

# **Polemics on New Imperialism**

Polemics on New Imperialism

English language

Edited by P J James

First Published: November 2018

Copies: 1000

Cover Design: Prem

Published by

K N Ramachandran

CPI (ML) Red Star

C-141, Sainik Nagar

New Delhi-110059

Website: [www.cpiml.in](http://www.cpiml.in)

Email: [info@cpiml.in](mailto:info@cpiml.in)

Printed at Cherrys Printers, Kaloor, Cochin

Price: Rs. 200/-

# **Polemics on New Imperialism**

**Editor : P J James**

**CPI (ML) Red Star Publication**

## **Contents**

<b>Preface to Polemics on New Imperialism</b> .....	6
<i>By K N Ramachandran</i>	
Editor's Note .....	9
Chapter 1	
<i>Klaus Wallenstein</i>	
Profound Changes in the Imperialist World System .....	20
Chapter 2	
<i>Sankar</i>	
India: Neo-Colony or Neo-Imperialist? On MLPD's Evaluation about state Character of India .....	31
Chapter 3	
<i>Stefan Engel</i>	
The MLPD Growing in to a New Role in Society .....	44
Chapter 4	
<i>P J James</i>	
On MLPD's Thesis on New Imperialist Countries .....	48

*Polemics on New Imperialism*

Chapter 5

*Monika Gartner-Engel*

The Development of a Number of New-Imperialist Countries ... 63

Chapter 6

*Sanjay Singhvi*

Again on the New Imperialist Countries ..... 76

Chapter 7

*Stefan Engel*

On the Emergence of a number of New Imperialist Countries:  
Reply to Comrades P J James and Sanjay Singhvi ..... 85

Chapter 8

*P J James*

Debate over the Issue of New Imperialist Countries ..... 103

Chapter 9

*Stefan Engel*

On the Emergence of the New-Imperialist Countries ..... 127

Chapter 10

*P J James*

Comment on the Brochure  
*On the Emergence of the New-Imperialist Countries* ..... 169

Chapter 11

*Sanjay Singhvi*

By Way of a Conclusion ..... 189

**K N Ramachandran**

## Preface to **Polemics on New Imperialism**

The significance of this book, *Polemics on New Imperialism*, lies in its presentation of a comprehensive critique of the arguments of the MLPD thesis that 14 countries including India, Brazil and Saudi Arabia, inhabited by more than half of the world have transformed in to new-imperialist countries, even as the process of formation of new-imperialist countries still continues as claimed by it. According to the spokespersons of the MLPD, emergence of new-imperialist countries is the central question that determines the strategy and tactics of world revolution, for both class struggle and future of humankind. As claimed by MLPD, this *new thesis* was put forward by Stefan Engel in his book *Dawn of the International Socialist Revolution* published in 2011. But there the idea of new-imperialism was put forward in a general way while the reactionary and dependent character of the ruling bourgeoisie on international finance capital is also stressed. Whereas a concrete formulation appeared in Klaus' Paper presented at the time of a Seminar during the Tenth Congress of CPI (ML) Red Star in 2015.

According to Stefan, the present ecological crisis, geopolitical tensions and economic crisis have more to do with the aggressiveness of these new-imperialist countries. In her paper, Monica has

further stressed that these new imperialist countries are comparatively more aggressive. Such arguments assume more significance as they are comparable to the views held by the protagonists of the *Theory of Three Worlds* (1977) that Soviet Social Imperialism had become more dangerous than the US imperialism since it is the newly emerged imperialism. Thus the political undertones of the arguments related to this thesis may become even more damaging. Therefore, if not scientifically analysed and challenged, the thesis of new-imperialism can undermine the accepted positions of the ICM including the approach to anti-imperialist struggle.

In his great work, *Imperialism, the Highest Stage of Capitalism*, Lenin has explained the basic features of this *era of imperialism and proletarian revolution*, when the world was divided into imperialist countries and vast number of countries dominated by imperialism and its lackeys. The Communist International had raised the slogan: *Workers of the World and Oppressed Peoples Unite* to advance the socialist revolution in the imperialist countries and people's democratic revolutions in the oppressed countries both as part of the World Proletarian Socialist Revolution. This position was further developed by the CPC in its General Line document of 1963 in the context of imperialism transforming its colonial forms of hegemony and exploitation to neo-colonial forms in the post- Second World War period.

During this period, backed by theories like post-colonialism, post-imperialism, etc., many petty-bourgeois lines had emerged advocating the transfer of power in the colonial countries as completion of the democratic revolution, and that these countries had transformed to capitalist countries. Later, under ever-increasing penetration of finance capital, technology and market control, when the mode of production in the pre-capitalist agrarian sector started changing fast, once again erroneous trends started emerging arguing that these former colonial countries have become capitalist countries, and the stage of revolution there being socialist. Along with various other factors, these non-Marxist aberrations have also played a role in causing severe setback to the ICM. Instead of deepening the understanding about imperialism in the neo-colonial phase includ-

ing its latest neoliberal/corporate offensive, these erroneous views have weakened all round class struggle and worldwide anti-imperialist movement.

So, this MLPD *thesis on new imperialism* should be analysed in relation to the principal contradiction –the contradiction between imperialism and the oppressed peoples and nations- in the present phase, and also in relation to the Leninist position of the division of the world in to oppressors and oppressed countries. Instead of going to these fundamental questions, the new-imperialist thesis solely depends on the statistics provided by various sources, while it ignores the basic aspects like the class relations, both internal and external, character of the state and so on.

If the ICM has suffered severe setbacks after achieving significant advances by 1950s, it is due to the weaknesses in developing the understanding about the imperialist system today, and due to the weakness of the theoretical offensive waged so far towards making concrete analysis of the emerging new situation and developing Marxist-Leninist theory accordingly. Recognizing this fact, it is for further developing the theoretical offensive, for advancing the understanding on imperialism today and to develop a healthy polemics against this *new thesis*, that we are publishing this book including all available contributions of the MLPD and its critique by leading comrades of our party, with the hope of developing this polemic in particular and the debate on imperialism today in general.

30 October 2018



## Editor's Note

The debate on the thesis of “new-imperialist countries” between MLPD and CPI (ML) Red Star has its formal beginning in the Tenth Congress of the latter held in 2015. Presenting a paper (“Profound Changes in the Imperialist World System”) in the Seminar held as part of the Congress, Comrade Klaus Wallenstein, Central Committee Member of MLPD, has vividly explained the thesis on “the emergence of new-imperialist countries” as one of the central political questions among communist revolutionaries. Among other things, in that paper, he made a brief analysis of how a “formerly oppressed neocolonial country” transforms into an “oppressing neo-imperialist country,” along with the change of the erstwhile “comprador bourgeoisie” in such a country to the “ruling monopoly bourgeoisie.” The immediate context for this transformation was due to the reorganization of international production since the 1990s. Based on this position, in his presentation, Com. Klaus unequivocally categorized the BRICS (Brazil, Russia, India, China, and South Africa) and MIST (Mexico, Indonesia, South Korea and Turkey) as new imperialist powers.

Though the book *Dawn of the International Socialist Revolution* by Comrade Stefan Engel has earlier advanced the thesis, in fact, it was this paper by Com. Klaus pinpointing India as one among the leading “new-imperialists” that spurred an immediate concern from the

delegates to the Congress. One of the quick responses came from Comrade Sankar, Central Committee Member of CPI (ML) Red Star. In an article with special reference to India, (“India: Neo-Colony or Neo-Imperialist? On MLPD’s Evaluation about State Character of India”, Red Star, May 2015) Sankar took an outright position of rejecting the “new-imperialist” hypothesis altogether. Quoting facts and figures from various sources, he elaborated how and why in spite of having some of the big monopolies like Reliance and Tata, India still continues as a dependent country under neocolonial domination. Characterizing “Indian big bourgeoisie as the perfect example of compradors in modern imperialist global order”, in this article, Sankar vividly explains the manner in which leading Indian companies perform the role of “intermediaries” and “caretakers” under the “veil of capital export.” Elaborating his argument further, Sankar also pinpointed the mistake committed by MLPD in bracketing countries like India and South Africa along with imperialist China and Russia.

Following this, further intervention on the part of MLPD has further paved the way for an enthusiastic debate on the topic. In an interview given to Rote Fahne (See Chapter 3 for the relevant extract of this Interview, “The MLPD Growing in to a New Role in Society” by Rote Fahne, June 2016), Comrade Stefan Engel, the then Chairman of MLPD reiterated his position on the subject. Linking the whole issue of new-imperialist countries as one of correctly qualifying states, Stefan in that interview, albeit in a brief manner, has made the revealing observation of the growing ecological crisis, world financial crisis, and intensifying geo-political tensions in relation to the aggressive buildup of military apparatus and expansionist moves pursued by new-imperialist powers. More specifically, he stressed the urgent need of correctly evaluating new-imperialist countries from the perspective of proletarian strategy and tactics of the international socialist revolution.

This prompted us to respond to the MLPD thesis on new-imperialist countries in a more rigorous and intense manner. In an article entitled “On MLPD’s Thesis on New Imperialist Countries” (Red Star, August 2016), this author has taken the perspective that inter-

preting imperialist character merely based on the extent of wealth accumulation by countries disregarding the international and internal class forces and class relations at work would be an incorrect way of interpretation. For instance, under neoliberalism during which MLPD situates India's (and that of other countries) alleged transformation in to an imperialist power, rather than evolving as an independent capitalist class, it is the dependent character of the Indian big bourgeoisie and the state led by it that is economically, politically and militarily exposed more than ever. Therefore, a mere economic interpretation such as the number of monopolies emanating from or money capital accumulated by a country is an insufficient characteristic to stamp it as "new-imperialist".

Unlike the Chinese imperialist bureaucratic bourgeoisie that openly challenges and effectively competes with its global counterparts, Indian bourgeoisie as junior partners of imperialism in consonance with its class character, has been faithfully adhering to imperialist diktats and is even keen to accommodate the speculative interests of international finance capital at the cost of 'national' interests. Rather than moving towards an independent and self-expanding capitalist path, Brazil, Saudi Arabia and India, though regional supremacists, are acting as conduits for deepening neoliberal policies in to the hinterlands of the world imperialist system. In this way, operating as a sub-imperial platform of exploitation, they are transferring surplus value to imperialist centres through their participation in the global stream of finance capital.

The polemics on "new-imperialism" got a further boost with the presentation of a paper ("The Development of a Number of New-Imperialist Countries: Introductory Contribution to the Event in Nepal") by Comrade Monika Gartner-Engel in a Seminar in Kathmandu, Nepal in December 2016. In tandem with MLPD's basic position on the subject, Comrade Monika emphasized the awareness about the question of the new-imperialist countries today as having fundamental significance for working out correct Marxist-Leninist strategy and tactics. She also pointed out the emergence of big monopolies from the "national big bourgeoisie" in more populous neocolonially dependent countries having great potential in

their domestic market. This is facilitated by the changes in the investment policy of international finance capital since the beginning of the 1990s.

Regarding the new-imperialist countries, Monika could be seen going a step farther by interpreting the “new-imperialists” as if they are more aggressive than the old imperialists. For instance, she goes to the extent of saying: “The old imperialist countries can no longer just do what they want. With India, China, Indonesia, Mexico and Brazil the new-imperialist countries include some of the most strongly populated countries of the world... If these countries fully develop their imperialist foundations, the old imperialist countries will hardly be able to keep up.”

Comrade Sanjay Singhvi, Polit Bureau Member, CPI (ML) Red Star has intervened in the debate at this juncture. Sanjay’s analysis (“Again on the New Imperialist Countries”, Red Star, January 2017) in essence is a critique of both Stefan’s aforesaid interview and Monika’s presentation at Nepal. According to Sanjay, “monopolization” of neocolonially dependent countries which is the basis of “new-imperialism”, unlike proposed by MLPD comrades, is not an overnight development but a long drawn-out process spanning decades. He also identifies it a basic error to club the other BRICS countries along with both imperialist China and Russia to characterize the former as “new-imperialist countries”.

The argument put forward by MLPD comrades that the BRICS and MIST countries benefitted from the world financial and economic crisis of 2008, according to Sanjay, cannot be substantiated in the light of available statistics. His proposition based on data from various sources that it is difficult to assess each country’s domination in the net movement of capital in a world in which capital has become grossly enmeshed and integrated has been another strong critique of the thesis of “capital export” from new-imperialist countries. For Sanjay, even for ascertaining the true extent of capital export what requires is a comparison of the net import and export of capital by countries.

It was in continuation of this that in an article entitled “On the

Emergence of a number of New Imperialist Countries: Reply to Comrades P J James and Sanjay Singhvi" published in March 2017, Comrade Stefan Engel has further refuted the entire critique of the thesis of "new-imperialism" put forwarded by CPI (ML) Red Star Comrades in general. Explaining how the world economic and financial crisis imparted new momentum to the formation of new-imperialist countries, in this article, he once again reiterated the economic and political basis for the emergence of the phenomenon of "new-imperialism".

In this article, Stefan links the thesis of the emergence of the new-imperialist countries with the development of the ideological-political line of the MLPD since its Ninth Party Congress. Accordingly, without recognizing the new phenomenon of new-imperialism, it is impossible to develop the strategy and tactics of world revolution and to comprehend the development of the world economy, growing danger of war, global environment catastrophe, etc. The transformation of the so called BRICS and MIST in to most important new-imperialist countries is also emphasized here.

While characterizing the positions of James and Sanjay as "opportunism", Stefan also makes a veiled attack on both for not recognizing India as "imperialist" since that smacks of the example of German Social Democracy's unwillingness in World War I to expose "the imperialism of one's own country." To the argument that India and Brazil are still at the transitional or intermediate stage, and "not politically qualified for categorization as imperialist" (James), Stefan has little doubt that "countries like India or Brazil have already left this transitional stage behind."

A response (P J James, "Debate over the Issue of "New Imperialist Countries", Red Star, April 2017) to this reply by Stefan was immediately published in consonance with the ideological-political line adopted by the CPI (ML) Red Star in its Tenth Congress and as per the political-economy analysis as outlined in the book *Imperialism in the Neocolonial Phase* published in 2015. It once again underlined the need of upholding the Leninist methodology for unravelling the laws of motion of twenty-first 21<sup>st</sup> century imperialism while taking in to

account the vast transformations that have taken place over a century.

While replying to the arguments of Stefan in general, a specific point emphasized in this article has been the cardinal importance of analyzing the twenty-first century global extraction of surplus value by finance capital. It has also been pointed out that the 'framework of internationalization of production' frequently stressed by MLPD forms an insufficient parameter for analyzing the whole course of transformation of monopoly finance capital during the postwar neocolonial phase of imperialism. More understanding on the process of surplus value appropriation by finance capital today mainly remaining at the realm of speculation and the consequent super-exploitation unleashed by imperialism in neocolonially dependent countries have also become indispensable today.

