**A global crisis**

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The reckless escalation of economic, political and military pressure by the United States and Nato against Russia is rapidly leading to a major global economic crisis with serious repercussions for the international working class.

The campaign against Russia, which includes a crippling sanctions regime aimed at starving out the Russian people and which has all but cut off Russia from the world economy, is aimed at the conversion of that country into a colony of western imperialism and the plundering of its natural resources. Putin’s invasion of Ukraine, while it is reactionary and must be opposed, is the product of a years-long campaign of escalating provocations by Nato against Russia, using Ukraine as bait.

Millions around the world look at the unfolding events in eastern Europe with anxiety and fear that they could rapidly escalate into a nuclear war. But the crisis is also triggering immense economic dislocation that is driving towards a massive explosion of class conflict. The orientation of those who seek to oppose the drive to a third world war must be, as Leon Trotsky observed in 1934, not to the war map, but to the map of the class struggle.

In a statement last week on the economic impact of the war and western sanctions against Russia, the International Monetary Fund predicted: “Price shocks will have an impact worldwide, especially on poor households for whom food and fuel are a higher proportion of expenses. Should the conflict escalate, the economic damage would be all the more devastating. The sanctions on Russia will also have a substantial impact on the global economy and financial markets, with significant spillovers to other countries.”

This is already beginning to take place. Oil prices have reached $130 per barrel, and in the United States, gasoline prices at the pumps have surged past $4 a gallon to their highest levels ever. In France, the price of gas has gone from €1.65 per liter at the end of last year to €2.20 per liter, or $9.16 per gallon. Wheat futures have already risen by 70 percent this year – Russia and Ukraine together account for one-quarter of all grain exports. In Europe, industrial production is beginning to shut down due to soaring energy prices.

In the month of February, US inflation reached 7.9 percent, and in the Eurozone it reached 5.8 percent, the highest level on record since the creation of the single currency in 1997. Inflation is expected to rise sharply in March as the consequences of sanctions reverberate throughout the world economy.

But among the worst hit will be developing countries in Africa and the Middle East. Starvation and famine in this region of the world is a real possibility. Eighty percent of grain in Egypt is purchased from Russia. Other major importers of Russian grain include Turkey, Bangladesh, Nigeria and Yemen.

The impact on the working class will be enormous. It is already reeling from more than two years of the pandemic, in which millions have died and living standards have been eroded to the breaking point by inflation caused by pandemic-induced chaos in global supply chains. This social trauma is the product of the deliberate rejection of necessary public health measures by the world’s governments, above all the United States, on the basis of “herd immunity,” or the sacrificing of life to profit.

Governments are using Ukraine to deflect attention from the war which should be waged against the pandemic, which is not over and is already beginning to surge again. They are also using it to recast inflation, which was already at its highest level in decades before the outbreak of war in Ukraine, as a ‘Putin price hike’ entirely the fault of Russia, in an attempt to deflect economic anxiety towards hatred of a foreign enemy. But while the wealthiest layers of society, including the most privileged layers of the middle class, have been gripped with war hysteria, there are no signs that this campaign is having any significant effect within the working class.

In a speech last week announcing a ban on Russian oil imports to the United States, President Biden presented the economic impact of these measures in the United States as a necessary sacrifice in the name of “defending freedom.” But neither Biden nor anyone else ever bothered to ask workers in the United States, much less workers in Africa and the developing world, whether they wanted to make such sacrifices for a reckless campaign that raises the danger of World War III.

No such sacrifices are being demanded of the corporate oligarchy, which will make money hand over fist from the war just as it has during the pandemic. Indeed, the stock prices of major US defense contractors such as Northrup Grumman and Raytheon have risen sharply in recent weeks. Western oil companies and agribusinesses are also licking their chops at the prospect of superprofits from worldwide shortages caused by the removal of their Russian rivals.

The war in Ukraine is being used as cover to redirect billions in resources away from social programs benefiting the working class towards war. The latest spending bill making its way through Congress includes nearly $800 billion for the military, including $15 billion in spending for Ukraine, while omitting $15 billion in pandemic-related funding. The corporate media in Britain is calling for the gutting of the postwar welfare state for the sake of increasing military spending. Most ominously, Germany has rammed through a tripling of the military budget for this year, the largest increase since Adolf Hitler.

The attitude of the ruling class was summed up most crudely and bluntly by an op-ed comment in the Wall Street Journal, whose headline declared, “NATO Needs More Guns and Less Butter.” The phrase recalls the infamous statement by Hermann Goering that “iron has always made an empire strong, at most butter and lard have made the people fat.”

The social consequences of this reckless campaign are preparations for a showdown between the working class and the capitalist class in each country, in which mass anger will intersect with the growing radicalization which is already underway as a consequence of the pandemic. The past two years have seen major strikes by industrial workers in the United States, the growth of wildcat strikes throughout Turkey, the defiance of anti-strike injunctions by health care workers in Sri Lanka and Australia, and other significant expressions of social opposition.

Excerpted: ‘The NATO campaign against Russia will drive escalating class struggle across the world’.

Courtesy: wsws.org