

Geopolitics in the 2020s

Introduction

1. One of the most decisive characteristics of the world situation today, is the geopolitical competition between the US and its Western allies on the one hand and China and its allies on the other. This is a reflection of the economic antagonism between the US and China at the present time. This is not just a competition for a bigger share of the global markets, it is a struggle for domination of the global economy. China is on the road to becoming the world's most powerful economy over the next decades – in terms of PPP (purchasing power parity) China is already the strongest economy, having over taken the US in the latter part of the 2010s but this is not the case in dollar terms. This makes the competition between the two major protagonists fierce and a factor that underlines all international developments for the whole epoch that we are going through. It creates huge instability as regards economic growth and development in general, and raises the prospect of vicious local or regional wars, of a proxy character. In February 2022 we had the war in Ukraine, in October 2023 we had the war in Palestine while other hot spots where tensions are high and could get “out of control”, are Taiwan, Kosova, Iran, Western Africa etc.
2. The economic base is the fundamental factor; it determines geopolitics in the last analysis. However, geopolitics have their own dynamic and, also, have an impact on the economy – the relation is dialectical. In this document we focus mainly on the geopolitical dynamics, but obviously this does not in any way underestimate the economic base of these developments. These have been extensively taken up in previous documents (e.g., see [World Perspectives, part 1 – An epoch of crisis and immense instability](#)) produced by ISp and will be touched upon in this document as well, but without going into exhaustive analysis.
3. It is no accident that this fierce geopolitical antagonism is taking place on the background of one of the worst economic crises in the history of the capitalist system. This is not a cyclical crisis, lasting one or two years, before a new growth period opens up. Essentially the system was not able to recover from the 2007-8-9 recession (this has been extensively analysed in previous documents). What we see is an epoch of crisis, multi-levelled and all-engulfing: economic, social, political, environmental, geopolitical. Bourgeois commentators and strategists are trying to describe the new epoch by the invention of new terminology, like “poly-crisis”, “perma-crisis” etc. All-important institutions of global capitalism are predicting slower rates of growth for the world economy, particularly for the Western industrialized economies.
4. **From the point of view of the working class, even where and when there is growth, there is no betterment in their conditions of work and life – attacks on rights, intensification of exploitation and falling living standards in poor and rich countries are the general rule. This naturally lays the basis for rising class struggles across the planet.**
5. Class struggles have been on the rise in the past year, [as was predictable](#). The rising cost of living due to inflation has provoked very important struggles internationally. The strike wave in Britain, the biggest in decades, the UAW strike in the US, the Scandinavian Unions’ strike against TESLA in Sweden, are of exceptional importance. These are taken up in a separate resolution. Of course, the dynamics of class struggle are never linear and never in a continuous upward direction. We can remind ourselves of the defeat of the 2011 revolutions in North Africa, of the experience of the movements in southern Europe in the past decade, or the fact that the colossal uprisings in the global south in the course of

2019 have not been repeated in the years that followed. Political developments with particular emphasis on the rise of the Far Right are also of major importance, reflecting the crisis in the Left and in particular the anticapitalist Left in the context of the crisis of the system. These are also taken up in a separate resolution.

Palestine

6. The most important geopolitical development in the recent period has been the war in the Palestinian occupied territories. After the attack led by Hamas, on 07.10.2023, by an estimated 2,500 Palestinian fighters, and about 1,200 Israeli Jews dead and 240 hostages, Israel launched a massive genocidal attack against Gaza, with the proclaimed aim of exterminating Hamas. We have written extensively on the war on Palestine (read articles [here](#), [here](#) and [here](#)) so no new attempt will be made here to repeat our analysis in detail. We will only point to some central aspects of the recent developments and to our main programmatic demands.
7. In short, the Palestinian problem is one of the most acute national problems on the planet – one that can have no solution on a capitalist basis. The creation of the Israeli state was orchestrated by the major powers, particularly the British, from the first decades of the 20th century, with the aim of establishing a puppet state in the Middle East to defend Western interests against the rise of the colonial revolution in the Arab world, particularly in the era that was opened by the Russian revolution of 1917. In the events that led to the recognition of the Israeli state by the UN in 1948 about 60% of the Palestinian population were displaced from their homes. In the wars in the decades that followed, millions more were displaced, raising the total number of Palestinian refugees today to between 6 and 7 million. In the same period hundreds of thousands were killed or crippled by the Israeli military (IDF) and the armed settlers who continually expand their presence in Palestinian territories. The Palestinian problem is thus one of war and occupation (by the Israeli ruling class and state) and of expulsion of the local Palestinian population from its homes and land. The Palestinian people have the right to fight for their homes, land and freedom and against the continuous Israeli aggression and colonization; for their national, democratic and human rights; for the return of the refugees to their homes; and of course, they have the right to arm themselves to fight against the mighty Israeli military machine.
8. The defense of such basic rights of the Palestinian people is described by the Western ruling classes and media, as “antisemitism”. The endless war of the Israeli state against the Palestinian people, including the cold-blooded murder of unarmed protesters in the whole history of the Palestinian problem, is described by the West as “legitimate defense”; and the demands of the Palestinian people for a just solution as an act of aggression against Israel. It is a complete reversal of truth and of the facts of history, presenting the victim as the perpetrator and the Israeli hawks and state as the victims.
9. **Defending the rights of the Palestinian people, however, does not mean defending the ideology, the policies and the practices of the Palestinian ruling class, its governing bodies and the leadership of the organisations that speak in the name of the Palestinian struggle.**
10. The war by Israel on Gaza, after the attack led by Hamas, is nothing short of a genocidal massacre, consciously aiming at ethnic cleansing. In the first six weeks of this war (at the time the present document is being drafted) more civilians were killed than in nearly two years of the war in Ukraine. According to the UN, by November 21st the toll in Ukraine was around 10,000 dead civilians whereas in Gaza it was over 13,000. This is something to which the hypocritical governments of the West turn a blind eye, but this is not the case with the popular masses around the globe. There is a powerful and angry antiwar mood and movement internationally, despite the nauseating attempts of the Western ruling classes and media to assign antisemitism to every act of solidarity with the Palestinian people and even arrest people for just wearing a Palestinian scarf. Millions have come out, not just in Arab or Islamic countries but also in the West, numerous youth protests including school strikes, politicization of music concerts, football matches and other sports, despite threats and repression by the establishment.

11. This is the opposite of what we saw in the case of Ukraine where no real mass anti-war movement developed despite the repeated attempts of Western ruling classes and media. Having said this we ought to also indicate that this anti-war movement is not something uniform – it has class and anti-imperialist elements but also religious and national ones, sometimes clearly differentiated but often intertwined. In addition, it can lead to “popular front” approaches, among sections of the Left.
12. **The main point that needs to be stressed in this document is the fact that capitalism is incapable of solving the Israel-Palestine problem. Neither a “two-state” nor a “one-state” solution are possible under capitalism; in fact, no solution is possible at all.**
13. The Israeli ruling class and its Western allies will never accept a unified state (“one-state solution”) because this will end the supremacy of the Israeli capitalists, built over decades of military occupation and wars. This is shown by the whole history of the Palestinian problem, but also by the logic and the dynamics of the situation as it is today. The idea that the Israeli ruling class could ever accept a unified state in which to allow the Palestinians who live in the West Bank and Gaza to co-exist together with the Israeli Jews *and thus be the majority of the population*, must be ruled out as entirely unrealistic. Because in such a case the character of the Israeli capitalist state as a *Jewish state* would vanish – the Israeli ruling class would not only be conceding power to a Palestinian ruling class, but it would lose its state apparatus, it would no longer have a state to defend and serve its interests. This is something that no ruling class could ever accept; this could only be imposed on it by war.
14. What should also be clear however is that the demand raised by many Palestinian and Arab groups but also states in the area (e.g., Iran), to destroy the Israeli state and create a Palestinian state in its place is equally unrealistic. Israel cannot be defeated on the military plane, there is no military force that can impose such a kind of defeat on the Israeli ruling class, especially because the Western powers will defend Israel to the very end.
15. In a sense, Israel’s ruling class is actually following a one-state-solution policy, but with the opposite meaning attached to it, i.e., it is aiming at one Jewish state, through genocide and ethnic cleansing of the Palestinians in the occupied territories. *But even if this attempt was successful, it still would never lead to a solution to the problem!* Even if all the Palestinians are driven out of Palestine, they will still continue to demand their right to their homeland – as their history has already shown, but as is also proved by the history of all similar national questions (e.g., the Kurdish problem).
16. Equally impossible under capitalism however is a two-state solution. Over 30 years ago the Palestinians accepted a “two-state solution” in Oslo. All that the Zionist ruling class has done since the Oslo agreements, is to seize more Palestinian land, brutalize the masses and undermine the foundations for a viable state. Crucially, Israel has repeatedly ruled out recognizing the right of Palestinian refugees to return to their land.
17. Most governments and institutions internationally, the imperialists included, in one way or another, propose a “two-state solution”. But the fact is that the Israeli ruling class rejects this position persistently and its imperialist allies will not to force it to accept it. The essential reason behind this is that a Palestinian state next to the Israeli state, today, would mean that what organizations like Hamas are doing secretly and underground, i.e, arming and training forces, digging underground tunnels, etc., they will be able to do more openly and officially in the name of their “independent state”. Such a Palestinian state would continue to demand the “return to the motherland” and pile up arms. Israel and its allies would not want to take such risks.
18. In theory, in the future, a “two-state agreement” (an “agreement” does not mean a solution) might be conceded by the Israeli ruling class. But the core condition for this would be that this state is *a puppet state* – i.e., the Palestinians are isolated in a small piece of land, they are policed by hundreds of thousands of armed settlers, they are not granted basic rights like the right of the refugees to return to

their homes, and the governing bodies of the Palestinian “state” are essentially controlled by the Israeli state (i.e., they are obedient stooges).

