

## **Globalisation and the crisis: challenges facing workers north and south**

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Capitalist firms and governments in western Europe, the US and Japan responded to falling profits and a deepening crisis of overproduction in the 1970s by orchestrating an immense global shift of production processes to low-wage countries, with the result that, in just three decades, the South's industrial workforce has moved from numerical parity with the 'industrialised countries' to now constitute 80% of the global total, and many of these new proletarians are female. Along with a huge expansion of public and private debt, cuts in production costs resulting from the substitution of relatively high-waged domestic labour for low-wage southern labour gave the capitalist system a respite that lasted for barely 25 years. This imperialist 'fix' to capitalism's contradictions has resulted in the greatly increased dependence of multinational corporations' on super-profits extracted from low-wage southern labour. The beginning of the 'great stagnation' shows the respite is now over. Capitalism confronts its greatest ever crisis, one which will end, in the words of the Communist Manifesto "either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes."

This conference paper considers the implications of these transformations for the class struggle in imperialist nations, in 'emerging' nations and on a global scale. Waves of strikes involving tens of millions of factory workers, agricultural labourers and miners, from South Africa to Indonesia to Bangladesh to China, have announced the entry of this new, youthful and combative working class onto the stage of history. Greatly increased dependence on super-exploitation in southern nations allowed capitalists in imperialist countries to restore profitability while postponing a head-on confrontation with their workers, but now they are tearing up the 'social contract' and revolution is once again on the agenda in imperialist countries. Neoliberal globalisation's transformations result in sharpened competition between workers north and south, and reveal ever more clearly that 'national' solutions proposed by labour leaders in imperialist countries strengthen xenophobia and lead towards fascism. Yet the growing interdependence of workers on a global scale, their increased literacy and access to culture, the massive incorporation of women into wage labour, the greatly increased presence of workers from oppressed nations in the imperialists' domestic workforces—all objectively strengthen the working class and improve its prospects of prevailing in the coming battles heralded by the global economic crisis.