

A paper of Marxist polemic and Marxist unity

weekly **worker**



**Fiona Lali and the RCP's programmatic void,
organisational opportunism and the decision
to bail out from Jeremy Corbyn's Your Party**

- Letters and debate
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No 1559 October 30 2025

Towards a mass Communist Party

£1/€1.10

NOT JUST ONE ROTTEN APPLE



LETTERS



Letters may have been shortened because of space. Some names may have been changed

Pro-Hamas CPGB?

"Hamas fighters, at times masked, have been seen beating and executing those who cooperated with the IDF, looters and members of armed criminal gangs."

So writes Yassamine Mather ('Survival is a kind of victory' October 23). The sentence is a disgrace. It doesn't say that those executed were collaborators or looters according to Hamas. It doesn't call for corroborating evidence or independent judgment. Instead, it takes Hamas at its word. On October 14, the group blindfolded eight prisoners, forced them to kneel at an intersection in Gaza City, and then mowed them down with automatic weapons to cries of "Allahu Akbar" from pro-Hamas onlookers. Hamas's disgusting brutality sent shock waves across the strip. Yet here is Yassamine Mather expressing full confidence in Hamas's judgment. If it says they're guilty, then that's what they are.

This is not a momentary lapse. Rather, it's a typical example of the *Weekly Worker's* coverage throughout the Gaza war. From the October 7 assault on, it has consistently sought to prettify Hamas's image, absolve it of responsibility, pass it off blandly as a 'resistance' organisation, and leave it at that.

Examples abound. Two weeks after 'Al Aqsa Flood', Moshé Machover, the CPGB's reigning authority on all things Palestinian, complained that "most people see only the atrocity itself ... they do not understand the causality, the root cause, which is the Israeli occupation itself" ('Expect the worst' October 26 2023). The idea that Islamists might exercise independent 'agency' of their own was not even considered. The same issue quoted Jack Conrad as saying "it was not our job to 'run a health check on the resistance' ... The best support we can give the Palestinian resistance is to fight against our own government" (James Harvey 'Opportunism in matters of organisation'). The idea, evidently, was that Hamas would do its own thing in Gaza, the CPGB would

do its thing in the UK, and everyone would get on splendidly.

"The Hamas attack was an act of desperation - a revolt born of hopelessness and despair," Mather added a week later ('A potent cause', November 2 2023). But it wasn't: it was an expression of bankruptcy on the part of an organisation that had done everything in its power to provoke Zionist aggression, while imposing a rightwing dictatorship on the people it purportedly represents. Eddie Ford offered more pro-Hamas apologetics a few months later, when he reminded readers that "we have to distinguish between the violence of the oppressors and the violence of the oppressed" ('Genocide by starvation' May 23 2024). Wrong again: Hamas is no more part of the oppressed than Qatar, its prime financial backer. Rather, it is a millstone around the neck of the oppressed - one that weighs them down at every turn.

Mather's latest article is more of the same. "[U]nder pressure from regional allies and paymasters," she says, "Hamas had little choice but to accept the Trump 'peace deal'." In fact, the real pressure came from masses of ordinary Gazans, whose faith in Hamas's leadership has been shattered and who want nothing more than for the war to end. "Despite surviving militarily and politically, we can say that the current peace proposal represents a strategic setback for Hamas." Setback - is this a joke? Along with Hezbollah and the Islamic Republic of Iran, Hamas has been smashed as thoroughly as Arab nationalism was in 1967.

This is obvious to everyone except the CPGB, which is still trying to put the best face possible on Hamas's disastrous adventurism. The party is a classic example of self-proclaimed Marxists turning off their critical faculties and deferring to a far-right movement, merely because it claims to be anti-colonialist. After decades of this sort of nonsense, one would think the CPGB would have learned by now. But plainly it hasn't.

Daniel Lazare
New York

Hamas resistance

In the 20th century the Leninist faction of the official CPGB had the democratic slogans, "For the IRA, against the British army" and "All

honour to Bobby Sands and the 10 dead hunger strikers".

Today, as exemplified in the article, 'Survival is a kind of victory', by comrade Yassamine Mather (October 23), that faction's descendants now refuse to show solidarity or even respect to the foremost anti-imperialist resistance force in the world today - in Palestine. Why is this? Fear of being labelled terrorist supporters? Surely not.

But there does seem to be an ongoing wilful ignorance and undermining denial of the extraordinary epoch-defining guerilla campaign conducted in Gaza over recent years. As explained on Electronic Intifada livestreams, particularly in the resistance reports by Jon Elmer, this campaign will be studied for decades to come as a unique achievement in so many ways. Not least the ability to self-generate the vast bulk of its weaponry in the incredible tunnel network, which is still surviving - despite comrade Mather's recent ludicrous statements that US bunker-buster bombs have blown it all apart.

Tom Cormack
email

Elected monarch

It's always good to hear from the Marxist Unity Group and its perspectives on US politics.

At the October 26 Online Communist Forum, Nick W from MUG seemed to dismiss the political significance of the 'No Kings' movement as merely being mobilised by mainstream Democrats and the liberal not-for-profit sector, which is aghast at Trump alone. He mentioned the nature of electoral politics in the US as being more about donors and 'star candidates' than political parties and also looked at the loose and loosening relationship between the Democratic Socialists of America and New York mayoral front-runner Zohran Mamdani.

However, by rejecting the 'No Kings' movement as missing the point, I feel Nick and MUG are missing an opportunity. What that movement represents is a mass rejection of unaccountable executive power. Such unaccountable power exists throughout bourgeois society and into the workers' movement itself, as evidenced by Mamdani feeling he can freelance his political campaign independent of the DSA.

Of course, the US constitution, as Nick alluded to, empowers the executive. The presidency is nothing less than an elected monarchism, Trump or no Trump. But, rather than dismiss 'No Kings', I would think it makes better sense to extend its politics. Sure, draw sharp lines against liberalism, but draw out its logic to deeper and more radical conclusions - 'No kings, no presidents, no celebrity politicians: for a democratic republic'.

Martin Greenfield
Australia

YP first step

At the Liverpool Your Party launch meeting earlier this month, Zarah Sultana gave a fiery speech for socialism, arguing for "the working class controlling the wealth that they produce" and calling to "embrace class war, because it's about time we won". She also called for our movement to be pro-trans, "proudly anti-Zionist" and "unashamedly anti-imperialist", calling Nato an "imperialist war machine" which cannot be "greenwashed" - a direct jab at the Green Party's pro-Nato Zack Polanski. Like many Your Party members, we welcome this!

But, unfortunately, none of these sharp political points made it into the Your Party founding documents. The political statement, apart from the word, "socialist", is a vague and toothless one-page note. Rather than

opposition to Zionism and Nato, we have "opposition to a global system of imperial domination". Rather than workers' control of the means of production, we have the abstract "transfer of wealth and power" to the "majority". Rather than sharp points drawing a line against the ruling class, we have vague "values", written to be acceptable to basically anyone left of Starmer.

It is obvious that most of the energy went into the three other documents laying out the structure of the party, and not what the party should actually fight for. Yet this is of paramount importance. Parties are built first and foremost on political ideas. An organisational structure is useful only if it serves a political aim. Without clear principles, answering the great questions of our time, we cannot build a strong party. So, with regional assemblies scheduled to prepare for the founding conference, what should socialists do?

The task must be to fight in Your Party meetings for Sultana's speech to become party policy. Zarah's speech was welcomed by many members. What matters now is that it does not remain a dead letter. And, if we have learned anything, it is that, if the members don't fight and instead place their faith in the hands of these leaders, nothing will happen. And this very much includes Sultana.

Concretely, socialists should argue, including by trying to pass motions at meetings, for Your Party to be:

- Staunchly anti-Zionist
- Clearly anti-Nato
- For class-struggle politics

Membership in Nato is directly linked to the falling living standards of the working class - increased militarism, to satisfy the US's demands, means austerity. As for Zionism, it means support for the ethnic cleansing of Palestinians and continued war in the Middle East. More broadly, these two points act as a loyalty oath to the American empire and its wars abroad. This is why support for Nato and Zionism are such red lines for the British ruling class and are imposed on every politician. Any concessions on these are the first step towards capitulation. We already saw this when Corbyn was Labour leader.

As for class-struggle politics, it is high time that the left gets back to it. For decades now, the left has been dominated by liberal, middle-class politics: ie, accepting the existing capitalist system, while giving it a progressive veneer, accepting the US-dominated 'rules-based order' and pushing change through gradual reformism and identity politics. This has only led to countless betrayals, while pushing many workers into the arms of the far right. Let the Greens defend the legacy of liberalism. Your Party should stand for socialist, working-class politics.

We cannot let the discussions for the foundation of a new socialist party be dominated exclusively by organisational questions of structure. Yes, we need a democratic party structure. But what we need above all else is a political fight to define what Your Party should be, and what it shouldn't. Sultana's Liverpool speech was a good first step. Now, the real test is to fight to make those good words a reality.

Vincent David
Workers Hammer

YP Sheffield

The elected steering committee of the Your Party proto-branch in Sheffield has agreed to campaign on the following key amendments at the South Yorkshire regional assembly on November 2:

"We hope that Your Party will become a truly democratic, socialist

and member-led mass party of the working class. In this spirit, we campaign for the following changes to the draft constitution, standing orders and document on organisational strategy.

1. For a party of the whole left
All left groups, large and small, should be positively welcomed into the party. They have a lot to contribute.

Delete: 'Members may not hold membership in any other national political party, except if specified by the CEC.'

Add: 'However, members may not hold membership in any other political party which runs candidates against Your Party.'

Delete: 'Members may not affiliate with or participate in organisations undermining party values.'

Add: 'Members should have full rights to organise openly into tendencies or platforms, permanent or temporary, and publicly advocate political positions, even if they differ from the current majority.'

2. For accountability, free speech and openness

Democracy requires transparency. Members cannot exercise control if decisions are hidden behind confidentiality rules.

Delete: 'Members must accordingly respect the confidentiality of internal party matters.'

Add: 'Detailed minutes of all CEC and officers' group meetings should be published in a timely manner, for members to review.'

3. Power to the members and the branches

We cannot wait until after the leadership elections in March 2026 before YP branches are officially set up. There are dozens of vibrant proto-branches that have been meeting for many months.

Delete: 'the CEC must oversee the establishment of branches.'

Add: 'Branches should be established immediately by inviting all local members to a foundation meeting. If there are rival groups or other problems, HQ may facilitate such a meeting, if requested by at least one of the branches.'

Delete: 'Members must be UK residents or have the right to vote in UK elections.'

Add: 'Membership is open to anyone who lives in Britain or has the right to vote in UK elections. We should not exclude migrants and refugees who do not hold residents' rights.'

Add: 'Branches should receive at least 50% of local members' fees.'

Add: 'Branches should be formed along real community lines, not just electoral boundaries.'

Local branches should decide how they organise, if they want to set up local assemblies - and how those should be run.

4. For a collective leadership
We should avoid a replica of Labour's unaccountable structures:

'The entire leadership body should be elected at annual conference, by branch delegates.'

'There should be no unelected officers' group running the party, no automatic seats on the leadership body. All officers should be elected from within the CEC, so they can be held accountable.'

'All CEC members should be recallable - at conference and by branch petition.'

5. For a fair and independent disciplinary process

There is no mention of a disciplinary process in the four documents. We need clear rules focusing on an independent process, with natural justice, clear timelines and easy appeals procedures.

6. Holding our representatives to account

The current proposal that it would

Fighting fund

You can do it

What a month! While we seemed to be well below the going rate a couple of weeks ago, we're now on the brink of reaching the *Weekly Worker* £2,750 fighting fund target for October!

As I write, £2,646 has come our way, meaning we still need just over £100 in the next two days! Before I come back to that, let me thank all those readers and supporters who have played their part over the last week. First we had JC and LM with their brilliant three-figure monthly donations, followed by AG and LR (£50 each), JT (£25), JW (£24), AB (£20), JM (£15), IS (£13) and TT and JD (£10).

All the above contributed by bank transfer or standing order, while another seven comrades clicked on that PayPal button: thanks very much, JB and DB (£50), JN (£11), and finally a batch of comrades who donated a fiver - thank you, DI, AR, TR and AL.

All that came to £618,

meaning we still need £104 by Friday October 31. And we can do it! Please help us out as soon as you read this. The only two ways you can still do it in time are, of course, by bank transfer or PayPal. To find out how exactly, read the details below.

I've got every confidence in our readers and supporters and remain, as ever, optimistic! But please don't disappoint me. Do your bit to ensure that the *Weekly Worker* can continue to play its vital role in campaigning for the one organisation the working class urgently needs: a single, united, truly democratic-centralist Marxist party.

You can do it! ●

Robbie Rix

Our bank account details are name: Weekly Worker sort code: 30-99-64 account number: 00744310 To make a donation or set up a regular payment visit weeklyworker.co.uk/worker/donate

require 40% of all local members to sign a recall petition is impossible to meet.

Add: ‘Branches should be able to decide by simple majority vote to start recall proceedings.’

‘MPs and officeholders should receive no more than the average workers’ wage.’”

Tina Becker
 Sheffield

YP Milton Keynes

I am struggling to balance off the optimism I want to feel with the shadow of pessimism, following the October 25 Your Party regional assembly in Milton Keynes. I spent most of my time with a group of about a dozen people who were a very friendly, interesting and thoughtful bunch and want to see a successful party take off.

The vast majority of the attendees were over 40 and I am told that in other regional meetings, particularly in urban areas, the age range is much younger. My group had a mix of long-time socialist activists, Corbyn/ Zara supporters, and a layer who the Corbyn wave drew into politics or who had seen the launch of Your Party and simply wanted to see a left alternative. The Socialist Workers Party, Counterfire and Socialist Party were present in small numbers and I would guess there were 250 in the hall.