19. **If we assume that this is theoretically possible in the future, we should also know that, again, this would not be a solution to the Palestinian problem, it will only change its character.**
20. **The key to the solution of the Palestinian problem, therefore, is the class approach. That is, the understanding that the capitalist representatives cannot solve the problem and that the working class, on both sides, needs to take initiatives to discuss and fight for a solution that satisfies to the best possible degree the needs and interests of both Palestinian and Israeli masses – with the support of course of the working class internationally. Palestinian and Israeli workers could start from the fundamentals: they need to live in peace, to enjoy a respectable standard of living, and the only way to achieve this is to live together or side by side, in a way that satisfies the needs and interests of both.**
21. This struggle is by definition a struggle against the Israeli ruling class and, also, against the corrupt capitalist Palestinian leaders. It can only develop on the basis of the common class interests and of the struggle for a socialist future – not only for the Israeli and Palestinian workers but also for the whole region, with the aim of a socialist federation of the Middle East.
22. **The factor that is missing from this equation is the existence of mass revolutionary socialist parties. Not only from the area but also internationally. A vital step therefore, in the direction of a future solution of the Palestinian problem is the creation of revolutionary socialist parties. This is a task not only for the Israeli, Palestinian and Arab masses, but also for Marxists internationally.**
23. In the context of Israeli and Palestinian workers fighting together for a future socialist solution to the national problem, some issues are of particular importance. First, Palestinian refugees should have the freedom to return to the areas where they have been pushed out from. And second Israeli workers should feel that they can live without threats to their lives. In other words, the right of the Israeli people to have a national state of their own, if they so wish, is of particular importance in the effort to build a united struggle between the Palestinian and Israeli workers. Ultimately, only the workers in the Middle East can guarantee the rights of Palestinian and Jewish workers, in the context of a socialist federation of the countries of the region.
24. The “destruction of the state of Israel” is a demand launched by many Palestinian and Arab groups, by states like that of Iran but also by left groups internationally. This is a demand / slogan that cannot be adopted by Marxists. Because it means a refusal to acknowledge the right of the Israeli/Jewish people to have a homeland. Marxists need not only distance themselves from such slogans, but energetically oppose them.
25. Refusing the right of the Israeli people to have their own national state means that they can never and will never join hands and struggle with the Palestinian people and the working classes of the region. No people on the planet could ever align and fight together with the working class of any other nation, if the latter refuse to recognize their right to have their own national state.
26. On the other hand, some left groups/activists raise the idea of “dismantling of the Zionist Israeli state”. This would mean the destruction of the “Zionist”, or “authoritarian” or “capitalist” *character* of the Israeli state. This is something that Marxists can adhere to, on condition that it is well explained so that it is not misunderstood as meaning the rejection of the right of the Israeli people to have a national state.
27. **There is an ongoing debate within left organisations on the issue of the “one-” or “two-state” solution. We need to clarify the substance behind this debate. As developed above, under capitalism neither a “one-” nor the “two-state” solution is possible. On the other hand, within the context of**

the socialist transformation of Palestine-Israel and of a socialist federation of the Middle East, the issue of a one or two state solution is an entirely secondary issue.

28. Prejudices, fear, worries, etc., can continue to exist even under conditions of heightened common struggle between Arab and Jewish workers in the area. The far right and religious fanatics will also be there, on both sides, trying to capitalize on such feelings. The idea of borders cannot disappear by magic, even in conditions of a socialist revolution. But under conditions of workers' power, the existence of such borders does not present a real problem as long as the rights of the working classes are respected; and they will in any case play a transitional role to the full unification at a later stage. In any case, it is not a matter of principle, and therefore it is not up to Marxists to decide the precise structure under which Palestinian and Israeli-Jewish workers will chose to live, i.e., either in one unified or in two independent, federal workers' states, side by side.
29. **The main responsibility for the development of common struggle on class lines, for the solution of the national problem, lies with the Israeli working class because of its position as part of the "suppressor nation". In this they will have to break all links with their ruling class. Of course, the Palestinian workers also need to search for ways to approach Israeli workers on a class basis. In this they will have to stand against and expose the practices (and ideas) of Islamic fundamentalist organisations, like Hamas, as well as those of the corrupt and servile to the Western powers Palestinian Authority in the West Bank.**
30. Hamas is now seen by big sections of the Palestinian and Arab people as heroic. This is understandable but it is also a result of the desperation of the Palestinian masses. Hamas' approach is that salvation lies with God, acts of individual terrorism are entirely justified, those who lose their lives in fighting the enemy are "martyrs" who will thus win paradise, etc. By their methods they undermine any possibility for the creation of a united struggle on a class basis between Israeli and Palestinian workers. Given the support for Hamas among the Palestinian masses in the present conjuncture, criticism of Hamas is not of course easy. But it has to be made, as a condition to develop the forces for socialism among Palestinian workers and youth and to be able to approach on a class basis the Israeli masses and also the workers internationally.
31. **Our basic demands in relation to the present war against Gaza, developed extensively in the [articles on our website](#), can be summarized in the following points:**
 - **Fight against the war; build a mass anti-war movement; exert maximum pressure on the Western allies of the Israeli state. Defend the right of the Palestinian people to have their own state – the "right of self-determination".**
 - **Defend the right of Palestinian refugees to return to their homes.**
 - **Expose the nauseating hypocrisy of the West and the attempts on their part to suppress the democratic right to protest against Israel's genocidal ethnic cleansing, labelling all protests as "antisemitism".**
 - **Mobilize trade unions to block export and transfer of military equipment in support of Israel's offensive.**
 - **Call for a selective and targeted boycott against Israeli or multinational corporations that are involved in Israel's military machine, finance the war or exploit the occupied territories, in the context the of the BDS (boycott, divestment, sanction) movement; but have no illusions that it can lead to the end of the war and a just solution to the Palestinian problem, as (at least some of) its instigators believe.**
 - **Encourage Israeli citizens to refuse serving their mandatory military service, becoming conscientious objectors. Encourage Israeli citizens already enrolled in the IDF to [refuse participation in military activities](#) in Gaza and the West Bank.**
 - **Fight against antisemitism wherever it is encountered in order to show that Israel is not the only "safe haven" for the Jewish people as per the Zionist propaganda.**

- **Reverse the policy of expanding Israeli settlements, i.e., of expanding Israeli settlements, now numbering 700,000, in the occupied territories (considered as a war crime by the Fourth Geneva Convention).**
 - **Defend, at the same time, the right of the Israeli people to have their own homeland.**
 - **The key factor in being successful in the struggle for the above, is the united struggle between Palestinian and Israeli-Jewish workers – i.e. a class approach to the national problem.**
 - **This means that by necessity both Israeli and Palestinian workers will need to fight against their ruling classes, for the overthrow of capitalism and the socialist transformation of their societies.**
 - **Israeli Jews and Palestinians can live side by side in peace, either in a single workers' state with full rights for minorities, or in a socialist federation/confederation of two separate entities – this is something for Jewish and Palestinian workers to decide.**
 - **A class approach to the Palestinian problem will have big wider impact in the whole region – Marxists should fight for the socialist federation/confederation of the countries of the region.**
 - **This necessitates the development of mass revolutionary parties in Israel, Palestine and the neighbouring countries. This is a process that can be immensely facilitated by the building of mass socialist revolutionary parties internationally.**
32. A final point on the Palestine-Israel conflict is the need to bring out the real facts behind the conflict and its current character. As mentioned above the Western governments and media are presenting Israel as the victim of Palestinian aggression and anybody who declares support to the rights of the Palestinian people or who protests against the ethnic cleansing taking place in Gaza, is labelled "antisemitic". People are fired or arrested for protesting against the mass slaughter. The new generations are not aware of the history of Palestine and Marxists (and the Left in general) need to attend to an educational role as well.
33. Until the 1920s, Jews represented about 5% of the inhabitants of Palestine. Jews played a prominent role in the working class and socialist movement of the country – as was the case in every country where Jews were in sizeable numbers. The state of Israel was created by the Western Imperialists, in a very conscious effort to establish an outpost of their imperialist interests, after WWII, having encouraged (and armed) Jews from Europe and elsewhere to move to Palestine. The aggressor is the Israeli ruling class with the support of Western Imperialism and the victim is the Palestinian masses, not vice versa.
34. Another important aspect is the history of the Palestinian resistance and of the Palestinian Left. From the point of view of the Left internationally, it is important to understand why and how Hamas, which was virtually non-existent a few decades ago, has acquired such mass forces. The fact is, Hamas and Islamic Fundamentalism acquired their present strength mainly because of the failure of the Left in the region (and, of course, internationally). Pro-Soviet left parties were extremely strong in the whole of the Middle East in the decades after WWII. Capitalism was losing ground, with pro-Soviet regimes in Syria, Libya and Iraq. Egypt, after the 1967 "6-day war" applied to join the Soviet bloc, but the Soviet Union refused. The Palestinian Liberation Organisation (PLO), which until the 1970s and 1980s had the support of up to 90% of the Palestinian population was a left, radical formation, friendly to the Soviet Union. In other words, the Left had massive forces in the region, but they were of a Stalinist character. Because of this Stalinist character, they utterly failed to apply a class approach towards the Israeli masses, they ended up in "left nationalism", and the conception that Israel would be defeated through unity of the Arab states. This created a blind alley and a political vacuum that became even greater after the collapse of the Soviet Union in 1991. This vacuum was gradually filled by Islamic Fundamentalism which spread into a massive force in the whole region. A key factor in this was the degeneration of the "Palestinian Authority" particularly under Mahmoud Abbas, into the status of a comprador bourgeoisie of Western powers. It should of course be noted that Israel promoted and

financed what is now Hamas as “a counterweight to the nationalists of the Palestine Liberation Organization” in the 1970s and 1980s (see *How Israel Helped to Spawn Hamas*, Wall Street Journal, 24 January 2009).

35. Apart from its “local” character, the war in Palestine has also a geopolitical dimension as it involves the major powers. Even on a formal, government level, Western imperialism is losing ground because of its stand on the war in Gaza. In the UN, contrary to the Ukraine issue, the [US and Israel were in a small minority](#) in October 2023 – even the EU countries abstained in their majority.
36. China and Russia are presenting themselves as defenders of international justice, essentially defending Palestinian demands and the creation of a Palestinian state (a “two-stage solution”) trying at the same time not to completely isolate themselves from Israel. The BRICS (Brazil, Russia, India, China, South Africa) at their Johannesburg summit of last August produced a declaration calling for direct negotiations between Israel and Palestine on the basis of international law and the Arab Peace Initiative, and for the creation of a sovereign Palestinian state next to Israel. A few months earlier there was fraternization between Saudi Arabia and Iran after a Chinese initiative and in June Mahmud Abas (leader of Palestinian Authority in the West Bank) visited Peijing to sign a declaration of “strategic collaboration” between China and Palestine. After the October 7 attack, a delegation of [Hamas visited Russia and met with Putin](#). The turmoil caused by the war on Gaza in Arab and Moslem countries is, naturally, utilized by China and Russia to strengthen their international relations and economic bonds.

