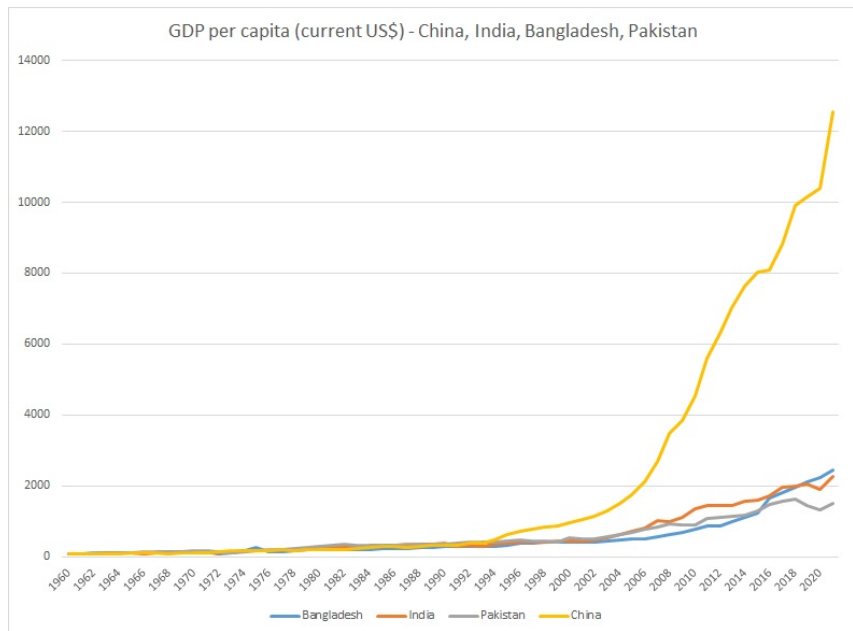
(165) It is true that over the past three decades, China has emerged as a major economic power in the world. It is now a nation with relatively modern and extensive military capabilities that continue to expand. Meanwhile, Western imperialism, including the US, is experiencing historical weakness, decline, and fragmentation. However, this is still an ongoing process, fraught with contradictions, and its final outcome is not so easily predictable.

(166) In this regard, let us first examine China’s rise. In a few decades, it has become the world's second-largest economy. If we consider population size, this is the largest economic growth in human history, where a country of 1 to 1.5 billion people has achieved continuous economic expansion for several decades without major declines.

Country	Year	% of world population
UK	1820	2
US	1870	3.2
Germany	1870	3.1
USSR	1929	8.4
Japan	1950	3.3
Asian Tigers	1960	1.4
China	1978	22.3

% of world population in countries at the beginning of sustained rapid economic growth

(167) In 1949, at the time of the revolution, China was an extremely backward country mired in poverty, illiteracy, ignorance, slavery, and barbarism. Today, it is a civilized, urban, industrial, literate, and healthy society. In terms of living standards, culture, and development, it is at a level where comparison with countries like Pakistan, India, and Bangladesh is not even valid. It is worth remembering that in 1947 or 1949, all these countries were roughly at the same economic level.



(168) Since 1978, household consumption has increased by 1800%. The literacy rate, which was only 20% in 1949, is now 98%. The average life expectancy of Chinese citizens is higher than

that of Americans. In the coming days, according to World Bank standards, China will achieve the status of a “high-income” economy.

(169) China’s share in the global economy was just over 2% in 1982. But just thirty years later, in 2012, it had reached nearly 15%. In 2010, China overtook Japan to become the world’s second-largest economy. There are strong indications that by 2028, it will surpass the United States to become the world’s largest economy. It is already the world’s largest economy when GDP is measured in terms of purchasing power parity (PPP), having surpassed the United States in this metric around 2014.

(170) In the two decades before 2022, China’s share in global GDP increased from 8% to 18%, while the US share declined from nearly 20% to 15%. According to 2024 figures, China’s share has reached around 20%. The panic among Western imperialists is not without reason—the numbers speak for themselves!

(171) Between 2011 and 2013, in just two years, China used 6.6 gigatons of concrete—two gigatons more than what the US used throughout the entire 20th century! Currently, China is rapidly advancing through heavy investment in cutting-edge technologies like artificial intelligence, high-speed rail, space research, and robotics, in many cases surpassing the US. The real objective of the trade restrictions imposed by the US is not merely to correct its trade balance but to prevent China from advancing in these modern technological sectors, which are considered the monopoly of American or Western imperialism.

(172) From the late 1970s to 2018, the Chinese economy grew at an average annual rate of 9.5%, while the global economy’s average growth rate was only 2.8%. This means that during these 40 years, the Chinese economy doubled in size every eight years!

(173) After Mao’s death and Deng Xiaoping’s rise to power, China’s shift toward market policies in 1978 became a major economic and ideological support for Western capitalism. It provided them with extremely cheap labor. But this labor was not only cheap—it was also highly skilled, disciplined, healthy, civilized, and educated. This is a very important point.

(174) Western imperialism believed that the process of capitalist restoration would gradually mold China into a liberal or neoliberal economic and political system and eventually turn it into a subordinate and compliant state. They had similar dreams about Russia at the time of the Soviet Union’s collapse. But, as we see, in both cases, these dreams have turned into nightmares for them.

(175) Why did this happen? It is necessary to consider some fundamental reasons, the most important of which is the different historical evolution of these two nations compared to other backward or colonized regions. In Russia, the Bolshevik Revolution of 1917 eliminated both feudal remnants and capitalism, paving the way—albeit in a Stalinist or bureaucratic form—for a planned economy. After the revolution in 1949, China largely copied the Soviet economic

model. These historical developments distinguish the two countries from the crisis-ridden, capitalist South Asian, African, and Latin American regions.

(176) The question is: If cheap labor and a market economy alone were responsible for China's progress after 1978, then why haven't we seen similar development in other Third World countries—except for a few insignificant or exceptional cases? For example, which of these two elements is lacking in Pakistan?