The article has also tried to bring more clarity to the concept of comprador bourgeoisie. Unlike alleged by MLPD, the CPI (ML) Red Star's approach to comprador bourgeoisie has never been a strait-jacket or stereo-typed one. To quote the Party Program: "In the neocolonial phase, though this bourgeois class which has become the most influential section of the ruling class in neocolonial countries is contending to some extent with the imperialist powers for its enrichment according to the extent of their development, it is basically collaborating with imperialism. The comprador bourgeoisie is not only the agent of imperialists, but also is a conscious part of monopoly capital which goes on to take decisions for the interest of the monopoly capital. In that sense it can still be called comprador in character" (Party Program, Party Constitution, p.11).

At the same time, as already stated by us, regarding MLPD's approach to new-imperialist countries we do not have a dogmatic perception. To quote from the article: "... we are not dogmatic to argue that India will not emerge as capitalist-imperialist. Postwar experience of Soviet Union and China amply proves that new imperialist countries can still emerge. Marxist-Leninists cannot rule out this option so long as capitalist-imperialism as a world system itself is transforming. Transformation to an imperialist position by a coun-

try is contingent on ending the constraints imposed by the class character of its state and that of its ruling classes. Therefore, as unequivocally pointed out earlier, our class analysis does not conform to the characterization of India as a capitalist-imperialist country today."

The brochure entitled *On the Emergence of the New-imperialist Countries* authored by Stefan and published by MLPD on the eve (August 2017) of the Third World Conference of ICOR has been an articulation of all hitherto arguments advanced by it with respect to the thesis on new-imperialist countries. In it, Comrade Stefan postulates how "neocolonial dependence on imperialism transformed in to independence as new-imperialist countries". And as a corollary of this, he also identifies a declining role of the old imperialist powers. The main thrust of the argument in this brochure has been to situate the rapid development of new-imperialist countries in the 2008-14 world economic and financial crisis. To substantiate this point, almost 20 pages of the brochure are set apart for country-specific analysis.

It places China as the strongest of the new-imperialist countries, an aspect which is contrary to MLPD's own earlier studies, as it had already recognized China as an imperialist power by the turn of the twenty-first century itself, and not since the 2008 world economic meltdown. Along with China, "resurgence of new-imperialist Russia" is also a notable item in this study, even as Russia's imperialist character is well-recognized by Marxist-Leninists in the 1960s itself. Though India is projected along with the strongest new-imperialist powers, the title of that portion of the analysis is given as "India's new imperialist dominance on the Indian sub-continent", a role already acknowledged by CPI (ML) Red Star though not as a new imperialist country, but as a junior partner under the umbrella, especially of US imperialism. A similar argumentation is proposed with regard to Turkey too.

As per this brochure, MLPD puts almost two-thirds of the present world population as living in imperialist countries. According to the logic of this analysis, the stage of revolution in many neocolonially dependent countries, is bound to leap-frog into socialist revolution.

To quote the brochure: “This development signifies a leap in to a new quality of the crisis-riddenness of the imperialist world system, a new quality of the prospects for the international socialist revolution.” (p.58)

A critique of this study replying to the main points raised by Stefan was published in Red Star (June 2018). To MLPD’s assertion in the brochure that “it would be dogmatic to classify countries once and for all in to oppressed”, CPI (ML) Red Star is of the opinion that it as an outright denial of today’s principal international contradiction—the contradiction between imperialism on the one hand and oppressed nations and peoples on the other. One of the main arguments reiterated by MLPD has been identification of the neoliberal context as yielding a new basis for new-imperialism. But our understanding is that rather than creating the new basis for imperialism, neoliberalism is leading these countries to a disruption in the conditions necessary for independent and self-expanding capitalist development in them. In brief, while replying to the major arguments in the brochure, the thrust has been on the development of Marxist-Leninist theory of imperialism and fulfilling the revolutionary tasks through an unfolding of the complex capital accumulation process under neoliberalism.

All the aforesaid writings and speeches in this book in extracted and edited form are incorporated according to the chronological order of their writing by the respective authors. The **Preface** to this book is written by Comrade K N Ramachandran, General Secretary of CPI (ML) Red Star, while the **Conclusion** is prepared by Comrade Sanjay Singhvi.

While presenting this polemics in a book form, let us once again put our approach to the thesis of “new-imperialism” in an unambiguous and straightforward way.

It needs to be stated in unequivocal terms that there is little logic in linking the imperialist crisis since 2008 with “the emergence of new-imperialist countries” and to their alleged aggressiveness. Of course, in the context of the internationalization of production and global reach of by monopoly finance capital today, it is an accom-



plished fact that companies from neocolonially dependent countries have started entering into the globalized production and financial stream through cross-border alliances and joint ventures with MNCs from imperialist countries. However to characterise them as “capital exporters” in the classical sense of the term and call them “new imperialist countries” in the guise of adhering to the Leninist definition of imperialism is mechanical and not in conformity with today’s concrete situation. And it is pertinent to remove the confusion connected with the conceptualisation on “export of capital” itself. Closer analysis amply makes it clear that the so called export of capital remains only at the level of ‘form’ while surplus value appropriation which is ultimately determined by global class relations and character of respective states is the ‘essence’. Further development of the Marxist-Leninist theory of imperialism based on concrete studies on this crucial and at the same time complex issue is indispensable.

For instance, today MNCs emanating from imperialist countries can capture surplus value and exploit workers in low-wage countries and plunder nature even without apparently resorting to “export of capital” or FDI flows, as the sources of funds and resources mobilized by MNCs are from ‘host’ countries, an avenue unavailable for companies from the latter operating in imperialist countries. This can also be guessed from the lack of statistical correlation between FDI inflows into and profit outflows from the oppressed and dependent nations. At the same time, while MNCs from US, EU, Japan, China, etc. engage in super-exploitation of Latin American, African and Asian workers, there are no reports of Brazilian, South African, Saudi Arabian or Indian bourgeoisie independently engaging in a similar expropriation and exploitation in imperialist countries. Even now, the big bourgeoisie of the dependent countries accumulate profit mainly through exploiting the workers and toiling masses of their own countries in collaboration with the imperialist bourgeoisie.

Mere participation in the globalized production process as “cheap labour export platforms” of international capital alone is not sufficient enough for establishing world level domination by

neocolonially dependent countries. The accumulation of vast wealth by the big bourgeoisie and consequent development of big monopolies in certain Asian, African and Latin American countries, an aspect reiterated by the MLPD comrades in all their writings are not at all new phenomena, since this trend had been there during the colonial phase of imperialism itself. In the postwar neocolonial phase of imperialism, in direct proportion to the horrific levels of wealth appropriation by big bourgeoisie from their own countries in collaboration with MNCs, the former's betrayal of the people they claim to represent in the garb of nationalistic pretensions (like the Hindu supremacist Modi regime in India) has been an ever-strengthening process. Though internationalization of monopoly finance capital has been a qualitative trend, the historical and political structures pertaining to imperialist hierarchy of the postwar neocolonial order and the inherent structural weakness of the ruling bourgeoisie from dependent countries that establish a line of demarcation between oppressors and oppressed, unlike argued by MLPD, is still continuing. The only exception to this general rule has been the capitalist transformation in the unique case of Russia and China, two erstwhile socialist countries.

More than half a century of internationalisation of production and trend toward integration of market have yielded new avenues for greater interlinking between MNCs and dominant faction of the corporate class from neocolonially dependent countries. And this interlinking/integration is likely to intensify further. Marxist-Leninists cannot rule out the possibility of changes in the imperialist hierarchy too. But, as of now, contrary to the MLPD stand, this has not yet yielded any sufficient condition for the transformation of neocolonially dependent countries into imperialist ones. On the other hand, the liaison between the ruling bourgeoisie from neocolonially dependent countries and imperialist capital continues to be an obstacle to self-expanding capitalist development in the latter. Close collaboration between MNCs and companies from dependent countries also leads to flight of wealth to imperialist havens leading to domestic distortions and unfeasibility of "inward-looking policies." This aspect is very relevant in the case of the im-

perialist-trained technocratic elite and higher bureaucracy in neocolonially dependent regimes who are more loyal to IMF, World Bank, WTO and similar other neocolonial-neoliberal institutions than towards the 'national' states they represent.

Again, as the experience of BRICS, MIST and similar other groupings illustrate, the dependent bourgeoisie's allegiance to global centres of finance capital makes international or regional groupings and associations of neo-colonial countries relatively irrelevant. Thus, the alliance and 'integration' between the ruling classes from imperialist and neocolonial countries, restructuring of the nation-centred basis of production through a new international division of labour, financialisation coupled with digitization and the consequent super-exploitation of the workers and intensified plunder of nature in the latter leading to several domestic disruptions, etc., rather than levelling out the differences between them, actually strengthens the historical gap between the two. No doubt, the UN and its Security Council, the Fund-Bank combine, WTO, funding agencies, various military arrangements, whole set of international agreements and so on which are still controlled by a handful of leading imperialist powers still ensure imperialism's hegemony over the planet. Here it would be apt to quote a recent threatening statement by US president Trump in which he frankly said that Saudi Arabia (whom MLPD upholds as an aggressive new-imperialist military power) would collapse without American military support. Thus, increasing pressure on US' closest junior partner in West Asia over rising oil prices, and based on an earlier telephonic talk, he said: "We protect Saudi Arabia—would you say they're rich? ... And I love the king, King Salman, but I said, 'King we're protecting you. You might not be there for two weeks without us. You have to pay for your military, you have to pay'" (PTI, *The Hindu*, October 4 2018).

We hope that this timely edition shall spur more intense and at the same time healthy and fraternal debate from Marxist-Leninists not only on the prognosis of "new-imperialism" but on a whole set of fundamental ideological-political questions confronting the International Communist Movement today.

## Chapter 1

*Klaus Wallenstein*

### **Profound Changes in the Imperialist World System**

Dear Comrades !

In your resolution on the theoretical offensive to reinvigorate the communist movement, the standard you set is how you succeed in "leading the workers, peasants, youth, women, dalits... with the correct theory." Since its founding, the MLPD follows the insight: Without a correct ideological-political line there is no successful revolutionary party building. Without a revolutionary working-class party there is no proletarian revolution! A correct ideological-political line does not fall from the sky, but can only be the result of systematic theoretical work on the basis of Marxism-Leninism.

After the Twentieth Party Congress of the CPSU in 1956, the international revolutionary and working-class movement suffered its severest defeat at the hands of modern revisionism. This led to the extensive liquidation of the old communist movement. On the basis of Mao Zedong Thought a new communist movement developed worldwide since the middle of the 1960s, which defended Marxism-Leninism in the struggle against modern revisionism. It is Willi Dickhut's merit that he insisted right from the beginning that the

point was not only to defend Marxism-Leninism against the various revisionist attacks of the CPSU, but to develop it further and apply it concretely to the new conditions in party building and class struggle of the present and in West Germany.

Every issue of our theoretical organ in the *Revolutionärer Weg* series since 1969 deals with a burning problem of our time. With the analysis of state-monopoly capitalism and of the new German imperialism in the Federal Republic of Germany we were able to further concretize Lenin's analysis of imperialism for today's conditions; we thus managed in 1977 to advance the political economy of Marxism-Leninism in an important way. Since then the development of the critique of the political economy of state-monopoly capitalism – in struggle against a dogmatic understanding of the imperialism theory of Lenin – had to deal constantly with important changes:

the emergence of state-monopoly capitalism as a new stage in the development of imperialism during and after the Second World War;

the emergence of multinational monopolies as main form of imperialist expansion and of the accelerated internationalization of production after the Second World War;

the changes in the crisis theory of Marxism-Leninism;

the emergence of neocolonialism after the collapse of the old colonialism, for which we published a separate issue of the *Revolutionärer Weg* in 1993;

the reorganization of international production since the 1990s, in which internationalized production has become the principal aspect for the first time in the history of capitalism, and a general crisis-proneness of the imperialist world system has developed.

In the two issues *Twilight of the Gods – Götterdämmerung over the "New World Order"* and *Dawn of the International Socialist Revolution* we concluded that on the basis of neocolonialism further profound changes of the imperialist world system have occurred during the last 25 years such that we have to speak of a qualitative new level in the development of imperialism. No successful strategy and tactics

to lead the class struggle can be developed today without concrete analysis of these changes and corresponding further development of the ideological-political line.

Imperialism, which had evolved at the end of the 19th and beginning of the 20th century, gave enormous impetus to the fundamental process of the internationalization of capitalist production. Before the First World War, the world was divided into two parts, a camp of the imperialist countries and a camp of colonial and semi-colonial exploited and oppressed countries. In general, this does still apply, but was modified several times during the last hundred years. The internationalization of capitalist production received another impetus from the complete formation of state-monopoly capitalism during the Second World War. Enterprises formed subsidiaries in the colonies and semi-colonies and accelerated the way of capitalism into these countries.

The international revolutionary and working-class movement was strengthened with the pathetic end of Hitlerite fascism and the victory of the Soviet Union in alliance with the anti-Hitler coalition. The socialist camp emerged and – supported by it – the masses in the colonial countries were encouraged to revolt against their colonial masters and to liberate themselves from the old colonialism. Neocolonialism replaced it, which in turn was linked with an acceleration and widening of the internationalization of capitalist production.

In the beginning of the 1990s, when the Soviet Union collapsed, a unified world economic system emerged, which was simultaneously linked with capitalist production taking on a mainly international character for the first time in its history. This had a deep impact on the development of class struggle and on the strategy and tactics, too. The class of the capitalists was even more differentiated. Industrial, bank, and agricultural monopolies developed into international supermonopolies. A new international strata of solely ruling international finance capital emerged from the international supermonopolies. Already 110,000 international monopolies existed worldwide in 2012, compared to only 7300 in 1969.

The strata of solely ruling international finance capital includes some 500 supermonopolies of the world with the highest sales. It is the product of an enormous wave of concentration of capital and the agglomeration of power across country borders. It controls and disposes of 80% of the gross world product today, 70% of the world export and 90% of the world capital export. It dominates the speculative capital flowing around the world, which amounted to US\$2.3 quadrillion in the year 2007, about 42 times the gross world product.

There has never been a bigger agglomeration of economic power in the history of humankind! They did not only subjugate the national markets, but exert decisive influence on more or less all governments in the world, too. They rule the UN, the World Bank and the IMF, the World Trade Organization, the GATT or the International Labor Organization, and use them to implement the conditions of production, labor and exploitation worldwide (that is to say, not only towards neocolonially dependent countries), which form an important prerequisite for their production for maximum profit.

However, a fundamental problem is connected with that, too. With the completion of the process of the internationalization of production, a chronic overaccumulation of capital emerged, expressed in the most diverse phenomena of crisis, like the permanent structural crises we have been experiencing for 40 years. Today, old national industry and trade structures are being replaced bit by bit by international production networks as well as a reorganization of markets.

The investment activity of the international monopolies has changed, too. While in the beginning of neocolonialism the international monopolies used to strictly make sure that an all-around production activity only takes place in the mother countries and the developing countries produce semi-finished products or raw materials at most, they now go on to build all-around production facilities in neocolonially dependent countries, too, due to the chronic overaccumulation of capital and the increasing scarcity of markets. This has already reached a very advanced stage especially in the automotive industry and in mining.