Ukraine

37. The other major geopolitical front of the time is of course the war in Ukraine. The war in Ukraine has different characteristics from the one in Gaza.
38. The war on Gaza is an expression of the most serious, unsolved, national problem on the planet, the Palestinian one, developing over about a century of national frictions, clashes, imperialist intervention and repeated wars. In its current form it is an attack by a state (Israel) that acts in line with the interests of and in collaboration with Western imperialism, against a suppressed people, the Palestinians, who have suffered attacks and humiliations for decades, being denied their most basic democratic, national and human rights. In the case of Ukraine, its ruling class had from the beginning the full support of Western Imperialism and has been acting, in effect, as an agent of Western imperialism – in a way that was passing the “red lines” of what the Russian ruling class would be considering as vital interests in its sphere of influence.
39. **For this reason, the dominant character of the war in Ukraine is the clash between contesting imperialist forces: the US and NATO on the one hand and Russia with the tacit support of China on the other. In the case of Palestine, it is a clear struggle by a suppressed nation in defense of its basic national rights, facing the massive imperialist attack by Israel and Western imperialism.**
40. **There are other elements as well in the war in Ukraine, like the suppression of the rights of the Ukrainian people by the Russian army as well as the suppression of the rights of the Russophone populations of Eastern Ukraine by the Ukrainian ruling class – and these rights, undoubtedly, have to be defended by Marxists and working-class organisations internationally.**
41. But when many contradictory factors are involved, we must base our programmatic stand on the *central, dominant characteristic* of the conflict, i.e., the fact that it is fundamentally an inter-Imperialist clash. This does not mean, to repeat, that we are indifferent to the other aspects of this war – and our demands by necessity must take them into consideration as well. These points are developed in greater detail in quite extensive material that we produced in the course of (mainly) 2022. (see relevant material [here](#) and [here](#)).
42. **Our main transitional demands in relation to the war in Ukraine can be summarized as follows:**
 - **Fighting for an end to bloodshed, for an end to the war.**

- **Withdrawal of Russian troops from Ukraine to the pre-war borders.**
 - **Recognition of the right of self-determination for the Russian-speaking minority of the eastern provinces - i.e. the right to independence from Ukraine.**
 - **Ukraine to be outside the NATO military coalition and against the expansion of NATO to the east (ex-Soviet republics)**
 - **Dissolution of both military coalitions, of the West (NATO) and of Russia (CSTO)**
 - **Aim at class unity of Russian and Ukrainian workers in struggle, to overthrow the authoritarian, undemocratic, reactionary regimes of both Putin and Zelensky**
 - **Fight for workers' power and socialism in the interests of the working class in both Russia and Ukraine and the Russian-speaking Ukrainian provinces.**
 - **These positions are of course combined with the struggle to build a mass revolutionary Left internationally, as a necessary condition for all of the above to become realistic and feasible.**
43. As regards the **perspectives of the war** in Ukraine, we have already produced [material from March 2023](#) in which we took the position that the much publicized “counter offensive” by the Ukrainian army and the Western powers in Summer and Autumn of 2023 would most probably fail, because Russia would shift its tactics from trying to advance further, to defending what it had already occupied – i.e., from attack to defense. This is what actually happened, with the Russian army having built huge and deep defensive lines which the Ukrainian army has not been able to penetrate.
44. The **Russian economy** has not been brought to its knees, as the West was hoping with 12 rounds of sanctions, and it is growing at faster rates than its Western opponents. Putin’s regime shows no signs of fatigue or loss of support despite having gone through some serious crises, like the mutiny of the Wagner paramilitary group in June 2023. Russia, as admitted by the Western press itself, has huge reserves, not only economic but also in terms of troops and arms, on which it can draw. This is not the case with Ukraine which seems to show signs of exhaustion while at the same time the West meets increasing resistance to continuing its support for Ukraine.
45. It was actually Ukraine's commander-in-chief, **Valery Zaluzhny**, who used the “S” word that is not supposed to be uttered, i.e., “stalemate”. [Zaluzhny told the Economist](#) in November (reported by the BBC) that: “...just like the First World War we have reached the level of technology that puts us into a stalemate.” Zelensky's office, of course, swiftly rebuked the general for his comments, denying there was a deadlock on the battlefield; but the importance of Zaluzhny’s statement as well as the divisions in Zelensky’s regime are clear.
46. The BBC, despite being nothing but a propaganda tool of the British ruling class, has carried articles explaining that tens of thousands of [Ukrainian men are trying to escape](#) draft (the number is impossible to estimate accurately) by crossing the border into neighbouring countries, many of them being arrested at the borders and others losing their life in their effort. The BBC also carried a revealing [interview by a Ukrainian marine](#), one of those that were able to cross the Dnipro river to set up a foothold on the eastern bank (Russian side), reflecting a low morale:

“Every day we sat in the forest taking incoming fire. We were trapped – the roads and paths are all riddled with mines... [The Russian] drones are constantly buzzing in the air, ready to strike as soon as they see movement... No-one knows the goals. Many believe that the command simply abandoned us. The guys believe that our presence had more political than military significance... There are a lot of young guys among us. We need people, but trained people.... There are guys who had spent just three weeks in training, and only managed to shoot a few times... It's a total nightmare. A year ago, I wouldn't have said that, but now, sorry, I'm fed up.”

Given the deflation of the nationalist zeal among Ukraine's young men, there will gradually be more of an opening for Marxists to pose slogans that link the unsatisfactory progress of the war effort and the massive loss of lives, with the nature of the Ukrainian regime and the capitalist class.

47. This is coupled with **“fatigue” in the West**. The US Senate, controlled by the Republicans, has refused to vote for additional arms to Ukraine (around \$60 billion) in the context of their bargains with Biden’s government to cut spending, as fiscal deficits (and the US public debt) are getting out of control. And in Europe, Hungary has blocked an additional EU assistance of €55 bn (\$60 bn).

48. [The Kiel Institute](#) in Germany, which is tracking support (military but also economic and humanitarian) to Ukraine, reports on December 7 that:

“The dynamics of support to Ukraine have slowed... The period between August and October 2023 saw a stark drop in the amount of newly committed aid, with the value of new packages totaling just EUR 2.11 billion, an 87 percent drop compared to the same period in 2022 and the lowest amount since January 2022... There have also been little new commitments by the European Union and the United States...”

49. **Of course, the arming of Ukraine will continue. But the above figures are quite indicative of the fact that the West, faced with its own serious economic problems, cannot simply dig deeper and deeper into its pockets to continue financing the war, if the defeat of Russia is not in sight. Zelensky is now laying all his emphasis on the West supplying Ukraine with F-16 fighter jets. It is extremely doubtful that the F-16s will bring about any significant change in the picture of the Russian-Ukraine front.**

50. All indications are that the advantage at this stage (December 2023) is on the Russian side. They could make use of the exhaustion of the Ukrainian troops to make further advances – possibly in the direction of Odessa (South), to cut Ukraine entirely off the sea, if not as a target in itself, as a bargaining tool for a future deal. The narrative in the West, that if Russia is not defeated now it will advance to occupy the whole of Ukraine and then Europe would face the danger of further advances of the Russian army, should be rejected as sheer propaganda. Russia cannot be assumed to aim to put the whole of Ukraine under occupation – it would be impossible to keep, even if it was ever able to succeed (temporarily) in such a move. The Russian regime has not shown to be unrealistic and Putin is not “mad” or “sick” as the Western powers tried to portray him at the beginning of the war. After the initial blunders of the Russian army who underestimated the West’s response and thought that they could take a stroll and get rid of Zelensky, they are much more grounded and can understand that trying to occupy the whole of Ukraine is unattainable, even more so to try to occupy more European countries.

51. **All of the above do not in any way imply that we are close to the end of the war and to some kind of peace agreement. We should repeat the analysis we made from the start of this war that it can come to a stalemate, with no side able to make serious advances against the other, but with no official recognition, on the part of Ukraine and the West, of the Russian conquests – i.e. with no peace accord signed. The Russian-Ukraine conflict will remain an “open wound” for the period ahead.**

More regional conflicts and wars

52. **Every regional or national conflict or war that takes place in the present epoch will either be part, or will tend to become part, of the clash between the two main contesting blocks, Western Imperialism on the one hand and China and Russia on the other.**

53. The **Balkans** are another hot spot of possible clashes in the future, around Kosovo, with Russia backing Serbia and the West backing the Kosovars and Albania. In the **Middle East**, the US could not hold its positions in [Iraq](#) and [Syria](#) and began moving out in the course of 2019 (now there are only about 2,500 US personnel still in Iraq and around 900 in Syria). Russia was able to step in to cover the vacuum in Syria – and actually to save Assad’s regime. The US left **Afghanistan** in September 2021, after 20 years of war and 2 trillion US dollars spent on military outlays, only to see the Taliban swiftly taking over again – now China is developing economic relations with them.

54. In passing we should mention that these examples show that the major imperialist powers can make **huge miscalculations** and blunders, despite the means they have at their disposal. The narrative that goes around in some sections of the Left, that everything the imperialists do is part of a well-planned strategy and tactics, simply does not correspond to reality. These miscalculations are of course a reflection of their weakening position and loss of power and control, but still, they are indicative of their inability to make correct calculations and have correct perspectives. The likelihood of bigger risks and overreach become more pronounced as the economic crises of the imperialist countries continue, deepen and spread to more sectors.
55. **West Africa** is another example of the loss of control by the Western powers, France in particular in this case, which created a vacuum that has partially been filled by Russia and China. Eight coup d'états have taken place in the past 3 years. The new military regimes in Niger, Mali and Burkina Faso have formed a mutual defence pact called "The Alliance of Sahel States" in September and turned to Russia for relations and support. Threats of military intervention by the West African bloc (Ecowas) and France never materialized. A number of countries, not just Russia and China, are intervening here to strengthen their spheres of influence – middle powers in the Gulf, Egypt, Turkey etc.
56. The most important and dangerous contention point, of course, in the global geopolitical conflict is **Taiwan** – in this case we do not speak of a proxy war but of direct conflict between the West and China. This will be taken up later on.

World economy, US, China and Europe

57. Irrespective of how important geopolitical factors in themselves are, their roots lie in the economic base. The European powers lost their global domination to the US, since the early times of the 20th century and in the present epoch the US economy is in retreat. New forces are rising with China directly competing with the US for the position of the strongest economy in the next period. China is the fastest rising market on the planet but it is also the "factory" of the world, with other Asian powers in line, making Asia the center of consumption, production and trade on the planet.
58. At the present conjuncture the world economy is facing grave difficulties. In the course of 2022, all major capitalist institutions and commentators were very worried about the prospects of the world economy, the dominant trend being an expectation of a "hard landing", due to the rise in interest rates (in the US they are now at a 22-year high) and the reversal of the policies of high fiscal spending (due to the pandemic and the energy crisis after the Ukraine war) particularly by the industrialized countries. The predictions for a hard landing in the course of 2023 have not materialized. However, the world economy is faced with a mountain of problems. Actually, the only one of the major Western economies that had any substantial growth (around 2.5%) in the course of 2023 was that of the US. The general situation remains unstable and there is an ongoing discussion between economists whether it is a matter of time before the US goes into recession, as a reflection of the huge budget deficits and public debt that it has accumulated (which clearly played a major role in the aforementioned growth of the economy).
59. The [table below](#) measuring Purchasing Managers' Index (PMI) indicates that the world economy is teetering on recession. PMI is based on surveys of companies' sales, orders and employment, and is usually quite accurate. Anything above 50 means expansion, anything below it means contraction. The figures relate to October 2023. They show that only India and Russia are having relatively strong growth expectations. Most major economies, including the EU as a whole, are expected to contract. The US and China face low expectations.



