The General Crisis of Capitalism and Its Current Developments

"*Only a proletarian socialist revolution can lead humanity out of the impasse which imperialism and imperialist wars have created.*" (V.I. Lenin, Draft Programme of the R.C.P.(B.), 1919)

Lenin developed the theoretical principles of the general crisis of capitalism concurrently with his analysis of imperialism, as the highest and final stage of capitalist development, and during the establishment of the workers' State in Russia. As early as World War I, Lenin had concluded that the era of relatively peaceful capitalist development had come to an end and that the imperialist war would open the era of socialist revolution.

This development, accompanied by changes in the forms of production and trade, as well as by political progress and the formation of bourgeois states, lasted for centuries, during which feudal society wasreplaced. Its exhaustion gave way to an era of reaction, regression, and decadence in all sectors of social life.

An era of general crisisbegan, from which humanity, beginning with its national segments, could and can free itself through processes of national and/or social revolution.

Lenin developed the theory of the general crisis of capitalism in a relentless struggle against bourgeois economists and the opportunists of the Second International. The most striking expression of the general crisis of capitalism was the historic victory of the Great October Socialist Revolution and the division of the world into two systems: the capitalist and the socialist.

In some of his works (Foundations of Leninism, Concerning Questions of Leninism, Economic Problems of Socialism in the USSR, and the Reports to Party Congresses and Conferences), Stalin developed Lenin's theses on the economic and political nature of imperialism and the general crisis of capitalism. He provided a detailed analysis of the general crisis of capitalism and its early phases: the first, which began during World War I, and the second, which began during World War II, especially after the people's democracies in Europe and Asia broke away from the capitalist system.

A correct understanding of the general crisis of capitalism and its developments is an essential prerequisite for Marxist-Leninist parties and organizations to formulate a revolutionary strategy and tactics.

The Failure of Capitalism and the Birth of Socialist Society

The general crisis of capitalism affects the entire bourgeois social order and is characterized by wars and revolutions, by the struggle between moribond capitalism and historically ascendant socialism. It encompasses all aspects of capitalism (economic, political, institutional, ideological, social, military, environmental, health-related, demographic, cultural, moral, energy-related, food-related, etc.) on a global scale and over an entire historical period.

This means that the intrinsic contradictions of the capitalist system, including the fundamental contradiction between the social character of the production process and the capitalist, private form of appropriation of the produced goods, have, in the imperialist phase, spread to all fields and aspects of social life, deepening class antagonisms.

The general crisis of capitalism is the crisis of the structure and superstructure of the bourgeois order in its entirety. It is based on the increasingly advanced decomposition and decay of the world capitalist system, on the breakdown of its internal equilibrium, which leads

to the formation of aggressive blocs of imperialist states and to wars, ushering in an entire era of the maturation of the socialist revolution in various countries.

The general crisis of capitalism is not a passing phase, but encompasses a long period of economic and political upheavals, of intensifying class struggle, of periods of revolution and reaction, of peace and war, of moments when the typical phenomena of the general crisis become more acute and of relative and temporary stabilization, and of growing social conflicts.

Viewed in its overall development, this long period is a period of "*the collapse of capitalism in its entirety and the birth of socialist society.*" (Lenin, Report on the Review of the Programme and on Changing the Name of the Party, at the Extraordinary VII Congress of the R.C.P.(B.), 6-8 March 1918).

Thus, it is not a series of many separate individual episodes, but rather a single historical process of crises within a system for which the time has long since come to be replaced by a higher economic and social formation.

A fundamental characteristic of the general crisis of capitalism is the tendency toward revolutionary developments, the bitter struggle between classes at the national and international levels, between the proletariat and the bourgeoisie, and between oppressed nations and peoples and imperialism.

The General Crisis and Cyclical Economic Crises

The general crisis of capitalism should not be confused, as often happens, with cyclical economic crises, nor can it be reduced to them, since it reflects an entire era of decline and disintegration of the capitalist-imperialist system. We must therefore understand the dialectical and historical interaction between the general crisis and cyclical crises.