In some neocolonially dependent countries with a high population and a high potential of the domestic market, private monopolies emerged from the national big bourgeoisie. Socio-economic background was the privatization of state institutions, the accelerated conversion of the small-peasant agriculture into agro-industrial production, and an unprecedented flood of capital from the international monopolies. The number of international monopolies exploded to over 110,000 in the year 2012.

The transformation of these neocolonially dependent countries into new-imperialist countries started with the monopolization of their economy, amongst them countries of the so-called BRICS or MIST states like India, South Korea, Indonesia, Turkey, South Africa, Brazil or Mexico. Some international monopolies of these countries even reached the circle of the biggest supermonopolies of the imperialist world economy. China had 95 international supermonopolies within the framework of solely ruling international finance capital in 2013, compared to only 12 in 2000. India has 8, Brazil 8, South Korea 13.

The capital export from the new-imperialist countries – which is one of the main features of an imperialist economic policy – intensified the competition between the international monopolies and their imperialist states on the world markets in an extraordinary way. The BRICS and MIST countries alone have a stock of US\$3.4 trillion in direct investments abroad now. India has increased its direct investments abroad the fastest of all BRICS and MIST states, from US\$1.7 billion (2000) to US\$120 billion (2013). Eight of the 20 biggest industrial producers today are former neocolonially dependent countries. Like India, South Africa or Brazil they claim a regional supremacy, aggressively expand their military and press forward on the stage of world politics. They like to utilize their deceptive nimbus of belonging to the “Third World” to deceive the masses.

At the same time, the number of neocolonially dependent countries with a predominantly capitalist mode of production is growing. Fewer and fewer countries remain in semi-feudal and semi-colonial backwardness. But their industry is mainly reduced to pro-



duction and export of mineral and agricultural raw materials.

The relative strengths between the imperialists have changed. Thus, the Soviet Union was smashed after its defeat, and Russia was temporarily forced to the background in terms of economics. Instead, the People's Republic of China as new social-imperialist power today has become the second-biggest economic power after the US. In Europe, the leading imperialists have knocked together the EU as a new economic power block, which is merging more and more on the level of the state, too. 80% of the economic laws are being passed at the EU level already – which is also binding for German imperialism. On the other hand, German imperialism cannot play a significant role in the worldwide competition without the basis of the EU. The imperialist character of Germany is not affected by it continuing to be the junior partner of the US – and spied upon by the NSA.

Based on Lenin's definition of imperialism, in India, too, a state-monopoly capitalism is developing, which is linked in a law-governed way to an imperialist tendency of development. In the beginning of the 20th century, Lenin led the debate with the "Narodniks" in Russia on the question, *"Can capitalism in Russia develop and reach full development when the masses of the people are poor and becoming still poorer?"* ("On the So-Called Market-Question", Collected Works, Vol. 1, p. 79). Based on the example of Russia, Lenin verified the historic development as *"1) the transformation of the natural economy of the direct producers into commodity economy, and 2) the transformation of commodity economy into capitalist economy"* (p. 103). *"Depeasantising (de-peasantization in today's India – the author) in the countryside shows us the beginning of this process ...; large-scale capitalism in the towns shows us the end of the process, its tendency"* (p. 135). The concentration of production led to the transition of free-market capitalism to monopoly capitalism. *"Capitalism had brought the principal branches of industry to the stage of large-scale machine industry."* ("What the 'Friends of the People' Are", p. 201) The emergence of monopolies signified the qualitative leap to the imperialist stage of capitalism in Russia.

When Lenin developed the strategy and tactics of the proletarian October Revolution in the agricultural country Russia, the industrial proletariat formed a minority with 1.5 million, “trained for decades by a very young, but modern, large-scale machine industry” while the “small peasantry constitutes the overwhelming majority of the population”. (Lenin, “Third Congress of the Communist International”) This industrial proletariat of the modern large-scale industry is organized in the centers of international production today, and the Marxist-Leninists must educate them for their leading role in the international socialist revolution.

Even though the consequences of colonial and neocolonial exploitation and oppression with “feudal remnants” are still conspicuous, the monopoly-capitalist economy defines society as a whole and the conversion from formerly oppressed neocolonial country into an oppressing neo-imperialist country has set in. India has a total of 54 domestic monopolies on the Forbes 2000 list, which is already more than Germany with a total of 52 monopolies.

Reliance Industries is number 134 of the world ranking and the world’s biggest producer of fibers and polyester. It belongs to the 10 biggest petro-chemical companies of the world as well. Tata Motors is the second biggest producer of buses and the fourth biggest producer of trucks worldwide. As number 359 in the world, it also produces passenger cars and has production sites in India, Argentina, Thailand, South Africa and Great Britain. Wipro has 140,000 employees in 62 countries and the fourth biggest market capitalization of all IT enterprises. The outsourcing orders come from the US, Canada, Australia and Europe. Infosys with headquarters in Bangalore is represented in 26 countries with 160,000 employees worldwide. This list could be continued at will. The majority of enterprises are managed in cooperation with foreign enterprises.

In the book *Dawn of the International Socialist Revolution* we summarized this development in this way: It is complicated to find out which international supermonopolies are linked with the national corporations or are directly behind them. This is deliberately concealed. However, one cannot immediately draw conclusions from

capital ownership about the national character of a monopoly today. Even with the biggest German supermonopolies, listed on the stock exchange in the DAX, the predominant part of the shares is no longer in German hands, but has a broad distribution on the international level. For instance, 15% of VW are in the hands of the Emir of Qatar. This is related to the fact that international finance capital operates worldwide today, interweaving and merging everywhere with participations, joint ventures, mergers and alliances.

As in every imperialist country, the ruling finance capital in India consists of domestic monopolies, which are world market leading international monopolies themselves, and the multinational monopolies, which have their headquarters in other countries and whose subsidiaries in India partially produce more than in the origin country. That is what distinguishes the ruling bourgeoisie in countries like India from the comprador bourgeoisie in the stage of colonialism or neocolonialism, because it has become a monopoly bourgeoisie itself, and the one-sided dependence on imperialism has been replaced by mutual economic and political penetration and dependence. Among the thousands of enterprises in the biggest international production zone of India, Gurgaon, there are also 250 enterprises from the 500 biggest world monopolies of the Fortune list.

Strategic alliances with the US and the EU as most important partners of India aimed at the step-by-step opening of the huge Indian market for the international monopolies. Besides concluding agreements with the US and the EU, the new president Modi has pushed the power policy with, among other things, contracts with Australia on uranium supplies, with Russia on building 10 new nuclear power stations as well as structural investments of China in India.

The restrictions imposed on India by IMF, World Bank and WTO are no specific feature of neocolonial oppression, but methods of rule of international finance capital to deal with the contradictions between weaker and stronger imperialists. Corresponding to its grown economic importance, India has gained a seat on the G 20,

has entered the circle of international crisis management, and was able to successfully resist the abolition of certain agricultural subsidies at the WTO in Bali in 2014.

The “Big Brother Attitude” (CPI (ML)) of the ruling class is nothing but an imperialist foreign policy towards the neighbouring countries to achieve a regional predominance. The aggressive appearance to the outside corresponds with the imperialist character. India’s military spending was US\$ 47.4 billion in 2013. With 1.3 million, it has the strongest army at its command after China (2.2 million) and ahead of the US and Russia (1 million). It participates in foreign missions in 11 countries with at least 8,612 soldiers. It has an army of 1.3 million paramilitaries for “protection against insurrections”.

What conclusions must be drawn from these far-reaching changes for the objective strategy and tactics of the socialist revolution? The book *Dawn of the International Socialist Revolution* concludes:

*“In former neocolonial countries which are aspiring to imperialist power, like India, Brazil and South Korea, the international revolution must resolve particular contradictions and therefore has a particular character. Inside the special economic zones, where national and international monopolies operate highly advanced production facilities and agricultural production for export on a large-scale industrial level, the industrial proletariat is growing – but next to them the millions of the rural masses live under most backward, even semi-feudal conditions.*

*Since the beginning of the new millennium the former one-sided dependence of these countries on imperialism has transformed into mutual economic and political dependence. This is why the revolution of the working class and the broad masses there will not only aim directly at international finance capital operating in these countries, but likewise directly at the national monopoly bourgeoisie collaborating with it and at the remnants of feudal and semi-feudal large estates.*

*To create the preconditions for the building of socialism, the revolutionaries in these countries must also – under the leadership of the international industrial proletariat, and in alliance with the broad masses and parts of the nonmonopoly national bourgeoisie – solve agrarian revolution-*

*ary tasks, overcome backwardness and unbalance in the economy and feudal remnants. It may be that subjective factors require the establishment of an anti-imperialist, new-democratic system, even if the revolution in such countries already has an objectively proletarian character. The more the imperialist character of these countries asserts itself, the more will revolutionary uprisings in the industrial centers determine the proletarian character of the revolution.” (p. 309)*

In this regard it is important that a further differentiation has emerged within the working class, too. From the industrial proletariat a strata of the international industrial proletariat has developed which works in the cross-border production networks and is growing very fast today. We can assume today that this strata of the international industrial proletariat accounts for more than 400 million or 10% of the world proletariat and is concentrated mainly in the industrial centers of the international monopolies. This strata, consisting especially of the core workforce in the big enterprises of the international supermonopolies, enjoys the highest wages and best working conditions of all workers. Their conditions of housing and living seem privileged as well, compared to those of the broad masses. But still, this does not change the fact that they are the carriers of the most advanced production and thus subjected to the exploitation of wage labor with the highest rate of exploitation. As in the imperialist strongholds, the task is to systematically work in factories and trade unions to overcome the reformist influence of the policy of class collaboration and to develop proletarian class consciousness. The book *Dawn of the International Socialist Revolution* states:

*“The international Marxist-Leninist and working-class movement today is by no means unified on the principal strategic task of winning over the international industrial proletariat. Several revolutionary parties, even experienced parties firmly rooted among the masses, neglect revolutionary systematic work among the industrial proletariat in modern industrial centers, in monopoly plants and special economic zones. They objectively leave the field to the reformists and revisionists. The policy of class collaboration practiced by the international supermonopolies makes it easy for the reformists and revisionists to get established in the big factories, and makes*

*the revolutionary rank-and-file work of the Marxist-Leninists more difficult.” (p. 327)*

The struggles in the industrial belt Gurgaon-Manesar with a number of independent struggles for the recognition of the trade unions of the contract workers and solidarity strikes of permanent staff with dismissed agency workers were of strategic importance in this context. Employees of the international enterprises like Maruti and Hero-Honda participated in the all-India general strike of more than 100 million blue- and white-collar workers in February 2013, too. For the first time, together with the 11 officially registered trade unions more than 2000 individual trade unions had called for it, and in doing so, overcame the division in party trade unions.

The end of the so far longest and deepest world economic and financial crisis has not led to a relaxation of the underlying contradictions. We recognize a considerable revival of the struggles, mainly in mining and the automotive industry, since the beginning of the year 2014. In mining, the strikes were often linked with blockades, occupations, often with police deployment against the strikers, partially leading to casualties, as in Bolivia. The strike of hundreds of thousands of miners in the beginning of January 2015 at Coal India Limited was a challenge and a first trial of strength with the Hindu-nationalist government of Modi. The preparation and holding of the 2<sup>nd</sup> International Miners’ Conference in India can become an important step to overcome the division of the Marxist-Leninist, revolutionary and working-class movement.

**[Paper presented at the 10<sup>th</sup> Congress of  
CPI (ML) Red Star, February 2015]**

## Chapter 2

*Sankar*

### **India: Neo-Colony or Neo-Imperialist? On MLPD's Evaluation about State Character of India**

A Recent MLPD (Marxist-Leninist Party of Germany) paper on the changes in the modern day imperialism (“Profound Changes in the Imperialist World System”/ Klaus Wallenstein) presented in a Seminar during the Tenth Party Congress of CPI (ML) Red Star claims that some countries like India and Brazil have transformed to new-imperialist countries from their position as neo-colonial countries. To quote from the Paper: “The transformation of these neo-colonially depended countries into new-imperialist countries started with the monopolization of their economy, amongst them countries of the so-called BRICS or MIST states like India, South Korea, Indonesia, Turkey, South Africa, Brazil or Mexico”. Therefore, when the ruling classes of these countries claim, according to the paper, that they belong to the “Third World”, they actually do this to hoodwink the people. The Paper says: “8 to 20 biggest industrial producers today are former neo-colonially depended countries, like India, South Africa, or Brazil, they claim a regional supremacy, aggressively expand their military and press forward on the stage of world politics. They like to utilize their deceptive nimbus of belonging to the “Third

World” to deceive the masses.” Undoubtedly, this document of MLPD reflects the general sentiment of the Marxist-Leninist revolutionaries of the West who keep faith in the deceptive campaign of world imperialism that China and India along with other emerging countries like South Africa or Brazil or Mexico are new power houses of world imperialist economy.

Let’s have some discussions on the subject. Has India transformed from a neo-colonial to a new-imperialist country? Marxist philosophy says, any matter in the world has to be examined in motion since a matter takes a particular form or content as a continuation of process. India is a country which has a long past of colonial rule and systematic colonial plunder. After its declared independence in August 15, 1947, another long period of neo-colonial dominance and dependence was started. This ruthless colonial and neo-colonial exploitation has sucked its wealth and material potential. That’s why historically it is a capital starved country. It is true that with the advent of modern imperialism the export of capital became one of its most important aspects.

However, the export of capital started from the conventional imperialist countries, where historically most of the world capital was accumulated; and on the other hand most of the exported capital was invested not in the countries like India, but in the economies of developed countries. In this context the seminal paper by Robert Lucas in 1990 (*Why does not Capital Flow from Rich to Poor Countries?* (1990/ American Economic Review)) can be cited. The situation is further complicated in recent years when it is evident that most of the FDI inflows are destined to the countries like Mauritius or Singapore. Clearly the present world is more complicated than that of Lenin’s time. In India, capital export was taken the form of loan and debt to the government by the imperialist governments and official agencies like IMF and World Bank (bilateral or multilateral concessional finance) till the beginning of 1980s.

The situation was changed gradually with the change in global investment climate and imperialist economy as a whole. The non-debt creating capital inflow has shot up since the year of 2005-06,



when the Indian government surrendered totally to the imperialist program of structural reforms started from 1991. In the main, it is true that a good amount of capital inflows are taking place in India at least in the last ten years. It is also true that, as Lenin said, the inevitable consequence of export of capital is the development of capitalism in the country to which capital is being exported (even in a much faster pace). However, the question is, can this development convert a country, which has a long history of colonial plunder and an ongoing neo-colonial domination, and therefore, a country which has not yet completed its bourgeois democratic revolution to overthrow its two main targets, i.e., imperialism and feudalism, and thus still remains under imperialist domination and pre-capitalist chains, into a powerful imperialist country? The clear answer is—No.