60. The **IMF's most recent prediction** for the next 5 years is at 3.1% annual global growth. This is compared to 4.9% it had made ten years earlier, in 2013, for the then next 5 years. The IMF never tires mentioning that the present decade will be the worse as regards growth in the post WWII era. Quoting from its October 23 [World Economic Outlook](#),

*“The baseline forecast is for global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, **well below the historical (2000–19) average of 3.8 percent**. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024.”*

61. As regards growth for 2024, the [projections of the bigger investment banks](#) (Goldman Sachs, Morgan Stanley, UBS, Barclays, J.P. Morgan, HSBC and BofA) range as follows:

- for the **world economy** from 2.2% (J.P. Morgan) to 2.8% (M. Stanley and BofA)
- for the **US** economy between 1.2% (Barclays) to 2.10% (G. Sachs)
- for the **Eurozone**, between 0.3% (J.P. Morgan and Barclays) to 0.9% (G. Sachs)
- for **China**, from 4.2% (M. Stanley) to 4.9% (HSBC, J.P. Morgan)
- for **India**, from 5.7% (BofA) to 6.4% (M. Stanley)

62. The West can hardly hide its satisfaction about China's lower growth rates in the recent period, expected around 5% for 2023 and 2024 (and after), compared to the past when it was about double this figure. Of course, China's lower rates of growth have a direct negative impact on the economies of the West because they undermine their exports to China (and therefore their growth potential), but this is of secondary importance to the Western powers. The main thing for the West is to slow down China, thus hoping to stop it from becoming the dominant economy on the planet and also hoping to enable India to catch up and challenge China as the world's main manufacturing hub. Chinese problems are of course real and serious, as the Chinese economy is inevitably carrying all the vices of a capitalist economy, but the Western media exaggerate them for propaganda purposes.

63. As a matter of fact, Western commentators avoid making comparisons of the state of the Chinese economy to that of the economies of the West. They want China to liberalize more, i.e., open up more to the forces of the market, in the name of faster growth – this is how the Western narrative goes. But one look at the state of the economies of the West would rather point to the opposite: to the need of greater state intervention in Western economies to put some order in the mess.

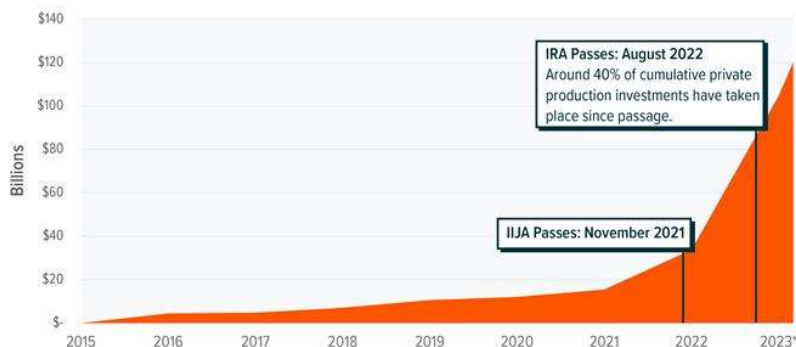
64. **In the US, the fiscal deficit and the public debt are spiraling out of control, causing a crisis in the Congress twice in the course of 2023; Europe has essentially been stagnant not only over the past year but for most of the 2010s and the same is predicted for the next period; Japan is facing a downturn in the second part of 2023, despite the most massive programme of liquidity transfers by**

any country in the post WWII decades. Given this picture, China's rates of growth of around 5% are not that bad. On the other hand, the other emerging giant, India, is growing at faster rates than China but the difference is small and the distance between the two is huge (China's US dollar GDP is at 17.73 trillion while India's is at 3.37).

65. One of the main factors undermining growth in the global economy is the [global debt](#) (public and private sectors' together) having reached 238% of global GDP. Despite determined efforts by the main economies to bring it down after the abrupt rise in the course of the pandemic and the "energy crisis" that followed, not much progress was made. The fact is that some sections of the global economy are entering a "tightening" period as a result of the high debt. The EU is in such a course, by reapplying the "stability pact" of the past, aiming at deficits of no more than 3% of GDP and public debt of no more than 60% of GDP.
66. At the end of 2023 **global government debt** was [projected to hit \\$97 trillion](#) – nearly 95% of global GDP and an increase of 40% in just 5 years. Over 1/3 of the global debt, i.e., around \$34 trillion, is owed by the US – the greatest debtor country. Given the higher interest rates of the last couple of years, the service of this debt is expected to soon exceed \$1 trillion on an annual basis. This is an unsustainable situation for the US economy. China comes second, but at a long distance, with around \$15 trillion representing 15% of the global total. Japan is third with nearly \$11 trillion, representing over 11% of the global total. North America (US and Canada) owes 37.5% of total global debt and Europe 20.7%. Together with Japan, the "developed" industrial economies owe more than 2/3 of the global debt. This is a huge impediment on future growth. Compare this to 3.3% for South America, 1.9% for Africa – corresponding roughly to 77% and 65% of their GDP respectively.
67. At the end of 2023 the **US national debt** slipped above \$34 trillion for the first time ever. In the course of 2023, it continued to increase at a dizzying rate. On June 5 (when the issue was debated in the US Congress) it stood at 31.46 trillion, by June 15 it rose to 32 trillion, by September 15 it was up to \$33 trillion and so on – it was running at roughly 1 additional trillion every 3 months. Back in 2016 it was at around 19 trillion – that's an increase of 80% in 8 years. \$34 trillion is more than the combined total economies of China, Japan, Germany and the UK. It corresponds to more than \$101,000 per American citizen (including children and pensioners) or to around 265,000 for every American taxpayer. The \$1 trillion a year (and possibly more) that will be paid as interest on the US debt in the coming years will be higher than defence and education; the budget deficit running at around 7% of GDP is more than double the EU guideline of maximum 3%.
68. The massive budget deficits and rising debt are two of the factors that keep inflation high in the US. Ironically hundreds of billions of USD are spent in the name of fighting inflation. The [Inflation Reduction Act](#) passed through Congress in 2022 is close to \$ 400 billion and aims to increase "energy security" and lower energy costs. In 2021 the **Infrastructure Investment and Jobs Act (IIJA)** was passed, to subsidize investments in infrastructure. And then the **Creating Helpful Incentives to Produce Semiconductors (CHIPS)** aiming to bolster US competitiveness in renewable energy, batteries, electric vehicles and semiconductors. These massive subsidies are one of the key reasons why the US economy has been growing at much faster rates (2.5% is not that high though) compared to those of the EU and Japan (their impact on investments is shown in the graph below). However, the level at which the budget deficit and the public debt are, is a time bomb at the base of the US economy.

CUMULATIVE PRIVATE EV & BATTERY TECH INVESTMENTS IN THE UNITED STATES (\$, BILLIONS)

Source: Environmental Defense Fund. (2023, March). U.S. Electric Vehicle Manufacturing Investments and Jobs.

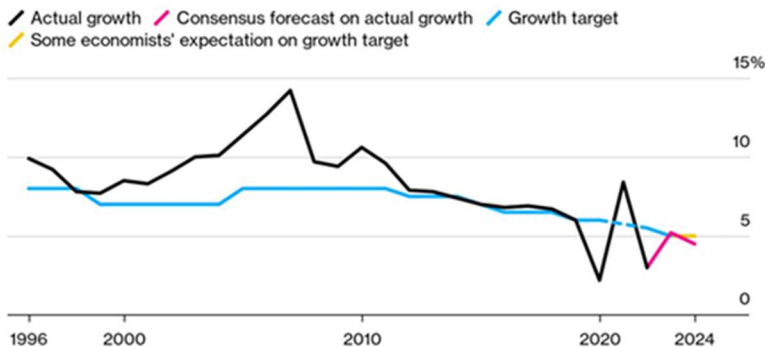


Note: *2023 data through March 10.

69. Very serious imbalances exist, naturally, in the **Chinese economy** as well, but despite Western claims, they are not as serious as the ones in the US, Europe and Japan. The economy is growing at lower rates than before, but significantly higher from those in the West. It is in a deflationary spiral (prices are falling) which undermines the dynamism of the internal market, but it makes Chinese exports more competitive abroad. The West is bracing for the onslaught of Chinese giants in the auto industry, solar panels and wind turbines, mobile phones and similar technologies, at prices that the West cannot compete with, endangering not only the West's internal markets but the exports of Western corporations abroad including into the Chinese market. China is also running big budget deficits and a high national debt inevitably creating bubbles in the economy.

China Seen Setting 2024 Growth Target at Around 5%

Goal tipped by some economists would need more policy support than 2023 to attain



Source: Bloomberg-compiled data

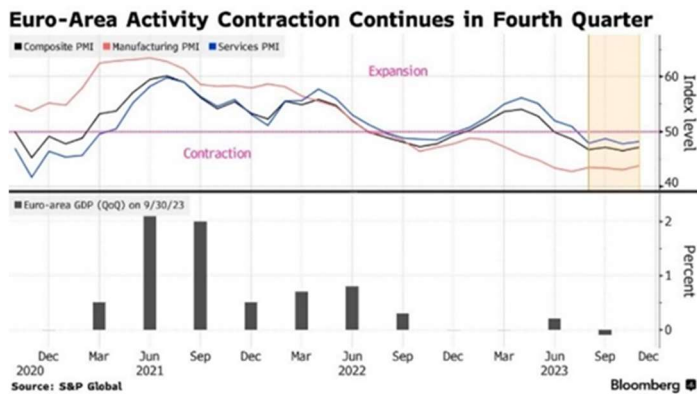
Note: China did not set a growth target for 2020 due to the Covid-19 pandemic.

Bloomberg

70. The **Chinese real estate bubble** burst in 2021, with the collapse of Evergrande, the world's biggest real estate company and the sector is faced with a massive contraction, since then. But Evergrande never became the Lehman Brothers' moment of China (the US bank *Lehman Brothers* collapsed in 2008 with a \$613 billion debt, and this triggered the 2008-9 global crisis, the worst since the 1930s). China's government debt was estimated at the end of 2023 at around 285% of its GDP. However more than half of it is owned by enterprises – household and state debt are low by Western standards. This allows the Chinese state much greater room for manoeuvre than its Western antagonists. The West is accusing China of subsidizing its industry to expand its global exports. But of course, the West, particularly the US, is also subsidizing its own industry and infrastructure sectors.

71. The **EU is the main victim of the China-US antagonism**, continuously losing ground in global competition. GDP growth for 2023 is (expected) at around 5.2% for China, 2.5% for the US and only

0.4% for the EU. The EU has been stagnant for most of the past decade, never actually recovering from the blow of the 2007-8-9 recession. The historical decline of Europe is best perhaps seen in the debate that has been raging in the course of the past year about the “existential” crisis of German manufacturing, particularly its auto industry, now threatened directly by the Chinese onslaught. There is an ongoing debate in the EU about the need to reform the EU, to make it more competitive, but this is blocked by the fact that the EU is not one unified state, but 27, with conflicting interests and policies. Another reflection of the internal crisis of the EU is the demise of Germany as the leader of the block, something that was evident until the last days of Angela Merkel’s chancellorship (2005 to 2021) but is no longer the case today. There is hardly any field in which the EU can be considered as pioneering in the current epoch, with the exception of ASML, the Dutch company producing lithography machines for the construction of semiconductors. The massive incentives provided by the US to foreign companies to invest in the US in the past 2-3 years, are attracting around \$300 billion of European capital to the US. It is estimated that about 1 million manufacturing jobs have been lost in the EU since 2020. Despite the protests of the EU heads about the US (as well as China) subsidizing its industry and infrastructure, the EU is also throwing hundreds of billions into the European economies in the name of the “green transition”.