(177) The worldview of capital is either unable or unwilling to answer these questions. The key point is that despite the inefficiencies and mismanagement associated with bureaucratic control, the economic and social development achieved under state ownership and a planned economy—through land reforms, relative modernization of agriculture, large-scale industrialization, and technological advancement—were tasks capitalism has failed to accomplish in countries like Pakistan. All of China's post-1978 economic growth is based on the foundations laid during Mao's rule after 1949. This includes the skilled, educated, and healthy labor force mentioned earlier. Additionally, in those decades, a massive economic and social infrastructure was built, which is a basic requirement for further development and growth.

(178) We will discuss the political economy of post-revolution China and its current economic model separately in the coming days. But the basic fact is that the early five-year plans after 1953, through the construction of thousands of factories and plants, made China largely self-sufficient in the production of steel, electricity, trucks, tractors, jet planes, heavy machinery, etc. Even in the 1980s, in terms of income and consumption, China was a backward country, but its social indicators—literacy, life expectancy, child mortality rate, etc.—were far better than those of 2025's Pakistan and India.

(179) Leaving aside the last two decades, Russia's development during the Soviet era was even greater than China's.

(180) In this historical context, it becomes clear that despite all the damage from full or partial capitalist restoration, Russia and China had the economic foundations that allowed them to adopt a relatively independent and autonomous policy toward the West.

(181) However, it is also necessary to consider the significant divergence in the paths of both countries after the 1980s, caused by the differing forms and intensities of capitalist restoration. The collapse of the Soviet Union destroyed the Stalinist state, and under the "shock therapy" doctrine, state assets were sold off in an unprecedented looting spree. As a result, an extremely corrupt, ruthless, and mafia-style bourgeoisie emerged, composed of former bureaucrats and upstart elites, along with a similarly styled state.

(182) Just consider Putin, whose personal wealth is estimated at over \$200 billion. Thus, a deeply nepotistic form of crony capitalism emerged in Russia, which cannot function without authoritarian rule and harbors imperialist ambitions reminiscent of the old Tsarist regime. This is no accident—the state emblem of Putin's Russia is the same two-headed eagle with a royal

crown and cross as used during the Tsarist era. In such states, those in power treat national assets as their personal property.

(183) On a deeper level, Russia has still not recovered from the trauma of the Soviet Union's collapse and "shock therapy." While there was some economic recovery in Putin's early years, the economy has been stagnant for a long time and remains heavily dependent on oil and gas revenue. Economies based on natural resource exploitation may accumulate wealth, but they are often hollow and lack solid foundations—a phenomenon known as the "Dutch Disease." Also, culturally and socially, Russia is a crisis-ridden society.

(184) In China, the nature of capitalist restoration was quite different. The most important factor is that the Stalinist state not only survived but retained significant control over the economy. The last major privatization in China occurred in the late 1990s, involving the sale or closure of small, unprofitable, or non-essential industries. However, key sectors like banking, finance, and major industries remained state-owned, and they were modernized and integrated as pillars of the national economy. Even today, China is the only major economy where five-year plans are still in effect. State ownership, control, and planning have played a fundamental role in the country's development over the past decades. This aspect of the "Chinese model" is rarely highlighted in countries like Pakistan.

(185) But this is only one side of the picture—presented by apologists of the Chinese bureaucracy as an "all is good" narrative. The truth is that since 1990, the private sector has expanded rapidly in China and now controls more than 50% of the economy. A new bourgeoisie has emerged, including over 800 billionaires and countless millionaires. Corruption, class exploitation, competition, prostitution, crime, and economic inequality have surged. The Chinese Communist Party has transformed from an ideological organization into a colossal business enterprise whose task is to manage and control this monster of "state capitalism."

(186) It is true that key levers of the economy remain under state control, but this contradictory economic setup is by no means a stable arrangement. The recent crises in China's stock market and real estate sectors, Xi Jinping's rhetoric about "common prosperity," bureaucratic shake-ups, crackdowns on corruption—sometimes even targeting major capitalists and bureaucrats who defy party-state's directives—along with severe censorship and repression, all indicate that this setup harbors significant contradictions and problems, which may surface more evidently in the future.

(187) Moreover, in terms of average per capita income, it is also clear that despite all the growth and development, China still lags far behind Western imperialist economies. Compared to America's \$80,000 per capita GDP, China's is only \$13,000 (even on a PPP basis, it's less than one-third of the US). This is a massive gap. In trying to bridge it, Chinese bureaucracy is expanding its influence and economic outreach globally, because moving forward is impossible without large-scale access to external resources. Some researchers even argue that the

resources needed for China to reach America's economic level simply do not exist on the planet!

(188) Modi's so-called "Shining India" is a hollow and grotesque parody in the face of China's advancements. The statistics underpinning this alleged progress are highly exaggerated, and its benefits for the broader working masses are negligible. This is a form of growth even worse than what was witnessed in Pakistan under Musharraf's rule. It has pushed inequality in India to levels worse than during the British colonial era. On one hand, there are 7 million affluent or upper-middle-class Indians who rank among the world's wealthiest. On the other, there are 700 million destitute individuals whose conditions are worse than the impoverished people of African nations. According to recent research by Indian venture capital firm Blume, one billion Indians cannot even contemplate spending on anything beyond very basic and immediate necessities.

(189) The share of the top 10% richest Indians in national income has increased from 34% in 1990 to over 57% today, while the share of the bottom 50% has decreased from 22.5% to just 15%. Can such a society be kept under control without continuously fanning religious hysteria, hatred, and superstition?

(190) Regarding BRICS, the original alliance comprised Brazil, Russia, India, China, and South Africa. Now Egypt, Ethiopia, the UAE, and Indonesia have joined as well. However, unlike Western imperialist institutions or alliances, BRICS does not consist of homogeneous or harmonious economies. China's share in the global economy is around 20%, compared to India's 7%, and Russia, Brazil, and South Africa's shares stand at merely 3%, 2.4%, and 0.6%, respectively.