On the one hand, "ordinary" periodic crises strike with unprecedented tenacityand violence, due to the intensification of capitalism's intrinsic contradictions under the domination of monopolies.

On the other hand, the destruction caused by periodic crises further fuels and deepens the general crisis of the capitalist system, which in turn makes the cyclical crises more severe, as the system enters the next cycle with a generally more fragile foundation and a reduced capacity to revive accumulation.

The economic and financial crises plaguing the capitalist world have caused and exacerbated an unprecedented expansion of many specific and destructive phenomena of capitalism's general crisis; they have significantly increased the system's instability and accelerated the process of decomposition of the imperialist order.

These devastating and multifaceted crises–which are overcome only by paving the way for other, more widespread and destructive crises– confirm that capitalist relations of production are coming into ever sharper conflict with the forces of production, which are becoming more powerful and socialized.

Economic crises cause a considerable intensification of contradictions both within imperialist and capitalist countries and among them. The solution to these contradictions is sought in the preparation for wars aimed at a new division of the world.

Here are some characteristic features of the general crisis of capitalism in the economic sphere:

– a marked tendency toward a fall in the rate of profit and the deepening of cyclical crises of relative overproduction, which rapidly spread internationally;

– a change in the form of the economic cycle, with long periods of stagnation, slow phases of recovery, and more frequent periods of crisis;

– a general decline in the rate of growth of production;

– the intensification of the problem of outlet markets and competition among capitalists;

– the intertwining of industrial and agricultural crises, with a worsening of the economic crisis in general;

– the growing accumulation of fictitious capital, leading to the formation of financial bubbles which, when they burst, have a severe impact on the real economy;

– the strengthening of monopoly control over agriculture in capitalist countries and the ruin of the peasantry;

– the expansion of government debt and the militarization of the economy, which paves the way for new economic crises and wars;

– high inflationrates linked to monopoly prices and government policies;

– the deepening impoverishment of the working class and the contradiction between production and consumption;

– a high level of chronic unemployment, with a considerable increase in the number of unemployed and the duration of periods of inactivity, especially among the younger generations.

Manifestations of the General Crisis in the Political Sphere

During the general crisis of capitalism, the bourgeoisie, anxious to delay the collapse of the capitalist system and maintain its own dominance, launches an offensive against the living conditions and democratic rightsof the workers, constantly seeking to establish repressive, police-state, and fascist methods of government.

Within the imperialist countries, the general crisis manifests itself politically in the form of an attack by the bourgeoisie on the gains and freedoms of the working class, and the erosion of the prerogatives of bourgeois parliaments, with the aim of establishing reactionary and fascist regimes.

No longer able to govern using the old methods of parliamentarism and bourgeois democracy, the ruling classes of certain imperialist and capitalist countries– as we saw in the last century in Italy, Germany, Japan, Spain, Portugal, Hungary, Romania, Croatia, Chile, etc. –establish fascist regimes.

Fascism is the open, terrorist dictatorship of the most reactionary, chauvinist and aggressive factions of finance capital. Domestically, it aims to destroy the organizations of the working class and crush all progressive forces; abroad, it aims to prepare for and wage wars of conquest for world domination.

Today, fascism is once again on the rise in several countries. It can only be understood in connection with imperialism, as the political expression of the deepening general crisis of capitalism.

But it is not only fascism that characterizes the reactionary offensive led by capitalist monopolies. The limited and incomplete participation of the masses in democratic processes is gradually being replaced by their subordination to the discretionary power of the political and administrative authorities, leading to the establishment of police states.

Important decisions that affect citizens' lives are increasingly made by those who hold economic and financial power, without any political or parliamentary oversight.

The crisis of bourgeois democracy is a key factor in the general crisis of capitalism, and it gives rise to the spread of corruption, the destruction of democratic rights and of the "rule of

law” itself, growing social insecurity, and the intensification of social tensions–all resulting from the management of the crisis in the interests of the ruling class.

The most reactionary circles of the bourgeoisie are seeking a way out of the general crisis of capitalism through war, the fascistization of political life, and militarism.