If you were looking for presentational elan, then you would have been disappointed. The meeting organisers seemed to be quite unenthused - perhaps exhausted by the barrage of criticism that has been coming their way. A brief video welcome from Corbyn and Sultan was played, followed by a gentle ripple of enthusiasm, and we were told to get down to business: this was to be ‘our say’ in the next phase of the development of Your Party.

We then spent a couple of hours making our way through a confusing and frankly disorganised consultation process. For reasons that rightly struck the group I was in as odd, we were asked to consider organisation arrangements for Wales and Scotland. This left us perplexed and after a flurry of discussion we agreed that was for the Welsh and Scots to discuss, although it was acknowledged we might all have our own views on the national question.

Having spent time reading the documents and the questions posed, it soon became clear the facilitators had been given a different set of questions to put to us in some of the sections under consideration. We had volunteer notetakers dutifully recording the main thoughts of the group. I wondered what would happen to these notes next. The group was told that they would not end up in a pile in a box in an office gathering dust (although a later comment about the absence of financial resources and staff members suggested to me that such a fate might await), that transcription would take place and the thoughts of all the meetings would be brought together. This point needs to be pressed. All the results of the regional consultation processes (this is what the day was) need to be published.

Two issues that animated people in the group were communication and organisation. A number of people were quite baffled by the poor communication from the ‘centre’ and the general lack of organisational verve. In a side conversation it was suggested that all comms had to be agreed by the MPs and that this was not an easy task: there were not enough people or money for organisation to be slicker. In the background you can feel the arguments, power struggles and the tangles of the last four months.

The solution to this, of course, is a membership-led organisation, driven by branches, where all such differences are debated in public amongst equals - rather than in Westminster corridors amongst the elect. We have some way to go to get to that.

The lack of resources perhaps explains the rather random nature of the facilitation. In no way do I want to criticise the facilitators who were selected for the role, but it did not work in the main. A couple of people in the group explained that they had a lot of experience in facilitation, had offered their skills when asked in a YP email, and had had not received a reply. I have been told this by others who had made the same offer. It appears the YP inbox is a void, into which messages are sent, only to be replied to when time allows, if at all. I do wonder what my standing order is being spent on. It would be nice, and democratic, to know.

The Milton Keynes assembly was advertised to start at 12 noon and finish at 3.30pm. In my view it is democratic to start and finish meetings on time: if you have travelled a fair distance, have caring responsibilities or simply have something else important to do, then timeliness is a prerequisite. I left at 3.30 because I did have something else to do, so I have no idea how the assembly ended.

Did I leave filled with optimism or pessimism? To be honest, a mixture of both. In my view the central organisational body of Your Party (whatever that is) is both bureaucratised and prone. However, the working class is not: the Corbyn wave has created a space where it could find its voice - a voice that has been partially recovered over the last period, particularly through Palestine and the sense that a party alternative is possible. Lots of people - the putative members - are doing their best to organise branches in the absence of membership lists or resources.

So I disagree with those voices who are ready to give up on the whole process. It is true that the 800,000 who signed up may have reduced to 100,000 by the bureaucratic and uninspired handling of the process by the ‘big fish’ (who will soon find themselves in an ever smaller pond if they are not careful). The way forward is for the membership to take back control of the process and demand democratic accountability through building branches and networking those branches as far as is possible, and to focus on the three themes in the political statement - that Your Party should be a socialist, democratic and membership-led party.

At and following the November conference, nothing less will do - whatever your own brand of socialism is.

Will McMahon
 Knebworth

YP differences

I was among 120 comrades from Peterborough, Oxford, Aylesbury, Leighton Buzzard and all points in between who travelled to Milton Keynes’ Ridgeway Centre for Your Party’s October 25 regional assembly. (I have seen reports claiming 200 and even 250 were present, but I counted only 12 populated chair circles, each with 10 chairs, several of which were empty.)

In addition to the usual paper-sellers, comrades from David North’s Socialist Equality Party were in attendance, intent on convincing us our journey had been in vain and we should turn around and head back home: YP would be no more than a Labour Party mark two and a waste of time. Possibly true, but not inevitable. I rapidly got rid of my copies of the *Weekly Worker*, with two attendees

saying they read it every week and that it was, by a margin, the best paper on the left.

As elsewhere, attendees were divided into groups of 10, including a facilitator, and directed to discuss a couple of sections from three of the four founding documents, plus the political statement: a bland ‘motherhood and apple pie’ document replete with platitudes.

There was a distinct lack of diversity. Those in my group were all pale, male and - bar one younger comrade - stale. A fact which so exercised one of the organisers that she ensured she was included in our group photo when another female attendee declined to be the token female face.

There were differences in the group, as one would expect, with one comrade stating we should not call ourselves socialist, as this would put people off. I pointed out that being dishonest about who we were was not a good idea, especially given the distrust most people have for politicians.

But we did agree on some fundamentals: our elected representatives should be accountable to the relevant party unit; branches must be autonomous with a vibrant political culture; national conference must be sovereign and its decisions binding on all, including MPs. There was little support for sortition.

With the meeting overrunning, there was little time for the feedback from the groups. One group raised concerns about the phrase, ‘working class’, in the political statement, seeing it as divisive; frankly I thought its inclusion was one of the few highlights in an otherwise unremarkable and uninspiring document.

The political statement came in for fairly universal criticism, being deemed overly long and anodyne. Leftwing journalist Crispin Flintoff suggested we should invite Michael Rosen to produce a pithy statement à la Labour Party clause four. I thought we could do worse than adopt the words of James Connolly: “Our demands most moderate are - we only want the Earth”.

Andy Gee
 Northampton

YP Wales

October 25 saw the All Wales Your Party event take place in Merthyr Tydfil. The meeting was hybrid in nature and, in total, around 400 members and supporters attended this important gathering, which, fundamentally, kick-started YP’s presence in Wales.

This event was one of the first to be organised soon after YP was initially launched in July 2025. Among its notable initiators were ex-Labour MP for Cynon Valley, Bethan Winter, and former president of the Public and Commercial Services Union, Mark Serwotka, both of whom are to be commended for recognising its need, given the almost unfettered enthusiasm for the project at the time. Yet the event itself captured some of the real challenges the organisation faces in the coming weeks and months.

First, what was the *purpose* of this meeting? What could it *do*? Given the number of developments in YP generally over the past couple of months, many people wanted answers and clarification. It was billed simply as an “All-Wales gathering” and comrades were quite understandably questioning its nature. As it was starting at 11.30am and publicised to finish at 3.30pm, with close to an hour for lunch, I personally thought it would simply be a rally - useful, but how would that feed into the other events, particularly the assemblies that are now being organised throughout Britain?

As it happens, attendees were

provided with a consultation document a few days before the event that set out “the most pressing” organisational and political questions the event organising committee considered should be discussed. This included the proposal to make the gathering decision-making and permit the organising body to become an interim committee, which would take forward a set of ‘core ideas’ which it felt represented YP - particularly in relation to the Senedd elections in May 2026. Those core ideas centred around opposition to austerity, nationalisation, a fairer distribution of wealth, anti-militarism, anti-discrimination, the need for transparency in political institutions, the tackling of climate change and toleration of contesting views in YP. There was no mention of socialism.

Discussions from the floor and by people online then took place. Emphasis was placed on “working together”, the need to “respect comrades”, but also the important question of permitting other organisations to be a part of YP. There was also a decision taken to stand in next year’s Senedd elections. I critically supported this decision, because I felt having a left organisation at the ballot post is better than not having one - although I argued with comrades that we were in danger of adopting the lowest common pledges that united us rather than something more substantial and comprehensive.

Many suggestions put forward at the event were “noted” by the interim committee and it was strongly argued that any changes to the committee and the accepted pledges could be challenged and altered over coming weeks - although, given the timescale to next year’s elections, how this could happen is questionable. And to make such changes democratically would surely require an event that was a genuine decision-making conference and not simply one where individuals spoke from the floor with no collective responsibility.

Jeremy Corbyn gave a prerecorded message to the meeting and Zarah Sultana was present at the event to give an upbeat and positive, leftwing perspective on the future of YP.

How all this will mesh with the wider developments in YP and its two regional assemblies in Wales in November remains to be seen. Enthusiasm remains quite high, but clarity on what the organisation is, what it represents and how it operates in Wales is a different matter.

Bob Davies
 Swansea

Majority rule

Who is Ömer Hanifi Yüzgeç? I think you will agree that his letter is the best refutation of Tony Clark’s long-lasting and boringly repetitive misunderstanding of what ‘dictatorship of the proletariat’ means and how the call came out of the existing dictatorship of the capitalist class and its rigged legal system (Letters, October 23).

All we want is a legal system and government that ‘dictates’ or rules on behalf of the majority of people, not a minority of crooks. That is a true democratic state, whether we call it ‘dictatorship’ - the word has far more power to frighten the living daylights out of those who pretend to be democrats, but do in fact support a dictatorship of the minority.

Why hide our intentions? We are for the dictatorship of most of the population, of the majority. That’s democracy! The dictatorship of the minority is fascism.

Elijah Traven
 Hull

Phil Railston

Having read the obituary of Phil Railston (‘This son of York’,

October 23), I remember Phil from his days in Medway and Gravesend, supporting and defending those who were in court over the failure or refusal to pay their poll tax. He was a leading member of a small group of us, including also Reg Weston, who regularly attended the courts in Medway and Gravesend to act as ‘McKenzie friends’. It was in that position that he kept *me* out of prison.

Despite all his efforts on behalf of others, he suffered a great deal more than those he supported. I lost touch with Phil after those days, but was still occasionally aware of Phil Kent. He was a good comrade.

Ralph A Tebbutt
 email

Look other way

We hear from the Protestant Coalition party in Northern Ireland that communism means having mass immigration into the west (statement, October 22). That’s a new one on me - but let’s include the caveat that they hardly speak even for the majority of loyalists in the Six Counties, let alone all Protestants.

Historically, the term ‘communism’ relates to the nature of the economy in use in a particular society: ie, people involved in a collective effort, with rewards being, as much as possible, equally shared and the aged, sick and needy taken care of by the collective whole. I suppose that could include mass immigration, but it would be stretching the bounds.

Mass immigration into the west has been a globalist project for decades. It’s being generously funded now from elite sources - not by small, insignificant communist parties around Europe and the USA. And these same elites would love us all to become united now against these ‘invaders’, which they created. The whole idea that things will be alright once we’ve reversed mass immigration is a delusion and again ‘loyalist’ sources within NI are being used to foment hatred and violence, but this time it is hoped to be seen as *positive* hatred and violence, because it’s getting rid of a problem we’re now facing and everyone - loyalists, Irish nationalists and the newly arrived immigrants themselves - are being manipulated, used and abused again, and it’s being portrayed as the ‘only response’ to the problem.

Maybe we should look to the elites who are causing these problems. When is usury ever called out for the systemic harm that it creates? If you want to experience real slavery (not caused by communists!) just think of life in NI when all money is digital and therefore programmable. That’s the cause to focus on, in my opinion. But it won’t be solved through hatred or violence, or by attacks on another cultural, religious or ethnic grouping.

We just need to stop complying with the processes bringing us closer and closer to this digital nightmare. It won’t be someone with a black face telling you in the future where you can buy, what you can buy, and how much you can buy - or whether or not you can buy, sell and work, for that matter. It will be digital algorithms; it will be artificial intelligence; it will be ‘banks’, which by then will be ‘online only’ (physical banks won’t exist).

Who can you complain to? If you think you’ll be able to complain some way online, then what if your digital devices have been blocked? How will you complain about your digital devices being blocked when you are excluded from the online world? This is the slavery they want to impose. Non-conformity is the answer. Not hatred or violence. But there are sources wanting us to look the other way, unfortunately.

Louis Shawcross
 County Down

ECONOMY

Where next for global capital?

Creative destruction is meant to cleanse the system of obsolete technology and failing and unprofitable capital. In their place new innovatory firms would prosper, boosting the productivity of labour and delivering more value. There is, though, as **Michael Roberts** notes, a problem

Latest economic activity indicators, called purchasing managers indexes (PMIs), confirm that the major economies are still crawling along - neither slipping into slump nor picking up pace. The global PMI stood at 52.4 in September (any score above 50.0 means expansion, any score below means contraction).

In effect, the major economies remain in what I call a 'long depression' that started after the 'great recession' of 2008-09. In the last 17 years, economic expansion (as measured by real gross domestic product, investment and productivity growth) has been well below the pre-2008 rate, with no sign of any step change. Indeed, after the pandemic slump of 2020, the rate of growth in all these indicators has slowed further. Whereas world real GDP growth averaged an annual 4.4% before the great recession, in the 2010s it managed only 3% and, since the 2020 pandemic slump, annual average growth has slowed to 2.7% a year. And, remember, this rate includes the fast-growing economies of China and India. And also, in some key countries (the US, Canada, the UK) it has (until recently) been net immigration boosting the labour force¹ that supported real GDP growth; per capita GDP growth has been much lower.

Above all, the profitability of capital in the major economies remains near a historic low and well below the level before the great recession.

In its latest economic forecast, the International Monetary Fund improved its forecast for global growth slightly, but still predicted a slowdown: "We now project global growth at 3.2% this year and 3.1% next year - a cumulative downgrade of 0.2 percentage points since our forecast a year earlier." The IMF economists reckon US real GDP will rise just 2.0% this year, down from 2.8% in 2024, and then increase by just 2.1% next year. And that is the best performance expected in the top G7 capitalist economies, with Germany, France, Italy and Japan likely to record less than a 1% increase this year and next. Canada will also slow to well under 2% - only the UK will improve (to a very modest 1.3% this year and next). But even these forecasts are in doubt, as the outlook "remains fragile, and risks remain tilted to the downside". The IMF is worried about: (1) a burst in the AI bubble; (2) a productivity slowdown in China; and (3) rising government debt and servicing.

