

Let's Compost Capitalism

Commentary Session 1 A System of Crisis

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Welcome to Let's compost capitalism. I'm Gerry Gold, course leader for this unit.

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During the course we'll get you to think about the big questions

How has capitalist production been so successful ?

What drives it on ?

Why does it become plagued by crises ?

Does it have to be so wasteful ?

Can it be reformed, and its worst excesses contained ?

If not, what do we need to do to replace it ?

How, other than for profit, are goods and services produced ?

What alternatives are out there, how else could we organise ourselves ?

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In this first session we'll explore the current experience of living in capitalist society. ...

It's a system with inescapable internal contradictions

which cause it become engulfed in crisis.

and these crises arising within the system

cause further crises in its surroundings.

Each rebounds upon the other.

A cure for one crisis, or an attempt at one, has, often, intensified the crisis in the others.

Both during periods of rising profitability and growth, **and** when profitability declines and growth goes into reverse, capitalism is the cause of crises affecting everyone, threatening the survival of life on the planet.

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During the course we'll show capitalist society and its relentless search for profit has given rise to a multifaceted interwoven set of crises.

And we'll show how this is a moment ---when change beckons.

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All of these crises are part of the current experience for us all: climate chaos, biodiversity loss, pollution, inequality, precarious jobs, economic meltdown, authoritarian government, populist politics, mass migration, injustice, alienation and now the pandemic.

But what is the cause?

Very often we're told it's 'human activity', putting the blame on us, but the real truth is different.

These are all, in one way or another, the effects of capitalism - a short period of human history in which society has been organised in a particular way.

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As everybody knows, we humans have been around for quite a while. Latest findings suggest as much as 350,000 years.

But the burning of fossil fuels and emitting of greenhouse gases which heat the planet only got going following the start of the industrial revolution in the 18th century.

And the big acceleration didn't begin until the middle of 20th century when growth was adopted as the measure of economic health.

Slightly over half of all cumulative global CO₂ emissions have taken place since 1990, the year of the first IPCC Assessment Report

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Extraction and burning of fossil fuels heat the planet inducing droughts, wildfires, storms and floods.

And the world's four biggest oil and gas companies have generated almost \$2 trillion dollars profit in the past three decades

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The increased energy in the atmosphere intensifies hurricanes.

These can damage and destroy oil pipes and platforms, rebounding onto the infrastructure used to extract the raw material which has fuelled capitalist production for a more than one and a half centuries.

Oil leaks from damaged infrastructure and tankers further damage the physical environment.

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Like this 'dead' storage tanker, one of many abandoned and degrading casualties of war in the Yemen, now threatening the ecology of the Red Sea as well as water and food supplies and a public health crisis for millions of people in the country.

War is as essential to capitalism for many reasons. As much for the competition for resources, as for its destructive power, as we shall see.

Yemen is strategically important – and the location for this war between Saudi and Iranian-supported forces because it sits on a strait linking the Red Sea with the Gulf of Aden, through which much of the world's oil shipments pass.

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As well as oil, capital's hunger for land and other raw materials is insatiable.

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Palm oil is the most widely consumed and profitable vegetable oil on the planet.

It is found in many packaged products sold in the supermarket.

Its cultivation degrades the forest and displaces the habitat of species including the orangutan

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While palm is the most efficient source of vegetable oil, its rapid expansion is destroying some of the planet's most important and sensitive habitats.

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Capitalism continually expands into new areas,

---- reducing wildlife habitat.

..... it leads to the loss of species and the loss of biodiversity which is contributing to the sixth great extinction.

.....It drives humans and wild species closer together,

.....exposing us to Covid - and more pandemics to come

For decades, scientists warned that pandemics were certain to emerge as a result of the push for new sources of economic growth.

Many factors contributed: climate change, urbanization with many people being concentrated into small spaces, incursion into previously untouched jungle and deforestation in search of profitable land, the endless search for new sources of food.

The resultant habitat loss dislodged species with their reservoirs of viruses, bringing them into close contact with people.

Limited attempts at preparedness by some governments were swamped by cuts in public services following the series of economic shocks to the world system that erupted in the latter half of the twentieth century.

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Here are some of the questions that need answering about Covid

Where did the virus come from? How did it emerge, and spread?

Can we say that capitalism caused the pandemic?

Are there more pandemics to come?

How have capitalist social relations affected the response?

How has the pandemic affected the already declining capitalist economy? Who has profited, who has lost?.....

And we'll be charting the loss of production, the new debt crisis, loss of employment, and the sharp growth in inequality

We won't be able to answer all these questions fully during this short course, but we'll be giving you a good start.