(191) Moreover, most member states do not have cordial relations with each other. India has historical tensions with China; contradictions exist between Russia and Brazil; and Iran maintains ancient disputes with Arab nations.

(192) One must also consider that Western imperialism still dominates the world not only financially but militarily. The US dollar remains the dominant global currency, involved in 90% of all foreign exchange transactions and 50% of global trade, while 60% of foreign exchange reserves are held in dollars. The Chinese yuan's role has increased in recent years, but it only accounts for 7% of foreign exchange dealings and 3% of global reserves.

(193) Behind this dominance of the dollar lies formidable military power. The US has 750 military bases in 80 countries, while China has only four, with only the base in Djibouti being of any significance—though China intends to establish more in the future. American weaponry remains the most advanced globally, and the US spends at least three times more than China on military affairs.

(194) While China is swiftly modernizing its military, both in quantity and quality its capabilities remain inferior to those of the United States. Russia lags even further behind, which is why

both nations avoid extensive military expansion and try to concentrate their military strength within their borders or regions.

(195) Russia has 21 significant military installations worldwide, mostly in Central Asia and Eastern Europe, besides Syria. Recently, reports have emerged of Russian bases in African nations such as Burkina Faso, Mali, and Niger.

(196) It is worth noting that these African countries were until recently under intense French imperialist domination, including a French military presence. However, military coups driven by profound anger against imperialism have forced French troops out.

(197) Nonetheless, these new military regimes do not possess any revolutionary programs or plans to abolish imperialist capitalism. Like Nicolás Maduro's government in Venezuela, they have tilted toward China and Russia as alternatives to Western imperialism. Russia is also deploying its notorious Wagner Group in these regions.

(198) This is essentially a case of "the enemy of my enemy is my friend." Yet, campist left-wing tendencies present this alignment as proof of Russia and China's "anti-imperialist" stance—a delusion at best.

(199) In the past, the Stalinist bureaucracies of the Soviet Union and China ruthlessly used anti-imperialist movements as tools of their foreign policy and as bargaining chips in dealings with imperialist powers. Today's reality may be even worse. China and Russia may provide relatively cheap loans or aid to expand their influence, but this does not mean they are free of imperialist ambitions. As the saying goes, "There's no such thing as a free lunch."

(200) The same applies to the BRICS Development Bank, which in comparison to the IMF or World Bank holds little significance. Capitalist states, which meticulously track every penny when allocating "development funds" or loans, should not be confused with charitable organizations.

(201) Therefore, given their internal contradictions and the current crisis of global capitalism, alliances like BRICS are not capable of paving the way for a new global financial order like the Bretton Woods system.

(202) The global economy is being crushed under a massive debt burden. Global debt now approaches 300% of world GDP, a dangerously high level. In the few years following COVID, debt has increased by 43%—an unsustainable trend.

(203) Moreover, rising interest rates post-COVID have worsened the debt crisis in most Third World countries. Pakistan has experienced this for years, and the case of Sri Lanka is well known. According to the United Nations, 52 developing nations face debt crises, 40% of which are at risk of default. These countries are spending more on interest payments than on health or education.

(204) If global trade wars intensify, both inflation and interest rates will increase, potentially causing Sri Lanka- or Bangladesh-like crises in many more countries.

(205) Capitalism in every sense now seeks to destroy the human race. The decline of old imperialism and the rise of new imperialist powers have created total disarray. Such is the extent of uncertainty that even policymakers have no idea what tomorrow holds. Old formations are melting in the furnace of current events, but no new form has yet emerged. These are testing times for revolutionaries.

We Shall Fight, We Shall Win!

(206) Among Stalinism's many grotesque distortions was the theoretical crime of presenting historical materialism not as a method but as a preordained schema of history—a methodology borrowed from the Mensheviks.

(207) History is familiar with all kinds of transformations and can take extremely unexpected turns—some that may bring salvation closer, others that may drive it further away.

(208-I) No phase of human history has ever progressed automatically—nor will the transition from capitalism occur on its own. As Trotsky pointed out long ago, if an obsolete system is not consciously overthrown to propel the wheel of history forward, entire societies risk disappearing altogether—a fate that has befallen many civilizations throughout history.

(208-II) The central premise of historical materialism is that it is ultimately human beings who shape history, and it is the working class that can liberate all oppressed humanity from the quagmire of capital.

(209) Skeptics, pessimists and defeatists can say whatever they wish, but the reality is that the ideas and perspectives of Marxist teachers have become even more relevant and reasonable today than during their own times. With the growth of productive forces, technology, and communications, the working class today possesses unprecedented numerical strength, power, and revolutionary potential. The number of youth in today's world is also unparalleled. Never before have the conditions for building an abundance-based, classless, and exploitation-free society been so ripe.

(210) The working class not only exists, but for the past 15 years has been displaying an unconscious yearning and striving to change society. The wave of uprisings, strikes, protests, and revolutionary movements since 2008 has played a key role in shaping a new global landscape.

(211) In region after region, youth have accomplished what was once deemed unimaginable. Consider the recent movements in Sri Lanka, Bangladesh, and Kenya—in each case, people have set ablaze palaces and corridors of power, long regarded as symbols of absolute state authority and terror. These are no ordinary events.

(212) Though in Sri Lanka a so-called leftist government was brought in to impose a neoliberal agenda in a “people-friendly” manner, and in Bangladesh the movement is being diverted into the maze of electoral politics, no fundamental problem has been solved. These movements can erupt again.

(213) The formation of a new party by leading students in Bangladesh’s recent movement is a significant development. It is a relatively sound measure under current conditions, though its outlook remains petty-bourgeois and centrist. Over time, diverse ideological tendencies may emerge from within.