The economists of the Organisation for Economic Cooperation and Development are just as pessimistic. In its September interim report on the world economy, the OECD expects global economic growth to slow to 3.2% in 2025 and 2.9% in 2026 - down from 3.3% in 2024. Indeed, OECD economists reckon that US real GDP growth will be at its slowest since the pandemic, and so will China's. And the euro area, Japan and the UK will grow by just 1% or less. Growth in the US is expected at 1.8% in 2025 and 1.5% in 2026. China's growth is seen easing to 4.9% in 2025 and 4.4% in 2026 - although that rate is still nearly three times as fast as the US and four times as fast as the euro area, which is projected to expand 1.2% in 2025 and 1.1% in 2026. Unlike the IMF, the OECD expects the UK to slow to just 1% a year in 2026, while Japan is forecast at 1.1% and 0.5% over the same period.



No permanent slump

The UN's trade and development agency (UNCTAD) has also released an advanced preview of its Trade and Development Report 2025. It makes for sober reading on the prospects for global growth and trade. UNCTAD economists see "faltering global growth, which shows no signs of picking up in the near term. Global output growth continues to lag behind pre-pandemic trends. Momentum remains fragile and clouded by uncertainty. Investor anxiety has boosted financial markets, but not productive investment."

Nevertheless, the major economies have not slipped into a new slump, as experienced in 2008-09 and in the 2020 pandemic slump. Instead, the crawl has resumed. But neither does capitalism show any signs of leaping forward: the major economies are increasingly stuck in a period of 'stagflation': ie, stagnating growth alongside rising inflation.²

Schumpeter

Why is this? In the Marxist theory of crises, a long boom would only be possible if there was a significant destruction of capital values, either physically or through price devaluation, or both. Joseph Schumpeter, the Austrian economist of the 1920s, taking Marx's cue, called this "creative destruction". By cleansing the accumulation process of obsolete technology and failing and unprofitable capital, new innovatory firms would prosper, boosting the productivity of labour and delivering more value. Schumpeter saw this process as breaking up stagnating monopolies and replacing them with smaller innovating firms. In contrast, Marx saw creative destruction as raising the rate of profitability, as the small and weak were eaten up by the large and strong.

For Marx, there were two parts to 'creative destruction'. There was the destruction of real capital "insofar as the process of reproduction is arrested, the labour process is limited or even entirely arrested and real capital is destroyed", because the "existing

conditions of production ... are not put into action": ie, firms close down plant and equipment, lay off workers and/or go bust. The value of capital is 'written off', because labour and equipment, etc are no longer used.

In the second case, it is the value of capital that is destroyed. In this case "no use-value is destroyed". Instead, "a great part of the nominal capital of society - ie, of exchange value of the existing capital - is completely destroyed". And there is a fall in the value of state bonds and other forms of 'fictitious capital'. The latter leads to a "simple transfer of wealth from one hand to another" (from those who lose from falling bond and stock prices to those who gain from it).

Marx argued that there is no permanent slump in capitalism that cannot be overcome by capital itself. Capitalism has an economic way out, if the mass of working people do not gain political power to replace the system. Eventually, through a series of slumps, the profitability of capital could be restored sufficiently to start to make use of any new technical advances and innovation. That happened after the end of World War II, when the profitability of capital was very high and companies could thus confidently invest in the new technologies developed during the depression of the 1930s and the war. If profitability could be raised sharply now, in 2025, then the diffusion of new technologies like AI, that are already 'clustering' in the current depression, could possibly take off and create a step change in the productivity of labour in the major economies.

Mainstream

This theory of creative destruction has been taken up by mainstream economists. Recent Nobel (Riksbank) prize winners for economics, Philippe Aghion and Peter Howitt, noted that the speed of the rise of new firms with new technology and the fall of old firms with old technology is positively correlated with labour productivity growth: "This could reflect the direct contribution of creative destruction

and possibly also an indirect effect of creative destruction on incumbent efforts to improve their own products." But there is no role for profitability in this mainstream theory of creative destruction. Aghion and Howitt stick closely to the Schumpeter view of innovation by small firms. However, they do note that firm exit and entry rates into sectors have both fallen in the US in recent decades. The employment share of new entrants (firms less than five years old) fell from 24% to 15%. In other words, the main form of reviving capitalist investment and production has dissipated. As 'creative destruction' is an essential contributor to growth, "this declining 'business dynamism' has contributed to the slow and disappointing US productivity growth".

AI and other new technologies, even if they are effective (and that is in doubt³), will not deliver sustained and higher growth, because there has been no 'creative destruction' since 2008. Instead, there has been an unprecedented expansion of cheap credit money to support businesses, large and small, in an attempt to avoid slumps. There has been no collapse in stock and bond prices or massive corporate bankruptcies - on the contrary, new record highs in financial and property assets are continually reached. Instead of liquidation, there have been a growing number of corporate 'living dead' or zombie capitals, which do not make enough profit to service their debts and so just borrow more. There is also a sizeable layer of 'fallen angels': ie, corporations with mounting debts that could soon make them zombies too.⁴

Back at the start of the Great Depression of the 1930s, there was a division of opinion among the strategists of capital on what to do. US treasury secretary Andrew Mellon told president Herbert Hoover to "liquidate labour, liquidate stocks, liquidate the farmers, liquidate real estate". He said: "It will purge the rottenness out of the system. High costs of living and high living will come down. People

will work harder, live a more moral life. Values will be adjusted, and enterprising people will pick up the wrecks from less competent people." But, just as now, the liquidation policy was rejected by the rest of the administration - not because it was wrong economically, but for fear of the political repercussions.

Hoover was nevertheless opposed to planning or government spending to mitigate the slump: "I refused national plans to put the government into business in competition with its citizens. That was born of Karl Marx. I vetoed the idea of recovery through stupendous spending to prime the pump. That was born of a British professor. I threw out attempts to centralise relief in Washington for politics and social experimentation."

Perhaps the only recent policy example of 'liquidation' is the attempt of president Javier Milei in Argentina. But his drastic cuts in the public sector, while sustaining high interest rates and restricting the money supply, have not produced any 'creative' outcome. Instead, his attempt to "cleanse" the system of Argentina's "unnecessary" spending, unproductive workers and weak firms, to make the economy "leaner and fitter", has pushed the Argentine peso currency to the edge of collapse, as foreign exchange reserves run out and the country faces huge debts, soon needing to be paid back. So Trump and his treasury secretary, Scott Bessent, have come to Milei's aid with a bailout, just as the US banks got in 2008. Again, fear of the fall of Milei has led to the opposite of liquidation.

World debt

And the result is more debt. In trying to avoid slumps, governments and central banks have pumped in money and allowed companies and governments to build up debt. Global debt has reached nearly \$340 trillion, up a massive \$21 trillion so far this year - as much as the rise during the pandemic. Emerging markets accounted for \$3.4 trillion of the increase in the second quarter, pushing their total debt to \$109 trillion - an all-time high. The total debt-to-GDP ratio now stands at 324% - down from the peak in the pandemic slump, but still above pre-pandemic levels.

To solve the growth and debt problem, the IMF calls for cuts in public spending ("... governments must not delay further. Improving the efficiency of public spending is an important way to encourage private investment": ie, 'destruction'), while pushing for increased support to the capitalist sector ("Governments should empower private entrepreneurs to innovate and thrive": ie, 'creation').

The destruction here is only in public services and welfare, while the private sector can expect more of the same: low interest rates, tax cuts and subsidies to "empower private entrepreneurs"! ●

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Notes

1. See thenextrecession.wordpress.com/2024/03/13/us-economy-saved-by-immigrants.
2. thenextrecession.wordpress.com/2025/09/14/us-economy-stagflation-now-more-than-a-whiff.
3. See thenextrecession.wordpress.com/2025/10/14/the-ai-bubble-and-the-us-economy.
4. thenextrecession.wordpress.com/2022/03/06/fallen-angels.

USA

Notes on America

Second-term Trump has been radically different from first-term Trump. And now there are the on-again, off-again musings about a third term. Either way, argues **Jack Conrad**, the mould of American politics has been broken

Donald Trump was re-elected a year ago. Since then, “every week, we’ve got a decade”,¹ says Steve Bannon (in a claimed reference to Lenin²). There is, though, a profound truth here. Trump’s presidency has already radically changed America and radically changed the world.

There are still those on the left who insist on dismissing Trump as ‘ignorant’ and ‘stupid’ and, of course, a ‘fascist’. Claims which in their own right are ‘ignorant’ and ‘stupid’. Trump is certainly a proven liar, vain, has a short attention span and is almost illiterate.³ However, he is a born showman and possesses a mercurial intelligence and a sixth sense for the public square. Above all, though, out of naked self-interest, and to feed an already hugely inflated ego, Trump willingly serves American capitalism as a “synthesis of a monster and a superman”.⁴ With few exceptions the plutocracy has bent the knee.⁵

Unlike his first term, which was dominated by Democrat lawfare, Trump came off the blocks in his second term with an unstoppable, pre-planned barrage of executive orders. Project 2025, note, advocated just that: there is an “existential need for aggressive use of the vast powers of the executive branch”.⁶ There are two stated strategic objectives: one, defeat the ‘enemy within’; two, shred the ‘rules-based’ post-World War II global order.

At home that means a counter-revolution against undocumented migrants, environmental protection, established working conditions, women’s reproductive health, sexual deviants and civil rights-era gains. Once again, states will be able to ride roughshod over ‘diversity, equality, inclusion and accessibility’.

Trump’s language has been incendiary. He compares migrants to an infection that is “poisoning the blood of our country”. He pledges to “root out the communists, Marxists, fascists, and the radical left thugs that live like vermin within the confines of our country”.⁷ This has seen hundreds of Venezuelans flown off to El Salvador’s notorious CETOT mega-prison using the 1798 Alien Enemies Act, 1.6 million self-deport and 527,000 actual deportations.

In the name of stopping fraud, voters in federal elections are now required to produce documentary proof, such as a passport. This disproportionately disenfranchises black, poor and female voters. Fewer than half of Americans have a passport and 69 million women who have changed their names will struggle to find the necessary documentation.⁸ A frontal assault on the Democrats and their rainbow coalition.

Government employees have also been retired *en masse*. That includes top military officers, statisticians, Russia experts, criminal prosecutors, medical specialists, climatologists, etc. To state the obvious, not something driven by cost cutting. No, what we are dealing with is a purge of awkward, off-message people, an attempt to instil fear and the growth of *irrationality* - a phenomenon given insufficient attention by what commonly passes as Marxism. Too many, including when it comes to the social superstructure, explain events according to narrow economic



Donald Trump: a third term is unconstitutional

calculation, neat percentages and mathematical certainties. A parody of Marxism.

People, with all their quirks, flaws, strengths, weaknesses and ideological enthusiasms, make history. That Oliver Cromwell took over the leadership of the English republic, and Napoleon Bonaparte the French republic, were accidents, but it was by no means an accident that such types took over and imposed military dictatorships. Only the army could save the revolution. If it had not been Cromwell or Bonaparte, it would have been some other general. It is the same with Trump.

He is the right man who appeared at the right moment. Since the late 1940s and 50s America has been a superpower in relative decline. A decline temporarily masked by the 1989-91 collapse of bureaucratic socialism in the Soviet Union and eastern Europe, and capitalist triumphalism. Nonetheless, decline is palpable, as is testified by America’s share of global GDP: 40% in the 1960s, 36% in 1970s, 25% in 1980s, 26% in 1990s, 23% in 2000s.⁹ Add to that the humiliating failures in Vietnam, Iran, Iraq and Afghanistan. There are also US living standards, life expectancy stats, drug addiction rates, homelessness and social cohesion - the American dream became the American nightmare for millions. And now there is China and its full-spectrum challenge. Hence Trump.

To state the obvious, Trumpism and the whole *Maga* movement will, in time, lose its rationale and thereby lose its “right to existence and become unreal”.¹⁰ However, in the meantime masses of people rally around Christianity, nativism, traditional family values, gun rights, low taxes and an altogether vague loathing of a ‘rootless’, ‘cosmopolitan’ capitalism ... that, and Make America Great Again. Neoliberalism became inescapably associated with imperial decline, deindustrialisation, stagnant living standards, chronic insecurity ... it had to go.

Donald J Trump and the charisma of leadership is a factor in its own right too. It is not just that Trump is the country’s chief executive, commander-

in-chief of the army and chief of state. The *Maga* base believes in him. They see this real-estate billionaire as both one of their own and yet at the same time an avenging angel. Trump will flame illegal migrants, drug dealers, uppity blacks, self-entitled college kids ... and all those who condescendingly dismiss them (eg, as a “basket of deplorables”). Of course, there is calculation on both sides.

Fascism

Does that mean Trump is an American version of Benito Mussolini or Adolph Hitler? *Maga* an American version of the Fascisti or the Nazis? There is a dull liberal and left consensus - Trump is taking America straight down the road to fascism. Joe Biden said it. Kamala Harris said it. Mark Milley said it. Gilbert Achcar of the social-imperialist outfit, Anticapitalist Resistance, said it too ... except he calls it neofascism:

Neofascism differs from traditional despotic or authoritarian regimes (such as the Chinese government or most Arab regimes), in that it is based, like last century’s fascism, on an aggressive, militant mobilisation of its popular base on an ideological basis similar to that which characterised its predecessor. This base includes various components of far-right thinking: nationalist and ethnic fanaticism, xenophobia, explicit racism, assertive masculinity and extreme hostility to Enlightenment and emancipatory values.¹¹

That describes reactionary socialisms of many stripes, reactionary nationalisms too. But, shorn of non-state fighting formations and negatively resolving an unresolved revolutionary situation, whereby the ruling class cannot rule in the old way and the ruled refuse to be ruled in the old way, then using the term ‘fascism’ - or ‘neofascism’ - owes more to tired thinking than to the results of any scientific investigation.

