SILVIA FEDERICI

The Global Crisis

FOR MORE THAN THREE DECADES one part or another of the world has been in crisis. We had the "debt crisis" of the 1980s and 1990s that swept much of the former colonial world into a neo-colonial status. Then came the "Asian crisis" of 1997 and the "financial crisis" of 2008, followed by the threatened default of several countries until recently considered fairly prosperous like Greece, Italy and Spain. At the same time, "Crisis" of one sort or another, has become a constant component of social economic discourse, as in "water crisis," "climate crisis," "peak oil crisis," or "healthcare crisis." In fact "crisis" has become the main socio-analytic category of the age and the prism through which most social realities are now being interpreted and evaluated.

What does "crisis" mean in this over-determined context? One quick answer is that the concept is losing its power to designate the specificity of the moment and the situation in which we are living. But a more useful response is to see how we can demystify the use that is being made of it. The first question then is *whose crisis* are we speaking about? Like every other social-economic concept, "crisis" has a class dimension and we should not assume that *their* crisis is *our* crisis and *vice versa*. Unless we make this distinction many of today's world-historical events cannot be deciphered.

Second, we should recognize that since at least the 1940s, capitalism has been able to plan economic crises (periods of high unemployment and declining wages for workers and increasing numbers of bankruptcies for marginal capitalists) as much as it has planned development. The times of the "anarchy of production" are long gone. Rather than an unexpected, uncontrollable event, economic crisis has been a tool in the arsenal of class war, to impose a new balance of power and dismantle social economic structures no longer profitable. This is not to suggest that capitalist relations cannot be undermined, but it is to alert us to the fact that crises are not only real effects of people's resistance to being exploited, but can be tools used to restore discipline and dis-accumulate this resistance.

Third, under the concept of "global crisis" we should include not only economic but environmental and cultural trends, as the loss of clean waters and

airs, and the loss of solidarity ties and hope in the future are as disastrous, if not more, as the loss of income and employment.

A GLOBAL CAPITALIST CRISIS?

Given these premises, then, what is the character of the "global crisis" today seen from the capitalist viewpoint? Can we say, for instance, that capitalism is in crisis? The answer is yes and no. No, if by crisis we refer to a lack of available funds for investment. The global crisis is not a "liquidity" crisis, nor it is a crisis produced by excessive regulation of capital markets. On the contrary. In the U.S. at least, big corporations are flush with cash and the interest rates on loans for such corporations is nearly at zero percent. In addition, despite the outcry that "sub-prime mortgage lending" and the "financial crisis" raised also in financial circles, Wall Street has not changed its *modus operandi*. Wall Street firms are now even more deregulated than in the past. Hedge funds are as conspicuous as they were in 2008, and so are all the other speculative maneuvers that were faulted as the cause of the financial meltdown. In other words, in the aftermath of the Wall Street financial meltdown, less regulation and bolder speculation are more than ever the order of the day. It is also well-known that the U.S. banks are stuffed with money, being the beneficiaries of one of the biggest transfers of public wealth into private hands in U.S. history. Companies too are enjoying record profits, having decimated their work-forces while increasing the workload of those still employed. Yet, both in Europe and the U.S., capital is on strike, freezing investment (except in the energy sector), degrading assets, bringing countries to the edge of default. As a result, not only are unemployment rates reaching record highs and consumption rates collapsing with effects felt across the world, but in three of the main economies of Western Europe (Britain, Italy and Spain), measured by the size of the GDP, conditions are worse now than during the Great Depression.

What conclusions can we draw from this description? First the "crisis" is not economic but political. It is not due to lack of capital, but to the lack of conditions favourable to profitable investment, and it is not meant to be resolved but perpetuated until, at least, its objectives are achieved. These objectives can be deduced from the concessions the high unemployment regime is extracting from workers: (a) deregulation of labour relations and reduction of the cost of labour-production, both at the higher and lower end of the wage scale, through the freezing of wages, the removal of entitlements, the imposition of restrictions on the right to organize; (b) consolidation of corporate control over the world's economies and natural resources, especially those on which people rely for their survival, with the consequent dispossession of large parts of the world population from their farms, their markets, and even their homelands; (c) creation of a political framework guaranteeing the unimpeded flow of goods and capital across the world, which involves a remolding of governments and other institutions to fit this goal, and a further centralization of economic planning, of

the type now proposed in Europe, completing the task begun with the creation of the Euro-zone.