The comrades of MLPD have developed a different structure of understanding. According to them, the monopolies or super-monopolies are working almost like a unit of imperialism. They export capital, they control the market, and they dominate the countries. Presently, some of the biggest monopolies are from the countries like India, as Reliance Industries, or Tata Motors or Wipro etc., the paper of MLPD cited some names. These monopolies control some portion of the world market. Therefore, India cannot be called a neo-colonial country, but a new-imperialist country.

This model of argument has some flaws. Firstly, the fact which is not incorporated in this model that is, a big portion of the capital which these monopolies handle is generated outside India and actually controlled by different financial entities of the western imperialist countries. The role of the Indian companies is more like a caretaker. Undoubtedly, these caretaker capitalists from India have performed well in the past years using all the historical and political advantages of the country itself, but it is not sufficient to elevate their role from a caretaker to an imperialist proper. In this context we can have a brief look at the case of Tata Motors' acquisition of Jaguar-Land Rover from Fords in the year of 2008. The acquisition cost 2.3 billion US dollar and with some other additional investment it reached to total 3 billion US dollar. To meet up this requirement, a bridge loan was raised through a special purpose vehicle by

a consortium of eight banks like State Bank of India, Bank of Tokyo-Mitsubishi UFJ, BNP Paribas, ING, Mizuho, Standard and Chartered, Citi Group and JP Morgan, with the Citi Group and JP Morgan as the lead advisors of the deal. Most of the fund was raised from abroad and the Tatas paid the amount in cash to Ford while the later transferred the pension fund of 600 million US dollar to the former.

MLPD has over assessed India's FDI abroad. They have said in the Paper: "The capital export from the new-imperialist countries — which is one of the main features of an imperialist economic policy — intensified the competition between the international monopolies and their imperialist states on the world markets in an extraordinary way. The BRICS and MIST countries alone have a stock of 3.4 trillion US dollar in direct investments abroad now. India has increased its direct investments abroad the fastest of all BRICS and MIST states, from 1.7 billion US dollar (2000) to 120 billion US dollar (2013)." However, the picture is not so rosy. It is true that the stock of Indian direct investment abroad has grown over 11 times since the end of 2004-05, but "the outflows moved more or less in tandem with FDI inflows from 2002-03 till 2009-10 and this raises suspicion that they may be connected, at least partially" (Kannan Kasturi/India Together). The detailed remarks of Kannan Kasturi and several other critics, who are working on FDI inflows and outflows from India, on Reverse FDI clearly show that the matter is not so simple.

Rakesh Mohan, the former Deputy Governor of Reserve Bank of India also observed the same thing. He said in a paper, "In a major break from the past, the spurt in FDI flows to India in the recent period has been accompanied by a jump in outward equity investment as Indian firms establish production, marketing and distribution networks overseas to achieve global scale along with access to new technology and natural resources. Investment in joint ventures (JV) and wholly owned subsidiaries (WOS) abroad has emerged as an important vehicle for facilitating global expansion by Indian companies. Overseas direct equity investment from India jumped from 3.8 billion US dollar (2005-06) to 11.3 billion US dollar in 2006-07, and rose further to 12.5 billion during 2007-08" (Rakesh Mohan/

Capital Flows to India/ Bank for International Settlements/ Paper No. 44).

It is noteworthy that the capital outflow from India jumped up at the same time when the capital inflow has shot up. The Indian Incorporates are settling different economic activities in abroad not by the capital generated in India, but by the borrowed money from outside. Kasturi Kannan has shown that most of these inflows and outflows are being handled by a handful of companies in India. The top ten outward investor companies are Tata, Bharti Airtel, Essar, Gammon, Reliance, Religare, Suzlon, Reliance ADAG, Vedanta, and United Phosphorus. These companies borrow abroad to finance their foreign acquisitions and other liabilities most of the time against guarantees backed by the Indian public sector banks. The nature of borrowing clearly points to the highly leveraged character of their foreign accumulation. In case of any defaults from the part of Indian companies the public sector banks bail out the company with the public money.

Same thing happened in the case of Suzlon. They accumulated huge debts during a global acquisition spree and during slowdown of world market Suzlon came at the verge to default. The Indian public sector banks bailed out the company by taking a loss of 750 crores on its accounts. Kannan Kasturi has also dealt another important aspect, that is, where is the outward investment from India headed to! It is an extremely important point that a few companies directly invest in the entities that are actual target of their investment. More than half of the investments go to the countries like Mauritius, Singapore and Netherlands, as these countries provide 'tax neutral' regime for holding companies. The Indian monopolies are mainly investing through joint ventures and wholly owned subsidiaries which the RBI data reveals that these are mostly intermediaries, or shell companies without operation. Kannan remarked that through this complicated multi-tiered intermediate structures located in several countries it becomes difficult to determine the actual destination of the investment. Here we can once again remember the research work made by Robert Lucas in 1990 where he said the capital actually flows from developed countries to developed countries.

A careful look to the case of FDI outflow from India may second the proposition of Lucas with this suspicion that the Indian companies in the main are playing the role of intermediaries in this venture.

The second most important flaw of MLPD's model of argument lies in its over-assessment of India's military power. According to Marxism, politics is nothing but the consolidated form of economic relations and war is nothing but continuation of politics through other means. Therefore, military capacity and imperialist supremacy are closely linked. Mere existence of some monopolies or super-monopolies cannot define the imperialist character of a particular country. Without independent and unquestionable military supremacy imperialist supremacy cannot be achieved. MLPD has dealt the military question very casually. The paper said, "The 'Big Brother attitude' (CPIML) of the ruling class is nothing but an imperialist foreign policy toward the neighbouring countries to achieve a regional predominance. The aggressive appearance to the outside corresponds with the imperialist character. India's military spending was 47 billion US dollar in 2013. With 1.3 million, it has the strongest army at its command after China (2.2 million) and ahead of US and Russia (1 million). It participates in foreign missions in 11 countries with at least 8,612 soldiers. It has an army of 1.3 million paramilitaries for 'Protection against insurrections'."

It is true that India's military spending is high. However, most of its spending is accounted for importing military equipment mostly from western imperialist countries. India ranks No.1 in the list of weapon importing countries. However, this is a fact that India could not develop even a world class rifle in comparison with AK series developed by Russia or other rifles developed by US or even Israel. Take the case of the INSUS rifles made in India for Indian military. Several times complaints were lodged that during gunfight it gets so hot after a few rounds of firing that it becomes a challenge to hold it in hand. Therefore, the huge military spending in a backdrop of moribund defence industry actually develops India as a lucrative market of military equipment.

Comrade Klaus wrote in the paper on huge size of Indian army.

What he forgets that since the time immemorial, due to its high rate of population the armies of different Indian kingdoms were huge by size. Let's recall the India campaign of Alexander the Great in 326 BC. He fought most of the crucial battles against the armies of Indian kingdoms with much smaller force and won. In the battle of Hydapes (Jhelum) Alexander had only 6000 infantry and 5000 to 7000 cavalry against an army of 20000 to 30000 or 50000 infantry and 2000 to 4000 cavalry led by King Puru. Puru was defeated. Same thing was repeated in case the battle of Tarain, when Muhhamad Ghori attacked an Indian kingdom led by Prithviraj Chauhan in 1191 AD. Though Ghori was defeated in the first battle, he won the second battle in the next year and killed Chauhan. Ghori assembled a huge army of 120,000 men but Chauhan had a much larger army of 3000 elephants, more than 300,000 horsemen and same amount of infantry. The history was repeated once again in the battle of Plassey, where the British force led by Clive defeated a 62,000 strong army (including French gunners) of Siraz-ud-daulah with only 750 European soldiers along with 2000 Indian and other soldiers and 100 gunners. In India the size of the army is not an indicator of military might.

Let us pass on to another important aspect. Pinpointing the character of Indian big bourgeoisie, MLPD's paper says about the size of the India's military which is second only to China (2.2 million) and ahead of US and Russia (1 million). It participates in foreign missions in 11 countries with at least 8,612 soldiers. It has an army of 1.3 million and paramilitaries for 'protection against insurrections' and so on. It is true that India's military spending is high. However, most of its spending is accounted for importing military equipment mostly from western imperialist countries. India's rank in the list of weapon importing countries is one. However, this is a fact that India could not develop even a world class rifle in comparison with AK series developed by Russia or other rifles developed by US or even Israel. The INSUS rifles made in India for Indian military. Several times complaints were lodged that during gunfight it gets so hot after a few rounds of firing that it becomes a challenge to hold it in hand. Therefore, the huge military spending in a backdrop of moribund

defence industry actually develops India as a lucrative market of military equipment.

Take another important point. Explaining the character of Indian big bourgeoisie, MLPD's paper said: "That is what distinguishes the ruling bourgeoisie in countries like India from the comprador bourgeoisie in the stage of colonialism and neo-colonialism, because it has become a monopoly bourgeoisie itself, and the one-sided dependence on imperialism has replaced by mutual economic and political penetration and dependence". Clearly, MLPD has over-assessed the power of Indian big bourgeoisie as well. The economic condition of the country led by the big-bourgeoisie on the eve of imperialist globalization to start is brilliantly described by Comrade P J James in his book *Imperialism in the Neo-colonial Phase* (2011 edition) as follows:

"As already pointed out, in 1990, India's external debt which was 388 percent of export earnings was alarmingly high even compared to that of seventeen heavily indebted countries of Africa, Asia and Latin America in whose case it was 317.9 percent on an average during that time. The immediate reason for this was the change in the composition of Indian external debt liabilities in the eighties. On the eve of 1981 IMF loan with its stringent conditionalities, India has become the biggest borrower from World Bank group. However, in the eighties the quantum of 'soft loans' or concessional assistance from official donor such as World Bank started declining which compelled the comprador Indian regime like its counterparts in Latin America to increasingly seek huge "commercial loans" at exorbitantly high rates from transnational banks and imperialist financial speculators... The government's growing dependence on commercial borrowings from private creditors as soft loan taps were dying up, led to a situation in 1989 when outstanding loan to financial speculators reached 22.8 billion US dollar which was just 2.3 billion US dollar in 1980, an almost tenfold increase. By the end of 1980s thus India became one of the largest debtors to private speculators, a status held by Mexico and Brazil at the beginning of the decade.

"Taking this as the opportune moment, US based credit rating

agencies drastically downgraded India's 'credit worthiness' resulting in sudden exodus of deposits from the Foreign Currency Non-Resident Accounts by the so-called Non-Resident Indians who are a cover for foreign speculators. The World Bank added fuel to the fire by publishing a document, "India: Strategy for Trade Reform" in October, 1990, strongly advocating a series of policy correction including a 22 percent devaluation of the rupee. This accelerated the flight of foreign exchange from India. Starting from 102 million US dollar in October 1990, this flight shot up to 373 million US dollar in April, 1991, 228 million US dollar in May and 330 million US dollar in June 1991. During the eight months from October 1990 to June 1991, the total withdrawals from India's foreign exchange basket amounted to 1330 million US dollar reducing the country's foreign exchange reserve to an all-time low of 1 billion US dollar in June, as noted earlier:

"This was as per the direction of Fund-Bank combine to bring about 'external correction' at the cost of domestic economies priorities of growth and employment generation, thereby completely throwing even the remnants of Keynesianism into the dustbin. Manmohan Singh who pioneered Rajiv Gandhi's New Economic Policy in 1986 as deputy chairman of the Planning Commission and who in 1991 was super imposed as Finance Minister and the architect of imperialist globalization in India led by Fund-Bank combine clearly articulated this surrendering of domestic priorities to the disciplines of external balance of payment thus: "If India becomes a defaulter it would be the saddest day in the history of independent India". It was this comprador perception that compelled the Indian government to ship altogether 66.91 tons of gold to the Bank of England during May-July 1991 in return for Rs 130 crores worth of foreign exchange. This was the context for launching what is called imperialist globalization under the Rao-Manmohan government in India since mid-1991." (P J James 2011/pp. 288-300).

This artistically drawn picture about the pathetic macro-economic condition of the country on the eve of the starting point of imperialist globalization in India clearly reveals the fact that the neo-colonial exploitation of four decades was no less ruthless and bar-

baric than the colonial rule of two hundred years on which noted Marxist economist Paul Baran commented that the rule “systemically destroyed all the fibres and foundations of Indian society” (cited by PJ James/ibid/p. 327). Therefore, very naturally the question comes that during 24 years of neo-liberalism and globalization, starting from those pathetic conditions, is it possible for a country to become a powerful imperialist country? Then how should we evaluate this time span of 24 years of globalization? Lenin pointed out (*Imperialism, the Highest Stage of Capitalism*) that the existence of imperialism is possible just because of co-existence of several backward countries side by side a bunch of advanced countries with whom they are connected through world market. If it is the case then it is absolutely imperative for imperialism to keep a group of countries forcefully in backwardness. However, MLPD’s paper has suggested that in case of several countries like India, Brazil, Mexico etc. after a prolong colonial and neo-colonial rule and especially after a period of imperialist globalization, the opposite has happened. Those countries have become strong imperialist countries and even there are areas where they are throwing challenge to the conventional imperialist countries. In India, has the period of 24 years of globalization crushed and defeated imperialist planning? Our answer is No.

All socio-economic indicators reveal that the process of globalization and the advent of neo liberal-neo colonial rule in India has further devastated the country and thrown huge majority of its population in acute destination. Real wages of the workers has decreased; the peasantry is facing ruthless exploitation, by both the enemies, national and international MNCs on one hand and feudal landlordism on the other, which has reached to such a level when at least one farmer is committing suicide in every 35 minutes. An all-out casualization and informalization of the working class put their lives in acute uncertainties. The rate of exploitation of the organized workers has also reached unprecedented levels. The Maruti-Suzuki workers are generating their wages of one year by the production value equal to their first five days labour only. At the cost of all-out devastation of the country, the imperialists are accumulating a huge amount of super-profit and it should be noted that a portion of that



wealth definitely goes to the hands of national big-bourgeoisie and a tiny section of middle-class people. Therefore, a market has been generated based on a very small section of people where a large amount of money is accumulated. As a huge country like India, this market is not small, rather almost equal to the whole of Europe. Side by side, the comprador big bourgeoisie in India utilized public resources at random for their own development during first forty years of their rule, in the name of so-called Nehruvian socialism (actually Indian edition of Keynesianism). As a result they had the much bigger spoon in their hand in the period of globalization/ neo-liberalization to receive the biggest portion of the cake generated through increasing capital inflows and structural reforms. Thus a bunch of Indian monopolies have come into existence collaborating with the international finance capital. The emergence of Indian big-bourgeoisie is the direct result of prolonged colonial and neo-colonial rule of imperialism and hence the former serves the later by providing market, managerial skills and most importantly with an indigenous cover that helps them to perpetuate the imperialist colonial policy in other form. Here lies the essence of so-called "mutual relationship of imperialism and Indian big-bourgeoisie" (MLPD paper).