The US-China conflict in perspective

72. Until a few years ago all Western think tanks took for granted that China would overtake the US by 2030. Since Trump’s trade war on steel and aluminum (2017) and then Biden’s (2020) “tech war” against China, there is a new narrative: that actually it will take much longer for China to catch up with the US – and that possibly this will never happen. There is no basis to consider this as serious, grounded analysis, given that the media of the ruling classes of the West, even the most “serious” ones, have all taken up the role of defenders of the propaganda of Western Imperialism. They do not attempt to describe the real objective situation as it is, but to defend policies that aim to weaken the rivals of Western powers, particularly China.
73. In [previous material](#) we took the position that although the trade war by the US against China can slow down the speed with which China can catch up with the US, there is no ground to assume that in the long run the US can maintain its position as the most powerful economy on the planet.
74. It is also important to note that the fact that the US is resorting to a trade war and particularly a tech war in order to put the brakes on China’s growth, is an indication of weakness, not of strength.
75. The protectionist policies of the US are applied in the name of “national security”. This is a diversion in order not to say that they are worried that China will take the lead on the economic, productivity and technological levels – thus undermining the West’s global domination. Of course, there are security factors involved as well, but the central theme is the economy. US hegemony was attained in a clear

manner after World War II, with European powers accepting the US leadership without protest due to the fear of the Soviet Union whose expansion at the time had terrified them. This hegemony is now in question.

76. **China at some stage will win the race on the economic level. But this does not mean it will become the dominant power on the planet in the way that the US was in the past decades. However, it can undermine the US to such an extent that the US is no longer the dominant power. In other words, it can take away from Western Imperialism the role that it has been playing in the last decades and centuries if we include the role of European imperialism as well, the role of essentially deciding and imposing on the rest of the planet the policies that serve their interests. China, Russia and BRICS, are not about to take the role of Western imperialism, but they are about to bring to its end the ability of Western imperialism to continue like in the past. This is causing a major internal crisis for the West. As we [analyzed before](#), this struggle for world domination will underline all developments in the current epoch causing economic and geopolitical instability to world capitalism.**
77. Under different conditions this crisis would have led to a new **world war** – something we repeated again in the past. This is the general truth when an emerging power threatens the status quo enforced by another great power in the preceding period – the power struggle will be decided by war, not by peaceful competition. This axiom was established not today but about 2,500 years ago by Thucydides, of ancient Greece, who studied the wars of his epoch and came to this conclusion. Today it's been described by some analysts as "Thucydides' Trap". This, clearly, was the case with the 1st and 2nd world wars, when Germany challenged the rule of British imperialism. The transition from Britain's supremacy to that of the US was peaceful, but only because they both belonged to the same global alliance against the dangers posed by the Soviet Union – so it was a shifting of power within the same alliance and not a challenge to the alliance's domination by another, outside force. What stops a world war today is the fact that all antagonists have piled up enormous amounts of nuclear weapons, so in the case of a world war there would be mutual destruction.
78. **The fact that the US (and the EU, following in its pace) are turning to protectionism and China presents itself the champion of free trade is a reflection of the historical decline of Western capitalism. The figures for the weight of the US economy are quite revealing: the US's share of world production has fallen from 40% in 1970, to 25% in 1980, 19% in 2011 and some 16% in 2021. This has an impact on consciousness in the US: In a poll in 2021, by *Axios-Ipsos*, [79% of Americans believe that America "is falling apart"](#).**

Impact on Environment

79. One way the dynamics of the battle for domination show their catastrophic character is the climate crisis. During the period when capitalists worldwide had some kind of cooperation under US hegemony, they could discuss measures to tackle the climate crisis (even though they were still completely inadequate). But the fierce competition does not leave space for even basic policies of "green transition". In fact, especially after the war in Ukraine, capitalists have backtracked in a number of crucial fields – thus there is a return to coal-powered energy production, which is the most harmful and was on track to be depleted, as well as to nuclear energy which is now branded as "green". This does not mean that there will be a complete reversal of capitalist green policies. But they will be "too little and too late". This was exemplified in the [recent COP28](#). It's another proof that capitalism is blindly leading the planet to a catastrophic course. At the same time, the blind character of bourgeois environmental policies will mean that they will have to pay a higher price on the economy at a later stage, which of course they will (try to) impose on the labouring masses.

Tech War

80. The most impressive recent development in the competition between the US and China has been the “reemergence” of **Huawei** as one of the global giant players in the competition in high technology products, after its near collapse in 2020 due to [US sanctions](#).
81. By the end of the 2010s Huawei was developing with a speed that seemed unstoppable into the world’s leader in communication technologies and in the development of 5G networks which run at multiple speeds compared to the present 4G networks. The higher speeds allow faster communication (“real time” communication) between humans, between machines, and between satellites, machines and humans. Such speeds of data transfer can reshape daily life through the use of “smart machines” in all imaginable fields. That includes armaments of course. 5G networks are linked to new generations of microprocessors (hardware, usually referred to as “chips”) which can run faster than previous ones.
82. The US’s attack against Huawei started in 2018 with the arrest of its CEO in Canada, on a U.S. warrant, for allegedly misleading the banking giant HSBC (in 2013) about telecommunications equipment dealings in Iran. The attack on Huawei continued and culminated – it was cut off from the US and EU mobile telephone markets and then from the advances in microprocessors and from Western developed software (like the services provided by Google). By 2020 Huawei seemed to have suffered fatal blows – its sales went down by 90% of what it previously held in the global, including the Chinese, market.
83. On August 29, 2023, Huawei made a come-back that [stunned the West](#) with a new mobile phone (the “Huawei mate 60 pro”) that incorporated technologies that China was not supposed to possess, after its (China’s) companies were cut off from the Western producers. This mobile phone was considered to be on an equal match, with the current i-phone produced by Apple (considered to be the most advanced company in this field). Soon, the West was to discover that the new microprocessors were not imported (secretly) but were fabricated in China. A few weeks later Huawei showed that it was ready to advance its machines another generation forward (with the “Qinqyun L540” laptop). The most recent information, indicates that the Chinese manufacturer, SMIC, is ready to construct even more advanced chips. [According to an analysis by Nikkei Asia](#):
- “The technological gap is narrower than it ever has been between Intel and Semiconductor Manufacturing International Corp., China’s top chipmaker”.*
84. Huawei’s come back was followed by “nationalist fever” in China and its sales shot up. The main loser was Apple’s iPhone (the Chinese market represents 25% of Apples sales globally). Also, other Western giants, like Nvidia, Intel, etc, that sell microprocessors to China, are seeing their market share fall, because Chinese firms begin to produce locally what they imported before.
85. **The developments around Huawei are not an exception but part of more general processes seen in the Chinese economy. One of them is the emergence of a China as a giant manufacturer of electric vehicles (EVs or NEVs). BYD, the biggest of the Chinese manufacturers [has overtaken TESLA](#) as the top global producer in 2023. Chinese EVs seem to be of equal quality to Western manufacturers like TESLA (or even better according to some claims) and significantly cheaper (less than half the price in some cases). China, as an exporter of cars [has overtaken Japan as no.1 globally](#) in May 2023. China is very advanced in all modern technological fields: it has the most expanded network of high-speed trains globally and is expanding into neighboring countries in Asia, it is very developed in Artificial Intelligence and robotics, it is by far the biggest manufacturer of “green technologies” (wind turbines, solar panels, etc) etc.**

BRICS and the “New Silk Road”

86. On the geopolitical level, China is taking advantage of the crisis of the West to expand its presence, economic relations and spheres of influence. Russia often follows closely, establishing relations or

alliances particularly of a military character. In August 2023 the West had another nasty surprise when a number of new countries decided to enter BRICS.

87. BRICS was created in 2009. The acronym stands for the initials of Brazil, Russia, India China and South Africa. At its conference in August (2023), six new members were accepted into BRICS and their membership is expected to take effect from January 2024 onwards. These are Saudi Arabia, UAE, Iran, Egypt, Ethiopia and Argentina. However, after Milei's electoral victory in November, he stated that Argentina will not join; also, there are (until now, December 2023) uncertainties about Saudi Arabia's final stance. A total of more than 30 additional countries, according to BRICS, are discussing joining BRICS (including Pakistan, Turkey, Indonesia, Algeria, etc). According to the Indian foreign affairs minister 6 more will join in the course of 2024.
88. **In the 1980s, the G7 countries (US, Japan, Germany, Britain, France, Italy, Canada) represented about 50% of global GDP. Today it is down to 30%. The countries that make up BRICS had about 10% then; now, and before their recent expansion, they have 32% and about 40% of the world population. With the new members, BRICS+ will represent close to 50% of the planet's population and 40% of its GDP. The difference in GDP between BRICS and G7 is of course small, only 2% despite the much smaller population of the G7 countries. However, what is decisive here is the dynamic and the direction in which things are moving.**
89. Side to side with BRICS, we have BRI – the “Belt and Road Initiative”, or the “New Silk Road” as it is also called. This was launched in 2013. It is an attempt by China to create a network running over the whole planet to promote production and trade, through massive investments in infrastructure but also in production itself. It runs through Asia, Latin America and Africa but to some extent also in Southern Europe and the Balkans.
90. BRI projects, up until now, number around 3.000, in 152 countries. It is estimated that China has spent around \$3.7 trillion until now. Some estimates claim that this figure will rise to 10 trillion by 2030. These vast amounts are possible because of China's massive reserves, accumulated through its trade surpluses over the past couple of decades. China's reserves stand at \$3.3 trillion and are the biggest on the planet. Western governments are not in possession of such huge funding capabilities. Private Western capital, on the other hand, which has huge reserves, will not invest on the basis of geopolitical interests but on the basis of short-term profit.
91. [Quoting “The Diplomat”](#),
“China's project to build infrastructure across Asia and Africa—now referred to as the Belt and Road Initiative (BRI)—attracts superlatives. The New York Times writes of ‘China's Trillion Dollar Foreign Policy’; the Brookings Institution notes the project ‘could cover over 4.4 billion people and generate a Gross Domestic Product of over \$21 trillion’; and Quartz calls it ‘the most extensive global commercial-military empire in history’.”
92. Many of the projects financed by China in BRICS or in the context of BRI, are not necessarily profitable in the standard meaning of the word. Some of the loans made cannot be repaid back. Western commentators use this to argue that BRI is facing collapse. Once again there is more propaganda than sober analysis in this. China's “solution” to this problem is to take possession of the projects, if the loans cannot be paid back, for a certain duration of time – e.g., 99 years. This was the case with a port constructed with Chinese funding in Sri Lanka. Private capital would not venture into such uncertain investments and the IMF (on behalf of Western governments) would demand severe austerity policies to pay back the loans. China puts no such demands, and is thus more welcome in the “global South”.
93. **Comparisons between BRICS and G7 are useful to show the historical decline of the West and the rise of the new powers in Asia, but at the same time it is necessary to see the contradictions within BRICS. BRICS is a much looser formation than the G7. Antagonistic interests between the BRICS are quite strong and many of its members will have strong relations and economic ties to the West. Not**

all BRICS countries can be considered as belonging to a conscious anti-Western alliance. Contradictions between India and China for example are quite intense – this relates to territorial differences but mainly their differences are on the economic level and as regards their geopolitical role. In the next decades, unless these processes are interrupted by the socialist revolution, the most probable development is that China will be the strongest economy globally, followed by the USA and then by India, which is expected to overtake Japan and Germany at the third position. It is of course an open question whether India and China will still be allies and within BRICS+ in the future, or whether they will be competing for world primacy with their own different alliances. But this is beside the point of what is at stake today.