There are too many on the left who are locked into the idea that the 1945-79 period represented some kind of capitalist normalcy: universal

suffrage, strong trade unions, the social democratic consensus. That its defining capitalist ‘other’ began in 1922 with Mussolini’s march on Rome. ‘Official communism’ detected the seeds of fascism in everything, including left social democracy - till, that is, the 1935 decree urging, demanding, the unity of the working class movement with the least reactionary sections of the bourgeois class in the name of defeating the growing and ever more ghastly fascist menace. Hence during this 1945-79 period, and there on after, anything that challenges, let alone overturns, the so-called normalcy is classified as fascism, or something going in the direction of fascism (and not only by ‘official communism’).

I well remember Edward Heath being described as a fascist, Margaret Thatcher too. In the US it was Richard Nixon, then Ronald Reagan. Today it is Vladimir Putin, Narendra Modi, Nigel Farage, Marine Le Pen, Alice Weidel, Georgia Meloni and, of course, Donald Trump. But to use a phrase: there are more things than are dreamt of in the black and white philosophy of fascism and anti-fascism.¹² In other words, we need to think things through and try to grasp things in terms of where they come from and where they are going.

So Donald Trump, Narendra Modi, Vladimir Putin and their ilk need to be classified, grasped, both according to their *political origins*, but more importantly according to their *being and becoming*. In other words, if there is any ‘neo’ going on, it is closer, much closer, to neo-Bonapartism. Of course, each is an autocrat in their own unique way. Trump, Modi, Putin, etc - each comes with their own individual ambitions, foibles and absurdities; each stands at the top of complex, constantly shifting, political and economic coalitions, which both propel and limit them; each uses, and doubtless internalises, their own national histories and ideologies: America’s manifest destiny, Hindutva, a Greater Russia, etc.

Trump, nowadays, has absolutely no need for non-state fighting formations or a military-bureaucratic political party - the defining markers

of fascism qua fascism. *Maga* is about red baseball caps and a slogan. It is not a disciplined body with a clear, strictly vertical chain of command. There is a leader, of course, but no branches, officers, delegates, dues, etc.

True, the totally botched January 6 2021 attempted self-coup, with its Proud Boys, Oath Keepers, Three Percenters and other boogaloos, had the whiff of fascism. Not that this was a *serious* bid to retain power. Neither the army nor the secret state were on board. Indeed the state machine actively opposed Trump. His Proud Boys, Oath Keepers, Three Percenters and other boogaloos would not, if it had been put to the test, have lasted more than a couple of minutes, if set against even the regular Washington DC police in a *military* confrontation.

Not that if January 6 2021 had succeeded - a highly unlikely scenario - that would have made the US a fascist state. Why? Because Trump was going to rely on vice-president Mike Pence, congress, the supreme court ... and ultimately the army. The Proud Boys, Oath Keepers, Three Percenters, etc, were mere bit players. They were never at the heart of the *Maga* movement, as were the blackshirts with Mussolini or the brownshirts with Hitler.

Today, though, Trump has executive orders, a thoroughly purged state apparatus, majorities in both houses of congress, the supreme court ... hell, in the form of ICE, he has even got his own praetorian guard. In the 2026 fiscal year, the agency will receive over \$11 billion - a 10% increase from current funding. This will allow the hiring of an additional 10,000 agents, bringing ICE to a near 30,000 total.

There is, moreover, no unresolved revolutionary situation. The working class poses not the least threat, either to the ruling class or the constitution. In fact, there is not even a working class *party* in the US, let alone a *revolutionary* working class party. The confessional sects, whatever their grand names, can be categorically discounted.

Yes, there is the Democratic Socialists of America. But, though engaged in a 200,000 membership drive, it still remains joined to the thoroughly bourgeois Democratic Party. Alexandria Ocasio-Cortez, Ayanna Pressley, Ilhan Omar, Rashida Tlaib, Cori Bush, Jamaal Bowman and Zohran Mamdani must therefore be brought under DSA control through imposing accountability and democratic centralism. That or they will merely serve to direct mass discontent into reviving the Democrats. Exactly what Robert Reich, Bill Clinton’s secretary of labour, hopes for. Mamdani, he says, represents the future of the Democratic Party ... at present “dysfunctional, if not dead”.¹³

Yes, in September, Trump issued his executive order banning Antifa as a terrorist organisation. Supposedly, Antifa is a “militarist, anarchist enterprise that explicitly calls for the overthrow of the United States government, law enforcement authorities and our system of law”.¹⁴ Evidence included celebrating the killings of conservative martyr Charlie Kirk and United HealthCare CEO Brian Thompson, and a purported 1,000% increase in attacks on ICE agents and anti-police and criminal justice protests. However, given that Antifa is completely decentralised,

little more than a badge, it is clear that the ban has nothing to do with some genuine threat. No, this is the opening gambit in what is a much broader attack on “anti-Americanism, anti-capitalism and anti-Christianity” ... in other words, the first amendment.

Trump is not attempting “to recreate the imperial presidency that was buried in the mid-1970s after Richard Nixon’s resignation”.¹⁵ A cosy establishment claim, approvingly echoed by the SWP’s Alex Callinicos.¹⁶ Making a similar assessment, Chris Cutrone, former Platypus guru, described Trump as an “unremarkably moderate conservative centrist in his policies”.¹⁷ Despite that, this self-proclaimed ‘last Marxist’ called for a Trump vote in November 2024.

Either way, it is all too apparent that Trump is intent on going far beyond a mere restoration of the Nixon presidency. He aspires to be America’s Boss, yes, with a capital ‘B’. A combination of a start-up CEO and a Roman Caesar who exercises absolute power.

This is the sort of goal long pursued by Ayn Rand, the Atlas Society and tech billionaire philosophers such as Peter Thiel. They do nothing whatsoever to disguise their admiration of autocracy and contempt for democracy - dismissed as an unnatural curb on individual creativity and freedom. In fact, there is an open acceptance of what we have long argued: “capitalist democracy” is an “oxymoron”.¹⁸

A third term is already being canvassed: “Am I not ruling it out? I mean, you’ll have to tell me,” says Trump. Despite the two-term constitutional limit, a third term is technically possible, if, say, in 2028 Trump and Vance ran on a joint ticket with Trump as candidate vice-president and Vance as candidate president, but with Vance committed to stand down in favour of Trump in the event of victory. But, at the moment at least, Trump calls this idea “too cute”, saying it “wouldn’t be right”.¹⁹ Tomorrow he might well change his mind.

Perhaps significantly, Steve Bannon avoids talking about a “third term”.²⁰ Presumably, one of his previous terms could be declared non-valid. Ominously, Bannon promises more on this after the mid-terms and confidently points out that the president is already marketing \$50 ‘Trump 2028’ baseball caps.

Bannon certainly wants to keep Trump. He sees him as a once-in-history American leader who has to finish what he’s started. “Trump,” he confidently declares, “will be the nominee of the Republican Party and president Trump will win another term.”

However, overturning the 22nd amendment seems improbable. It would require two-thirds majorities in Congress and three-fourths of the states. But there could be the declaration of a state of emergency and postponing the 2028 election. The Heritage Foundation - responsible for Project 2025 - is backing the call for a constitutional convention (that would require two-thirds of the states under article 5 of the constitution).²¹ Who would the delegates be? Would they be elected? Would it be ‘one delegate, one vote’ or ‘one state, one vote’? Would there be constitutional amendments? A new constitution? Frankly, we do not know, but the fact that there is such a campaign speaks volumes.

Maybe Trump wants to transform America into a version of Vladimir Putin’s Russian Federation. He certainly openly expresses his admiration of such regimes. There will still be courts, lawyers, parties and elections, but only one eminently predictable winner. Either way, a Christian nationalist autocracy ... and Trump.

However, age will, some time,

catch up with him. Trump will be 82 in November 2028. In his second term he wants to appear to be strong. Talk of a third term does that job. If the mid-terms go badly, who knows, he would be in danger of becoming a lame-duck president. Meanwhile JD Vance and Marco Rubio circle ... and weigh their chances. If Kamala Harris decides to run again, as she is threatening to do, that would be a gift to any Republican candidate.

Global order

What about shredding the international order? That has happened in no uncertain terms.

Trump unleashed a trade war against friend and foe alike. There were, of course, counter-tariffs. But, showing who has the strongest hand, it is America which gained concessions. Effectively it is therefore extracting additional tribute from the rest of the world. The sole exception being the People’s Republic of China. Time and again Trump has slapped on punishing tariffs ... only to blink.

Naturally, mainstream economists predicted disaster. So far, at least, it has not happened. In the first three months of 2025 there was a contraction in US GDP - companies rushed to get ahead of Trump’s tariffs. However, since then there has been a bounce-back. GDP grew at a 3.8% annualised rate between April and June.²² As for the US and global stock exchanges, they have reached historic highs (though many predict an ‘adjustment’, especially when it comes to AI, widely seen as a bubble).

Trumpian mercantilism is redevelopmental. That explains the ability of Trump to reach out to and connect with sections of the US industrial working class that feel (and were) abandoned by the 1980s turn to financialisation and neoliberal offshoring. Hence the United Steelworkers Union welcomed Trump’s tariffs, but not when applied to Canada (where the union organises too). Instead, pitting worker against worker, it wants the president to concentrate on ‘unfair’ Chinese competition. Of course, Trumpian mercantilism ignores, or refuses to acknowledge, the ultimate source of profit lying in the surplus value pumped out of living labour. It is a form of nationalist mystification, but one admirably suited to the needs of a US state determined to reverse its relative decline - crucially by stopping the ‘inevitable’ rise of China.

As an aside, there are those who imagine that China is doing no more than re-establishing its historical position as the world’s leading country. A case of the rise, fall and rise again of the great powers. One might as well expect the restoration of the Roman or Ottoman empires.

True, in the 15th century Ming China was more powerful economically, more technologically advanced and more populous than Europe. But with the rise of capitalism Europe surged ahead and was soon dominating the world. Portuguese, then Dutch colonists carved out concessions. Faced with drought, famine and huge peasant revolts in the 17th century, China essentially fell apart. Part of a repeated division-fusion pattern seen over two thousand years ... and something which haunts Xi Jinping and the Chinese leadership. Of course, Marxism seeks explanation not in some super-historical law, but rather, in the final analysis, in state, class and economic forces.

Eg, there was nothing inevitable about the rise of the US. George Washington and his continental army could have been defeated. Certainly if the southern confederacy has secured active British involvement, the outcome of the US civil war could easily have been very different. America would perhaps remain a British neo-colony dependent on its

supplies of black slaves and its cotton and tobacco markets. But, with the Yankee victory, America really gained independence and could therefore think about being a great power in its own right.

There can be no doubt that over the last 30 or 40 years China has seen a spectacular rise. There has never been anything like it before historically. According to the World Bank, 800 millions were lifted out of poverty.²³ However, this owes everything to China’s ability to integrate itself into the world economy. Something, especially to begin with, fully in accord with the wishes of US imperialism. It is quite conceivable that this integration cannot be reversed. That America is now as dependent on China as China is dependent on America. But there is nothing inevitable about its rise. Whether or not we are seeing the end of US hegemony and the birth of a bipolar world order will be decided by a combination of international great-power struggles ... and internal class struggles. Hence Trump.

When it comes to the western hemisphere, the determination to reverse America’s relative decline has seen Trump threatening to close the Mexican border, offering to buy Greenland, promising to take back the Panama canal and incorporate Canada as the 51st state. Then there are the war threats against Venezuela and the attempt to bring down the Bolivarian regime of Nicolás Maduro. In part this is about the ‘re-hemispherising’ called for in Project 2025 and reviving the Munroe Doctrine. Amongst the GOP elite the Donald Doctrine has become something of a rallying cry. Regime change in Caracas would certainly squeeze out China, which has ploughed huge amounts of money into Venezuelan oil projects (and in neighbouring Guyana and Suriname).²⁴

With the cold war won and long gone, Trump’s America has no need to cover its imperialism with cant about freedom, justice and democracy. Trump can afford to arrogantly parade America’s reasserted power and naked greed. America no longer asks the world to love it: instead the world is expected to fear it. Liberals are mortified - often reduced to spluttering incoherence. And most of the left miserably tails liberal opinion.

But here is Trump’s Greater America. And it makes a grisly fit with a whole history of expansionism. Beginning as 13 seaward-orientated former British colonies, the US expanded westwards and southwards through genocide and seizing native lands, wars of anti-colonial/colonial conquest and cash buy-outs. Alaska was bought from tsarist Russia for a paltry \$7.2 million in 1867. The Louisiana and Florida purchases served as the model. And, throughout, there were intermittent claims over British Columbia, Quebec and the whole of Canada.

No less to the point, what is to stop the US unilaterally annexing Greenland as some sort of incorporated territory? Indian troops overran the pocket-sized Portuguese colony of Goa in just 36 hours in 1961. The 626,000 population were not consulted. Why do liberals assume that Greenland’s 57,000 population would be given a say, except in a sufficiently well-rigged referendum? Were they consulted when Denmark first incorporated Greenland, after the Danish and Norwegian kingdoms separated in 1814? Obviously not. Does anyone really expect Denmark to fight if American forces based in Greenland stroll in to occupy the key centres of Nuuk? Again, no. Will Greenland’s indigenous population launch a winnable war of national liberation? Hardly.

Not that we communists are indifferent. On the contrary, we favour the *voluntary* union of peoples.

But that does not prevent us from recognising the role of brute force in the past ... and in the future.

The same goes for Panama. Trump recently ordered the US military to draw up plans to seize - ‘reclaim’ - the Panama Canal zone. The US Southern Command has drawn up various potential plans to ensure that America has “full access”, reports the *Daily Mail*.²⁵ Options range from partnering closely with Panamanian security forces to using American troops to forcibly take the waterway - which, it should be stressed, officials say is the least likely option.