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Now let's turn briefly to precarious working which has been soaring around the world.

In the UK the number of people whose main job was a zero hours contract rose ninefold from a low of 100,000 in 2004 to 900,000 in 2016.

But this is a small proportion of the total.

Before the virus emerged, the ILO reported that 'the majority of workers worldwide (61 per cent in 2016) were in informal employment (table 1.5).¹⁶ In other words, more than 2 billion workers are engaged in economic activities that are either insufficiently covered, or not covered at all, by formal arrangements in law or in practice (ILO, 2018b).

And then came the pandemic, triggering the deepest recession since World War II.

Now all jobs are precarious.

The impact is measured in declining wages and benefits, less social participation, an inability to pay debts and damaging impacts on mental and physical health.

The increase in job insecurity makes people feel disrespected and undervalued leading to anxiety, depression and a sense of isolation.

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It all adds up to increased sense of alienation

It couldn't go on. People have had enough. Many aren't returning to the precarious jobs they had before the pandemic erupted, finding other ways to survive.

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Now let's take a look at inequality. The disparity in wealth becomes more shocking every year.

In 2020

.....56.0% of the world's population

.....shared 1.3% of the world's wealth

whilst

..... 1.1% of the world's population commanded

.....45.8% of the world's wealth

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It's often presented as if it's an unfortunate accident. One that can be lessened by social and moral pressure.

But the hidden truth is that capitalist society is dominated by the imperatives of ...profit and growth. These determine the actions of corporations, governments and global agencies which combine to work together extracting value from the majority and conveying it into the accounts of the increasingly rich, tiny minority.

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So it is no accident that the biggest decline in income during the pandemic hit the poorest hardest.

The poorest have lost 3% of their income whilst the richest lost less than 1%.

But those in the second tier – with shares in pharmaceutical companies for example, have done well out of it, gaining almost 1% of their already inflated wealth.

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Nor is it an accident or due to personal inadequacy that the majority are corralled into crowded city slums, often side-by-side with the super-rich privileged minority as here in Sao Paolo, Brazil.

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So why does inequality continue to increase?

.....As a direct and necessary consequence of the attempt to sustain profitability, the share of global income received by workers as wages and salaries has been declining sharply,

..so that corporate profits and their distribution to shareholders could increase.

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This disparity creates tensions which give opportunities to populist propaganda and the rise of authoritarian governments.

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Capitalist society was funded by slavery.

Its continuing ability to continue to extract profit from workers in the form of wage slavery is dependent upon the exploitation of racial and other social divisions....

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Amongst the costs it doesn't have to pay for – so-called externalities – are pollution by greenhouse gases....

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The plastic tsunami

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soil degradation, climate chaos and war leading to mass migration

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The widespread use of untested, unregulated chemicals look set to reduce human fertility to zero by 2045.

Phthalates, used to make plastic soft and flexible, are of paramount concern.

They are in everybody and we are probably primarily exposed through food as soft plastic is used in food manufacture, processing and packaging.

These forever chemicals lower testosterone and so have the strongest influences on the male side, for example diminishing sperm count, though they are bad for women, too, shown to decrease libido and increase risk of early puberty, premature ovarian failure, miscarriage and premature birth.

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The cause of all of this can be traced back to the profit system which is itself in a perilous state, with profitability declining, precipitously.

This chart tracks the trajectory of profitability since 1997 showing its periods of boom alternating with ever steeper decline, heading deeper and deeper into negative territory with every new crisis.

We'll be exploring this in greater detail later in the course.

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As profitability declines, those whose job it is to defend the profit system turn to credit and debt to help stop the rot.

The main idea is to put money into the hands of corporations and consumers, to stimulate investment, encourage more production and more demand.

But now, as inexorable in its rise as the fall in the rate of profit, mounting debt looms menacingly over the global economy and over every one of us.

In 2008, the ballooning of millennial debt culminated in a global financial crash, and threatened a complete economic breakdown.

The UK's Prime Minister at the time, Labour's Gordon Brown played a key role encouraging world leaders into inflating another even bigger balloon.

The Bank of England lowered interest rates and turned to quantitative easing – the creation of digital money.

And debt continues to increase.

With another record boost to offset the pandemic's hit to profits.

The increase in debt goes hand-in-hand with increased exploitation of labour, squeezing more and paying less.

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In summary we can say that capitalist production is driving humanity deeper into catastrophe.

And we have to stop it.

In the next session we'll look at the mounting opposition.