94. The West is trying to respond in various ways to this expansion of China's presence. They try to approach **India** to create a wedge inside BRICS – aiming to help India develop as a serious competitor of China. They decided at the last G20 Meeting in India (9-10 September 23) to create a long rail line to link Africa to India and are also trying to redirect investments away from China into India (and other Asian countries), to turn India into the "factory of the planet", to replace China. The importance of such measures is not to be underestimated, but they cannot really stop China. As regards the size of the economy, production capabilities and quality, as well as infrastructures, India is a long distance behind China. Also, it's not an exaggeration to say that these are measures of desperation on the part of the West: what will happen when India becomes strong enough, in the next period (which of course is by no means automatic)? Then, India will not be competing only with China for a biggest share of the global economy, it will also compete with the US and further challenge its hegemony.
95. The Western powers need India so badly that they turn a blind eye to the crimes of the nationalist and authoritarian government of Narendra Modi. It's quite clear, for example, that India's secret services murdered a leading Sikh separatist, Hardeep Singh Nijjar outside a Sikh temple on June 18, 2023, in a Vancouver suburb in Canada. India had designated him as a "terrorist" three years earlier. The information was handed to the Canadian Prime Minister Justin Trudeau by the CIA, but the US kept absolutely silent on the matter. Trudeau publicly levelled suspicions that Indian agents were involved in killing the Sikh separatist leader. India responded with expelling half the diplomatic staff of the Canadian embassy, about 40 people. No retaliation from the West followed. India is touted as the "world's biggest democracy", something that has definite propaganda value for US imperialism, but in fact it has a long history of anti-democratic government.

Chinese speed

96. There is something noteworthy about the rise of BRICS+ in a period of just over 15 years, the development of the New Silk Road in no more than 10 years, the "rebirth from the ashes" of Huawei in something like three years and the emergence of a whole number of Chinese giants (BYD, Xiaomi, etc) in a matter of just a few years: and this is the speed with which these developments are taking place.
97. **The discussion which is now taking place in the West is whether the sanctions against China are to the benefit of the West or not. The US administration seems determined to continue with the policies that aim to cripple Chinese firms. But the number of voices which question the correctness of these policies are increasing as they see that what is happening now is a massive turn by the Chinese state to subsidize its semiconductor and other industries in order to face the war by the West on its economy. At the same time powerful Western companies are losing massive ground in the Chinese market, weakening their global position.**
98. **Burn J. Lin**, for example, is [one of the most authoritative voices in the industry](#), a former vice president at *Taiwan Semiconductor Manufacturing Co.*, TSMC (the most important and advanced semiconductor company on the planet, located in Taiwan, producing 60% of global chip output and 90% of the most developed technologically chips). His opinion is the following:

“...What the US really should do is to focus on maintaining its chip design leadership instead of trying to limit China’s progress, which is futile as China is adopting a whole nation strategy to boost its chip industry, and hurting the global economy,”

99. Bloomberg is also citing [a specialized Canadian firm, “TechInsights Inc.”](#) stating that:

“Evidence is mounting that China’s momentum to overcome trade restrictions and build its own domestic semiconductor supply chain is more successful than expected.”

100. The above are linked to the huge technological strides made by China in the past couple of decades. According to research by the [Australian Strategic Policy Institute, quoted in The Guardian](#):

“China leads in 37 of 44 technologies tracked in a year-long project by thinktank ‘the Australian Strategic Policy Institute’. The fields include electric batteries, hypersonics and advanced radio-frequency communications such as 5G and 6G...

...the US was the leader in just the remaining seven technologies such as vaccines, quantum computing and space launch systems.

...Our research reveals that China has built the foundations to position itself as the world’s leading science and technology superpower, by establishing a, sometimes, stunning lead in high-impact research across the majority of critical and emerging technology domains

...China’s lead is the product of deliberate design and long-term policy planning...”

101. Actually, there is no historical precedent of such rates of growth and expansion as seen by China. On this basis it is not possible to see how the US and its allies can stop China, though, they can certainly impair and slow down its growth and development.

Propaganda

102. In a recent summit on Africa, at Howard University, the ambassador of China in the US, referenced [Zeng He](#), who is known as the “Chinese Columbus”, and [said the following](#):

“When Zheng He visited Africa in the 15th century, he brought back to China a giraffe. He did not bring back slaves”.

In this, he was only following the traditional propaganda of the Chinese leadership. Xi Jinping, for example, in the past has made references to Zheng He (who sailed round Asia and to Africa) and Zhang Qian (the founder of the Silk Road linking ancient China to Central Asia, Persia, and Rome) to emphasize the peaceful character of their missions. In this way the Chinese leadership is trying to stress that the nature of the New Silk Road is peaceful and aiming “to build a [bridge for peace and East-West cooperation](#)”. <https://thediplomat.com/2017/12/zheng-hes-voyages-and-the-symbolism-behind-xi-jinpings-belt-and-road-initiative/>

103. China and Russia have dressed in “anti-imperialist” colors and fully try to exploit the natural hatred of the ex-colonial people against the centuries of barbaric slave trade, colonization and super exploitation of the global South. When the Chinese ambassador tells his audience that Zheng He did not bring back slaves but a giraffe, the Western commentators cannot, probably, capture the significance of such words for the ex-colonial people.

104. On the other side, the West use the dictatorial and authoritarian regimes of China, Russia and many of their allies, to present themselves as the champions of freedom and democracy. This of course is utterly hypocritical because they only remember democracy and freedom when they face their opponents. When it comes to their allies, they have very little concern about democratic rights.

105. In the populations of the US, Western Europe and their allies, the arguments about “democracy” and “freedom” do bear weight, often quite significant, essentially due to the one-sided propaganda of

the media and the capitalist institutions. But in the populations of the ex-colonial countries, the references to democracy and freedom are largely meaningless and often cause angry responses, precisely because most of these countries have experienced or are still experiencing undemocratic and ruthless regimes imposed by or in collaboration with Western Imperialism. On the other hand, in countries that faced brutal “anti-western” dictatorships in the past, particularly so in the ex-Stalinist countries, significant layers, especially of the youth, are attracted by the Western “freedom” propaganda, having illusions in western capitalism. These feelings are of course exploited by western secret services and NGO’s. We saw that, in the “coloured revolutions” in ex-Soviet states, and presently in movements in Russia, Hong Kong, ect.

106. **These issues are actually quite divisive within the anticapitalist Left. Some tend to support the China-Russia side on grounds that the main enemy is Western imperialism. Such were the arguments, for example, for supporting Russia in the case of the war in Ukraine. On the other hand, another section of the anticapitalist Left takes a pro-Western stand in the name of defending the parliamentary democracy of the West and pointing at the authoritarian regimes of the China-Russia bloc. Both these approaches are in our opinion wrong.**

Programmatical points

107. **It would be entirely alien to revolutionary Marxists to take a position in support of one imperialist power or bloc against another. Even in conditions in which the general feelings and consciousness of society are in favor of one or other imperialist bloc, Marxists would have to find “sensitive” ways of explaining that such kind of support is wrong because it does not serve working class interests. Marxists ought to look at and defend the rights of the working class and the poor, against imperialist intervention, military or other; but also, against “their own” ruling class. Thus, Marxists should support the rights of the Ukrainian people against the Russian invasion but also fight against Zelensky and for his overthrow; support the rights of the Russophone populations of Eastern Ukraine, but fight against Putin; defend the rights of the Palestinian masses but be very critical of the Al Fatah leadership in the West Bank and of Hamas in Gaza, and so on.**
108. **The greatest threat to global peace, living standards and rights comes from Western imperialism – this is correct. But, on the other hand, there is nothing progressive in the China-Russia bloc. China is essentially a capitalist state, despite the decisive role played by the communist party (CCP) in the economy and the running of the state – for this we use the term “state capitalist” to describe it. Russia is a fully fledged capitalist economy, and has been using its military capabilities to defend its imperialist interests in wars, though on a much more limited scale than US and NATO. China is one of the most vicious one-party dictatorial regimes on the planet. Russia is an authoritarian state with no real rights for opposition forces, independent trade unions, social movements, etc. Many of the allies of China and Russia share very similar characteristics – look at Saudi Arabia, United Arab Emirates, Iran, Egypt who have recently agreed to join the BRICS, not to mention North Korea, where none of the basic rights that we see in the parliamentary (pseudo)democracies of the West exist.**
109. **The present Cold War does not have the ideological characteristics of the first cold war, which ended with the collapse of the Soviet Union in December 1991. Then it was a conflict between capitalist and “centrally planned” (but not socialist – planning was entirely bureaucratic and thus lead to a blind alley) economies; and Marxists would fight against all attempts by the US and other imperialists to overthrow it. Today’s cold war is a struggle for spheres of influence and domination between competing capitalist-imperialist forces. In such a confrontation Marxists ought to take a third, class, internationalist, revolutionary position, counter posing the socialist perspective to both of the imperialist camps.**
110. **When there is an inter-imperialist clash, Marxists ought to start from the conception that “the main enemy is at home”. If we take the example of the war in Ukraine, this would mean that for**

Russian Marxists the main enemy would be Putin and for Ukrainian Marxists the main enemy would be Zelensky and NATO. It goes without saying, that having such a position, resulting from Marxist analysis, does not mean that these formulations could be used as slogans for every-day use. This could be politically suicidal. Marxists in both countries would need to develop a transitional programme that raises the task of overthrowing Putin and overthrowing Zelensky (as necessary means to achieve peace, the rights of minorities and a socialist federation of the two countries) in a careful and sensitive way, taking into consideration the level of consciousness in both societies. This is not an easy task, in conditions of nationalist fever and state persecution, but it is a necessary one.