But, remember, in December 1989 the US invaded Panama to overthrow the *de facto* ruler, Manuel Noriega, who was wanted in the US on drug trafficking charges. Operation Just Cause concluded in January 1990 with the “surrender of Noriega” and Panama’s defence forces “dissolved”.²⁶ Will it be any different in 2026 or 2027? Unlikely - the odds are simply overwhelmingly against Panama.

True, Canada is a different matter. It has a population of over 40 million and would be no pushover. No wonder Trump talks of *persuading* Canada to join the US ... in return for the lifting of those tariffs. Pan-Americanism has, though, little purchase in Canada at the moment. Only 25% are prepared to consider the proposition, while only 6% positively support it.²⁷

So America has to find, or create, a unionist party and bring around a good section of the electorate. Not impossible. England did something like that with Scotland in the late 17th and early 18th centuries. Custom tariffs were imposed, Scotland’s Darien colonial adventure wrecked and bribes were liberally doled out. Union of the parliaments in 1707 saw an end to tariffs, compensation paid to the elite for Darien and an economic boom in Scotland.

Ukraine

JD Vance spelt out the new global realities at the 61st Munich Security Conference on February 14 2025. Breaking with the normal diplomatic conventions, the vice-president berated European mainstream politicians for their liberal intolerance and apparent indifference to mass migration. Hence, he described the greatest dangers in Europe being “internal”, rather than from the external challenges of Russia or China. Adding insult to injury, he subsequently met with AfD leader Alice Weidel (not chancellor Olaf Scholtz, nor the CDU’s chancellor-in-waiting, Friedrich Merz).

Weidel and Vance discussed the war in Ukraine. Weidel and Vance discussed German domestic politics. Weidel and Vance agreed that the so-called *Brandmauer*, or ‘firewall’, that bars the AfD from joining governing coalitions in Germany, was an outrage that should immediately be extinguished. Those who do not, or cannot understand the significance of this change in US policy and its impact (and not only in Germany) understand nothing.

What about Ukraine? Instead of Joe Biden’s ironclad insistence on Ukraine getting everything back and seeing the back of the last Russian soldier, there have been formal and informal bilateral negotiations with Russia. Volodymyr Zelensky was firmly put in his place during his February 2025 visit to the White House. He must be prepared to concede territory, even if that costs him the presidency.

However, what Trump wants is not only US peace, but a US peace paid for by Europe. Europe has already agreed to ramp up arms spending with a ‘5% of GNP’ aim for 2025. Trump is determined that most of that extra spending will benefit the US military-industrial complex. Russia will get territory, but in return, is expected to accept 100,000 European troops along the whole of the new border).

Meanwhile, one might guess that the rump Ukraine will be armed to the teeth and provided with various US security guarantees. A sort of Israel, but much, much bigger. Unacceptable for Putin and the FSB regime in Moscow ... for the moment.

Trump comes not only bearing an olive branch: he carries a big stick too. Given the failure of the Alaska summit, there has been the upping of the sanctions regime. Russia’s two oil giants, Lukoil and Rosneft, were targeted and their biggest customers, India and China, responded by curbing imports and thus significantly reducing Moscow’s tax revenues.

The western media has been carrying all manner of stories about massive borrowing, bad debts, high interest rates and even the Russian economy being on the “brink of a recession” (Maxim Reshetnikov, Russian minister of economic development). Talking in the Oval Office, Trump confidently told reporters: “All of a sudden this economy is going to collapse.” Once that happens - more accurately, if that happens - conditions could be readied for renewed bilateral negotiations and, failing that, a colour revolution. Well, maybe ●

Notes

1. Steve Bannon, Trump’s former chief of staff, interviewed by Katy Ball in *The Times* October 24 2025.
2. “There are decades where nothing happens; and there are weeks where decades happen.” Almost certainly an apocryphal quote. A pity.
3. Michael Wolff claimed in his *Fire and fury* (2018) that “Trump doesn’t like to read at all”. Nor does he “process information in any conventional sense”. In some ways, he is “postliterate - total television”. But that does not make him “ignorant” or “stupid”.
4. F Nietzsche *The genealogy of morals: a polemic* London 1913, p56.
5. Not that the overt subordination stopped some stupid left and liberal commentary: eg, *The Guardian*’s US columnist, Moira Dunegan, claiming that it was billionaires such as Elon Musk, who “controls government operations and federal spending” (*The Guardian* February 6 2025). As I commented at the time: despite his unequalled wealth, Musk “could be fired in an instant and probably will be at some point” (*Weekly Worker* February 20 2025: weeklyworker.co.uk/worker/1526/notes-on-the-war).
6. R Vought ‘Executive office of the president of the United States’ in P Dans and S Groves (eds) *Project 2025: mandate for leadership* Washington DC 2023, p44.
7. abcnews.go.com/Politics/trump-compares-political-opponents-vermin-root-alarmin-historians/story?id=104847748.
8. *The Guardian* March 25 2025.
9. en.wikipedia.org/wiki/Economy_of_the_United_States.
10. As Friedrich Engels explained, “All that is real in the sphere of human history becomes irrational in the process of time, is therefore irrational by its very destination, is tainted beforehand with irrationality, and everything which is rational in the minds of men is destined to become real, however much it may contradict existing apparent reality. In accordance with all the rules of the Hegelian method of thought, the proposition of the rationality of everything which is real resolves itself into the other proposition: All that exists deserves to perish.” (K Marx and F Engels *CW* Vol 26, London 1990, p359).
11. anticapitalistresistance.org/the-age-of-neofascism-and-its-distinctive-features.
12. To paraphrase *Hamlet*, act 1, scene 5.
13. *The Guardian* October 28 2025.
14. www.whitehouse.gov/presidential-actions/2025/09/designating-antifa-as-a-domestic-terrorist-organization.
15. E Luce ‘Trump’s imperial emporium’ *Financial Times* February 5 2025.
16. *Socialist Worker* February 12 2025.
17. C Cutrone ‘Why not Trump, again?’ May 2024 - platypus1917.org/2024/05/01/why-not-trump-again-2. An article which not only echoed the Luce-Callinicos theory of the restoration of the Nixon presidency, but justified voting for Trump in November 2024.
18. P Thiel ‘The education of a libertarian’ *Cato Unbound* April 13 2009.
19. www.bbc.co.uk/news/articles/c797q57ple9o.
20. *The Times* October 24 2025.
21. www.commoncause.org/articles/a-constitutional-convention-with-no-guardrails-is-a-real-possibility-we-must-stop-it.
22. www.bbc.co.uk/news/articles/cjedze7e95lo.
23. www.worldbank.org/en/news/press-release/2022/04/01/lifting-800-million-people-out-of-poverty-new-report-looks-at-lessons-from-china-s-experience.
24. *The Telegraph* October 25 2025.
25. *Daily Mail* March 14 2025.
26. en.wikipedia.org/wiki/United_States_invasion_of_Panama.
27. www.cbc.ca/news/canada/canada-join-u-s-poll-1.7434317.

LEFT

False party concepts

Left organisations which stand for managerialist organisational conceptions function as actual outworks of the fortifications of capitalist rule. **Mike Macnair** criticises the Cliffite SWP and the Grantite RCP

Last week,¹ I referred briefly to the Socialist Workers Party central committee's document, 'Party democracy: what we should defend; what we should reconsider', in the SWP's Pre-Conference Bulletin No1 (PCDB1), making the point that this document argues in essence that "we should defend" 95% of current SWP practice, and "we should reconsider" 5%.

It happens that the Revolutionary Communist Party's *The Communist* issue 37 (October 22) carries two articles about the *tasks* of a 'revolutionary party' that are part of the same story of far-left managerialism as the SWP's bureaucratic-centralist "party democracy", and, in addition, an argument from Fiona Lali against taking issues of political democracy in Your Party seriously - the standard Trot-bureaucrat argument that 'the regime is not a political question'. This makes it worth addressing both lines of argument about the *tasks* of a party - and the SWP on YP. I am not actually going to discuss directly the familiar story about the details of the SWP's bureaucratic centralism.

Both lines of argument share certain common ideas. The first is - as with the *Morning Star*/CPB and SWP perspectives discussed last week - the delusional belief that their own organisation is *the* 'revolutionary party' and other similar organisations (of similar sizes or smaller) are to be disregarded.

Associated with this idea: the immediate tasks are about linking 'the revolutionary party' to *newly radicalising forces* (as opposed to 'wasting time' talking to other leftists). And, for both the SWP and RCP, what this means right now is recruitment campaigns among students.²

'Leadership'

A third associated issue is the underlying tasks of 'the revolutionary party'. These tasks are of 'leadership', meaning the practical immediate direction, of 'struggles' - primarily street and strike struggles. Thus SWP comrades "need to build an organisation of *interventionist Marxist cadre*: comrades with an ideological depth and critical mind who are able to initiate, shape and reflect on struggles in the world"; and "Any discussion that is not situated in ... the need for intervention in actual struggles, is likely to become internalised and abstract."³

The SWP, of course, opposes a party programme. The RCP reaches the same result, while claiming to have one, by arguing that:

The method of Marxism is a guide to action. The revolutionary party is, first and foremost, its programme: a set of ideas and perspectives. Our method of organising flows from this.

The task now is to build a strong communist force, steered in the methods and perspectives of Marxism, which has won political authority among workers and youth in advance of revolutionary events breaking out.⁴

The "programme" here does not mean a summary political programme of the sort of the 1891 Erfurt programme, the 1903 programme of the Russian Social Democratic Labour Party, or the 1919 programme of the Russian Communist Party (Bolshevik). This



RCP poster girl

is visible, on the one hand, in the references to "ideas and perspectives" and "methods and perspectives" - indeterminate expressions.

It is visible, on the other hand, in "Our 10-point programme" on page 2 of *The Communist*, which is a set of advertising-style slogans adapted to the *immediate moment*: starting, for example, with "No trust in Starmer's big business government! No to austerity: Overthrow the billionaires and their profit system!" The effect is that this "10-point programme" gives substantially less information about what the RCP *stands for as an organisation* than do the (also summary) Socialist Party in England and Wales 'What we stand for', or that in *Socialist Worker*, or the *Weekly Worker*'s 'What we fight for'.⁵

What is left as the political basis of the organisation is, in substance, belief in the "unbroken thread"⁶ of revolutionary continuity running: Lenin - Trotsky - Ted Grant - Alan Woods. At this point it is worth mentioning briefly that the Grant group, starting out as opponents of Labour Party entry in 1947-49, drifted into entry and by the 1960s were advocates of *strategic* entry.

This policy worked for them because they were left alone in the Labour Party youth organisations by other Trotskyists turning to open

work: first, in the early 1960s, the Socialist Labour League led by Gerry Healy; then, in the late 1960s, the Socialist Review group led by Tony Cliff; and the International Marxist Group. They were able to hold on to the (now defunct) Labour Party Young Socialists, because - though the 'official' Communist Party 'ice-picked' *Militant* in the National Organisation of Labour Students - the CP-led trade union broad lefts protected them from witch-hunting until the Eurocommunist takeover of the CPGB. They were, then, able to recruit among newly radicalising youth in the LPYS branches, without facing competition from other leftists.

In 1985-87 they began to be seriously witch-hunted, and in 1991-92 the group split, with the Taaffe wing turning to open work and the Grant wing - the origin of *Socialist Appeal*/RCP - defending strategic entry. Since then they have passed from being, in the 2000s, the most gung-ho enthusiasts for Venezuelan 'Bolivarism' (Woods in 2014 began to see that there was at most an 'uncompleted' revolution, and now recognises the current Venezuelan regime as left-Bonapartist⁷); in 2014, Scottish left nationalists⁸; in 2018, advocates of a campaign to restore the Lassallean old clause four of the Labour Party's constitution⁹ - and,

in 2024, to rebranding as the RCP.¹⁰ There is continuity of *personnel* through the old-timer, Grant, and *perhaps* continuity of 'method', but nothing like continuity of *political line*.

The significance of this point is the project of building "a strong communist force, steered in the methods and perspectives of Marxism, which has won political authority among workers and youth". This "authority" cannot be acceptance of a definite political programme (which is absent), but only *personal* authority of the RCP's 'cadres' in giving immediate practical direction of 'struggles'.

The logic of this concept of 'leadership' of 'struggles', in the case of both the SWP and the RCP, is of a need for *organisational separation* from the rest of the far left, and the pretence that it does not really exist. The reason is that the object is to make a relation between the 'cadres' of *this group* and the masses; and the fact that (for the RCP) the SWP, SPEW, the CPB and several smaller groups will *also* have (competing) proposals on how to take the immediate struggle forward, is an obstacle to the RCP winning "political authority among workers and youth" by leading 'struggles'.

It is, of course, equally an obstacle

to "winning political authority" in this way for the SWP, or SPEW, or, on a smaller scale, the Atlanticists for Workers' Loyalty (Alliance for Workers' Liberty), or Anticapitalist Resistance, or Revolutionary Socialism in the 21st century, or Workers Power ... and so on.

(I leave the CPB out of this list, because it has an actual political programme, *Britain's road to socialism*, to which militants could be won, as opposed to "transitional method" ideas.)

This conception of "winning political authority" through providing leadership, meaning immediate practical direction, to "struggles", with the result that competing groups are to be wished away or are mere obstacles, means that groups that have this conception cannot function loyally as minorities fighting for their political views in wider regroupments of the left.

They are driven, in the first place, to attempt to 'seize the initiative', resulting in the creation of multiple competing front organisations. They are driven, secondly, to seek privileged relationships with 'official left' bureaucrats, which will enable them to think of themselves as 'leaders' when what they are actually doing is acting as bag-carriers for the official left's usual Grand Old Duke of York policy ("he had ten thousand men ... he marched them up to the top of the hill, and he marched them down again").