Social decline and degradation, rising crime and aggression, difficulties with integration, and rampant insecurity are the consequences of these policies.

At the same time, the anti-popular, anti-democratic, and anti-national character of bourgeois rule is becoming increasingly evident.

Faced with this multifaceted offensive, the working class and peoples are responding by intensifying their protests, their anti-fascist mobilization, and their revolutionary struggle for socialism.

*** * ***

The Historical Development of the General Crisis of Capitalism

The phases that we briefly describe below, which can be divided into periods or stages, should not be interpreted as rigid blocks, but together they describe the historical unfolding and progression of the general crisis of capitalism, its deepening, and the breakdown of previous equilibria.

These phases are the stages of development of the general crisis of capitalism, which is permanent and irreversible, even when it is less visible. The general crisis has no “interruptions” or “breaks in continuity,” but unfolds as it intertwines with the waves of class struggle. Therefore, there is no first, second, or third general crisis of capitalism, each separate from the others.

This serious error tries to demonstrate the possibility of finding a solution to the general crisis within the very framework of imperialism.

It is entirely evident what the political consequences of such a theoretical error are, as it plays into the hands of social democracy.

First Phase

Having erupted during World War I, the general crisis of capitalism spread especially after the Great October Socialist Revolution and the Soviet Union’s breakaway from the capitalist system.

This marked a radical turning point in human history, ushering in a new era–the era of proletarian revolutions in the imperialist countries and of the national liberation movement in the colonies.

Vast masses joined the revolutionary tide, and the world split into two systems, the capitalist system and the socialist system, providing the clearest expression of capitalism’s general crisis.

Thus, a new contradiction of universal scope emerged: the contradiction between moribund capitalism and rising socialism, with its non-linear historical trajectory. This was the first phase of capitalism’s general crisis.

In this first phase, the imperialist chain was broken, and the crisis of imperialism’s colonial system began to develop in both scope and depth. This included the brutal intensification of the contradictions between the imperialist powers and the colonies and dependent countries, as well as the development of the struggle for national liberation among the oppressed peoples of these countries.

The colonies and dependent countries, once reserves of imperialism, were thus transformed into reserves of the socialist revolution.

During this phase, in the period from 1922 to 1933 fascist regimes rose to power in response to the severe crisis of the bourgeoisie and the advance of the revolutionary movement, and the Great Depression of 1929 broke out. At the same time, the USSR consolidated its position as the first socialist state. After this period, preparations for World War II began.

Second Phase

During World War II, the second phase of the general crisis of capitalism began.

It developed following the defeat of the fascist states by the Soviet Union, the partisans, and the armed forces of the countries of the anti-Hitler coalition, and the subsequent breakaway of the people's democracies of Europe and Asia from the capitalist system.

On this basis, a clear rupture in the balance within the world capitalist system emerged, along with a new shift in the balance of power between socialism and capitalism, in favor of the former and to the detriment of the latter. The economic consequence of the existence of these two opposing camps was that the single, universal market disintegrated, giving rise to two parallel world markets that were opposed to one another.

The second phase of the general crisis of capitalism was also characterized by the deepening of the crisis of the colonial system.

The outcome of World War II and the increasingly intense struggle for national liberation in colonial and dependent countries led to the disintegration of imperialism's colonial system. The democratic national liberation movement achieved successes in countries in Asia (China), Africa (Algeria, Egypt, Ghana, Angola, etc.), the Caribbean (Cuba), etc. This exacerbated the economic and political difficulties of the capitalist and imperialist countries, undermining the foundations of the imperialist system as a whole and leading to a deepening of the general crisis of capitalism.

The rise of modern revisionism to power in the USSR and other countries that had embarked on the path of socialism led to a slowdown in the process of capitalism's general crisis and to a period of relative and temporary stabilization, characterized by the strengthening of state-monopoly capitalism and the "welfare state." However, major contradictions accumulated once again, at a higher level.