(214) The popular rebellion in Pakistan-administered Jammu & Kashmir, which shook the foundations of the imperialist state, must be seen as part of the same global trend.

(215) It is true that the movements in the US, Arab World, and Europe in 2011 suffered setbacks, some with catastrophic consequences. But every struggle leaves behind lessons that subtly shape future tactics and strategies. Without Egypt’s lessons, we might be seeing a similar military dictatorship in Bangladesh today.

(216) A revolutionary organization, however, systematically draws conclusions from past events and applies them to future struggles—it works as the collective memory of the working class.

(217) Neoliberalism’s onslaught and the collapse of the Soviet Union dealt a severe ideological blow to the working class, inducing paralysis, despair, and defeatism. Recovery from such trauma takes time. Yet, today, capitalism struggles to justify its very existence. We are entering a new epoch—a new era.

(218) After temporary setbacks and stagnation, the workers of the Western countries are mobilizing again. In the US, after decades of stagnation, the labor movement is reawakening. The United Auto Workers’ successful strike by hundreds of thousands, and Boeing’s 33,000 workers winning wage hikes after a 7-week strike, testify to this. Workers at Amazon, Starbucks, and McDonald’s continue to engage in simmering strike actions. Similar labor unrest is building in Canada and other Western nations. Even in Germany, Europe’s biggest economy, workers in transport and other sectors are increasingly mobilized.

(219) Signs of the beginning of a new phase of class struggle are emerging in Greece. On the occasion of the second anniversary of the train accident caused by government negligence and downsizing—in which 57 people died—hundreds of thousands have participated in protest demonstrations. Calls for such protests are being made for the coming days as well, which are expected to address pressing issues such as austerity, unemployment, and privatization. These demonstrations have the potential to evolve into a major movement capable of shaking the entire Europe.

(220) It is true that, along with the crisis of the labor movement, trade unions around the world have faced fragmentation, and today the number of organized workers in unions is quite low

even in many developed countries. However, this has also reduced the ability of the ruling classes to control movements through the 'buffer' of union bureaucracy. The point is that whether unions exist or not, the class itself exists. It cannot be expected to endure deprivation and misery indefinitely merely due to the absence of unions. Therefore, future struggles will give rise to new forms of solidarity and organization among workers.

(221) While the working class in the West has experienced significant atomization, China has seen a remarkable emergence of proletariat, now numbering 770 million workers. If anyone wishes to witness “Marx’s classical proletariat,” they need only visit China—and there they will see it in full force. When the colossal proletariat of modern China awakens, even the pivotal events of 1949 may pale in comparison.

(222) Abraham Lincoln once said that you can fool some of the people all the time, and all of the people some of the time, but you cannot fool all of the people all the time. Same goes for Trump’s antics. The kind of offensive he is mounting may momentarily sway people or force them into silence. But America is neither India nor Russia. His actions could unleash the deep-seated unrest simmering within American society in highly unexpected ways. The entire scenario could change overnight. We saw a glimpse of this recently in the student protests and sit-ins across American universities, where youth stood in solidarity with Palestinians.

(223) Across the rest of the world as well, he is only deepening the crisis. In underdeveloped regions, living conditions are already extremely harsh—life has become an endless sentence. Even a minor rise in inflation or a seemingly insignificant event can ignite massive upheavals. Since 2011, we have seen this pattern repeat itself time and again.

(224) In such times, revolutionaries must neither cling to false optimism nor sink into despair and inaction. Our task remains unchanged—to carry forward the duty that Marx and Engels embraced nearly two centuries ago with the publication of *The Communist Manifesto*. It is a protracted and unyielding struggle—yet within it lies the true joy of life and the hope of humanity’s emancipation.

Executive Committee

The Struggle

Pakistan Section of the **International Socialist League (ISL)**

Lahore, Pakistan

March 16, 2025

Appendix 1

AI Going Deep Seek

First published on Michael Roberts' Blog on January 28, 2025.

Most readers will know the news by now. DeepSeek, a Chinese AI company, released an AI model called R1 that is comparable in ability to the best models from companies such as OpenAI, Anthropic and Meta, but was trained at a radically lower cost and using less than state-of-the-art GPU chips. DeepSeek also made public enough of the details of the model that others can run it on their own computers without charge.

DeepSeek is a torpedo that has hit the Magnificent Seven US hi-tech companies below the water line. DeepSeek did not use the latest and best Nvidia's chips and software; it did not require huge spending on training its AI model unlike its American rivals; and it offers just as many useful applications.

DeepSeek built its R1 with Nvidia's older, slower chips, which US sanctions had allowed to be exported to China. The US government and the tech titans thought they had a monopoly in AI development because of the huge costs involved in making better chips and AI models. But now DeepSeek's R1 suggests that companies with less money can soon operate competitive AI models. R1 can be used on a shoestring budget and with much less computing power. Moreover, R1 is just as good as rivals at 'inference', the AI jargon for when users question the model and get answers. And it runs on servers for all sorts of companies so that they need not 'rent' at huge prices from the likes of OpenAI.

Most important, DeepSeek's R1 is 'open source', namely that its coding and training methods are open to all to copy and develop. This is a real blow to the 'proprietary' secrets that OpenAI or Google's Gemini lock away in a 'black box' in order to maximize profits. The analogy here is with branded and generic pharmaceuticals.

The big issue for the US AI companies and their investors is that it appears that building huge data centers to house multiples of expensive chips may not be necessary in order to achieve sufficiently successful outcomes. Up to now, the US companies have been ratcheting up huge spending plans and trying to raise mega amounts of funding to do so. Indeed, on the very Monday that DeepSeek's R1 hit the news, Meta announced another \$65 billion of investment, and only days earlier President Trump announced government subsidies of \$500 billion to the tech giants as part of the so-called Stargate project. Ironically, Meta chief executive Mark Zuckerberg said he was investing because "We want the US to set the global AI standard, not China." Oh dear.