They are driven, thirdly, to split the broader regroupment, when they lose organisational control or when their members become exasperated by the need to work with minorities who disagree with them, but cannot easily be called 'reformists'.

The RCP *under this name* has only a short history. *Socialist Appeal* and before it *Militant* were consistently isolationist towards the rest of the organised left, on the ground that by not being in the Labour Party, the rest of the far left groups were *ipso facto* 'sects'. (It was relatively marginal that smaller groups within the Labour Party were also to be characterised as 'sects', though *Militant*'s argument that other groups were 'sects' because they were separate from Labour did not work for those who were not.)

We (leftists around at the time) were all startled when the *Militant* majority's turn to open work in 1991-92 led to greater openness towards the rest of the left - temporarily, as it turned out, when SPEW split, in December 2001, from the Socialist Alliance it had created. Now the RCP has turned to open work. Hence the drives towards splitism and towards acting as bag-carriers for official lefts created by the project of 'winning political authority' through providing leadership, meaning immediate practical direction, to 'struggles' will become more transparent.

Much longer

The SWP has a much longer open history. The 1977 launch of the party was expected to marginalise the rest of the left groups (but did not). Rock Against Racism was perhaps the last instance of the rank-and-file creativity of the old International Socialists, which did not claim to be 'the party' and had not been fully 'Bolshevised', meaning bureaucratised. But it allowed the SWP to launch the Anti-Nazi League in collaboration with the

old CP and various ‘official lefts’ and celebs, and thereby escape from the annoying need to work with the rest of the far left in the labour movement-based, local delegate, anti-fascist/anti-racist committees that had developed in 1974-77.

In 2000 the SWP was drawn into the London Socialist Alliance and effectively took the national version over, when SPEW split in December 2001. Meanwhile, however, another hook-up with ‘official lefts’ in Stop the War Coalition rode the wave of opposition before and after the 2003 invasion of Iraq. In 2003-04 the SWP decided to cash this by dumping the Socialist Alliance in favour of the Respect alliance with George Galloway and mosque-based opponents of the Iraq war.

But this did not last long either: when the SWP lost control in autumn 2007, it split Respect. Till the last minute this split was a matter of underhand manoeuvres and rumours publicly denied. The result, in turn, was *wholly unprincipled* splits in the SWP itself, with a small group going with the Galloway wing of Respect, and another, including former SWP central leaders, forming Counterfire - reflecting the Renaissance court-style internal politics of the SWP leadership.

The history since has been of a series of SWP fronts of one sort or another, largely self-isolated from the rest of the left. In StWC they had a history of making *local* splits when they lost, or could not obtain, organisational control; the same seems now to have recurred in Your Party.

Your Party

The RCP may have decided that Your Party is doomed to fail: which might well be true, given that the anti-democratic commitments of the ‘official lefts’ involved in its creation have resulted both in the substitution of managers’ and advertisers’ ‘consultation’ forms for democratic decision processes, which will tend to demobilise support, and in court intrigues at the top leading to endless ‘briefing’ against opponents within the leadership, most recently to claim litigation will be started.¹¹

However, the RCP’s most recent *published* positions are in *The Communist* for October 22. Fiona Lali in ‘Fortnight with Fiona’ (p10) reports her intervention in the session at ‘The World Transformed’ (October 10-12 in Manchester). She “argued that the main argument we should be having within the movement is around political perspectives and our programme”:

Some in attendance questioned me, and said that the question of internal democracy supersedes the programme (for now) because without good organisational structures, there can be no political debate ...

... now people are concentrated on fixing the constitution, which unfortunately comes at the expense of promoting the politics that would re-invigorate the party’s launch.

The focus should remain on the politics. With Ukip emboldened enough to take a stand in Whitechapel, the need for a fighting, anti-capitalist party has never been clearer. Working class people cannot wait.

Here ‘perspectives and programme’ is reduced to the SWP-style policy of ‘confronting the fascists’. The argument is *not* one for debating programme in YP - which could, to the extent any debate is possible at all, be done around the feeble ‘Political statement’. It is an argument for disregarding questions of ‘the regime’.

There is, of course, a certain basis for this in Trotsky’s arguments in 1937 on opposition in the US Socialist Workers Party. But this is to disregard

his earlier arguments in 1923 in *The new course* and 1928 in *The Third International after Lenin*.¹² Or, more formally, because it was actually adopted by vote, the 1931 resolution, ‘The International Left Opposition, its tasks and methods’:

The foundation of party democracy is timely and complete information, available to all members of the organisation and covering all the important questions of their life and struggle. Discipline can be built up only on a conscious assimilation of the policies of the organisation by all its members and on confidence in its leadership. Such confidence can be won only gradually, in the course of common struggle and reciprocal influence. The iron discipline which is needed cannot be achieved by naked command. The revolutionary organisation cannot do without the punishment of undisciplined and disruptive elements; but such disciplinary measures can be applied only as a last resort and, moreover, on the condition of solid support from the public opinion of the majority of the organisation.

The frequent practical objections, based on the ‘loss of time’ in abiding by democratic methods, amount to shortsighted opportunism. The education and consolidation of the organisation is a most important task. Neither time nor effort should be spared for its fulfilment. Moreover, party democracy, as the only conceivable guarantee against unprincipled conflicts and unmotivated splits, in the last analysis does not increase the overhead costs of development, but reduces them. Only through constant and conscientious adherence to the methods of democracy can the leadership undertake important steps on its own responsibility in truly emergency cases without provoking disorganisation or dissatisfaction.¹³

This can stand as a permanent rebuke to the modern Trotskyists against their actual organisational methods. In relation to comrade Lali on discussion at ‘The World Transformed’, what it, in effect, prophesies is the actual *disorganising* effect of the YP leaders’ anti-democratic control-freakery.

Adam Booth, editor of *The Communist*, writes on pp2-3 on ‘The movement, the left and the role of the communists’. He talks about “the shambles surrounding the foundation of Your Party”:

Instead of discussing the party’s programme, its founders have bickered over secondary organisational questions, giving the distinct impression that they lack direction and seriousness.

Consequently, young activists looking for a political home have flocked to the Greens, attracted by new leader Zack Polanski’s bold rhetoric against the billionaires and big landlords.

A growing layer, meanwhile, is drawing even more radical conclusions - getting organised as revolutionary communists with the RCP.

The last paragraph here is largely self-deception. The RCP remains at best not much above 800-strong; the SWP is organising a similar recruitment campaign among students, with larger staffing resources; meanwhile, Green Party membership has doubled to 140,000.¹⁴

And the RCP precisely does *not* have a programmatic alternative to offer, since, as I have already said, its “10-point programme” is merely a set of advertising slogans addressing the immediate moment, and what

lies behind this set of slogans is merely delusions about “the unbroken thread”.

Let us turn now to the SWP CC on YP in ‘Revolutionaries and Your Party’.¹⁵ The SWP CC argues that “The roots of the Corbyn-Sultana fallout, and the problems at the top, are political. They are rooted in electoralism and labourism.” The document argues for political democracy in YP: “real democracy is the antiseptic that can clean out the infection of factionalism and backroom deals”.

Indeed, it goes on to make some excellent points on this front:

5. We support moves to democratise YP. We are for a national network of YP branches, which can hold proper discussion and debate about policies and elect delegates to local, regional and national conference and leadership bodies. We oppose moves to prevent members of existing political parties or networks from joining YP. It is outrageous that a small clique made this decision rather than allowing members to decide. We should join YP regardless of this prohibition. The only argument for excluding groups is if they have rotten politics, stand against YP at elections or organise against YP. We support grassroots democracy, not ‘one member, one vote’ online polls that privilege the high-ups. We want elections for conference delegates, not ‘sortition’ - the drawing of lots that means people are unaccountable and not chosen on a political basis.

Some of this is excellent. But not all: eg, “have rotten politics” is an extremely slippery idea; equally what would count as “organise against YP”?

Equally, if not more, importantly, the idea of “the infection of factionalism” is conceptually inconsistent with “We oppose moves to prevent members of existing political parties or networks from joining YP.” If groups (including the SWP) join YP, they will precisely be ... *permanent factions*.

What counts as ‘democracy’ in SWP eyes is also a problem:

We want more big rallies, such as in south London or Leeds [organised by the SWP], but we also want lots of the smaller meetings that bring people together.

This is not easy. The territory is bedevilled by sectarian insistence on the importance of this or that group, figure or organisational method. But we know that most people do not want their local group to become a mini-version of the factionalism at the top. And we must use this.

Big rallies is the standard SWP method for bag-carrying for the ‘official lefts’. ‘Sectarian’ is code for open discussion of stuff the SWP does not want to discuss.

Indeed, the SWP wants to build YP on the basis that “YP, if it eventually involves hundreds of thousands of people, will be a social democratic party” - and of building the SWP as *the* revolutionary party alongside YP.

What are the politics that this will involve? In point 4: “We should support, for example, moves for YP to support trans+ and non-binary rights, to welcome refugees, for the abolition of all anti-union laws, to oppose Nato and to reject Zionism. We also support Zarah Sultana’s moves to legislate to prevent MPs being landlords.”

This is even less an alternative programme than the RCP’s ‘10 point programme’. It is merely some issues that conjuncturally look agitational (and largely merely tails Zarah Sultana). More clearly SWP-speak is:

6. Absolutely central to our approach is the primacy of struggle, not elections. It is crucial to insist that YP must mobilise its members in action - against the racists and fascists, for Palestine, for protest rights and against state repression, for a mass demonstration around the November 26 budget, against digital ID and so on. It is a failure that a mailing list of 800,000 has not been used in this way. Mobilising YP supporters on the streets and in workplaces could make an instant difference to the political scene.

Street, street, street. It is almost certain that the 800,000 who signed up come from the Palestine movement on the streets. But I argued last week that the CPB and SWP belief that trade union leaders *could* mobilise their members if they were only willing to do so was misconceived: they have difficulty turning their membership out when they want to. The same goes for YP trying to mobilise *beyond* the Palestine demos.

The reason is that the 1974-79 Labour government’s trade union and employment legislation, and the trade union leaderships’ internalisation of that legislation, destroyed the foundations of the *ability* of the unions to mobilise more than limited action. A central role in this was played by the centralisation of union finances: the payment of union dues to the national union, first by deductions from pay, then by bank standing orders and direct debits. By savagely weakening the possibility of *local* action and creativity, the new regime savagely reduced the ability to mobilise effectively for *national* action. But this is, of course, not only the unions. The far left has followed suit.

This brings us back to the beginning: the *demobilising* effects of the YP leadership’s centralist control-freakery and pretences of democracy. These grow out of the political culture of the post-1974 trade union movement, of the post-rate-capping and expanded judicial review local government, and of the student union executives as a career path on the road to working for parties, trade unions and local government. They are forms of the tyranny of the bureaucracy.

The SWP *wants* to oppose the phenomenon. The problem is that its anti-factionalism and concept of what counts as ‘intervention’ actually does the same thing - diseducating and demobilising - to the SWP itself.

Its document, ‘Party democracy: what we should defend; what we should reconsider’, actually displays worries about the effects. But it clings to the ideas that branch committees “[work] under the direction of the CC along with full-time party organisers they [the CC] appoint” (PCDB1, p26); that “we rightly reject permanent factions, or the construction of a revolutionary party built around internal ‘platforms’ (p27); and that “the CC should be able to conduct its discussions with confidence that the content will not be shared more widely” (p27). The inevitable result is that the SWP cannot possibly hope to effectively oppose the very same commitments to centralised apparatus control and anti-factionalism that are poisoning YP. *De te fabula narratur* (‘The story is about you’).

Larger

The problem is at the end of the day even larger. ‘Capitalism’ and ‘the billionaires’ are codes for a world in which human beings’ common productive activities are coordinated mainly through money: partly through markets, partly through tax-raising and borrowing-based states. They are only to a limited extent coordinated through family household ‘self-sufficiency’. ‘Tax the rich’ will merely fail because the rich will move money offshore (and also destroy the British

economy, which *depends on* being an offshore centre). “Don’t simply tax the super-rich, but seize their wealth” (RCP, ‘10-point programme’) is even more problematic, because it would result in the money ceasing to function as money: hyperinflation in Russia in 1917-24, for example.

What is then necessary is to take over and plan directly *actual productive activities* - planning ‘in kind’, not merely monetary solutions.

But this in turn poses the question: how do we collectively decide what to produce? Here the lesson of the Russian Revolution and its outcome is that we need *political democracy and self-government at every level*, from the factory department up to the globe (or at least the European continent). That in turn requires *transparency*, and *freedom to organise* - no bureaucratic speech controls, no bans on parties or factions - because the Soviet experience, and that of all the other Soviet-style regimes, shows us that without political democracy there can be no rational economic planning and the society is forced back to capitalism.

The consequence, then, is that left organisations that stand for managerialist organisational conceptions function as actual outworks of the fortifications of capitalist rule, actively promoting, through their Soviet-style party conceptions, the idea that socialism is impossible and ‘there is no alternative’ to capitalism.