111. The idea of defending a weaker imperialist power (China or Russia) against a stronger one (US, NATO) has its roots in the Stalinist and Maoist tradition. More specifically such ideas are a reflection of the “Stages Theory” propagated by Stalinism from the 1930s onwards, according to which neo-colonial people should first make alliances (of the working class together with “national” capitalist forces) that aim to overthrow the yoke of imperialism, before they advance to socialism; and of the “Three Worlds Theory” expounded by Mao Zedong in the 1970s according to which the “third world” countries (neo-colonial and poor) should join forces with the “second world” (middle powers) to fight against the imperialist “first world” represented by the US and the Soviet Union. In these “theories” we see an abandonment of basic class analysis and revolutionary Marxism.
112. Marxists cannot support the emergent second pole in inter-capitalist antagonisms, but this does not mean that they are indifferent to its existence. Precisely because the power of the first pole (US-NATO) is challenged by the second pole (China-Russia) this can allow, in some conditions, for a greater room of maneuver for countries/peoples/left movements and have an impact on mass consciousness, which in some conditions can be important. Not long ago, we had a number of vicious wars that were linked to the fact that US power seemed unchallengeable – e.g., Yugoslavia in 1998, Afghanistan in 2001 and Iraq in 2003. In the future, with the rise of new “left” governments to power, particularly in conditions characterized by revolutionary elements or a revolutionary potential (similar, for example, to the Venezuelan and central American governments of the 2000s) these governments may have much greater room for maneuver than if they were to face an all-powerful US imperialism.
113. The existence of a second pole against what the masses see, at the present conjuncture, as the main enemy, can have an impact on the consciousness of the broader masses in ex-colonial and “semi-developed” countries. The feeling that the “historical” enemy is weaker and cannot simply impose its will by the use of blatant force, allows greater room for demands such as nationalization, workers’ control and socialism, thus enabling Marxists to further develop their intervention. It goes without saying that this must be coupled with a clear position, ideologically and politically, against the “second pole” of China and Russia.
114. The central aim of Marxists is to interrupt the process of inter-imperialist competition and clashes, through the socialist revolution. If contradictions within the imperialist blocs can be used to advance the strategic aim, class consciousness and class struggle, then of course they should. But the perspective of the socialist revolution is distant because of the crisis of the revolutionary leadership of the proletariat as we have analysed repeatedly in our material.

Taiwan

115. [Quoting Bloomberg, 19.12.2023:](#)

“When former US National Security Advisor Robert O’Brien visited Taipei earlier this year, he suggested that one million AK47-wielding Taiwanese ‘around every corner’ and ‘in every apartment block’ would be an effective deterrent to any Chinese invasion plans...

“It didn’t go down well...”

“Arming citizens is not the answer,” ran the headline in the Taipei Times... ‘Ludicrous and unimaginable’ was former President Ma Ying-jeou’s verdict, condemning what he called the island’s ‘weaponization’ and a ‘tendency to turn Taiwan into a second Ukraine’.”

116. **The narrative in the Western press is that China is planning to incorporate Taiwan by force, by 2027. And Biden has pledged that the US will defend Taiwan militarily if China attempts to invade. The impression created is that we are seeing the preparatory stages of a war between the US and China, which could even develop into World War III. In our opinion these are overstatements.**
117. Taiwan’s independence is one of the most contentious issues in the geopolitical antagonism. Since the Chinese revolution of 1949 Taiwan has had an “unclear status” in the sense that China considers it to be a break away district that will sooner or later be “reunited” to China, while the West has not been challenging this. Thus, Taiwan is not formally recognised as an independent state despite its population size (24 million) and its economic weight.
118. **Taiwan’s importance to the West** has acquired a new dimension in the context of the “tech war” that the US launched against China. This is because of the importance of TSMC, the most important factory globally for the production of semi-conductors. According to articles published in the Western press, quoting US officials, in case China invaded Taiwan, [the US would or should bomb TSMC to destroy it](#), so that its advanced technology would not fall into Chinese hands. At the same time, the US is heavily arming Taiwan, which spends billions of USD annually, to the level of around 2% of gdp (around 1.5% for the EU and 1.6% for China, for reasons of comparison); and there are ongoing discussions in Taiwan about extending military service for youth from the present 12 months to 18 or longer.
119. A few months after the start of the Ukraine war, on August 2, 2022, **Nancy Pelosi**, while serving as speaker of the US House of Representatives, visited Taiwan, with a delegation of 5 Democratic Party members, to stress the United States’ *“unwavering commitment to supporting Taiwan’s vibrant democracy”*. It was a clearly provocative move (even Biden did not agree with it, but did not try to stop it) and was of course seen as such by the Chinese dictatorship which denounced it. After her departure the Chinese army commenced military exercises encircling Taiwan, from August 4 to August 7, 2022.
120. On September 19, 2022, [Biden stated that the US forces would defend Taiwan](#) in the event of a Chinese invasion. Asked in a CBS “60 Minutes” interview broadcast, whether U.S. forces would defend Taiwan if claimed by China, he replied: *“Yes, if in fact, there was an unprecedented attack”*. This was the most explicit statement ever made on the issue, drawing, again, an angry response from China.
121. **Soon after, [local elections were held in Taiwan](#) (26 November and 18 December 2022) to elect mayors and councilors in cities, towns and villages. The election resulted in big losses for the pro-Western ruling Democratic Progressive Party (DPP) and a victory for the opposition, particularly Kuomintang (KMT) which has a friendly approach to China. The message of these elections was quite clear: the Taiwanese people responded negatively to the adventurist policies of the ruling DPP party and the US.**
122. **This does not mean that the Taiwanese people would like to be incorporated to China. On the contrary, all indications are that the big majority are against such a perspective, precisely because of the dictatorial character of the Chinese regime. The Taiwanese people enjoy a relatively high standard of living by international standards, and have all the basic democratic rights enjoyed by the working class in the industrially developed capitalist countries. According to polls, if the Taiwanese people could freely decide they would opt for independence. But given the refusal of China to accept this and the danger of military escalation, the general mood is to keep things as they are – as a necessary evil or as a second-best choice.**
123. The experience of **Hong Kong** which enjoyed certain basic democratic rights compared to mainland China and which were [ruthlessly crashed in 2019-20](#) (despite China’s initial pledges that the

incorporation of Hong Kong in 1997 would lead to “one country, two systems”) acts as a clear warning to Taiwanese workers and youth not to trust what the Chinese government may be promising. Had the clampdown of the mass revolutionary movement of Hong Kong not taken place in 2020, perhaps the Taiwanese masses could be misled by false promises of “*autonomy in the context of unification*”, or of “*one country two systems*”. This is now excluded.

124. It is understood of course, that the “unclear” status of Taiwan is something transitional, it cannot last forever. But, given it’s been such for more than seven decades, it could last for a quite a while. The atmosphere cultivated by the Western press about a blood-bath over Taiwan is exaggerated. The US would have no problem sacrificing “one million Taiwanese” lives in a war that would have no hope of winning, just in order to weaken China. But this is not the mood amongst the Taiwanese people. Another fact is that China’s leaders have never stated that they intend to incorporate Taiwan by 2027. On the contrary, they denounce such claims by the West. Of course, there can be no confidence in what they say and the possibility of military confrontation is there. But the cost of such a move would be huge, therefore China can be expected to be very careful about resorting to military confrontation. The Chinese regime’s most probable tactic will be to wait, to strengthen its position economically and geopolitically, at the same time as the Western alliance is losing ground on a global scale, strengthen its economic and other links to Taiwan, and look for the best moment to make a move in the future.
125. The Taiwanese army is armed and trained by the US on a professional basis. It stands no chance of winning a war against China, but it can certainly inflict heavy losses. If China attempts to forcibly incorporate Taiwan in the present conditions, they will meet big resistance, not only in the military sense but also “socially” – in the sense that they will have to rule over a hostile and “disobedient” population. Probably the Chinese dictatorship will care very little, if at all, about tens or even hundreds of thousands of dead in case of a war over Taiwan, but they would not be indifferent to the impact this may have inside mainland China (angering the Chinese working class, the biggest on the planet) and the economic war that it will face from the West. The West would have no option but to follow a similar policy to the one followed against Russia after the invasion in Ukraine. That would mean abrupt break of relations and a huge economic cost, not only to China of course but also to the West.
126. The cost for China in such a scenario would be huge. China has no reason in the foreseeable future to attack Taiwan, unless challenged/forced by the West – and this again cannot be excluded as a possibility. In practice this would mean that the West encourages Taiwan to raise independence and then recognizes it as an independent state. In such a case China would have no option but to use force. However, everything shows that the West is not ready for such a provocation now.
127. It is very doubtful that the Taiwanese people would support such an adventurist policy. But in the hypothetical case that such a development does take place China does not have to invade Taiwan, it can encircle Taiwan and cut it off from the rest of the world. The question then raised is whether the US would intervene militarily to defend Taiwan, as Biden has stated.
128. **It is ruled out that the US and the West would engage their own troops in such a war. This would lead to an all-out war and it would mean massive loss of lives for the Western powers – the only thing that worries them. The tactics we should expect from the West would be similar to Ukraine – send arms and experts to guide the Taiwanese army.**
129. Having estimated the most probable perspective we should be open to other options, especially the possibility of the West being engaged in a number of wars (now it is involved in Ukraine and Gaza, to the degree that its inventories are depleted) so that getting involved in an additional one would be impossible. This could, under certain conditions, offer China the opportunity that is seeking for.
130. **The main task, however, faced by working class and left organisations internationally, is to take a political position on what should be the future of Taiwan. The main campaigning demand in such a context, should be the defense of the right of self-determination of the Taiwanese people – i.e., they**

should decide, through open and democratic procedure, if they want to be part of China or an independent state. In the hypothetical case of a military clash with the involvement of the Western powers and China, Marxists should be against both imperialist blocks, defending the self determination of Taiwanese workers and youth.

“Decoupling” and “deglobalization”

131. [Quoting the “Hinrich Foundation”](#) on global trade,

“Decoupling refers to a complete separation of ties between two or more economies. It involves dismantling existing trade and investment relationships, severing supply chains, and establishing new economic partnerships elsewhere.

“De-risking, on the other hand, is a more nuanced and gradual approach that focuses on mitigating specific risks associated with economic engagement with a particular country. It involves diversifying supply chains, identifying alternative sources of goods and services, and implementing measures to reduce exposure to potential disruptions.

132. The two terms have caused a lot of discussion both within the Left but also within the capitalist commentators in the past few years, particularly since the pandemic. The debates also touched the issue of *“the end of neoliberalism and the return to Keynesianism”* (that we argued against) but such arguments have by now been quietly abandoned, as neoliberal policies continue to be the dominant ones applied internationally, so there’s no need to take them up.

133. In the context of the debate on decoupling we had argued that despite the trade war with China, the West would not go as far as establishing the kind of division in the world economy that existed at the time of the first Cold War. The reason being that the economies of the West and China had become so irrevocably tied together that such a move would have disastrous effects not only on China but also on the West. The West could not abandon China’s vibrant market, but it could also not find (in the foreseeable future) another “factory” to produce so efficiently and so economically its products.

134. In the case of “deglobalization” we had argued that although we could expect a drop in the rate of growth of international trade and investments (the key factors in globalization) these should not be expected to turn to negative rates, i.e., they should not be expected to *contract in absolute terms*. It’s true that we are in a period in which the West is taking protectionist measures in an effort to defend its economic base, but this protectionism could not be expected to take the dimensions it took in the 1930s after the 1929 Wall Street crash. In fact, *the only time in the history of capitalism when globalization went into reverse, was in the interwar years* (between the 1st and 2nd world wars). This cannot not be expected to happen again in the present epoch.