This phenomenon of "mutual relationship" is evaluated by a liberal economist in the following fashion: "Globalization from above could not and cannot produce the necessary transformation at the below or peripheral level. Since economic globalization of today is not the globalization from below, it has rather, created resistance from the below level. The neo-liberal economic globalization has, so long, failed to cover as well as expand wider "space" and the "human beneficiaries". The present aspects of globalization has failed to take into consideration of the development-need values, life and living mode values and need satisfaction behavioural values in the global economic peripheries or the poor Third World countries. Their needs have been packed into homogenized values, decided, produced and marketed from the top or the global economic centre. To extend the product and human market boundaries, economic globalization of today, has included the essence of the dimensions like

de-territorialization, universalization, internationalization, westernization, liberalization, etc. Economic globalization is being explained nowadays, as the increased interdependence between nations, peoples, products and markets. But, here arises the argument whether this interdependence is of the nature of a) independent interdependence or b) dependent interdependence.

Since the end of the last century and at the dawn of this century one can observe ascendancy of capital and control of credit which was weakened the identity of labour and deteriorated the position of environment. Market, in today's economic structure, is not a simple arena of buyers and the sellers; it can be created, destroyed, transferred, speculated, controlled and dislodged. There cannot be any observed Global market order. Only the national or territorial economies serve the important arena of market. The World Trade Organization, under the leadership of the centre economies have assumed the role of creating a Global Market Order and disciplining the market in a structured way. But such order cannot be structured from the top, even with the enforced and helplessly dependent consent at the middle and bottom levels.

Free trade policy of the centre nations has the motivation of market-integration with the gaining perspective of trade-offs (in the sense of opportunities and constraints) in the matrix of globalization. For keeping pace with the above policy the Third World or the peripheral nations could not and cannot avoid the fluctuations in the value of their national currencies and prices of the commodities as well as services, loss and destruction of the bases of certain important economic sectors and units, environment degradation, fall in the quality of life and loss of economic confidence at the economy and public levels." [Competitive Trade Globalization Social Analysis/ Amaledu Guha/ Institute of Alternative Development research/ India Chapter/2005/ Norway, Oslo]

The Indian big bourgeoisie, therefore, is an extension of imperialism. It is an extension of imperialism in India, a country which is depended on imperialism under neo-colonial domination. As per my personal opinion this is a perfect example of neo-colonialism.

The Indian big-bourgeoisie is the perfect example of compradors in modern imperialist global order. Before ending the discussion one important matter should be noted. The imperialist think-tanks generally portray that the BRICS countries are same in nature. They keep China, Russia and India or South Africa within same bracket. It is astonishing that MLPD commits the same 'mistake'. The Marxist-Leninists cannot forget that these countries have their own histories and continuations. Unlike Russia and China India has not yet completed its bourgeois democratic revolution. Both the former countries have a long past of independent (and capitalism-free) development which prepared the ground to become imperialist countries with the shift of political power and subsequent changes in socio-economic situation. India is lagging far behind. We need an elaborate discussion on this important issue.

**[Red Star, May 2015]**

### Chapter 3

*Stefan Engel*

*Interview*

## **The MLPD Growing in to a New Role in Society**

*Rote Fahne:* In its preparation of the party congress, the MLPD has advanced the thesis that a number of new-imperialist countries are developing. How does the discussion stand? How was this received by the rank and file?

*Stefan Engel:* This thesis is largely unified among the rank and file of the MLPD. Of course, further analyses have to be made on this. In the international Marxist-Leninist and working-class movement, however, this thesis is shared to date by only a few organizations.

We assume that the transformation of former neo-colonially dependent countries into new-imperialist countries represents a new phenomenon of the imperialist world system in the framework of the reorganization of international production. Without this assessment you cannot explain today the several hotbeds of war, as in Iraq or in Syria, the growing ecological crisis or the course of the world economic and financial crisis of 2008–2014.

The new-imperialist countries evolved rapidly when international finance capital changed its investment policy since the turn of

the millennium. At a quickening pace it flooded mainly densely populated neo-colonially dependent countries with gigantic capital exports. With the privatization of state institutions and enterprises and the accelerated transformation of the peasant agriculture into industrial production, private and national monopolies emerged there from the national big bourgeoisie. With monopolization and the development of state-monopoly structures, the transformation into new-imperialist countries begins. This mainly applies to the so-called BRICS and MIST countries, but also to Saudi Arabia, Qatar and the United Arab Emirates. Especially from the so-called BRICS and MIST countries, some big monopolies even moved up into the ranks of solely ruling international finance capital. The number of super-monopolies from the BRICS and MIST countries in the circle of the 500 most powerful monopolies of the world quadrupled, from 32 in 2000 to 140 in 2014.

The biggest boost to the formation of new-imperialist countries came from the world economic and financial crisis of 2008–2014, when solely ruling international finance capital flooded these countries with gigantic amounts of surplus capital to maneuver itself out of the crisis and thus to solve the problem of the chronic over-accumulation of capital. The BRICS and MIST countries' share of worldwide industrial value creation doubled from 17 percent in 2000 to 34.9 percent in 2014. The G20 summit on 15/16 November 2008, the first summit immediately after the beginning of the world economic and financial crisis, already had to take this into account. Along with the old, bigger imperialist powers, the heads of government and state from China, India, Brazil, Turkey, Saudi Arabia, Mexico, South Korea, Indonesia, Argentina and South Africa had a seat at the table. They had moved up into the circle of the representatives of solely ruling international finance capital and the leading imperialist powers.

As I said above, mainly an international debate has flared up on this assessment of the MLPD. For instance, regarding the new-imperialist character of Turkey, for example, the objection is raised that "*no independent monopolies*" exist there. These were in the hands of foreign capital and the Turkish state could "*not act politically independently*".

Already in 2014, of the biggest monopolies in Germany, listed in the DAX, 56 percent were also in the hands of foreign finance capital. However, nobody would seriously claim that Germany is not an imperialist country! Today no imperialist country, not even the remaining superpower USA, can act politically absolutely “independently”, without imperialist allies. The reality of imperialism today has become much more complex and does not fit into the concept of dogmatic answers.

Another objection is that countries like Qatar or Saudi Arabia “hardly have an advanced production base of their own”. Indeed, it is typical for solely ruling international finance capital not to obtain its maximum profits primarily from its own national production base, but from its international investments and its subsidiaries. Qatar holds a 17 percent share in VW and thus is without doubt owner of monopoly capital. How else should a monopoly capitalist be defined? With about 400 billion US dollars in revenues in 2013, the Saudi Arabian oil company Aramco has already moved up to become one of the six most powerful supermonopolies of the world. Saudi Arabia with Aramco and its estimated value of two trillion US dollars is now pushing toward the biggest stock market flotation in history.

The special feature of some of these countries is that they have a feudal political structure. But this is not crucial for their imperialist character. This also applied to imperialist Russia during the reign of the Tsars. There we also were dealing with a feudal tsarist superstructure, but the economic base of imperialism had already reached such an advanced stage through the monopolization in industry and trade that tsarism pushed for international expansion.

The new-imperialist countries pursue independent expansionist interests, partly in an aggressive way. They are leaders in the aggressive buildup of military apparatuses. With about 1.3 million soldiers, India’s army meanwhile has the strength of the biggest NATO army USA. The troop strength of China is about 2.3 million, of Turkey about 830,000, of South Korea 687,000.

With chauvinism and nationalism the new-imperialist countries justify their imperialist claims. It does not suffice to describe their

governments and rulers like Narendra Modi in India, Dilma Rousseff in Brazil, Jacob Zuma in South Africa or Recep Tayyip Erdoğan in Turkey as “autocratic puppets of the US”. Often ultra-reactionary or proto-fascist, they represent exactly the type of government which new-imperialist countries need to enforce their claim to power at home and abroad.

The willful destruction of the unity of humanity and nature is being pushed aggressively by the new-imperialist countries. Protected by the nimbus of allegedly being “developing countries”, China, India, South Korea, Iran, Saudi Arabia, Indonesia, Brazil, Mexico, South Africa and Turkey pushed up their share of the worldwide CO<sub>2</sub> emissions from 29.5 percent in 2000 to 45.3 percent in 2013.

We know from history that new imperialist countries always have prepared global political changes. German imperialism, newly emerged at the end of the 19<sup>th</sup> century, started two world wars. The present multipolarity of imperialism aggravates the general danger of war. The solution of the Syrian conflict has failed so far because of the very different imperialist power interests of the various participants. It is therefore not enough for Russia and the US to reach an agreement. The new-imperialist countries Turkey, Saudi Arabia, Qatar or Iran are aggressive warmongers in this process and are using Islamist-fascistic mercenaries to expand their regional hegemony in the Middle East. Of course, the classic imperialist powers do not disappear due to the rise of new-imperialist countries. So inter-imperialist rivalry is intensifying into a general danger of war in a growing number of hot spots.

The correct qualification of the character of the particular state is of fundamental significance for the respective proletarian strategy and tactics of the international socialist revolution. Despite all the destructive forces that this worldwide imperialist tendency is generating – at the same time the forces of the international socialist revolution are increasing because of the growing and merging of the international industrial proletariat and the rebellion of ever broader sections of the masses against imperialism.

**[Extracts from the interview published in Rote Fahne, June 2016]**

## Chapter 4

*P J James*

### **On MLPD's Thesis on "New-Imperialist Countries"**

In its preparation of the Party Congress, the MLPD, in continuation of its earlier prognosis, has once again advanced the thesis of a new phenomenon in the imperialist world system pertaining to the transformation of several "neo-colonially dependent" countries into "new-imperialist countries." It has interpreted this new development within the "framework of the reorganization of international production." In a recent interview, among other things, its leader Comrade Stefan Engel says:

"The new-imperialist countries evolved rapidly when international finance capital changed its investment policy since the turn of the millennium. At a quickening pace it flooded mainly densely populated neo-colonially dependent countries with gigantic capital exports. With the privatization of state institutions and enterprises and the accelerated transformation of the peasant agriculture into industrial production, private and national monopolies emerged there from the national big bourgeoisie. With monopolization and the development of state-monopoly structures, the transformation into new-imperialist countries begins. This mainly applies to the so-called BRICS and MIST countries, but also to Saudi Arabia, Qatar



and the United Arab Emirates. Especially from the so-called BRICS and MIST countries, some big monopolies even moved up into the ranks of solely ruling international finance capital. The number of super-monopolies from the BRICS and MIST countries in the circle of the 500 most powerful monopolies of the world quadrupled, from 32 in 2000 to 140 in 2014. The biggest boost to the formation of new-imperialist countries came from the world economic and financial crisis of 2008–2014, when solely ruling international finance capital flooded these countries with gigantic amounts of surplus capital to manoeuvre itself out of the crisis and thus to solve the problem of the chronic over-accumulation of capital. The BRICS and MIST countries' share of worldwide industrial value creation doubled from 17 percent in 2000 to 34.9 percent in 2014. The G20 summit on 15/16 November 2008, the first summit immediately after the beginning of the world economic and financial crisis, already had to take this into account. Along with the old, bigger imperialist powers, the heads of government and state from China, India, Brazil, Turkey, Saudi Arabia, Mexico, South Korea, Indonesia, Argentina and South Africa had a seat at the table. They had moved up into the circle of the representatives of solely ruling international finance capital and the leading imperialist powers."

### **The Question of Approach**

From a Marxist perspective, the issue of analysing capitalist-imperialism is also a question of properly applying the scientific methodology of 'concrete analysis of concrete condition.' Capital accumulation and capitalist development everywhere are integrally linked up with and ultimately rooted in the development of domestic class forces and "social formation" (socio-economic-political formation) and the consequent class character of both the ruling classes and the state in the respective countries. Even while there is constant interaction between external and internal factors, as Mao said, external factors are the conditions and internal dynamics is the basis facilitating social process. The fundamental question, therefore, is whether the global expansion of capitalism and internationalization of finance capital and its penetration into the socio-economic formations of "neo-colonially dependent countries" (a phrase used by

MLPD) capable of transforming them into “new imperialist countries.” No doubt, under globally imposed neo-colonial conditions, the mode of production (as exemplified, for example, in the transformation from peasant agriculture to corporate farming under the “first” and “second” Green Revolution in many Afro-Asian Latin American countries) has been changing. It is also an undisputed fact that internationalization of capital has resulted in an integration and unification of ruling class interests across national borders. But an analysis of the internal dynamics and concrete production relations constantly reveals that on account of the weakness of subjective forces of revolution and due to the lack of momentum in the development of class struggle, rather than resulting in self-expanding national development, the internationalization of capital and financial expansion and the consequent integration of neo-colonial countries with imperialism are leading to a further strengthening of the compradorisation of the ruling regime in them.

India is a typical example. In spite of the “regional supremacist”, “expansionist”, and “sub-imperialist” (that is, weaker relative to imperialism, yet being relatively stronger than neighbours), “big brother” tendencies exhibited by it, as of now, i.e., in the neoliberal period, the comprador character of the Indian state is exposed more than ever both politically and militarily, and it is only under the umbrella or hegemony of international capitalism, especially US imperialism that it acts as a bully in South Asia. This regional supremacy under imperialist hegemony is not sufficient enough to characterize India (or Saudi Arabia, or South Africa) as imperialist.

One of the drawbacks of “determinism” whether external, economic or technological is its inability to approach capital as the sum total of social relations instead of dealing with it as a measurable thing only. Mere quoting of GDP statistics as doled out by international agencies or their domestic counterparts is insufficient for analysing the complex question of internationalization of production and finance. The characterization of BRICS (Brazil, Russia, India, China and South Africa) and MIST (Mexico, Indonesia, South Korea and Turkey) countries as “new-imperialist” and clubbing them together with imperialist China and Russia in gross disregard of the

class character of the respective ruling regimes and historical-political contexts are anachronistic from the analytical perspective. For instance, even according to the latest official economic data, India's GDP is only one-fifth of that of China. The latter, unlike the former's comprador relation to imperialism, is effectively contending with US imperialism that maintains almost 1000 military bases in around 100 countries. Obviously, it is quite logical to understand the political and strategic compulsions on the part of Western media, US experts and World Bank economists not to acknowledge China as an imperialist power and instead categorize it as a "developing country" (characterization of China as a "developing country" and India as an "imperialist power" is primarily a western construct and is often done by the same intellectual sources). But parroting the same without concrete analysis will not suit the interests of international working class and therefore cannot serve as a guide for political action.

Unlike Chinese imperialist bureaucratic bourgeoisie which is openly challenging and competing with the other imperialists (for example, its outright repudiation of the latest ruling on South China Sea by the international Permanent Court of Arbitration), the political leadership of Indian big bourgeoisie (now represented by the Hindu supremacist BJP), for example, being comprador in character not only directly pursue the diktats from IMF-WB-WTO trio but also faithfully serves the MNCs and corporate financiers from imperialist countries. The monopoly capital developed by the Indian big bourgeoisie including the newly emerging corporate capital in agriculture in close link with the state power and in comprador integration with imperialist capital is still qualitatively different from super-monopolies from imperialist countries.