In sum, what we are witnessing is a redefinition of the relation between capital and workers in *an attempt to create a work force without rights, completely malleable and subordinate to the needs of the world labour market.* And there is no doubt that to some extent this plan is succeeding. Already in the U.S.—in the aftermath of industrial relocation and the sub-prime lending crisis—a new population of jobless and homeless workers has emerged, constantly moving to the areas where jobs are opening up, travelling on buses, trailers, trucks. And this trend is likely to accelerate, as it is agreed that a return to employment levels of the '50s and '60s will never occur. On a broader scale, too, a large part of the world proletariat is today made up of immigrants and refugees.

Through these maneuvers—which unify the capitalist class from Detroit to Bombay—capitalism may gain another quarter of a century of rule and perhaps more. But if the events of the last year are any indication, we are now entering a phase of major turmoil in which only the utmost level of repression will keep the lid over a world population every day more determined to even risk its life to bring the system down, because it truly has "nothing to lose but its chains."

Stuffed with money, the capitalist class is in crisis, because after 500 years of rule, it can only maintain its power with torture chambers and the threat of bombing those who do not comply, and it has no deal to offer to the multitudes who are increasingly demanding a share of the wealth they have produced. Indeed, though neo-liberalism has been declared dead many times over, no other system is on the horizon to replace it. And even those governments, in Latin America, that have implemented more populist regimes, like Venezuela and Bolivia, have done so on the basis of extractivist economies fully in line with the historical trends of capital accumulation, especially in the "colonies."

Certainly the epicenter of the capitalist system is shifting and it is quite possible, as some predict, that the "BRICs," emerging economic powers Brazil, Russia, India, China, may become the new industrial world powers. But it is now clear that the promise capitalism once made of bettering the conditions of living of people across the globe—which prompted many decolonized countries to imitate the so-called "Western" model—is not to be realized. Far from it, capitalism is only spreading the very scourges it once claimed to have come into the world to eliminate: famines, poverty, diseases, war and death.

That from a capitalist viewpoint the crisis is hardly soluble, is also evidenced by both the state of permanent warfare to which the leading capitalist countries are committed, and the reckless race to appropriate what is left of minerals and fuels in the entrails of the earth, and the complete disregard for the consequences of "global warming" or the continuous ecological disasters.

The prevailing ideology is that we live in "risk society" and nothing should stop the "machine," no matter how deadly the catastrophes it produces, for after all it all serves to "create jobs." Thus, less than two years after the British Petroleum

contamination of the Gulf of Mexico, even more dangerous drilling techniques are now being used, increasing the depth and danger of oil extraction. In the effort to squeeze the last drop of gas out of the North American soil, "fracking" has also been introduced, a sort of geological torture by which water is injected into the earth in thousands of different places to pump the gas out, a method that not only poisons the earth but has been known to cause earthquakes. Meanwhile, the Appalachian mountains are being chewed up by the strip mining of coal. In Alberta, Canada, Tar Sand production, which requires 349 million cubic meters of waters a year, is destroying 140,000 square km. of forest a year. Even the Fukushima nuclear disaster—the worst in a century—has been completely normalized, though radiation from it is now circulating through the planet's air and water currents and no method has been found to stop the continuous discharge of nuclear material into the skies and seas of Japan. Meanwhile the long corporate encirclement of the strategic zones of the planet, those where the oil, diamond, coltan and lithium (among other riches) are concentrated, continues unabated, with the institution of a regime of permanent warfare.

Given this situation, it is not surprising that even George Soros, the internationally renowned investor—whose capital movements in the '90s destabilized entire countries—is today pessimistic about capital's future and, in preparation for the Davos Summit of February 2012, declared that the world faces one of the most dangerous periods of modern history—a period of "evil," in which not only Europe will descend into chaos and conflict, and in America there will be riots on the streets, but the global economic system could collapse.

CRISIS FOR AND IN WORLD STRUGGLE: OPPORTUNITY OR ENCLOSURE?

While the capitalist crisis is to some extent manufactured, no uncertainty can exist about the reality of the crisis for the world proletariat. The "neo-liberal deal" promised that in exchange for the removal of job security and other "guarantees," workers would be compensated by a boom in new opportunities for better employment. This "deal" had many different institutional expressions in Western Europe and the U.S., in the former socialist countries and in the former "Third World," and was represented by political figures as varied as Clinton, Yeltsin and Mubarak. But this "deal" never materialized for a large portion of the world working class. From whatever viewpoint we may look at it—wage or employment levels, access to benefits, entitlements, reproductive services (like education, employment training), length of the work-day and working-life, political rights—the economic situation for the bulk of the world population in the last five years, especially, is not only almost uniformly negative, but it reveals a steady deterioration across the last decades with no hope of betterment in the future except through a fierce struggle. Global statistics and trends in the last few years speak clearly in this respect.