Now investors are concerned that this spending is unnecessary and, more to the point, that it will hit the profitability of the American companies if DeepSeek can deliver AI applications at a tenth of the cost. Five of the biggest technology stocks geared to AI—chipmaker Nvidia and so-

called 'hyperscalers' Alphabet, Amazon, Microsoft and Meta Platforms—collectively shed almost \$750 billion of their stock market value in one day. And DeepSeek does threaten the profits of the data center companies and the water and power operators which expect to benefit from the huge 'scaling up' by the Magnificent Seven. The US stock market boom is heavily concentrated in the 'Magnificent Seven'.

So has DeepSeek punctured the massive stock market bubble in US tech stocks? Billionaire investor Ray Dalio thinks so. He told the Financial Times that "pricing has got to levels which are high at the same time as there's an interest rate risk, and that combination could prick the bubble ... Where we are in the cycle right now is very similar to where we were between 1998 or 1999," Dalio said. "In other words, there's a major new technology that certainly will change the world and be successful. But some people are confusing that with the investments being successful."

But that may not be the case, at least not just yet. The AI chip company Nvidia's stock price may have dived this week, but its 'proprietary' coding language, Cuda, is still the US industry standard. While its shares dropped nearly 17%, that only brings it back to the (very, very high) level of September.

Much will depend on other factors like the US Fed keeping interest rates high because of a reversal in the fall in inflation and on whether Trump proceeds big time with his tariff and immigration threats that will only fuel inflation.

What must enrage the tech oligarchs sucking up to Trump is that US sanctions on Chinese companies and bans on chip exports have not stopped China making yet more advances in the tech and chip war with the US. China is managing to make technological leaps in AI despite export controls introduced by the Biden administration intended to deprive it of both the most powerful chips and the advanced tools needed to make them.

Chinese tech champion Huawei has emerged as Nvidia's primary competitor in China for 'inference' chips. And it has been working with AI companies, including DeepSeek, to adapt models trained on Nvidia GPUs to run inference on its Ascend chips. "Huawei is getting better. They have an opening as the government is telling the big tech companies that they need to buy their chips and use them for inference," said one semiconductor investor in Beijing.

This is a further demonstration that state-led planned investment into technology and tech skills by China works so much better than relying on huge private tech giants led by moguls. As Ray Dallo said: "In our system, by and large, we are moving to a more industrial-complex- type of policy in which there is going to be government-mandated and government-influenced activity, because it is so important...Capitalism alone—the profit motive alone—cannot win this battle."

Nevertheless, the AI titans are not yet the titanic. They are going ahead with 'scaling up' by ploughing yet more and more billions into data centers and more advanced chips. This is eating up computer power exponentially.

And of course, there is no consideration of what mainstream economists politely like to call 'externalities'. According to a report by Goldman Sachs, a ChatGPT query needs nearly 10 times as much electricity as a Google search query. Researcher Jesse Dodge did some back-of-the- napkin math on the amount of energy AI chatbots use. "One query to ChatGPT uses approximately as much electricity as could light one light bulb for about 20 minutes," he says. "So, you can imagine with millions of people using something like that every day, that adds up to a really large amount of electricity." More electricity consumption means more energy production and in particular more fossil-fueled greenhouse gas emissions.

Google has the goal of reaching net-zero emissions by 2030. Since 2007, the company has said its company operations were carbon neutral because of the carbon offsets it buys to match its emissions. But, starting in 2023, Google wrote in its sustainability report that it was no longer "maintaining operational carbon neutrality." The company says it's still pushing for its net-zero goal in 2030. "Google's real motivation here is to build the best AI systems that they can," Dodge says. "And they're willing to pour a ton of resources into that, including things like training AI systems on bigger and bigger data centers all the way up to supercomputers, which incurs a tremendous amount of electricity consumption and therefore CO2 emissions."

Then there's water. As the US faces droughts and wildfires, the AI companies are sucking up deep water to 'cool' their mega data centers to protect the chips. More than that, Silicon Valley companies are increasingly taking control of water supply infrastructure to meet their needs. Research suggests, for instance, that about 700,000 liters of water could have been used to cool the machines that trained ChatGPT-3 at Microsoft's data facilities.

Training AI models consumes 6,000 times more energy than a European city. Furthermore, while minerals such as lithium and cobalt are most commonly associated with batteries in the motor sector, they are also crucial for the batteries used in datacentres. The extraction process often involves significant water usage and can lead to pollution, undermining water security.

Sam Altman, the previous non-profit hero of Open AI, but now out to maximize profits for Microsoft, argues that yes, unfortunately there are 'trade-offs' in the short term, but they're necessary to reach so-called AGI; and AGI will then help us solve all these problems so the tradeoff of 'externalities' is worth it.

AGI? What's this? Artificial generalized intelligence (AGI) is the holy grail of AI developers. It means that AI models would become 'super intelligent' way above human intelligence. When that is achieved, Altman promises, its AI won't just be able to do a single worker's job, it will be able to do all of their jobs: "AI can do the work of an organization." This would be the ultimate in maximizing profitability by doing away with workers in companies (even AI companies?) as AI

machines take over operating, developing and marketing everything. This is the apocalyptic dream for capital (but a nightmare for labor: no job, no income).

That's why Altman and the other AI moguls will not stop expanding their data centers and developing yet more advanced chips just because DeepSeek has undercut their current models. Research firm Rosenblatt forecast the response of the tech giants: "In general, we expect the bias to be on improved capability, sprinting faster towards artificial general intelligence, more than reduced spending." Nothing must stop the objective of super-intelligent AI.

Some see the race to achieving AGI as a threat to humanity itself. Stuart Russell, professor of computer science at the University of California, Berkeley, said "Even the CEOs who are engaging in the race have stated that whoever wins has a significant probability of causing human extinction in the process, because we have no idea how to control systems more intelligent than ourselves," he said. "In other words, the AGI race is a race towards the edge of a cliff."