Third Phase

The beginning of the third phase of the general crisis of capitalism can be dated to the late 1960s, when the postwar economic expansion came to an end and cyclical crises of overproduction began to manifest themselves in the USA (1969-70, 1973-75, 1980-82), taking on global dimensions and accompanied by sectoral crises (energy, raw materials, food, etc.) and galloping inflation. Thus ended the relative and temporary stabilization of capitalism.

The economic crisis led to the U.S. abandoning the Bretton Woods agreements (the non-convertibility of the dollar), rising prices for raw materials and oil, stagflation, persistent mass unemployment, massive recourse to financial speculation as a panacea for the insufficient valorization of capital in the production cycle, and a long-lasting crisis affecting entire productive sectors and the world market, among other things.

During this period, there were major waves of worker and student protests in major cities for democratic rights, against the war, etc., women's liberation movements, struggles in solidarity with oppressed peoples, struggles for national liberation (Vietnam, Palestine), and for the abolition of apartheid (South Africa).

During the 1980s, negative economic trends intensified, despite temporary recoveries, giving rise to new, profound economic crises, structural stagnation, and far-reaching restructuring of the productive base, including the crisis of Fordism and the shift to Toyotism (lean manufacturing), privatizations, offshoring, the dominance of the financial sector, etc.

The third phase of the general crisis of capitalism is characterized by the spread of neoliberalism, a profound offensive against the worker and trade union movements, and a further deterioration in the material conditions of the working masses.

This has led to a decline in the real wages of the working class, the growth of the permanent army of the unemployed, the widespread implementation of overwork practices in the organization of labor, inflation and the high cost of living, an increase in the tax burden, and a worsening of the situation of the peasant masses in capitalist countries.

At the same time, there has been an intensification of the exploitation and oppression of dependent and colonial countries, as well as the plundering of raw materials.

A characteristic feature of this third phase is the growth of the working class in dependent and colonial countries, and the development and intensification of the struggle for national liberation among the peoples of these countries –a struggle increasingly linked to the class struggle for socialist revolution unfolding in the metropolises.

The Current Period

In our view, the period we are currently experiencing should be understood as the continuation and intensification of the third phase of the general crisis of capitalism, with significant changes and new historical characteristics.

The current period began with the end of the “Cold War” at the turn of the 1980s and 1990s, characterized by the collapse of revisionism in power, the dissolution of the USSR and Yugoslavia, the continued eastward expansion of NATO and the EU, the aggression of the first Gulf War and the invasion of Iraq, financial globalization, with an extraordinary concentration of socially produced wealth and continuous assaults on the workers’ movement accompanied by the most intense anti-communist campaign in history.

The apparent “victory” of capitalism has not put an end to the general crisis nor changed the character of our era, which remains the era of imperialism and proletarian revolution, but it has instead exacerbated and accelerated the system’s principal, irreconcilable contradictions.

In the current phase of the third stage, the general crisis of capitalism has been exacerbated by the great financial crisis of 2007–09, the sovereign debt crisis in Europe, the pandemic, the war between the U.S./NATO and Russia in Ukraine and other regional wars, the deepening climate crisis, the trend toward declining rates of economic growth, massive government debts, and the struggle for global hegemony between declining U.S. imperialism and rising Chinese imperialism. All that characterizes a turbulent scenario in which a growing number of imperialist powers are entering the fray for a new division of the world.

These developments have shattered the illusion of the “end of history", while the unequal economic and political development of capitalist countries has led to an increase in economic, political and military disputes among capitalist and imperialist powers.

In the ideological sphere, phenomena of decay have emerged: irrationalism, a loss of historical and critical perspective, fragmented individualistic worldviews, and the commodification of culture, art, and entertainment. These phenomena are amplified by the use of the Internet and social media.

During this period, there have been major popular uprisings, such as those that took place in Arab countries in 2010-12, social protests in Latin American countries, and the large-scale

mobilizations that have taken place and continue to take place against neoliberal, austerity, and war policies, inequality, police repression, racism and fascism.