It is a class which for technology and entrepreneurial expertise still depends on MNCs and imperialist centres on the one hand, while on the other acts as conduits and intermediaries for the penetration of transnational capital in to the country. Far from being an independent capitalist class with a national character, the Indian monopoly houses are "sub-exploiters" or junior partners of imperialism. Their extreme multilateral dependence on MNCs for modern

technology in both consumer and capital goods sector is conspicuous, even as fusion and integration between domestic and foreign capital are growing. The much trumpeted foreign investment in India especially from US and imperialist centres and from other external sources while transforming it in to an export-oriented, cheap labour-based “sweatshop”, no worthwhile industrialization is taking place in spite of liberal offer of “extra-territoriality” to MNCs and foreign investors. For instance, whereas manufacturing constitutes more than 30 percent of the so called GDP in China, the same for India is only 13 percent!

While the growth of monopolies in imperialist countries was due to the concentration and centralization of capital and production in a particular industry leading to unprecedented increase in the “organic composition of capital”, in India though the comprador bourgeoisie has amassed huge wealth, as junior partners of imperialist monopolies, their Indian counterparts have utterly failed to evolve an indigenous technology and this is the one of the major economic factors that denies the country the path of a normal capitalist development. Today the upper strata of Indian social layer through neoliberal financialisation and speculation has accumulated so much wealth that a part of it is siphoned out and stashed abroad illegally in foreign tax havens floated by imperialist financial corporations such as Morgan, Deutsche Bank, UBS, ING, ABM Amro and so on.

Ultra-wealthy Indians already having around \$2 trillion (equal to the country’s national income) in imperialist sponsored tax havens now rank third in the worldwide list for black money [This is not the context for unravelling the true essence of Indian big businesses. A detailed analysis of the class character of the Indian monopolies is given in the book *Imperialism in the Neo-colonial Phase* (2015 edition, pp. 334-443) by the author]. To be precise, MLPD’s blanket-ing of Indian businesses along with super-monopolies located in imperialist countries and characterization of India as “imperialist” without making a concrete evaluation of the underlying production relations and political character of the state is academic devoid of a class perspective. Such a formulation if not ideologically exposed

will weaken the anti-imperialist political struggle of the people both in India and abroad.

### **Fallacious Arguments**

Take the case of Saudi Arabia (leaving aside the question of West Asian imperialist outposts like Qatar!), which is projected as an imperialist power by MLPD. Here, at the outset, it is to be emphasized that the West Asian developments cannot be discussed in the abstract without evaluating the whole trajectory of post-war US and European neo-colonial aggressions and interventions there. For those who doubt about the imperialist credentials of Qatar and Saudi Arabia, clarifies Stefan: "Another objection is that countries like Qatar or Saudi Arabia "hardly have an advanced production base of their own". Indeed, it is typical for solely ruling international finance capital not to obtain its maximum profits primarily from its own national production base, but from its international investments and its subsidiaries. Qatar holds a 17 percent share in VW and thus is without doubt owner of monopoly capital. How else should a monopoly capitalist be defined? With about 400 billion US dollars in revenues in 2013, the Saudi Arabian oil company Aramco has already moved up to become one of the six most powerful super-monopolies of the world. Saudi Arabia with Aramco and its estimated value of two trillion US dollars is now pushing toward the biggest stock market flotation in history."

This prognosis of new-imperialism and identification of monopoly capitalism solely based on international financial flows and foreign investments again have inherent analytical flaws. It is common knowledge that more than 90 percent of the transnational financial transactions today has nothing to do with production but purely serves speculation. It is often said that the real economy is just like a bubble on a whirlpool of speculation. All these are inseparably linked up with the qualitative transformation that has taken place under neoliberal accumulation. The roots of the explosive growth of finance can be traced to the deregulation of the entire financial system based on the free market ideology of monetarism that replaced Keynesianism since the imperialist crisis of the seven-

ties. The domination of finance whose principal motive is speculation rather than production can be gauged from the 2007 BIS Quarterly Report according to which in 2006, on the eve of subprime crisis, the value of global derivative trading alone was \$ 1200 trillion (1.2 quadrillion) when the GDP of US amounted to \$ 12.456 trillion. And under neo-liberalism, this financialisation or corporatization and unhindered inflows and outflows of finance have been undermining the entire economic and political structures in neo-colonial countries. At the behest of neo-colonial Fund-Bank diktats and under WTO's TRIMS provisions, comprador regimes everywhere including India and Saudi Arabia, Brazil, Mexico, South Africa, etc., have become particularly concerned not with their national interests but in accommodating the speculative interests of global finance capital, the primary form of which is "hot money flows" or "capital flight" across countries in search of quick profits.

The "two trillion US dollars" worth of stock market flotation attributed to Saudi Arabia by Stefan should be evaluated in this broader international context. In fact, Saudi Arabia, the regional pillar of imperialism along with Qatar, Kuwait and other imperialist "outposts" in West Asia are well-known rentier feudal monarchies. The immediate roots of the ballooning of the bubble there may be traced to the formation of OPEC and "oil crisis" followed by the unprecedented rise in the price of oil in the seventies. The crisis set by oil prices coupled with other key events such as decline in the value of dollar vis-à-vis other imperialist currencies such as Mark and Yen led to the collapse of both the Bretton Woods monetary system and the so called post-war "golden age" of capitalism.

This prompted US imperialism to take the lead for a neoliberal restructuring of the global economic and monetary order. One component of the US neo-colonial offensive was to shore up its economic, political and military strategies in the Gulf. Thus it succeeded in persuading Saudi (and other countries too) to entirely reorient and reinvest their huge oil revenues in dollar-denominated assets in US and EU banks leading to the emergence of "eurodollar" and "petrodollar" markets. US imperialism also succeeded to leverage Saudi economic and political power within OPEC in its favour

through the 1974 agreement with Saudi Arabia. By this agreement, US ensured (same deal was arrived at with the Emir of Kuwait and other feudal regimes like Bahrain in due course) billions of Saudi deposits in US treasury bonds and securities along with the restructuring of Saudi investment and purchasing patterns to privilege the dollar.

By the late 70s, 90 percent of the Saudi regime's revenue was in US dollars, and more than 80 percent of their assets were dollar denominated. Meanwhile, for OPEC as a whole, reserves held in dollar-denominated assets increased from around 60 percent in 1973 to more than 90 percent in the late 1970s. These financial investment strategies reaffirmed the long-standing neo-colonial interests US imperialism in the theocratic West Asian autocracies. The major factor that led to the unprecedented growth in financial markets including international derivative markets since the 1980s was the recycling of petrodollars into US and EU banks. And a corollary of this financial integration has been the massive dumping of obsolete US weapons in unpopular Gulf monarchies and the latter's abject dependence on the unabated US military protection.

Without making an objective evaluation of the true economic, political and military essence of this neo-colonial-neoliberal offensive in the Gulf and elsewhere and thus taking "the totality of many relations" (as Marx noted in the *Grundrisse*), merely characterizing them as imperialist is "reductionist" and "economic determinist." Interestingly, according to official data, one of the biggest capital exporters to India in recent years has been Mauritius. Whether MLPD will characterize it also as imperialist power or embodiment of super-monopolies! In fact, more fabulous wealth was accumulated during the mercantile period and by feudal empires of the past, but capitalist-imperialist system is different from mere wealth accumulation.

No doubt, a corollary of the recycling of petrodollars from the Gulf into US bonds and Euromarkets has been the large accumulation of funds with imperialist countries and neo-colonial lending institutions (for instance, flushed with petro-money, Saudi Arabia

though with a meagre voting power and having no say in Bretton Woods institutions was one of the largest lenders to IMF controlled by US with its veto power) which they used as loans to other neo-colonial Afro-Asian Latin American countries. For example, the total international reserves of imperialist powers including USA, European Union and Japan that had was \$ 68 billion in 1970, suddenly shot up to \$ 375 billion in 1979. Flush with funds and having no profitable outlets, taking advantage of the drying up of official financial sources, transnational banks especially from US sought to lend this money to comprador regimes in Latin America (including Mexico and Brazil which are being characterized by MLPD as imperialist), Asia (including India) and Africa at very high rates of interest.

Its outcome had been the phenomenon of “debt crisis” of neo-colonial countries that first appeared in the US backyard as leading US banks in search of highest return recycled a major part of the petrodollars as loans to Latin American countries which were suffering from decline in world trade, downfall in primary commodity prices and mounting debt service obligations arising from previous loans. With the advent of monetarism and financial deregulation, as interest rates increased in US and Europe, the debt repayment obligations of neo-colonial countries to American and European banks rose at exponential rates. Ironically, following the plunge of oil prices today, Saudi Arabia today has one of the biggest budget deficits in the world!

In brief, various factors including monetarist policies, uncontrolled operation of market forces, rapid expansion of transnational banks and speculative financiers and consequent large scale hot money outflows, shrinking export earnings, large-scale repatriation of wealth by MNCs, downsizing of the state and rollback of social welfare programs, all have led to further widening of inequality between imperialist and neo-colonial countries on the one hand and within the latter on the other leading to greater impoverishment of the vast majority of the people. A logical outcome of this trend has been the unprecedented growth in the number of corporate billionaires in many neo-colonial countries whose main source of wealth



has been money-spinning financial, stock and real estate speculation. Last two-and-a-half decades of neoliberal globalization has further accentuated all these negative trends.

Without concretely analysing the repercussions of the so called “international investments” as manifested in several domestic distortions including export orientation, de-industrialization, joblessness, ecological catastrophe, corruption, cultural degradation, etc., in neo-colonial countries, assertions such as ‘reorganization of international production transforms neo-colonially dependent countries in to new imperialist countries’ simply based on the number of billionaire financial thugs (akin to the robber barons of colonial and mercantilist era) in them are nothing except sweeping statements devoid of any political meaning. As a matter of fact, neoliberal restructuring of financial accumulation at the global level while skyrocketed the profit rates of corporate MNCs and wealth accumulation by their junior partners in neo-colonial countries, its outcome has been deindustrialization, stagflation and destitution of the vast majority in neo-colonial countries.

MLPD’s interpretation of new imperialism in terms of BRICS is still more problematic. Obviously, while Chinese bureaucratic capitalists are aspiring to rise to a “hegemonic position” in the world by leading and manipulating such institutions and grouping as Shanghai Cooperation Organization (SCO), Asian Infrastructure Investment Bank (AIIB), BRICS, and Belt and Road project, the Indian comprador-bureaucratic bourgeoisie is satisfied with utilizing BRICS as a bargaining tool for getting favourable treatment from imperialist powers such as US, EU and Japan as well as from neo-colonial economic institutions such as IMF, World Bank, WTO, Asian Development Bank, etc. True to its allegiance to supra-national Bretton Woods twin, India is of the unequivocal position that BRICS and its bank, the New Development Bank (NDB) “should in no way emerge as a competitor to the World Bank and IMF but provide funds for projects that do not find favour with these institutions”. May I turn the attention of the MLPD comrades to the declared position of Indian compradors towards BRICS who are satisfied with a decent place in the neo-colonial order led by US: “BRICS must address the

expansion of the capital base of the World Bank and other multinational development banks to enable them perform their appropriate role in financing infrastructure development.” ([www.bricsforum.org](http://www.bricsforum.org))

Quite logically, the Bretton Woods institutions themselves have endorsed the position of the Indian compradors thus: “We are of the view that the establishment of the New Development Bank by BRICS countries and the Asian Infrastructure Investment Bank is to provide a necessary complement to current institutions, including the World Bank Group (WBG). It will help develop joint forces to increase the overall capacity of international multilateral development aid. We encourage the WBG to provide the necessary intellectual and technical assistance to the two banks and strengthen cooperation with them, including conducting co-financing of projects in the future” (Governor’s Statement No.35, October 10, 2014, Annual Meeting, IMF and WBG, Washington DC).

On the other hand, the Chinese position though couched in diplomatic language is diametrically opposite to the Western view: “BRICS countries have been left with few other options. One avenue is utilization of foreign exchange reserves, (the reference here is to around \$4 trillion – two times the GDP of India – worth of Chinese trade surplus, especially against US) which all BRICS countries have in ample quantity for infrastructure development in BRICS and other developing countries. But routing foreign exchange reserve through multilateral financial institutions will not give these countries enough say over utilization because their voting power still remains small.” ([www.ciis.org.cn](http://www.ciis.org.cn); comment in brackets is added). Further, China as an imperialist power having specific neo-colonial interests ( and therefore does not want to abolish the capitalist-imperialist system) wants to have another set of institutional arrangement within the imperialist system that is free from the control of Washington and that primarily serves the interest of Chinese finance capital. Thus in the Fifth BRICS Summit, the Chinese representatives unequivocally said: “...this would also serve as a platform to find ways to help reform existing international institutions like the IMF and the World Bank, which are not working very effectively at the moment... the creation of such a bank can also serve as a testing

ground as BRICS countries search for a way to find a currency that can be used alongside the dollar.” ([www.ciis.org.cn/english](http://www.ciis.org.cn/english))

While MLPD is projecting BRICS as a new imperialist grouping, as of now, except China, all other members of BRICS are suffering from very fragile balance of payments positions, and are depending on the traditional neo-colonial economic and financial institutions in one way or another. At the same time the “Shanghai-ed” orientation and Chinese dominance in prioritizing BRICS’ agenda are obvious. The BRICS is not at all a cohesive political-economic entity. As the ultra-right wing Hindutva regime in India, for example, is intensifying its strategic junior partnership with the US, the latter is effectively utilizing India as a counterweight to China in its “pivot to Asia” strategy. To be precise, except imperialist China (and to an extent Russia), the other countries in the BRICS including India are still having systemic allegiance to the Bretton Woods twin and WTO, led and manipulated by the Western imperialist powers. Except China, the economies of other BRICS members are intertwined with the dollar-based WBG and all other neo-colonial institutions including WTO, and their submission to these US-EU led agencies is much deeper than their membership with BRICS. Thus, on account of its own inherent contradictions and due to its incompatible configuration and unevenness among its own members, the BRICS cannot be characterized as an imperialist grouping. And without going into the details further, let us hope that the comrades of MLPD will reconsider their characterization of BRICS based on concrete analysis.

Obviously, as is clear from the post-war and post-cold war neoliberal trends, the US led unipolar world is fast moving into a multipolar one. For instance, the relative economic decline of the US vis-à-vis other imperialist powers on the one hand, and China’s ascendancy as an imperialist power together with its acknowledged position as the second largest economy on the other, has been a recent phenomenon. China’s carving out of neo-colonial spheres of influence in Asia-Pacific, Africa and even in Latin America has taken its bureaucratic state monopoly capitalism in to conflict with the other imperialist powers, especially with US and Japan. All these are imparting new dimensions to inter-imperialist contradictions and

rivalries. From a Marxist perspective, the chance of another imperialist power or group of powers assuming “hegemonic position” cannot be ruled out. The supra-national position of the Bretton Woods and the position of the UN still largely as a political tool of the US may also deteriorate and the balance of power may also shift from North America and Europe to Asia.