It is time to make a break from all this stuff ●

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Notes

1. ‘Down memory lane’ *Weekly Worker* October 23 (weeklyworker.co.uk/worker/1558/down-memory-lane).
2. SWP PCB1, ‘Seizing the key link’, p9: “... student work ... is the key avenue for building the SWP”. Lotta Angantyr, ‘The task of communists’ *The Communist* October 22, pp14-15: “... the reason we have been able to take more of a lead in [Cambridge and Sheffield] is because we have built a strong base, particularly on the campus ...”
3. PCB1, ‘Seizing the key link’, p9, and ‘Party democracy’, pp24-25. This second claim may explain the reduction of really serious theoretical interventions not linked to immediate perspectives in recent issues of the *International Socialism* journal (see the tables of contents at isj.org.uk/back-issues).
4. Lotta Angantyr (note 2), p14.
5. www.socialistparty.org.uk/articles/408/16-05-2021/what-we-stand-for; *Socialist Worker* October 22, p12; *Weekly Worker* October 23.
6. The title of Grant’s book collection of articles: see www.marxists.org/archive/grant/1989/tut/index.htm.
7. ‘Is US imperialism pushing for regime change in Venezuela?’ *The Communist* October 22, p6. (The title is seriously odd, since it is perfectly obvious that the answer is ‘yes’ - the US is pushing for regime change in Venezuela, and has been doing so, by varying means, for years.)
8. D Harvey, ‘Doing a Scottish jig’ *Weekly Worker* November 27 2014 (weeklyworker.co.uk/worker/1036/doing-a-scottish-jig: socialist.net/britain-ssp-crisis251104).
9. J Conrad ‘Why revive a stinking corpse?’ *Weekly Worker* Feb 15 2018 (weeklyworker.co.uk/worker/1190/why-revive-a-stinking-corpse).
10. C Collins ‘Another sect is rebranded’ *Weekly Worker* May 9 2024 (weeklyworker.co.uk/worker/1490/another-sect-is-rebranded).
11. ‘Your Party to launch legal action against three of its ‘rogue’ founders, sources say’ *The Guardian* October 28 (www.theguardian.com/politics/2025/oct/28/your-party-to-launch-legal-action-against-three-of-its-founders-sources-say).
12. The 1937 text is available at www.internationaliststandpoint.org/leon-trotsky-on-democratic-centralism-and-the-regime; *New Course* convenient extracts are at www.internationaliststandpoint.org/trotsky-on-the-internal-regime-of-the-bolsheviks-extracts-from-the-new-course; *TIAL*: www.marxists.org/archive/trotsky/1928/3rd/ti07.htm (pp2-11).
13. Available at wikirouge.net/texts/en/The-International-Left-Opposition_Its-Tasks_and-Methods.
14. The current edition of *The Communist* does not give any indication of membership numbers. The Green Party: “We have to book bigger rooms”: Green membership surge causes novel problems’ *The Observer* October 26 (www.theguardian.com/politics/2025/oct/26/green-membership-surge-zack-polanski).
15. 2025 PCDB1, pp16-17.

DISCUSSION

Dialectic of transition

A Marxist political economy that assumes endless capital accumulation and crisis, until at some point the system breaks down in a final crisis, makes the mistake of conflating capital with capitalism, argues **Peter Kennedy**



Uganda rubbish picker: not employed by capital?

Marxists usually take as read that the value form of labour continues to be the axis on which capitalism turns.¹ Yet what strikes you most about capitalism today is that labour, although it remains the dominant value form, is not the only form of surplus-labour extraction.²

Previous and relatively more recent forms of extracting surplus labour continue or have more recently become integral to capitalism. And nor has the value form of surplus labour extraction remained timelessly unchanged despite transformative developments in capital. This short intervention explains why we need to take account of such forms to understand the nature of capital today, and its place in capitalism as a basis for understanding an era where the value form is in transition.

Today roughly 40% of the global working age population are not employed by capital. Most of those in this category are labour for 'own use', north and south of the globe. According to the International Labour Organisation in 2019

through self-provisioning of water, firewood and other fuels in areas with limited infrastructure. It is also central to the wellbeing of households and families through the unpaid provision of services, such as cooking, cleaning, care and instruction of family members, and maintenance and repair of their dwelling and other premises.³

Leaving aside labour for own use, it is also estimated that modern forms of slave labour and serfdom - including debt bondage, domestic servitude, forced labour and prostitution - account for 45.8 million people in 167 of the world's 195 countries.⁴ And millions of people have been forced into state-sponsored slave labour of one type or another, including the 'prison industrial complex', which is most developed in the USA. These forms of labour exploitation co-exist with the value form.⁵ For example, G20 countries alone imported around \$0.5 trillion per year worth of commodities produced using modern slavery, ranging from electronics and solar panels to textiles and garments.⁶

In addition to slavery, other non-capital forms of surplus labour extraction have developed alongside the value form, and they too are on the increase and are of long duration. For example, OECD economies engage an average of 8% of economically active workers in producing surplus labour

in non-profit sectors. In the EU 28 plus Norway, "The non-profit sector has reached a total of 29.1 million full-time employees."⁷ In addition, the surplus labour of seven percent of the workforce is in the public sector.⁸ In non-profit and public sectors, the labour they put in and the wages they receive are of a different magnitude - meaning the combined surplus labour from 15% of workers in developed capitalism is extracted in other than the value form.

Drawing together labour for own use and the above non-capital forms, we can see that there is a sizeable portion of the world's labour operating outside of the value form, making the idea that capital dominates the globe fanciful. However, there are holes in the value-creating sector itself, once we add the changing nature of surplus labour *within* capitalist enterprises, corrupting the value form from within and motored by the concentrated political and economic power of global capital.

Political power

Back in 2011 quantitative analysis identified a core of 1,318 global corporations linked by an average of 20 interlocking directorates, through which the most powerful 147 super-corporations exert effective control of the rest of the core by virtue of their 40% ownership of their combined share values.⁹ More recently, and from

another angle, the profits and assets of the global top 2,000 companies (across all sectors - banking, construction, transport, utilities, services, energy) have grown dramatically between 2000 and 2025 - from \$1.3 trillion in profit and \$80.7 trillion in assets to \$4.9 trillion in profit and \$242.2 trillion in assets respectively.¹⁰

Moreover, longer-term evidence in relation to the USA points to a significant rise in average profit and price markups since the 1950s. They have been accelerating since the 1970s, causing several secular trends in a number of economic variables, including the polarisation of income from labour to capital and a slowdown in aggregate output - echoing Lenin's argument on the parasitic impact of imperialism and finance capital. With respect to profit markup, it is estimated that today 6,000 of the world's most profitable transnational companies capture 65% of global profits - the top 10% accounting for 80% of these profits and the top 1% capturing 36%. Over the past 20 years the gap in profits between the top 10 and the rest has widened by 160%.¹¹

The crucial point of the above is that such enormous concentrations of capital create enterprises on a scale necessitating direct social administration of surplus labour, which has become an increasingly fundamental factor in the global economy - specifically through

the medium of global corporations that work increasingly at arm's length from the market and produce increasingly more use-values for *internal* consumption. This internality represents a large global chunk of world production and trade that is not determined directly by the market and is not transformed directly into value; where value does not determine price, which arises from a politically contrived mark-up.

For example, it is estimated that around 30% of goods are internally traded¹², and one mechanism for achieving this is the global spread and interpenetration of corporate affiliations. Indeed, the "combined output of US foreign affiliates in Europe and European foreign affiliates in the US was \$1.35 trillion in 2021".¹³ Affiliates perform use-value functions for the corporation as a whole, such as procurements, accounting and production, while the core of the global corporation can obtain parts to be assembled by affiliates.¹⁴

Moreover, the cost of internally traded products is set by transfer pricing - by mimicking a competitive market price, economists claim, which in Marxist terms is like saying price is set according to value. But the reality is that it is global corporate power that dictates the transfer price and the final price for the total finished commodity. Indeed, at the very top of the tree, where ultimate power coalesces, sits

Participation in this form of work ... remains widespread in countries at all levels of development and continues to be central to survival in impoverished and remote areas, particularly through subsistence agriculture and fishing, and

rentier capital, which controls the largest global commodity-producing companies, and has little direct concern with the theoretical niceties of competitive markets, value and surplus value. It's all about speculative power.

Rentier capital dominates productive capital and has far less interest in whether its profits come from speculation, monopoly pricing or surplus value extraction. The top 500 asset management companies control global assets worth in excess of \$115 trillion¹⁵ - more than double the combined GDPs of the US and the EU. Just three global asset management companies - BlackRock, Vanguard and State Street - are the largest shareholders in 495 of the US global corporations, including the big tech companies - Apple, Google, Amazon, etc (rentier monoliths in their own right). The confidential engagement agreements that global asset management companies have with CEOs and boards of global companies exert influence over their conduct and governance, "aligning business plans to their preferences",¹⁶ which, in plain English, means to *live off existing* surplus value, and redirects it away from productive capital.

The key point here is that rentier capital dominates global trade and capital flows, and it exerts the power to override the value form, suspend it and destroy it from within, in the quest to control the global economy and state policies. And one crucial consequence of the concentrated power of rentier capital is its ability to exercise political control over price and profit, which has become a fundamental feature of the present era of capitalism.

To summarise the argument so far: the capitalism we live in today is dominated by rentier/parasitic global capital, in which large swathes of global production are not actually sanctioned by the market, but arise from pricing planned in corporate headquarters, leading to profit markup. Added to which are those areas outside of the value form itself we mentioned earlier. All of this is at odds with a world in which states sing the virtues of free markets and minimalist intervention,

as they construct quasi-market instruments to run public services (not creating surplus value, but imposing competition and transforming agents into producers and consumers).

Indeed, the era described as neoliberalism did not so much shrink the state or drive forward the endless logic of surplus value-creating relations. Instead, it restructured state institutions along 'quasi' or 'internal' market relations, constructed by atomising public-sector institutions into disparate departments, re-engineered to garner artificial competition over politically constrained budgets, and recalibrating public-sector relations in market narratives of 'investors', 'producers', 'consumers', seeking 'efficiency saving' and extending 'freedom of choice'.

Logic of capital?

Capital is often associated with an inner logic of boundless accumulation, in which all that is concrete and solid becomes abstract and evaporates. Even the limits to capital are posed in terms of inner contradictions, as necessary wellsprings for regenerating capital on an ever-larger scale. The above indicates that this era of capitalism is at odds with arguments suggesting a tight relationship between price and value, and profit and surplus value. In other words, at odds with those who argue that the logic of capital dominates and ensures that the value form moves imperially through the circuit of capital - transforming labour-power into varied incarnations of capital, value into price and surplus value into profit, as the necessary consequence of the circulation of capital within and between industries and from enterprises with low rates of profit.

Of course, evidence can no doubt be made to fit this 'logic' - just as the evidence highlighted here contradicts it. However, the argument presented here is more in keeping with Marx's own perspective on how capital would evolve, transition and decline. Committing to an endless logic of capital, with categories intact, waiting for a revolution, would mean ditching

what was most crucial to Marx and not, as it is currently sold, a strict adherence to his 'scientific' analysis of capitalist political economy *as it presents to us today*.

In contrast Marx's science would have understood the increasing importance of other forms of extracting surplus labour as part of capital relations of production in transition within the wider social formation of capitalism, to explain why it becomes more erratic, devoid of a centre of gravity beyond naked power (which makes the revolutionary overthrow of capitalism more, not less, necessary). Following Marx, the evidence in this article indicates the partial failure of one form of surplus extraction, the value form, while older, as well as newer forms, of extracting surplus labour - forms of policing and abusing directly social labour - are gaining traction. The result is a complexity of forms of surplus-labour extraction in an era of transition. The abuse of use-value and declining value form have become grist to the mill of a system marked by the failure of the working class to overthrow the ruling class.

The crucial distinction to grasp in the era we live in is between *capital* and *capitalism*. Marx did not equate capital with the capitalist social formation, as do the capital logic perspectives on offer. Capital and capitalism are not identical, although we often come across terms suggesting they are. For example, when terms such as 'capital reality' and 'capitalist reality' or 'capital forms' and 'capitalist forms' are used interchangeably, a misconception occurs, epitomised by the following examples: "*Capital* can be seen as a movement to reconstruct in thought the whole complex of capitalist social relations, beginning from the simplest abstractions - commodity, value and money - and eventually arriving at the most complex and distorted forms: for example, the stock market and crisis"¹⁷ or when it is stated that "*Capital* reveals itself completely by defining what capitalism in its pure form might be like"¹⁸.

In these examples, the differences between capital and capitalism are glossed over, and embellished with the supporting idea that Marx's three volumes of *Capital* involve the movement from abstract essential to more concrete determinations of capitalism. The third volume of *Capital* is indeed an attempt to reveal the concrete determinations of capital, but that is not a concrete determination of *capitalism*. For Marx, the concrete of capitalism is a much more inclusive, rich formation, while the concrete of capital (we find in his major volumes of *Capital*) is still an abstraction. It is capitalism, not capital, that is the concrete of many determinations within the broader social canvass.

As Marx points out, the "scientific value" of retaining the autonomous existence of capital as it develops within capitalism "lies in the disclosing of the special laws that regulate the origin, existence, development and death of a given social organism and its replacement by another and higher one"¹⁹. In other words, Marx grounded his analysis of capital as a historically specific social relation on the basis of the view that the categories evolve and develop, reach a peak and disintegrate, as they come into contact with, internalise, synthesise, become fundamentally altered by, older, hybrid and even potentially newer forms of surplus labour extraction.

The above dynamic is neither a history nor a logic of the categories, but the dialectic of transition experienced by social categories *in history*. In which case, the history of capitalism coexists with other forms of surplus-labour extraction: some were once essential relations, expressing their full powers prior to capitalism, but are now transformed

in capitalism and by capital; while others are more recent forms arising in capitalism, as part of their decline, but in perpetual socialised deformity (as is the case with socially administered labour in the corporate and public sectors and social democracy at large). The core message being that, while capital remains the dominant form of surplus extraction in capitalism, it is in transition: capitalism contains various other forms of extracting surplus labour from the direct producers, including slavery, serfdom, state-directed labour and forms of direct social administration within large corporations, as outlined in the previous section.

In contrast, a Marxist political economy that assumes endless capital accumulation and crisis, until at some point the system breaks down in a final crisis, makes the mistake of conflating capital with capitalism, and price with value, and so denies a perspective on transition and decline of capital within the *concrete of capitalism*. It is from such a perspective that we can begin to see the material basis for, and ideological roles played by, different forms of 'state socialisms' that have come and gone over the last century ●

Notes

1. Usually the consequence of applying Marx's categorical analysis of capital as a method that imposes itself on capitalism's every twist and turn.
2. Of course, fundamental to changes in the value form is class struggle. In this article the focus is on more general changes that result from class struggle, past and present. Moreover, this general level of analysis abstracts from how the transition identified here unfolds unevenly and in terms of the binary of growth and stagnation in capital, reflected in the global geo-politics of US and China.
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What we fight for

■ Without organisation the working class is nothing; with the highest form of organisation it is everything.