Maybe, but I continue to doubt that human 'intelligence' can be replaced by machine intelligence, mainly because they are different. Machines cannot think of potential and qualitative changes. New knowledge comes from such transformations (human), not from the extension of existing knowledge (machines). Only human intelligence is social and can see the potential for change, in particular social change, that leads to a better life for humanity and nature.

What DeepSeek's emergence has shown is that AI can be developed to a level that can help humanity and its social needs. It's free and open and available to the smallest user and developer. It has not been developed at a profit or to make a profit. As one commentator put it: "I want AI to do my laundry and dishes so that I can do art and writing, not for AI to do my art and writing so that I can do my laundry and dishes." Managers are introducing AI to "make management problems easier at the cost of the stuff that many people don't think AI should be used for, like creative work... If AI is going to work, it needs to come from the bottom-up, or AI is going to be useless for the vast majority of people in the workplace".

Rather than develop AI to make profits, reduce jobs and the livelihoods of humans, AI under common ownership and planning could reduce the hours of human labor for all and free humans from toil to concentrate on creative work that only human intelligence can deliver. Remember the 'holy grail' was a Victorian fiction and later a Dan Brown one as well.

Appendix 2

Syria: One Bloody Dictator Less and an Uncertain Future

First published as a resolution by ISL on December 12, 2024.

In a Middle East already severely devastated by the Palestinian genocide and the Zionist State of Israel's attack on Lebanon, Bashar al-Assad's draconian dictatorship fell in Syria a few days ago and was replaced in power by an Islamist sector in command of a heterogeneous rebel coalition. A new era full of uncertainties has begun in the country and the region.

A Transcendental Development

For the Syrian people and other Arab peoples of the region, this change marks a very significant development. It ends 54 years of dictatorial rule by the Assad clan through the Baath party: 24 years under the recently deposed Bashar and the 30 previous years under his father Hafez. The regime, of a populist Arab nationalist nature, turned increasingly to the right, negotiated with different imperialisms, and, particularly in recent decades, never supported the Palestinian resistance to Zionist settler colonialism and genocide in any meaningful way. Instead, it practically confined itself to paying lip service to the Palestinian cause and using it for internal oppression. That is one of the reasons why many Palestinians, including Hamas, welcomed the fall of al-Assad.

It must be noted that the rule of the Baath Party in Syria started in the mid-1960s as a somewhat revolutionary, anti-imperialist project under leaders like Saleh Jaded. However, owing to the lack of a Marxist leadership, ideological confusions, zigzags and intraparty disputes, it ended up as a very corrupt crony capitalism, requiring unprecedented and endless state repression of the vast majority of the Syrian population. The degeneration of the regime accelerated after the 1990s with the adoption of pro-market, neoliberal economic policies, resulting in the loss of the popular support it once enjoyed. The desertions in the Syrian Arab Army and the rebel victory in just ten days confirm that the regime was in decay and had no social support. No democratic way forward could be made with the corrupt tyranny serving the interests of the Assad family and its cronies in power. That is why, after the fall of the regime, crowds took to the streets to celebrate, both in Syria and in several other countries. Currently, of Syria's total population of 24 million, 5 million refugees, who fled the civil war and the repression of 2011, are living abroad and have now begun to return.

Russia and Iran Weakened

For both countries, which have also been under dictatorial regimes for decades, the fall of al-Assad implies a significant weakening of their influence in the region. Both the Putin government and that of the Iranian mullahs were the fundamental political and military support of the Assad regime for years. The secret services of Russia, an emerging imperialism busy with its invasion and war against Ukraine, did not foresee the rebel offensive in Syria. The same can be said of a much-weakened Hezbollah and, above all, of Iran's theocratic dictatorship, which,

instead of leading the anti-Zionist “axis of resistance” like it had promised, in practice betrayed the Palestinian struggle. In any case, both Iran and its proxy groups, as well as Russia, were in no position to support a hollowed-out regime that crumbled like a house of cards with just a slight push. In turn, Israel took advantage of the power vacuum generated these days to send troops into the demilitarized zone between the Golan Heights—which it has illegally occupied since 1967—and Syria.

The Diverse Rebel Alliance

It is diverse, encompassing four sectors, at times in conflict with each other:

- Levant Liberation Committee (Hayat Tahrir al-Sham, HTS): A Sunni Islamist group that, in recent years, has tried to portray itself as a mainstream, “moderate.” Its political wing is the Syrian Salvation Government, and its main leader is al-Chara (alias al-Jolani).
- Syrian National Army (SNA): Supported by Turkey, it was joined by the National Liberation Front and seeks to create a buffer zone on the Turkish border to prevent the advance of the Kurdish struggle.
- Syrian Democratic Forces (SDF): Kurdish militias led by the People’s Protection Units (YPG). With support from the US, they control the Rojava region and suffer attacks from the SNA.
- Free Men of Syria (Ahrar al-Sham): Emerged in 2011 from the merger of several ultra-Islamist groups, influenced by the Afghan Taliban.

ISIS (Islamic State/Daesh) is not part of this alliance because it is a rival of HTS, but it still exists and could regain its presence in the current crisis.

No to External Interference

In 2011, as part of the Arab Spring, there was a popular rebellion against the Assad dictatorship in Syria. Al-Assad harshly repressed it, igniting a civil war that killed 600,000—including more than 100,000 civilians—and displaced ten million, half internally and half abroad. Among the rebel political and religious sectors—which were initially more independent—the influence of the US and Turkey has grown, and they will seek to maintain or expand it. Also, the support of other reactionary states, such as Saudi Arabia, Qatar, Jordan and the UAE, for various factions cannot be ignored. Such is the complexity of the situation that these imperialist powers can be in alliance in one part of the country while confronting each other in another. These days, the HTS is negotiating with UN envoy Geir Pedersen, former Assadist Prime Minister al-Jalali and representatives of other countries regarding the Resolution 2254 of the United Nations Security Council, which proposes an 18-month “civil transition”, a new constitution and fresh elections. However, the possibility of bloody infighting among the rebel groups during the process cannot be ruled out.