The events and phenomena of the last two decades amply demonstrate that the general crisis of capitalism has deepened in every respect, heralding new revolutionary upheavals.

*** * ***

Characteristics of the Current Period

a) Today's situation is characterized by multiple crises that coexist and feed off one another: recession, pandemic, wars, inflation, the climate crisis, tensions in global value chains, geopolitical and social instability, etc.

It is the simultaneity and combination of these manifestations of the crisis, the fluidity of their objective links, and their mutual influence that characterize the development of the general crisis of capitalism in the current period.

The consequences of a partial crisis serve as the basis for the escalation of new crises, making the overall picture of the general crisis far more severe and complex than the sum of the individual crises.

The interdependence and mutual influence, the interlinking of causes and effects, and the overlapping of various crises manifesting in the economic, superstructural, social, ecological, and other spheres can only be understood from the perspective of the deepening of the general crisis of capitalism, which characterizes an entire epoch of capitalism's decomposition and collapse.

Let us consider, for example, the climate crisis, which is one aspect of the broader environmental crisis– itself a manifestation of the general crisis. It is the inevitable result of the general law of capitalist accumulation, which through the relentless drive to valorize ever-larger amounts of capital in ever-shorter periods of time and to expand production without limit, leads to the progressive and inescapabledegradation of the natural environment through the massive use of fossil fuels and the emission of greenhouse gases into the atmosphere, deforestation, pollution, intensive land use, etc.

But the climate crisis, with its heat waves and extreme weather events, is not merely a "natural" phenomenon, nor does it entail only biological damage.

Global warming causes workplace deaths, disruptions to production and services (e.g., tourism), serious problems in agriculture and fisheries, job losses, rising food prices, and a decline in GDP; the desertification intensify imperialist competition for water, land, and energy; climate stress leads to forced migration and local conflicts, disproportionately affecting the most vulnerable social classes and strata and exacerbating social inequalities; heat causes ice to melt, leading to floods and landslides; droughts and wildfires spark mass protests, instability, and political conflicts.

Thus, the climate crisis, a manifestation of the social and physical limits of capitalist accumulation, acts as a "multiplier" because it accelerates other social and natural crises, making them more acute, intense, and difficult for the ruling class to manage.

Another example: the 2020–22 pandemic was not merely a public health crisis that claimed some 16 million lives, but it also led to economic shutdowns, high inflation, supply chain disruptions, and social conflicts.

Yet another example: the war waged by the U.S. and Israel against Iran has fueled inflation and an energy crisis, which in turn exacerbate social inequalities and political instability; at the same time, military operations, bombings, etc., fuel the climate crisis through greenhouse gas emissions (over 5 million metric tons of CO_2 were generated in just the first two weeks of the conflict) and environmental degradation.

We are facing a groupof simultaneous crises that are not separate but interconnected and embedded within the framework of the general crisis of capitalism. Every manifestation of the general crisis is interconnected and interdependent on the others; they fuel and exacerbate the general crisis, while the worsening of the general crisis, in turn, exacerbates the partial crises.

b) A defining feature of the current period of general crisis is the ongoing instability of the capitalist-imperialist system, which moves from one “state of emergency” to the next.

The various critical emergencies (economic, those related to climate, health, war, migration, and so on) follow one another and overlap seamlessly, with no possibility of a definitive solution within the framework of capitalism.

The consequences of these crises have accelerated the decay of capitalism and irreparably compromised its equilibrium.

The capitalist-imperialist world is immersed in “one crisis to the next,” in a state of precariousness, unpredictability, tension, and incessant turbulence of various kinds, with no return to a “normality” other than that of the crises themselves.

Cyclical economic crises, pandemics, inflation, wars, energy crises, climate crises, food crises, etc., are all aspects of a state of generalized instability and unsustainability, with threats and dangers of various kinds that follow one another, overlap, and drag on for years without resolution. These crises have a global dimension and simultaneous effects, producing destructive consequences for the living conditions of the proletariat and the peoples.

