

The crisis of capitalism !

(Summarized from previous issues of the magazine Against capital)

Capital is a value whose existence depends on its growth and expansion. In the process of work, tools and equipment (fixed capital) doesn't produce any new cent value, but its value value is transferred to the product according to its consumption. It's only labor (variable capital) that creates new value by consuming it. A small share of this new value goes to the worker's wage and a much larger part of it is surplus value which becomes additional capital. Capital to achieve more surplus value promotes labor productivity. Capital uses the development of industry, technology and human knowledge in the service of increasing labor productivity and gaining more surplus value, meanwhile, competition between different capitals intensifies this trend. The growth of labor productivity means the use of as much machinery, raw materials and aids as possible by the smaller number of workers. This trend is reflected in the declining interest rate, while it's a trend of increasing the rate of surplus value. Consider a capital of one million dollars, 600 thousand dollars would be spent in the form of tools, equipment and 400 thousand dollars would be spent on workers' wages, and suppose workers also produce 400 thousand dollars of surplus value, so the rate of surplus value is 100 percent. By dividing this surplus value by the total capital of one million dollars, the interest rate will be 40%. Now the capitalist increases the total volume of capital to 10 million dollars by buying modern machines for 9 million dollars and

paying 1 million dollars for the worker's wages, as a result, labor productivity in production cycle increases. Workers by receiving 1 million dollars as wages, produce 3 million dollars of surplus value, so the surplus rate jumps to 300%. Although the rate of surplus value has tripled but by dividing the surplus value of 3 million dollars by the total capital of 10 million dollars, the interest rate falls to 30%. The downward trend in interest rates is inherent in capitalism.

When we talk about the existence of this tendency, we don't consider this or that particular capital. It's a question of all the capitals of a country or at least the most important realms of the social capital of that society. The largest part of what the workers of the whole world produce becomes capital. At the same time, a very large portion of this capital is converted into machines, robots and various technologies. This part of the capital enters in the production process, but only a very small part of it enters in the new product. This section doesn't create any new value and only the existing value is transferred to the product. All this while the whole capital wants profit and more profit again and capital continues this process moment by moment and throughout the world. The social capital of a country or a large part of world's capital or the entire international capital is captured by a situation that the total surplus value doesn't satisfy the insatiable appetite of the accumulated capital volume. Capitalist production on the one hand raises the rate of surplus values and with the other hand, it generates so much capital, it so much turns the exploitation of workers into capital, it restricts the real source of surplus-value production relative to total capital so much that the accumulation process eventually overtakes the surplus-

production process. But capitalism has mechanisms within it that can slow down this process. Here are the most important of them:

1. Increasing the intensity of exploitation: making the daily work longer or increasing the speed and intensity of work leads to the production of more surplus value and higher rate which can raise interest rates or prevent them from falling.

2. Reduction of real wages: whatever capital can force the working masses to bear the lowest minimums, it finds a stronger position to challenge the declining interest rate. Because it converts more workers' working hours into surplus value and profit.

3. Decrease in fixed capital prices: if this cost is reduced and there is no reduction in the amount of product and amount of surplus value produced by workers, profit rates are rising.

4. Relative population increase: the more job seekers and the more intense competition among workers to sell their labor power, the lower labor force price and the higher profit rate.

5. Foreign business: it can have several roles. First : it provides a wider market for the social capital of the exporting country . this matter helps to increase the market price of commodities and higher interest rates. Second: due to the superior position of the social capital of a more advanced society in the process of forming interest rates, a significant volume of surplus-value produced by the working masses of other societies is absorbed into the more powerful capital. Third: capital investment in realms with lower ratio of fixed capital to variable capital (organic composition) and the much cheaper cost of labor

power, the-surplus value produced by the workers of these spheres is pumped into the realm of the social capital of the capital-exporting country. Fourth: cheap raw materials and underground reserves that a country's social capital receives in foreign trade, it lowers the cost of production and, in this regard, the average organic composition of the capital of this society. All of these factors contribute to the challenge of declining interest rates.