What is the Way Out?

The joy expressed by large sectors of the Syrian people at the dictator's fall cannot hide the risks that exist. As we mentioned, the situation is influenced by imperialist forces, the expansionist Turkish and Islamist sects, including HTS, whose strategy is a theocratic state that does not guarantee the long-postponed democratic, economic and social rights. A truly democratic solution should include the convening of a free and sovereign Constituent Assembly, in which returning refugees could also participate, in order to reorganize the country along a path of national and social liberation, in solidarity with the Palestinian cause, and in a secular state for the peaceful coexistence among peoples and religions. The ISL is committed to developing a revolutionary, anti-imperialist and anti-capitalist alternative that fights for a socialist Syria within the framework of a socialist federation of the Middle East. We emphasize that this is only possible through the revolutionary organization of the toiling masses and oppressed people of Syria, in alliance with the oppressed and exploited of the Middle East and beyond.

- Down with all kinds of imperialist meddling and in Syria
- Down with theocracy and religious fundamentalism
- No illusions in the proxy forces and facilitators of imperialism
- Democratic aspirations of the Syrian masses must be respected
- Solidarity and support for the Syrian people for a democratic, secular and socialist Syria

Appendix 3

Key Aspects of Marxist Analysis and Policy on the Ukraine War

First published as a resolution by ISL on March 14, 2023.

Shortly after World War II, the two allies in the war – the USSR and the United States – carved up parts of the world into their respective “spheres of influence.” The United States dominated Western Europe and Latin America (among other countries), while the USSR dominated Eastern Europe, parts of Africa, and Southeast Asia. They had a Cold War, which included many proxy wars.

The military power of both superpowers was more or less comparable. However, the USSR gradually lost the arms race until it fell significantly behind the United States; and the same happened with its economy.

After the dissolution of the Soviet Union, Ukraine became an independent state through a referendum held in 1991.

The land of Ukraine and its people were under the rule of Tsarist Russia for many centuries, during which the Russian state oppressed and exploited Ukraine economically, culturally and politically, as any imperialist state would. After the October Revolution of 1917, Lenin and Trotsky took an internationalist Marxist position towards the oppressed peoples and the revolutionary state allowed them the full right to self-determination, including the right to secede. The goal was to create a voluntary socialist federation in the region and, ultimately, throughout the world. However, a few years later, under Stalin’s government, Lenin’s Marxist position on the national question was canceled and replaced by a chauvinistic and repressive policy.

The collapse of the Soviet Union was instigated not only by discontent within Russia (fueled by the crisis of the bureaucratically planned economy, censorship, state repressions, etc.), but also, in part, by the sentiments of national deprivation of the peoples of Eastern Europe and Central Asia, seeking to free themselves from the chokehold of Russian dominance and control (commonly known as “Russification”), which the counter-revolutionary Soviet bureaucracy adopted as a policy after the death of Lenin and the forced exile of Trotsky from the USSR.

In this context, the sentiments of national deprivation and oppression have always been present in the working masses of Ukraine; and the Russian state (“Russia”) has always been perceived as an oppressor and imperialist force.

After the collapse of the USSR, Russia degenerated into a capitalist country under an authoritarian regime of a “gangster/mafioso” character. Over the years, Putin became an authoritarian representative of the reactionary and corrupt class of Russian capitalists who first, as part of the Stalinist bureaucracy, looted and destroyed the Soviet Union and then became billionaires through the theft and plunder of public assets during the privatizations.

It is true that even in the midst of its crisis, US imperialism is still currently the most powerful imperialism on the planet and that is why we confront and denounce all its policies and actions internationally. However, in much of Eastern Europe and Central Asia it is still Russia that plays an oppressive role over other peoples and its objective is to try to extend its rule as much as possible.

Therefore, regardless of how any of us considers the former Soviet Union (“a degenerated workers state” or “state capitalism”), there is no doubt that in 2022, when Russia launched a full-scale invasion of Ukraine, it displayed the actions of a capitalist state of an imperialist nature whose objective is to try to strengthen its influence throughout the region and in the world. Its military and economic power is unmatched by Ukraine.

Imperialist rulers never acknowledge their true motives for invading other countries. The United States and its allies claimed they were trying to “defeat fascism” in World War II, though in reality it was a conflict between imperialists for world dominance. Similarly, the invasion of Iraq was justified with the claim that Iraq possessed “weapons of mass destruction.” Such lame excuses can be found throughout the history of imperialist invasions.

Russia claims its invasion of Ukraine is aimed at “denazifying” the country and stopping “genocide.” But the results of parliamentary elections in Ukraine clearly show that only 2% of the Ukrainian population supports far-right nationalists, which is lower than in France, Germany, Italy and most other European countries.

Putin also claims that NATO expansion forced Russia to invade Ukraine to protect itself from Western imperialism. But Russia is itself an imperialist power, with the largest army in Europe and the largest nuclear arsenal in the world. In terms of per capita income, Russia surpasses Ukraine’s economic capacity by at least four times. In terms of this indicator, it is in a similar proportion to Pakistan and Afghanistan. In addition, the population of Russia is 140 million, while in Ukraine it is only 35.

Lenin’s analyzes of wars between nations always began and ended with the analysis of which path would strengthen or weaken the international working class movement. It is very important to note that Lenin clearly differentiated between “oppressor nations” and “oppressed nations.” He understood that when workers in oppressive countries side with their own ruling class against the peoples they conquer or otherwise oppress, it weakens the international working class movement. This is simply because it divides workers from different countries from each other when their class interests are common. Imperialist invasions are only beneficial to the ruling class of the oppressor countries. Therefore, when the workers of the oppressor countries support an imperialist invasion, they are going against their own class interests for two reasons: 1) they help to strengthen their own class enemy at home; 2) they sow mistrust and division among their class brothers and sisters in the invaded country.