However, both BRICS and MIST (being characterized as the “four biggest emerging markets” in the world by Western financial analysts, MIST is much more politically weak than BRICS to be characterized as “new-imperialist”) in spite of the involvement of China and Russia (which are already imperialist) in the first grouping have not yet developed enough to politically alter the Western-centric imperialist order today. At the most, BRICS can play a ‘sub-imperialist’ role by way of neoliberal regime maintenance or for legitimizing Washington consensus and as agents of geopolitical policing outsourced by imperialism (India, Saudi Arabia and South Africa are well-positioned for this now), whereas China and Russia may use the grouping in their inter-imperialist requirements (as was reportedly tried by Russia in Ukraine and China in supporting local autocrats in Africa).

### **What needs is Concrete Analysis**

According to the methodology of concrete analysis, each situation has to be evaluated in its entirety and on its own concrete terms. For instance, there are a tiny few extremely rich capitalists even in economically very backward countries who individually benefit from the world imperialist system. Take the case of Nepal which is one of the poorest countries in the world. But there is one billionaire, Binod Chaudhury, who together with large business operations in Nepal has global business conglomerations in 45 countries. In that way Chaudhury is a beneficiary from and participant in the world imperialist system. At the same time, his participation or partnership with global capitalism is transitional that depends on several external and internal factors. Can it alter the neo-colonial position of Nepal? It is a fact that large business conglomerates originate from India, Brazil, Saudi Arabia, South Africa, etc. But if the ruling classes in these coun-

tries persist to seek their own “national interests” at the cost of the interests of international capital, then the repercussions will be unforeseen.

There are ample economic, political and military options before international capital to replace recalcitrant regimes with governments “friendly” to imperialism. Such a possibility can be overcome only if the local capitalist class takes on a course of acquiring or asserting the characteristics of an independent national bourgeoisie in contradistinction with the capitalists from imperialist countries. Business tycoons from India, Saudi, Brazil, etc. taking advantage of the existing international system, exporting capital and exploiting the rest of the world can be defined as imperialism only if this internal dynamics is properly working. In the absence of this political condition, even if the ruling classes of these countries resort to certain seemingly “independent actions,” their major characteristics will still be as countries dominated and exploited by imperialism. And their ruling classes will primarily be compradors.

Indian expansionism in South Asia or Saudi regional supremacy in the Gulf or Brazilian role in South America according to this logic which may involve apparently the same form of economic and military intervention as imperialism, as noted earlier, is not imperialist but only an aspect of “acceptable level” of sub-imperialist regional looting. At the same time, every social phenomenon is subject to change. The possibility of Brazil, India and other countries graduating from the status of regional supremacist to full-fledged imperialist is not inconceivable. But today countries like Brazil and India are in a qualitatively different situation than is imperialist China.

Objective evaluation of the phenomena of both “uneven development” of capitalism and “transitional nature” of international capitalist relations is essential component of the Marxist-Leninist understanding on imperialism. In the neo-colonial phase where internationalization of capital has been reaching its farthest limits, expansion of finance capital, forms of capital export and imperialist relations, rather than being unilinear or uniform, are bound to be multi-linear and multidimensional in character. Various countries

and blocs are integrated with the imperial chain at different degrees and at varying levels. Imperialism's regional "pillars" are also keys for avoiding worldwide conflicts which will be detrimental to globalized capital's accumulation process while geopolitical tensions and confrontations are often diverted as regional wars or as extreme coercion within regional or national boundaries.

Regional supremacist powers such as Saudi Arabia, Brazil, South Africa, India, Turkey, etc. as junior partners of imperialism have a major role as regional or sub-imperial platform of exploitation, in deepening neoliberal policies in to their own hinterlands as well as transferring surpluses to the global financial stream. In this way, they also legitimize and contribute 'stability' to the system. It is part of this scheme that they are allowed entry in to the G20 Summit and their apparent move up, as noted by Stefan, "into the circle of the representatives of solely ruling international finance capital and the leading imperialist powers." That is why these countries are also staunch supporters of neo-colonial financial and trade organizations such as Bretton Woods twin and WTO. At the global climate management talks too they ally with the imperialists in bullying the "least developed countries"(a World Bank usage) for corporatization of the environmental issue through misnomers such as "carbon trading" in the interests of corporate MNCs and local businesses. Still they are at the intermediate stage and not yet politically qualified for categorization as imperialist.

**[Red Star, August 2016]**

## Chapter 5

*Monika Gartner-Engel*

### **The Development of a Number of New-Imperialist Countries**

#### **Introductory Contribution to the Event in Nepal**

Dear Comrades,

I would like to thank you very much for the invitation to speak to you about the emergence and development of new-imperialist countries. At first I would like to extend warmest greetings from Stefan Engel, the party chairman of the MLPD, and from Gabi Gartner, our future party chairwoman. She would like to visit you in February, if you approve, and would like to introduce herself and get to know you. Stefan Engel played a leading role in working out and substantiating the thesis of the emergence of a number of new-imperialist countries since the reorganization of international production. A lively discussion has developed in the International revolutionary movement around this thesis and the analysis of the MLPD.

Dear Comrades!

Why do we attach such great importance to the discussion about the development of numerous new-imperialist countries? In his

introductory speech to the 10<sup>th</sup> Party congress of the MLPD Stefan Engel said: *“The revolutionaries in the new-imperialist countries must understand that you cannot trivialize the imperialist economics and policies of their monopolies and government as being measures of a ‘dependent comprador bourgeoisie’ or as a ‘subimperialist activity’. Such a misjudgment can rapidly lead to social-chauvinist positions in the anti-imperialist struggle which disregard the dictatorship of the monopolies in one’s own country and lead this struggle only against US-imperialism or other foreign imperialist powers.”* (Documents, German, page 42) That means that the awareness about the question of the new-imperialist countries today also has fundamental significance for working out correct Marxist-Leninist strategy and tactics.

I would like to begin with the question: What is actually an imperialist country? Under the Romans the foundation of imperialism was the slaveholder society. Imperialism also existed in feudalism, for example the Spaniards colonized America. In the era of capitalism, imperialism, according to Lenin, especially means the rule of finance capital. He analyses and defines imperialism in his famous writing: *“Imperialism, the Highest Stage of Capitalism”*. He wrote: *‘If it were necessary to give the briefest possible definition of imperialism we should have to say that imperialism is the monopoly stage of capitalism. Such a definition would include what is most important...’* And at the same time however he qualifies his own definition and writes: *“But very brief definitions, although convenient, for they sum up the main points, are nevertheless inadequate, since we have to deduce from them some especially important features of the phenomenon that has to be defined.”* He gave very concise and apt definitions, such as that of imperialism as the highest stage of capitalism and the eve of the socialist revolution. But at the same time he warned not to forget *“the conditional and relative value of all definitions in general, which can never embrace all the concatenations of a phenomenon in its full development...”* (Lenin, *Imperialism, the Highest Stage of Capitalism*, Chapter VII)

That was at the same time a call to future generations of Marxist-Leninists to independently examine the development of imperialism in ever newer stages of development. This is the only way that



accurate consequences for practical action, for the Marxist-Leninist strategy and tactics can be drawn. The theory of imperialism must recognize and assimilate new manifestations and essential changes on the firm foundation of Marxist-Leninist theory and develop them further. In his writing *Imperialism the Highest Stage of Capitalism* Lenin himself did not primarily deal with the old imperialist powers England or France. Instead he focused on the analysis of Germany which was at that time a newly rising imperialist power. So we have to approach the question of imperialism dialectically, that means flexibly and with an interest in what is new. Otherwise the theory will ossify and become dogmatism!

Dear Comrades,

When Lenin analyzed imperialism at the beginning of the 20<sup>th</sup> century there were relatively few capitalist countries and only very few imperialist powers. At that time there were not even 20 capitalist countries. Today we have more than 200 countries and not one of these countries is not capitalist. There are, of course, some countries which are still at the beginning of a capitalist development. For example Nepal or some countries in Southern Africa. As soon as monopolies arise in capitalist countries for various reasons, the seed of the development to imperialism has come into being. And with that the urge to question the existing division of the world, if necessary by force.

At the beginning of the 20<sup>th</sup> century Germany was also a new-imperialist country. It was one of the last imperialist countries to emerge at the end of the 19<sup>th</sup>/beginning of the 20<sup>th</sup> Century. Germany came on the stage of world politics with a rapidly growing economy. But the colonies had already been divided up. In order to exert their influence they called the division of the world into question. They launched the First World War!

Dear Comrades,

Lenin summarized what is characteristic of imperialist countries: that they are economically capable of exploiting other countries. Which countries are capable of exploiting other countries? Those are the countries whose economies are controlled by monopolies.

An immense number of monopolies have emerged in the world. During the Second World War we had only few international monopolies. In 1969 we already had 7300 international monopolies and four times as many subsidiary companies in the world. Today we have 115,000 international monopolies with about 900,000 subsidiaries. That means that a tremendous monopolization has taken place, a tremendous expansion of capitalist production. These monopolies are developing in conformity to relentless economic and political laws. Lenin wrote: "*A monopoly, once it is formed and controls thousands of millions, inevitably penetrates into every sphere of public life, regardless of the form of government and all other 'details'.*" (Imperialism, the Highest Stage of Capitalism, Chapter III) A monopoly causes a drive to expand, to go beyond national borders and to attempt to eliminate competition.

Dear Friends !

How did it come to the emergence of a number of new-imperialist countries in the last years? With the reorganization of international production since the beginning of the 1990s a new phase of imperialism began. Before that, with the USA and the social-imperialist Soviet Union as the two superpowers, the world was characterized by a bi-polarity. Since the collapse of the social imperialist Soviet Union multi-polarity became prevalent step by step. Many more forces influence world policy and world economy. For example, China is already a stronger economic power than the USA. Militarily seen, China also has an army which is almost twice as large as that of the USA.

Russia is also among the new-imperialist countries. It used to be a social imperialist country, which broke down in 1989. In the 1990s it experienced a phase of decline. Russian imperialism was then newly constituted and has reawakened. It especially relies upon its military strength, but also upon its raw material basis, in order to play a new role in world affairs once again. The old imperialist countries can no longer just do what they want. With India, China, Indonesia, Mexico and Brazil, the new-imperialist countries include some of the most strongly populated countries of the world. More

than half of the world's population live in the new-imperialist countries combined. If these countries fully develop their imperialist foundations, the old imperialist countries will hardly be able to keep up.

Dear Comrades,

What is the concrete economic basis of this development? The international monopolies changed their investment activity. Whereas, for a long time, the imperialists made sure that in the neocolonially dependent countries especially semi-finished goods raw materials etc. were produced and exported, the international monopolies now began to transfer their own manufacturing on the same level as in the imperialist countries to the neocolonially dependent countries. For this purpose they participated, for example, in joint ventures in locally-based companies, made use of privatization or built up entirely new companies of their own. In the report of the Central Committee of the MLPD to the 10<sup>th</sup> Party Congress we wrote: *"in many countries the reorganization of international production led to the far-reaching changes in society. In some of the more populous neocolonially dependent countries with great potential in their domestic market, private monopolies emerged from the national big bourgeoisie because of changes in the investment policy of international finance capital."*

The economic compulsion behind this changed investment activity in the former neocolonial countries was the over-accumulation of capital, which had become chronic. Tremendous pressure built up on the basis of the severe downturn in the crises 2008/2009 to invest the surplus capital outside of the old imperialist metropolises. The construction of new capital assets, and production sites in the BRICs and MIST countries had the effect of being an outlet. These investments helped the leading imperialist super-monopolies from 2009 to 2011 to get out of the economic crisis quickly. At the same time they flooded the markets in those countries as well as the young domestically-based monopolies with capital. Without having intended it, they provided for the emergence of new imperialist rivals. With the world economic and financial crises from 2008 and 2014 the development of a number of new-imperialist countries so reached its temporary climax.

Dear Comrades,

Lenin termed capital export as the essential characteristic of the imperialist domination of finance capital over the colonies and semi-colonies. The export of capital of a country is a decisive criterion for its imperialist character. The worldwide total of direct foreign investments, in other words – export of capital – reached the highest value ever with 25 trillion US Dollars in the year 2015, after the end of the world economic and financial crises from 2008 to 2014. That was 39 percent more than in the year 2007 previous to the crisis with 18 trillion US Dollars. At the same time, from 2008 to 2014, the share of the new-imperialist countries in the annual flow of export capital to foreign countries rose from 10 percent in the year 2007 to a new record high of about 30 percent. From 2007 to 2013 Brazil's capital exports have more than doubled from 142 to 293 billion US Dollars. Turkey's capital exports have almost tripled from 12 to 33 billion US Dollars. India's capital exports, as well, from 44 to 120 billion US Dollars. That was a tremendous economic boost in the development of the imperialist character of these countries. The number of super-monopolies from the BRICs and MIST countries among the 500 most powerful monopolies of solely ruling international finance capital has increased more than fourfold from 32 in the year 2000 to 141 in the year 2015. And yet, the imperialist character of a country cannot only be derived from its industrial structure.

Today it is no longer decisive whether a country has its own industrial production basis. Decisive is the question of where the capital is. That includes the big banks. Or the power centers of the media, like Al-Jazeera. Not, of course to forget the logistics monopolies like the big monopolist airlines. You should not think that imperialism only includes large countries. In Europe we have imperialist countries which are tiny. For example Luxembourg. Luxembourg has the world's largest merchant fleet although it does not even border an ocean or sea. Arcelor Mittal is a gigantic corporation which has two mainstays – in Luxembourg and in India. Luxembourg cannot conduct imperialist policies independently. They do that within the framework of the EU. That is why the smaller imperialist countries also have an interest in the EU.

Dear Comrades !

With the emergence of new-imperialist countries the competitive struggle increased enormously – to become a struggle of annihilation among the international monopolies. This resulted in increasing political contradictions among the imperialist national states. The particularly aggressive behavior of new-imperialist countries is typical, because they have to gain domination in a world which has already been divided up among the imperialists. It is upon this background that the Syrian crisis has developed to become such a tenacious conflict. The old and the new imperialist forces are active and struggling for the domination of this strategic region. Syria is being supported by Russia. When the Assad Regime was almost devastated, Russia decided to intervene with air force and ground troops. Iran also supports Assad with weapons and through the Hisbollah. The Al Nusra Front, a fascist Islamic organization, is financed and equipped mainly by Turkey. The western imperialists have relied more on the Free Syrian Army.

The Islamic State is one of the most aggressive forces in the Syrian conflict. It arose from the military leadership of the Saddam Hussein Regime. It is supported by Turkey and especially by sheiks Qatar and Saudi Arabia, two new-imperialist countries. They support the creation of a so-called caliphate in Iraq and Syria which is closely allied with Saudi Arabia and Qatar. The war in Syria has at least 10 different fronts. 400,000 to 500,000 people have died since 2011, half of the population of 23 million are fleeing. The considerable rise in the number of wars and warlike conflicts in the past years has its roots mainly in the aggressive advance of new-imperialist countries on the one hand and, on other hand, in the defense of the domination of the old imperialist countries. The number of “violent conflicts” rose from 31 in the year 2009 to 45 in the year 2013 and 43 in the year 2015. The conflicts on the brink of war even increased almost fourfold from 2003 until 2013 from 45 to 176.