135. **We can approach these debates again, today, with the benefit of hindsight. Today, “decoupling” has essentially been abolished/abandoned as a term. This was the result of an open clash between the US and its EU allies, particularly the two stronger EU economies, Germany and France, who in clear and unambiguous statements clarified they do not follow the US line.**

136. In a visit to China in November 2022, German Chancellor [Olaf Scholz made the following statement](#): *“What is clear for us is that we do not believe in ideas of decoupling (with China) but it is also clear that that has something to do with economic ties as equals, with reciprocity, with the issue that access to investment must be provided equally”*. French PM, [Emanuel Macron made similar statements](#), also in a visit to China in April 2022: *“We mustn’t decouple with China... ..There’s a rivalry with the European Union that we fully acknowledge, but we also know that there are major international issues that we need to work on together...”* As a result, the US beat an immediate retreat and began speaking of **“de-risking”** instead of “decoupling”.

137. But “deglobalization” is also been more and more questioned as a term by the more serious analysts and commentators of the ruling class. Initially the term “slow-balization” was used by some economists, but recently more ideas have been provided.
138. In a recent [book by Gordon Brown, Mohammed El Erian and Michael Spence](#) (an ex British PM, one of the best-known present-day economists, a Nobel prize laureate, respectively) they use the term “**Permacrisis**” to describe the present state of capitalism, and “**Globalization Lite**”, to describe the process of globalization at its present phase: by this they mean that *globalization continues but at a slower pace*.
139. On the other hand, in a survey by *Bloomberg* and *Standard Chartered*, with 3,000 company executives in 20 countries, 90% defended globalization as necessary. The authors propose to use the expression “**globalization needs a reset**”. [In their words](#): “*We advocate a reset to a more inclusive and sustainable model of globalisation*” and, “[we need to] *define the next chapter of globalisation...*”.
140. The US Secretary of Treasury, **Janet Yellen**, (as well as other US officials) has [advocated “friend-shoring”](#): “*Favouring the friend-shoring of supply chains to a large number of trusted countries, so we can continue to securely extend market access, will lower the risks to our economy as well as to our trusted trade partners.*”
141. The above are more accurate descriptions of the processes taking place, taking into consideration the fact that “[over the next decade, global trade will reach USD32.6 trillion](#)” from the [present 24.9 trillion](#). It is still possible of course that the term “deglobalization” will continue to be used and even dominate in the media because of the inertia from the previous period. But if used, it must be clear that it means that *globalization will only slow down, it won't go into reverse*.

Artificial Intelligence

142. In a speech in [mid-September, Ray Dalio](#), founder of the biggest hedge fund on the planet, [Bridgewater Associates](#), named five issues that in his opinion were to interact and transform the way the world works: “*unprecedented debt creation, internal political conflict in countries like the U.S., the changing world order, climate change and technological breakthroughs.*” When it came to the latter, speaking of [artificial intelligence \(AI\)](#), [Dalio commented](#):
- “AI is going to be a major transformative power... like nuclear, just more powerful... In terms of productivity, it could be mind-blowing... There are going to be robots with AI – you’re making people, almost. If it’s managed well, I think that the workweek could lessen. Maybe ... the workweek goes to a three-day workweek or so.”*
143. A few days later, **Bill Gates**, founder of Microsoft, which invested US\$13 bn in **OpenAI**, the company that created **ChatGPT**, made similar remarks about drastically cutting down the working week. Last but not least, another billionaire venture capitalist, **Vinod Khosla**, whose firm, **Khosla Ventures** invested US\$50 bn in OpenAI, stated:
- “...there will be a billion bipedal robots in 25 years... in 10 years we’ll have free doctors, free tutors for everyone and free lawyers... AI could do 80% of jobs in 25 years ...”* ([Business Insider, 03.12.2023](#)). [In March 2023 Khosla commented](#): “*This large transformation is the opportunity to free humanity from the need to work. People will work when they want to work on what they want to work on,*”.
- And in yet [another interview](#) Khosla repeated these same ideas:
- “...The need to work will disappear. It will be hugely empowering and freeing for society. Kids won’t be taught at age 12, ‘you need to get a job’. It’ll be like, ‘hey, discover your passion and follow it’.”*

144. **Marx and Engles described more than one and a half centuries ago how capitalism would create the productive forces that could liberate humanity from the need to work in order to survive. But, also, that in order to achieve this, to pass “from the realm of necessity to the realm of freedom” workers’ power and socialism would have to be established. They had also raised the possibility of the annihilation of civilization, if the working class proved unable to lead the transformation. Roza Luxembourgh used the expression, which has become popular today, that the choice before humanity was “socialism or barbarism”.**
145. Today, these projections are so absolutely real. The potential of applying the new technologies created by capitalism can transform the lives of billions and create precisely the conditions that billionaires like Dalio, Gates and Khosla are describing: no need to work to earn the necessities of life, just follow your interests, develop your talents and passions.
146. But of course, capitalism will never allow this – this is what these billionaires “miss”. In fact, in a whole number of countries, hours of work are increasing and overtime is not paid – in **India** there is an open debate among representatives of the system why people should work 70 hours a week! (<https://www.dw.com/en/indias-parliament-debates-murthys-70-hour-work-week/a-67789049>) Capitalism will use new technologies, as it always has done in its history, to attack workers’ rights and living standards. Only through struggle, and actually hard struggle in the present era, can workers shorten the working week (or increase the share of their wages in gross national income). Similar claims were made with the invention and development of computer technology, but the freedom from the necessity to work and an increase in quality of life and leisure time never materialized, on the contrary the new technologies led to further intensification of working conditions and exploitation.
147. Artificial Intelligence entered the daily lives of millions when ChatGPT was launched in November ’22. Since then, discussion is raging, both as regards the potential of AI but also as regards the dangers. AI is still at its very initial stages. But few doubt the tremendous potential it entails.
148. **AI and robots are two of the more recent technological advances. There are more. Since the latter part of the 2010s 3-dimensional printers have come into production. They can construct houses, blocks of flats, bridges, roads, etc, without the touch of human hand – just by being programmed and supplied with the necessary raw materials. And then it is the speed of communication, already mentioned above – 5G is in the process of being employed on scale, while 6G is already being researched. Last but not least, quantum computing which is expected to become part of daily life in the next decades can run at millions of times faster than present computers. It shouldn’t be difficult to imagine what kind of revolutionary transformation the combination of all of these giant steps can mean, for the benefit of humanity.**
149. But capitalism works in the opposite direction. AI and robots already loom as great dangers to the working class. The most obvious one is unemployment. Undoubtedly, new jobs will be created once robots enter mass production. But how about all those workers who will be replaced by robots – 80% according to Ray Dalio, or to use the words of **Gita Gopinath**, International Monetary Fund (IMF) Deputy Managing Director:
- “[AI could] shake up the labor market in unprecedented ways... The number of jobs affected could be overwhelming... It is quite possible that AI will simply replace human jobs without any effort to create new, more productive jobs for humans to move into.”*
150. There is another danger. And this is the danger of machines getting out of control. How is it possible that robots could turn “against their creators”? What under different conditions would be unthinkable, is however an existing danger under capitalism. Even the most optimistic of capitalist commentators cannot rule this entirely. Even **Elon Musk**, a crude and ruthless defender of capitalist exploitation and profit, is worried about the dangers. He has made statements of the kind:

“...artificial intelligence is [one of the biggest threats to humanity](#). This is because humans face the threat of being outsmarted by machines for the first time.” And “AI will have the potential to become [the most disruptive force in history](#)... We will have something that is, for the first time, smarter than the smartest human.”

151. **Actually, the danger is not represented by AI itself but by capitalism. Different capitalists will invest in AI, with profit as their sole motive. The technological giants of the planet, like Microsoft, Google, Meta and Amazon as well as many other European, Japanese and Chinese companies which are rising fast are in a race to outcompete their opponents, whatever the dangers entailed in creating machines with such capabilities.**
152. The [recent crisis in OpenAI, creator of ChatGPT](#) is a very clear verification of this. **OpenAI** was created in 2015 as a nonprofit start up. The majority of the board members in OpenAI were worried about CEO Sam Altman's real motives and deeds and about the dangers that AI represented, and wanted to keep OpenAI as a non-profit company. Despite this (OpenAI being a “non-profit company”) Altman had become a multimillionaire. Then it was discovered that Altman was working with a number of other engineers in OpenAI to create a secret AI programme under the name Q*. When this became known the majority of the board members decided to lay Altman off. At that point Microsoft, which had invested 13 billion USD in OpenAI and owned 49% of its shares, intervened and forced the reinstatement of Altman and the dismissal of the board members who had asked Altman to go. The message is more than clear: *in capitalism, profit seeking wins* against well meaning, or naïve exponents of “the benefit of humanity” who do not understand the class nature of things.
153. **In other words, at a time when the conditions created by capitalism could create “heaven on earth”, the system actually represents a grave threat to the same productive forces that it has developed to such a high degree.**

Barbarism or Socialism

154. **The future promised by capitalism is one of gloom, as we have developed above and in other materials we produced. One of economic stagnation, recession and crisis; of falling living standards particularly for the new generation even in the rich industrial countries; of continuous attacks on democratic, and other rights; of the rise of far right governments and the strengthening of Nazi organisations internationally; of environmental catastrophe and of a danger to civilization and even life as we know it; of religious fanaticism, racism and nationalism; of hundreds of millions of refugees, to which the “civilized” and “developed” nations shut the doors of entry, although it is their policies that are the root cause of the migration waves; of the return of military dictatorships and authoritarian regimes, in countries where it was thought that “democracy” was securely established; of unparalleled corruption and hypocrisy in the upper echelons, together with unprecedented inequality; and of vicious wars, sacrificing hundreds of thousands of lives for the sake of economic or geopolitical interests, or simply prestige.**
155. **Hundreds of millions on the planet hate the system, hate the conditions of life that it creates for them, the despair it is pushing them into. But they don't see a political alternative. They don't see an alternative organisation of society that would allow for a solution to all the problems they face. Colossal struggles are of course taking place, in all sections of the globe, but they are mainly of a defensive character. They are not struggles that aim at social change and at an alternative social system. The main reason for this is the lack of revolutionary leadership for the struggling masses.**
156. **From an objective point of view capitalism is overripe for its overthrow and the transformation of society on socialist lines. A socialist society could in the most natural and straightforward way employ all the huge technological advances and transform the economy and also the lives of the inhabitants of the planet. We are at a stage at which humanity can employ machines to do what is necessary for the reproduction of the human race but also protect the environment and all the**

species of the planet. The necessary time for work could be reduced to a few hours per week. People could choose to follow their interests, talents and passions.

- 157. At the same time the working class is stronger in numbers than has even been in its history. But despite the anger at the conditions of life and the determination of their struggles, workers internationally lack the necessary tools, i.e., mass revolutionary socialist parties, to overthrow capitalism and lay the basis for a socialist society.**
- 158. The building of such mass revolutionary parties, as parts of a socialist revolutionary international organisation, by working class activists and Marxists is the most pressing task for of our epoch. Internationalist Standpoint is duty bound to work together with other forces to make this a reality.**