The right of oppressed nations to self-determination must include their right to resist imperialist invasion in whatever way they choose. In fact, it has been this strong resistance that

has been making Putin's military plans in Ukraine very difficult. Again, it is about the working class. Supporting the right of ordinary Ukrainians to resist the Russian invasion does not mean political support for the Ukrainian ruling class against the Russian ruling class.

Putin's invasion of Ukraine has only strengthened the weakening position of NATO on the global scale and has given it justification of further expansion. It has also given Zelensky's regime a bright chance of implementing all kinds of anti-working class, anti-democratic policies which must be resisted and fought against with full force of class solidarity and socialist program.

The policy of revolutionary defeatism is not appropriate here, as it only applies to wars between imperialists, especially when they are fought on a global scale. In this case, Ukraine is not an imperialist power.

Furthermore, despite all the military and financial support of Western imperialism for the Ukrainian state, NATO has not yet entered the war directly. They have thus far not wanted to take concrete steps in this direction, and neither has China. So this is not yet a global and inter-imperialist war. But if such a situation were to arise (which would be extremely catastrophic and terrible), revolutionaries would certainly have to rearrange our politics, by responding, in the first place and as a central element, to an inter-imperialist war and our rejection of it, and from that point continue to support the right of the oppressed people to defend their nation and decide their destiny. If this qualitative change in the inter-imperialist dispute ever occurs, the ISL leadership will respond based on its socialist program and strategy.

Regarding the current situation of the war in Ukraine, we find it necessary to refer here to the strategy of Marxist teachers in similar situations. In the context of the imperialist invasion by Japan of semi-colonial China, Trotsky had proposed the policy of fighting against the Japanese invaders for the Chinese working masses, without abandoning their political program and organizational class independence. Western imperialist forces were fully involved in this conflict and at different times provided financial, military, political and diplomatic aid to the Chinese nationalists against Japan. Among them were the United States, Great Britain and Australia.

During the Russian Revolution, in the period of Kornilov's possible advance towards Petrograd, the Bolsheviks decided to carry out a political struggle against the Kerensky government and a military struggle against Kornilov's forces within the same strategy. A similar policy was proposed by Trotsky during the Spanish Civil War, which involved a political struggle against the Stalinists and Social Democrats, on the one hand, and a military struggle against Franco's forces, on the other. In any similar situation it is important to take into account the balance of forces and analyze it from the interests of our class.

Obviously, the self-proclaimed anti-imperialist leftists who directly or indirectly support and justify Putin's attack are making a very serious mistake. In the same way, the application of the policy of revolutionary defeatism in these circumstances is tantamount to strengthening Russian aggression. Many of these groups are so mistaken that they refuse to recognize Russia

not only as an imperialist power, but also as a capitalist state. Such ideologically unsustainable and opportunistic tendencies are doomed to fail.

On the other hand, supporting or being apologetic toward NATO or supporting the bourgeois government of Zelensky in Ukraine is in equal measure a grave ideological and political mistake. We support the resistance of the Ukrainian people from an independent position, in opposition to the government and in favor of the global interests of the working class. This is what we have been doing by denouncing, in the midst of the war, the measures of the Ukrainian government that affect the social, union and democratic rights of workers and denouncing all pro-IMF or pro-European Union economic policies.

In the current circumstances, calling on Ukrainian workers to ignore Russian aggression and take up arms against the Ukrainian state is tantamount to supporting Russian imperialist aggression. But if subjective and objective conditions similar to those in Russia in 1917 were to emerge, in which Ukrainian workers are able to defeat the Russian aggression and overthrow the Zelensky government and capitalism in the Ukraine, then there must not be a moment's hesitation in realizing this historical task.

The task of overthrowing the Zelensky's government in Ukraine is a revolutionary one and belongs only to the Ukrainian working mass. No foreign power has the right to decide for the Ukrainian working class.

Right now, the campaign to end the war and the Russian invasion of the Ukraine must be carried out with a broader anti-capitalist program, starting with class support for ordinary Ukrainians resisting the Russian invasion. The Russian aggression must be condemned and the immediate withdrawal of its troops must be demanded; because a victory of the Ukrainian people will weaken the Putin regime and open a new situation favorable to the very important Russian working class and to all the peoples of Eastern Europe, and, at the same time, intensify the struggle of our class against all the governments that try to apply anti-worker and anti-popular plans. On the basis of our defense of the right of the Ukrainian people to be a free country, we also say that in the areas of the Donetsk, Luhansk and Crimean territories, we stand for the right to self-determination of their population, without the presence of Russian troops so that it be a truly democratic decision.

At the same time, we not only demand the withdrawal of NATO from all of Eastern Europe, but also the complete dissolution of NATO and the annulment of all its pacts and military plans that exist in the service of its expansionist policy. We also express our rejection of all the warmongering policies of Western imperialism and the increases of the military budgets in their countries. In addition, we reject the economic sanctions that affect the lives of the Russian population and working families. And, of course, we demand the freedom of those inside Russia who fight against the war. We also present a program of revolutionary expropriation of all the wealth and assets of the Russian and Ukrainian ruling classes.

The historical position of Lenin and Trotsky on the national question must be reaffirmed, and, as a fundamental solution, a voluntary socialist confederation of all the peoples of Eastern Europe, the Caucasus and Central Asia must be presented, without any resurgence of imperial influence and without inequality between peoples. And to develop our policy against the war, we continue to strive to strengthen a revolutionary organization within Ukraine as we have been doing with the Ukrainian Socialist League, as well as in the rest of Eastern Europe through other ISL comrades who make an effort there to spread our internationalist and socialist positions.

Based on this characterization and this policy, the ISL must continue promoting and participating in mobilizations and other united actions of solidarity in all countries of the world where possible and maintain the international campaign of support for our Ukrainian comrades.