The precarization of labour is now a general condition. A further trend is

the dismantling of any "welfare system," that is, any state investment in our reproduction. Almost everywhere education has been fully commercialized and subjected to fees, nowhere as high as in the U.S. where student debt is now surpassing any other form of debt in the country, totaling more than a trillion dollars. Similarly publicly-supported healthcare is everywhere under attack and so are pensions, even in Europe where until now these entitlements were more guaranteed. Conditions are even worse in the rest of the world. In China. workers at a Microsoft supplier are threatening mass suicide in protest against low wages and long hours of work. Even in the United States, considered one of the richest countries in the world, 50 percent of workers are now classified as "low income," and the number of those in dire poverty—that is unable even to feed themselves—now has reached more than 30 million (about ten percent of the population) while the number of the homeless is now officially 3.5 million.

It is also clear that the new austerity does not affect all workers uniformly. As often in crises, it is women who suffer most, as they bear most of the cost of reproduction, and are expected to compensate for all the services that no longer exist. As the crisis has escalated, there has also been an increase in the violence against women.

In this case, too, the crisis is not only economic, but it is also political. Worse perhaps than the collapsing standard of living are the divisions among workers that the economic collapse has produced. Anti-immigrant movements, mystified as culture/religion wars are now a key aspect of working-class politics throughout the "developed" world, legitimizing repressive immigration measures that make immigrants a population without rights. Divisions have emerged also with regard to investment choices. Many Canadian workers, for instance, support the exploitation of the Alberta Tar Sands, although it will destroy the livelihood of the First Nations inhabitants of the region, in the same way as many workers in the Gulf refused to fight for the termination of deep sea oil drilling in the Gulf and signed contracts that bound them to keeping their knowledge of the crimes of British Petroleum a secret.

WHAT IS BEING DONE? FROM CRISIS TO STRUGGLE

All these divisions will undoubtedly intensify as there are also powerful corporate forces fanning the flames. Yet counter-tendencies are also emerging, which (as Soros well predicts) ensure that we are entering a period of permanent conflict, if not permanent revolution.

Wherever we turn we see populations in revolt and it is not only the Middle East and North Africa that are on fire. Garment workers are rebelling against low wages in Bangladesh's Free Zones; Nigerians have brought the North of the country to a paralysis to protest against the increased price of fuel. Romanians are up in arms against an austerity budget imposed to pay back an IMF loan; Greece has witnessed months of protests and, in Athens, during the summer

of 2012, repeated episodes of urban warfare. Italy is presently paralyzed as truckers, taxis, trains are on strike; and in February 2013, 100,000,000 Indian workers are planning a strike for better work conditions, it will be the largest strike in history recorded.

Most important is the new quality of the struggles. Fewer and fewer protests take the form of the classic union negotiation or remain confined to the classic workplace. More commonly workers use forms of direct action like blocking a highway, even if it is to demand a minimum wage (as workers have successfully done in Jakarta), or blocking the gate to a city (as workers have done in Jordan). In Chile, in July 2012, high school students occupied a television network to protest the lack of coverage for their mobilization, while in the (U.S.) state of Wisconsin, during the winter of 2011, the Governor's decision to strip public workers of their union rights was fought by thousands of people, both public workers and others, who occupied the state house for weeks at a time.

As shown by the phenomenon of the "squares" and the "occupy" movements, now spreading worldwide (from Tunisia to Egypt and recently Nigeria and South Africa, as well as to the U.S., among other places), people are not just fighting for better wages or union demands, but to shake off decades of subordination, and for the freedom to decide their future.

Along these lines, witness also the growing attempts—also worldwide—to create alternative economies. For as secure employment becomes a chimera and government-financed services are slashed, the re-appropriation of the means of reproduction and creation of solidarity economies (local currencies, time banks, various form of free exchange and barter) become a realistic goal. These are still limited initiatives, but nevertheless important, for they represent the first steps towards the new forms of reproduction we need in order to construct an alternative to capitalism. They teach us to think of ourselves as capable of self-government, and prepare the creation of institutions by which we can control the land we walk on, the food we eat, and the water we drink. Most important, they win us away from placing our hopes and energies in electoral politics and the path of political representation that, today, can only be an opium of the masses.

Silvia Federici is a feminist writer, activist, teacher. She is Emerita Professor at Hofstra University in Hempstead, New York.