6. Stock market: it concentrates scattered capital in the hands of large corporations. The satisfaction of a large number of stock market buyers with a relatively low profit per share, it provides an opportunity to increase interest rates for a large part of global capital. It also takes away small and even medium-sized shareholders' bonds in times of crisis and in this way, it paves the way to deal with the declining interest rate in favor of huge industrial and financial giants.

7. The role of governments: all the capitalist governments of the world plan the standard of living, education, health and medicine and treatment, all the needs of the workers and their employment status and everything based on converting the highest possible amount of working-class labor power into surplus work and profit of capital. By means of various budgets and economic schemes, large sums of the output of the working class are allocated to the establishment of the basic facilities required by capital. At the same time, they lend large sums of the value produced by the working class to the capitalist, that's why all governments are talking about debts of tens of billions and trillions. All these debts are items that they've paid to capitalists to withdraw from the workers' wages and their living conditions. Through all these channels, the capitalist

governments play an effective role in counteracting falling interest rates.

8.

Destruction of the environment :we're not talking about the routine function of capital in generating industrial wastewater from factories or pollution from greenhouse gases, it's matter of fully informed planning designed to contaminate and pathogenize all food , housing and clothing , breathing air , land and sea and groundwater & surface water, and entire human environment, plants, animals and everything. Capital minimizes the cost of production with these pollutions and diseases, and with the least investment, it harvests the most. It protects the product from rotting for months, and it returns what it has produced with market-friendly polish and full of customers. Capital in all these ways counteracts the reduction of interest rates and delays the crisis.

But despite the pressure of these mechanisms, finally comes the crisis and capitalism reaches a point which we call the rate of capital accumulation over the rate of surplus value production.

In the capitalist system, every single capital, the capital of a society or a part of the world, does not capture the same surplus-value produced in the realm of their direct accumulation by the working masses. Stronger capital plays a dominant role in determining the general interest rate of domestic and international markets and capture a larger share of global surplus value. The social capital of several countries in Northern, Western Europe and North America have similar status. Their products are pioneered as fixed capital around the world and different countries for their social capital production

cycle and for forming a fixed part of their capital need to buy and supply them and this matter, in turn, has a significant effect on the process of setting prices by them and the flood of surplus value too. A significant part of the transmission of crisis takes place in the same way and through the same channels, while the capitals of many societies lack this position. Accordingly, if we see a seemingly different situation in a corner of this hell must be sought the reasons for this transient and unstable differences, and not deny the nature of capitalism. the most deceptive analysis is that the entire bourgeoisie, from right to left, has historically pretended to be so that seems that capitalism can be something other than this. It seems that the whole world together can dominate the survival of the wage slavery system and one day they could be such Germany and Sweden, France, or the United State, Japan or Canada and the like!! Perhaps that workers in Africa, Asia and Latin America and elsewhere can also be within the framework of capital existence achieve the same welfare, livelihood and facilities of such German worker!!! and even the most deceptive misleading is that the Scandinavian, British and German, Austrian and American workers can maintain their minimum subsistence in capitalist system!!!

Let's look at the existing world . there's no place on earth where the situation of food and clothing, medicine and treatment, environment, education and health of its working population hasn't worsened every month from the previous month and there are still more severe storms of capitalist crisis. This isn't an ideological claim theory, but it's a clear fact that any worker can see. Let's add two short points to this discussion. First, with the onset of a crisis, the value-creation cycle of capital is

severely disrupted and the head of this cycle is shattered but the crisis, even the most terrible crisis isn't only the threshold of death of capitalism but can also provide a way of salvation and favorable escape route for capitalism, and causes internal refinement of capital, swallowing small capital by large capital, overcoming the factors that intensify the downward trend of interest rates, resume wider accumulation with favorable interest rates and open a new phase of capitalist development. Second, the crisis for the global labor movement, which has targeted the destruction of capitalism and the abolition of wage labor, and could be a good opportunity for a definitive liberation.

The anti-capitalist workers of Iran