■ There exists no real Communist Party today. There are many so-called 'parties' on the left. In reality they are confessional sects. Members who disagree with the prescribed 'line' are expected to gag themselves in public. Either that or face expulsion.

■ Communists operate according to the principles of democratic centralism. Through ongoing debate we seek to achieve unity in action and a common world outlook. As long as they support agreed actions, members should have the right to speak openly and form temporary or permanent factions.

■ Communists oppose all imperialist wars and occupations but constantly strive to bring to the fore the fundamental question - ending war is bound up with ending capitalism.

■ Communists are internationalists. Everywhere we strive for the closest unity and agreement of working class and progressive parties of all countries. We oppose every manifestation of national sectionalism. It is an internationalist duty to uphold the principle, 'One state, one party'.

■ The working class must be organised globally. Without a global Communist Party, a Communist International, the struggle against capital is weakened and lacks coordination.

■ Communists have no interest apart from the working class as a whole. They differ only in recognising the importance of Marxism as a guide to practice. That theory is no dogma, but must be constantly added to and enriched.

■ Capitalism in its ceaseless search for profit puts the future of humanity at risk. Capitalism is synonymous with war, pollution, exploitation and crisis. As a global system capitalism can only be superseded globally.

■ The capitalist class will never willingly allow their wealth and power to be taken away by a parliamentary vote.

■ We will use the most militant methods objective circumstances allow to achieve a federal republic of England, Scotland and Wales, a united, federal Ireland and a United States of Europe.

■ Communists favour industrial unions. Bureaucracy and class compromise must be fought and the trade unions transformed into schools for communism.

■ Communists are champions of the oppressed. Women's oppression, combating racism and chauvinism, and the struggle for peace and ecological sustainability are just as much working class questions as pay, trade union rights and demands for high-quality health, housing and education.

■ Socialism represents victory in the battle for democracy. It is the rule of the working class. Socialism is either democratic or, as with Stalin's Soviet Union, it turns into its opposite.

■ Socialism is the first stage of the worldwide transition to communism - a system which knows neither wars, exploitation, money, classes, states nor nations. Communism is general freedom and the real beginning of human history.

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ISSN 1351-0150

weekly Worker

AI will be used
as a tool of
government
power

Geopolitical balancing act

At a time when there is a lot of talk about artificial intelligence being a bubble that is ready to burst, there are those Gulf states who want to become major players. Yassamine Mather investigates

Signs that we may be in an AI bubble are increasingly visible: major technology companies are pouring vast sums into computing infrastructure, AI startups are receiving sky-high valuations, despite lacking clear paths to profitability, and there is a widening gap between small-scale experiments and large-scale systems that genuinely deliver productivity gains.

If these expected results fail to appear on the scale investors anticipate, the market is likely to undergo a correction - marked by falling valuations, company mergers and a decline in speculative excitement. Such an adjustment would not mean that AI lacks real economic or social value, but that its growth would settle into a slower, more sustainable pattern, dominated by a few powerful players rather than many smaller innovators.

It is against this backdrop of speculative enthusiasm and potential correction that we should assess recent US initiatives to promote large-scale AI cities in Saudi Arabia and other Gulf states, including the United Arab Emirates. These projects are being framed as evidence of an impending AI-driven transformation of the region, yet they may also reflect the same speculative optimism fuelling the global AI boom.

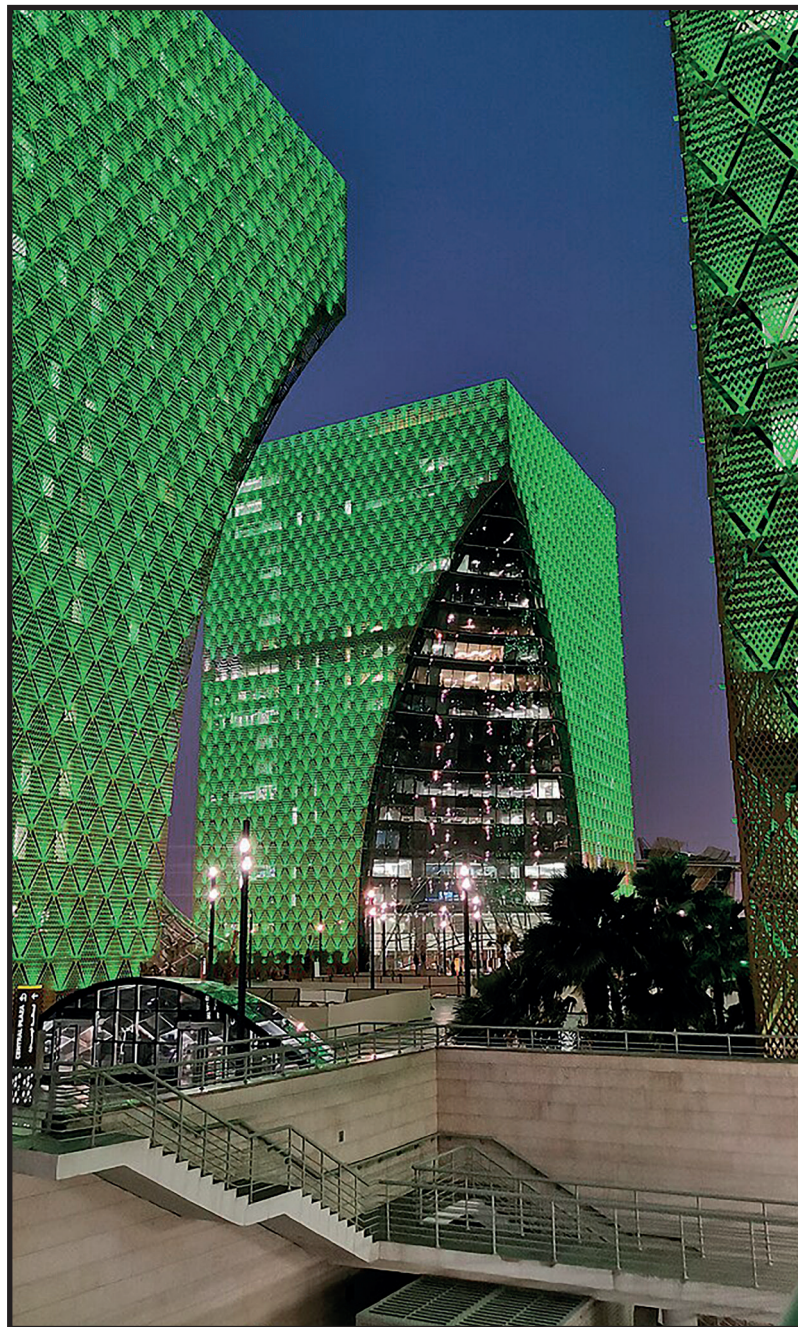
Political debates

Indeed, the exaggerated projections of success surrounding these ventures are influencing political debates beyond the Gulf. In Iran, reformist factions within the Islamic Republic have seized upon these developments to argue for closer ties with Washington, warning that Iran risks being left behind, while its Arab neighbours reap the benefits of US-backed AI projects. Before evaluating the validity of such arguments, it is worth looking more closely at the nature of these proposed deals.

United Arab Emirates: During Trump's May 2025 Middle East tour, the US and UAE announced a major agreement to build a huge AI campus in Abu Dhabi - often described as the "largest outside the US". The campus would cover about 10 square miles and aim for a power capacity of five gigawatts (GW) of data-centre operations.¹

The deal also involves the US changing export-control policy, so that the UAE (and other Arab states in the Persian Gulf) can import advanced US AI chips (which previously were restricted) to power those data centres. There is a broader deal, in the form of an investment framework of about \$1.4 trillion over 10 years (including AI, semiconductors, manufacturing) and then an extra \$200 billion announced in the context of AI/tech deals.

Saudi Arabia: its AI ambitions are being channelled primarily through its public investment fund (PIF) - one of the world's largest sovereign wealth funds. This creation of Humain (or Humain.ai) serves as the kingdom's central vehicle for developing AI infrastructure, including data centres



Gambling on AI: Digital City, Riyadh

and large language models tailored for the Arabic-speaking world, according to Forbes.

A landmark deal with Nvidia, announced in May 2025, involved the supply of "tens of thousands" of advanced AI graphics processing units to fuel these projects.²

In theory the partnership is crucial for bypassing one of the biggest bottlenecks in AI development: access to cutting-edge hardware. However, there are doubts on how this has and will progress in practice, as the average Saudi AI developer or startup still faces significant challenges in accessing the latest hardware. US Export Controls remains a major wildcard and a threat.

Qatar: it is also firmly part of the Gulf's AI rush, but its approach, as reflected in public announcements, appears slightly differently structured. The country has declared its intention to invest a colossal \$1.2 trillion into its tech, AI, quantum computing and aviation sectors - a figure that dwarfs many other national initiatives and highlights the region's competitive spirit.³

There are differences here in that, unlike the UAE and Saudi Arabia, Qatar has not yet publicly detailed any 'mega AI campus' of a specific size and power capacity. Its strategy may be more distributed across sectors or simply less publicised at this stage, but the financial commitment confirms its serious intent to be a major player.

No doubt all these projects are strategically critical for both the Arab states and their international partners.

Dependency

For the Persian Gulf states this represents a definitive move away from hydrocarbon. The combination of massive sovereign capital, a favourable climate for solar power to maintain energy-intensive data centres, and state-controlled economies allows for rapid, large-scale infrastructure build-out that is difficult to replicate in less autocratic countries.

For the United States, deepening technology ties with the Gulf states serves a key geopolitical objective: anchoring these wealthy and influential states within the US technological orbit and stopping further rapprochement

with China and the Brics countries. By granting chip export licences and fostering partnerships with companies like Nvidia and Microsoft, the US aims to create a strategic buffer against China's expanding global tech influence. It is also a calculated, strategic move to ensure that the foundational infrastructure of the next digital era is built according to western, not Chinese, technology and standards.⁴

While the financial resources make these projects plausible, their ultimate success is by no means certain. Sovereign wealth funds such as Saudi Arabia's PIF, Abu Dhabi's Mubadala, and Qatar's Investment Authority (QIA) give Gulf states access to enormous reserves of capital. These funds, built from years of oil and gas revenues, allow them to pour billions into infrastructure, technology and global investments without the fiscal limits or political scrutiny that most governments face. Unlike western countries that must deal with budget deficits, debt ceilings or short-term electoral pressures, these states can act quickly and decisively, using their wealth to shape regional development and secure influence. However, these flashy AI projects are simply used to boost national prestige or win political points instead of focusing on real innovation and long-term research. The AI showcases look impressive, but do not deliver much lasting progress.

When so much money is controlled by the dictatorial state, AI becomes a tool of government power - used for surveillance and control instead of the public good. And, because these funds can lure foreign tech companies with generous deals, local industries might end up depending on outside talent and technology instead of developing their own. Here we already have the talent gap: probably one of the most significant bottlenecks. Building and operating a world-class AI ecosystem requires a deep pool of AI researchers, data scientists and hardware engineers. The Gulf states will need to aggressively attract global talent and rapidly upskill their local populations - a long-term endeavour.

While cheap land and abundant sunshine make these countries attractive locations for data centres, the climate also brings challenges. Extreme heat means cooling systems must run constantly, using huge amounts of water and energy - often cancelling out some of the benefits of solar power. Dust storms and humidity will also damage sensitive equipment.

In addition, relying heavily on solar energy requires massive upfront investment in infrastructure and battery storage to keep operations stable when the sun is not shining. Finally, the region's dependence on desalinated water for cooling adds environmental pressure, since desalination is energy-intensive and results in massive carbon emissions.

A 5GW campus is an enormous thermodynamic challenge - especially in a desert environment, where summer temperatures are around 40°C.

The energy required for computing and, more critically, for cooling the chips, will present serious challenges. Ensuring a stable, sustainable and cost-effective power and water supply for cooling is a very difficult engineering task, even in more moderate climates.

Self-reliance

AI is evolving at an extremely fast pace. A data centre designed for today's largest 'large language models' will be inefficient or obsolete for the AI models of 2030. This creates a massive risk of capital investment being stranded.

Then there is the geopolitical balancing act: the US remains wary of its advanced technology being transferred to China through Gulf partners who maintain economic ties with Beijing. This requires the Gulf states to perform a delicate balancing act, and any misstep could result in the revocation of critical technology export licences.

The reformist, pro-west factions of the Iranian regime are mistaken if they believe that a resolution of the nuclear issue will pave the way for a similar agreement with the US. Despite 'promises' by negotiators in the Trump administration, the extensive framework of US sanctions beyond the nuclear issue would severely limit the transfer of critical AI technology and hardware.

In addition, for Iran, investing billions in a physical AI city, while facing significant economic challenges, including sanctions, inflation and infrastructure needs, would be a serious misallocation of scarce national resources.

As Vali Nasr, professor at Johns Hopkins University, points out, when it comes to technology, international sanctions have forced Iran to become self-reliant, sparking innovation in its domestic tech industry. Examples include:

- Aparat: Iran's version of YouTube;
- Digikala: a successful e-commerce platform, often called the 'Iranian Amazon';
- Snapp: the dominant ride-hailing and delivery service, similar to Uber.

However, these platforms operate within a tightly controlled digital environment - shaped by state surveillance, censorship and content filtering. Despite these restrictions, Iran's relative technological base means it could, in principle, be better positioned than many of its neighbours to pursue developments in AI and related technologies - particularly as it continues partnerships with China to navigate around sanctions ●

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