*** * ***

The Bourgeoisie Faces the Developments of the General Crisis

We are in a phase marked by the deepening of the general crisis of capitalism and of partial crises, and by the intensification of conflicts between classes, between monopolies and capitalist and imperialist states, and between the latter and the oppressed peoples.

To describe the current situation, the liberal bourgeoisie speaks of a “multi-crisis” and a “permanent crisis,” limiting itself to the empirical form of the partial crises and denying the existence of the general crisis of its own mode of production.

It treats the situation as a problem of “governance,” attributes existing problems to the neoliberal model, shifts the blame for the crises onto individuals, and calls on the state to make the system “more resilient,” to coordinate crisis management, to stabilize markets, and so on.

The social democrats attempt to correct some of capitalism’s worst effects without touching the ownership of the means of production or the division of society into antagonistic classes.

The ruling class and its defenders do not acknowledge nor do they wish to question the structural, underlying causes of the general crisis; they seek to conceal from the workers and people the internal contradictions and decline of the current mode of production, which they wish to perpetuate at all costs, along with their own unprecedented profits and privileges.

The bourgeoisie, with its populist, chauvinist, and fascist forces, promotes the reactionary mobilization of the masses. It strives to instill a sense of powerlessness among them, denying that there is a systemic solution to current problems and focusing instead on managing, mitigating, and adapting to them within the framework of the existing system.

For their part, the leaders of social democracy adopt a stance of class collaboration and hinder the fighting unity of the proletariat and the oppressed peoples in the struggle against imperialism and capitalism.

The Revolutionary Way Out of the General Crisis of Capitalism

In a world characterized by an intense struggle among imperialist powers over its division, by economic turmoil, corruption, and political reaction, by growing pressure on the working masses and extreme social inequality, and by the deepening of the general crisis and a chain of interconnected partial crises, the development of resistance among exploited workers and large waves of mass movements are inevitable.

Today, the proletariat, the younger generations, and women from the oppressed classes face a reality that allows them to see clearly what capitalism has to offer: worsening working and living conditions, intensified exploitation, rising costs of living and poverty, rearmament and unjust wars, the implementation of reactionary and fascist measures, environmental devastation, and endless sacrifices (even during the upswing phases of the economic cycle), and no future worthy of the name.

As distrust grows in bourgeois institutions –which are incapable of resolving interconnected crises and emergencies –sections of the working class and the younger generations are coming to understand more readily that a revolutionary break is the path to liberation from the barbarism of capitalism.

The contradictions of the current phase of capitalism's general crisis –which weigh heavily on the working masses –make it easier to move from sector-specific demands to a critique of the entire capitalist system.

Conditions are emerging in which movements resisting individual aspects of the general crisis tend to transcend their narrow focus, establishing practices of mutual aid, platforms, and alliances for struggle based on a shared analysis of the crises.

For example, the link between environmental movements and the worker and union movements has grown significantly in recent years, shifting from mistrust to forms of collaboration that have been expressed in "climate strikes" linked to occupational health and safety.

The fronts of the struggle of the proletariat and the peoples are objectively more interconnected; they develop and strengthen one another, taking on an open political character. Acute manifestations of partial crises can act as catalysts and accelerators of this process, which can reach greater quantitative and qualitative dimensions. This is on the condition that the revolutionary Party of the proletariat is able to carry out a concrete analysis of the situation, identifying the classes involved and their mutual relations, as well as the existing conditions and contradictions, in order to fulfill a role of unification, mobilization, and conscious leadership of the exploited and oppressed masses.

The deepening of the general crisis of capitalism does not lead to the automatic collapse of capitalism, but it creates the preconditions for the development and radicalization of the struggle for a new and superior social order, which is entirely possible, necessary and urgent.

The objective and subjective conditions are accumulating that will first enable one or several sections of the proletariat to break the imperialist chain and then allow the majority of them to emerge from the general crisis of capitalist society by shattering the suffocating capitalist-imperialist shell, taking economic and political power into their own hands to build socialism, the first stage of communist society, the only way out that exists for humanity.

August 2026

Organisation for the communist party of the proletariat (Italy)