There are also more and more wars such as in Yemen which are only being fought between new-imperialist powers, in this case between the main protagonists Saudi Arabia and Iran. The new-impe-

rialist countries are militarily particularly aggressive. They are arming their power apparatuses enormously. India was the world's biggest buyer of arms for six years in a row; the second largest was Saudi Arabia, the third largest was Qatar. The rates of increase of military expenditures of single new-imperialist countries from 2006 until 2015 were enormous: United Arab Emirates +136 percent, China +132 percent, Saudi Arabia +97 percent, Russia +91 percent, India +43 percent! The new-imperialist countries make up six of the 15 largest military powers at the moment. Of course, this also challenges the old imperialist countries to commit new aggressions in order to defend their existing spheres of power or to win new ones, like the NATO is doing in the former Soviet republics Ukraine, Georgia or Moldova. And so the federal Republic of Germany wants to expand its arms within the next 15 years with investments amounting to 130 billion euros.

Dear Friends,

The economic development in the new-imperialist countries is not imaginable without the changes in their political, military and ideological foundations. Lenin characterized imperialism: *"whatever the political system, the result of these tendencies is everywhere reaction and an extreme intensification of antagonisms in this field"* (*Imperialism, the Highest Stage of Capitalism*, Chapter IX) In more and more imperialist countries we can observe a process of the increasing fascization of the state apparatus and the increase of racist and neo-fascist activities, tolerated or even indirectly promoted by the state. In Turkey a fascist dictatorship was established under the leadership of Erdogan on the occasion of the failed coup in August 2016. In foreign policy he made use of his dictatorial authority to invade the Kurdish areas in Northern Syria for the first time with tanks, accompanied by air strikes and artillery fire. This invasion took place under the guise of the struggle against the fascist ISIS. But it was actually directed against the victorious advance of the SDF, the Syrian Democratic Forces, under the leadership of Kurdish fighters. It is a firm part of our ICOR solidarity pact to defend the PYD and Rojava against these attacks.

The election victory of the arch-reactionary, nationalistic, racist and proto-fascist politician Trump in the US presidential elections will also have repercussions in the entire world. He advocates economic protectionism, an aggressive foreign policy, wants to stop immigration with his wall at the border to Mexico and is extremely misogynist (anti-women). This aggressiveness is connected to the political changes in the world. I already mentioned: Since the reorganization of international production US imperialism has suffered massive losses to its imperialist rivals economically, politically and militarily. Especially to the new imperialist countries like China, Russia, Brazil, South Korea or Saudi Arabia.

The Struggle to defend the democratic rights and liberties, against the shift to the right of the governments, for democracy and freedom against fascism, will become a firm part of the struggle against imperialism in the future much more than before and will be supplying new forces for the anti-imperialist struggle. However, the entire perspective of this anti-imperialist struggle must lie in the revolutionary overcoming of imperialism. In the struggle for socialism and the united socialist states of the world.

Dear Comrades,

In the meantime the new-imperialist countries are talking the lead in the promotion of environmental destruction. At the UN climate summits they demand special regulations for polluting the world, because they are supposedly neocolonially dependent and "developing countries". Here, too, the intensification of the international competitive struggle is driving all imperialist countries to destroy the unity of humankind and nature even more ruthlessly.

Dear Friends,

This year the independent development of Nepal was especially threatened by India's unofficial blockade in defiance of international law. This threat to Nepal's sovereignty, its secular state, its democratic constitution is caused, in our view, by the development of India to a new-imperialist country. Alone the enormous increase of the capital export of the Indian monopolies shows how fast the eco-

conomic foundation of the new-imperialist India has already developed. It rose from 113 million US dollars in 1991 to almost two billion US dollars in 2000, to 139 billion US dollars in the year 2015 – that is more than 100-fold in 24 years. Between 2008 and 2013, 2066 projects were transacted from India's capital exports to other countries – most of them, 455, in the EU – compared to China with 207 and Japan with 5900 projects.

These projects were promoted through state laws and loans by the Indian government. India's share of worldwide industrial value added was 1.3 percent in the year 2000. It rose to 1.9 percent by 2008 and already reached 2.5 percent in 2013. Seven of the 500 largest International super-monopolies of solely ruling international finance capital come from India. Today the two largest Indian state corporations Arcelor Mittal and Tata dominate the European steel market. The leading German Steel monopoly ThyssenKrupp is discussing whether they will be finding a buyer for their steel mills and getting out of the steel industry. The proto-fascist Modi government in India pushed the investment activities of the Indian monopolies by getting rid of limitations for land seizure and displacing the population. He is conducting a comprehensive dismantling of workers' rights and creating investment opportunities for the international monopolies. A special economic zone as a corridor 1500 kilometers in length from Delhi to Mumbai is to be created without regard for humans and nature. With investments of 90 billion US dollars it is planned to create 24 industrial zones, 8 new metropolises ("Smart Cities"), 2 airports, 5 large power plants, 2 logistic centers. Since the world economic and financial crisis India has risen up to be among the G20, the most powerful imperialist countries, together with other BRICs and MIST countries and Saudi Arabia. The old imperialist countries of G8 had to take the rising new-imperialist rivals into account.

India has historical relations with many countries in Southern Africa through earlier migration to them. With its capital exports the Indian monopolies enter into competition there with social-imperialist China and its aggressive methods. The Indian automobile monopoly Mahindra has set up manufacturing sites in a number of



African countries. India has a partnership with the African Union within the framework of which it has equipped all 55 member states with a telecommunications system. India offers IT services with a professionalism which not even China is capable of. The Indian IT Corporation Wipro has 140,000 employees worldwide. The outsourcing orders come from the USA, Canada, Australia and Europe.

India is also aggressively arming itself militarily. It has 1.3 million soldiers in the world's second largest army. India has atomic weapons, builds nuclear power plants on a large scale. With the construction of *INS Vikrant* for 3.8 billion US dollars India is among the five states in total, next to Great Britain, France, Russia and the USA, which can build their own aircraft carriers. India is developing into a new-imperialist regional power with global foreign economic and power-political ambition. It is of utmost importance for the revolutionaries in India and in all of Asia that they recognize this.

Dear Comrades,

Whoever fails to recognize the development to new-imperialist countries, also fails to recognize the importance of the international industrial proletariat and its leading role in the worldwide class struggle. He does not recognize the international industrial proletariat which has emerged in the worldwide production systems as the main carrier of the anti-imperialist struggle and the class struggle for the united socialist states of the world. The international industrial proletariat is the decisive force of the international revolution because it is in the center of the most highly developed international productive forces. According to statistics that we have on the workers in the "global value chains" for the years 1995 to 2009, the overwhelming majority of the international industrial proletariat works in the new-imperialist countries. The chart contains a total of 40 states, eight of which are new-imperialist countries. Together there are 470 million workers in these eight who belong to the international industrial proletariat. That is 85.6 percent of the total 549 million for the 40 listed states.

This makes clear how immensely important it is to work among this international industrial proletariat. I would just like to refer to

the general strike of September 2, 2016, in India in which, according to reports of Indian trade union associations, up to 180 million people participated. The strike was directed against the Modi government and its anti-worker policies. These features of a mass strike demonstrate an advancing development of class consciousness of the industrial workers and the working masses in India. Whoever regards India as having a semi-colonial, semi-feudal character will be placing little importance on the international industrial proletariat and the difficult, but vital work among them.

Dear Comrades,

The development of a number of new-imperialist countries has intensified the inter-imperialist contradictions worldwide. This increases the general crises proneness of imperialism. In the entire world the governments of the capitalist and imperialist countries have shifted to the right. A societal polarization can be observed internationally. It also finds its expression among the masses. This includes the development of a tendency to the right as well as a trend to the left, a progressive change of mood among the masses. The search for a societal alternative is growing. In this situation there is nothing more important than strengthening with determination the revolutionary forces, the Marxist-Leninist parties in our countries and their worldwide cooperation and coordination. This is the only way that we can together develop a force which is superior to imperialism. That is why our joining in the ICOR is so exceedingly important. The campaign "100 years October Revolution" will make the revolutionary overcoming of imperialism, the building of socialism and communism a topic of mass discussion.

Dear Friends and Comrades, I now come to the end of my introductory contribution. I am looking forward to an exciting and inspiring discussion.

---

## References

1. UNCTAD, *World Investment Report*, table WIR16-tab04.xlsx
2. UNCTAD, *World Investment Report*, table FDI outflows WIR\_tab02.x

3. UNCTAD, FDI/TNC database ([www.unctad.org/fdistatitics](http://www.unctad.org/fdistatitics))
4. Fortune 500, calculations of GSA e.V.
5. Heidelberg Institute for International Conflict Research, table GSA e.V
6. SIPRI Research Institute, *Fact Sheet Military Expenditures*
7. Zeit.de, 26.1.2016
8. indische Investoren setzen auf industrie-und Schwellenlander (Indian investors put their money on Industrial and newly industrializing countries). 10.11.14 [www.GTAI.de](http://www.GTAI.de).
9. rf-news, 4.9.2016

**[Paper presented at the Nepal Seminar, December 2016]**

## Chapter 6

*Sanjay Singhvi*

### **Again On the New Imperialist Countries**

Some time back I had written an article upon Com. James' critique of the MLPD position on "new imperialist countries". Some people have taken my criticism of Com. James' position as support for the MLPD position. This is not true. In that article itself I had made it clear that I do not support the MLPD position. My critique was that we can no more analyse imperialism on the basis of the criterion laid down by Lenin a hundred years ago alone. Here also my stand was not a critique of Lenin (shudder the thought). I stand by using the methodology of Lenin. However, Lenin had analysed imperialism in a different world – a world of a century ago – a world where monopoly was not so much widespread as it is today – a world where imperialism did not have such elaborate and intricate structures to allow for investment – a world where there were colonies and not neo-colonies. Lenin had analysed the imperialism of his time, we cannot shirk the responsibility of analysing it in ours. However, the analysis of imperialism for today will have to wait for a later time. In this article I want to show how the MLPD approach is also basically the same – that is, depending only on certain formulations made by Lenin in quite a different situation. In some cases, it is not

even that and the approach can only be characterised as an application of misunderstood formulations of Lenin applied to a wholly different situation.

The MLPD has not, as far as I know, come up with a comprehensive document analysing the “new imperialist countries” and analysing why they are being so characterised. There are three documents all of which mention some argumentation for this thesis that I have come across. The interview of Stefan Engels in *Rote Fahne* (which was the basis of Com. James’ article), parts of Com. Stefan’s speech given recently and parts of the report of Com. Monika to the ICC. It is these arguments that I consider in this article. I take up the last of these first. In the report of Com. Monika, it is said that the transformation of these neo-colonially dependent countries into new imperialist countries began with the “monopolization of their economies”. What exactly is meant by this is not explained. It cannot be the argument that the monopolization of the economies of countries like India and Turkey have only taken place after 2008. In India, for instance, the railways were always a monopoly as was air travel as was banking. All these were only owned by the Government. Even otherwise, Unilever has had a monopoly of fast moving consumer goods (especially soaps and detergents) since at least 50 years. Monopolies existed in car manufacturing till around 20 years back when foreign capital was allowed to enter this field. In fact, the new economic policy of 1991, riding, as it were, on the back of globalisation, destroyed many of the monopolies in the local Indian market. Some industry, like media have always had monopolies in India and still remain so.

The rest of the paragraph shows that what being referred to is the entry of monopolies from the BRICS countries into the fortune 500 list. One obvious mistake being made in this argument is that BRICS is being treated as if it were one country. I think all are at idem that countries like China and Russia have become imperialist. Merely to club all BRICS countries and apply this argument is clearly fallacious. There is an attempt to argue that the corporations in the BRICS and MIST countries benefitted from the crisis of 2008 which caused investment to be made in these countries. As Stefan has said

in his speech mentioned above, “Resulting from the deep setback due to the crisis in 2008/09, an enormous pressure arose to invest the surplus capital outside of the old imperialist metropolises.....they flooded the markets there and the young local monopolies with capital and unintentionally caused the growth of new imperialist competitors for themselves”. This means that there must be a great growth of monopolies from these “new imperialist countries” after 2008. However the figures for India do not support this thesis.

The following is the list of Indian companies on the Fortune Global 500 list.

#### **Ranks in 2008 and 2016**

<i>Name of Companies</i>	<i>2008</i>	<i>2016</i>
Indian Oil Corp.	116	161
Reliance Industries Ltd.	206	215
Bharat Petroleum	287	358
Hindustan Petroleum	290	367
Tata Steel	315	226
ONGC	335	423
State Bank of India	381	232

This chart shows clearly that the number of Indian companies in the Fortune 500 list have remained the same since 2008 to 2016 (seven). Of these 5 were 100% state owned in 2008 as against 4 in 2016. In other words only 2 companies owned by monopoly capitalists made the list in 2008 and only 3 in 2016. The ranks of the corporations in 2016 (average rank 396) are generally lower than in 2008 (average rank 386 or 369 if we take the corrected rank of Tata Steel), except for the Tatas and the State Bank of India. Based on these figures it is clear that the rank of Indian monopolies worldwide has fallen from 2008 to 2016 – in contrast to the argument of the MLPD. This is not only for India. Take Mexico – which has two companies on the global 500 list for 2016 – Pemex at rank 93 and America Movil at rank 155. Both these were also there in 2008 (Pemex has been on the list for 22 years). Pemex has fallen in rank from 2008 whereas

America Movil has advanced. Indonesia, even today has only one company on the Fortune 500 list (Pertamina). So also Turkey (Koc holdings ranked at number 419). Same with Saudi Arabia (SABIC), and Dubai (Emirates airlines). South Africa has none. Neither does Qatar or any of the other Emirates.

According to the Fortune website, as of 2016 the Global 500 are represented by a total of 33 countries. However, 425 (85%) of the Global 500 are represented by only 10 countries: two in North America (Canada, USA,) five in Western Europe (France, Germany, Netherlands, Switzerland, UK,) and three in East Asia (China, Japan, South Korea.) Of these 10 countries, the top six are, with the exception of China, members of the G7 (which also includes Italy and Canada.) Therefore the argument based on the spurt of monopolies in the so-called “new imperialist countries” does not hold, except may be for South Korea.

Let us take another of the arguments put forward by the MLPD – based on the movement of manufacturing into the countries of BRICS and MIST. The speech of Stefan says. “These new-imperialist countries in total doubled their share of the worldwide industrial added value from 20 percent to at least 40 percent between the years 2000 and 2013.” It adds in the succeeding para, “At the same time, the share of the USA declined sharply by 9.5 percentage points, the EU share by 5.6 percentage points and Japan’s share by 10.1 percentage points.”

In this argument, the shift of manufacturing and production to these so-called new-imperialist countries is stressed. This argument, upon examination, does not take us further. Lenin’s criteria for imperialism were :

- 1) the concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life;
- 2) the merging of bank capital with industrial capital, and the creation, on the basis of this “finance capital,” of a financial oligarchy;

3) the export of capital as distinguished from the export of commodities acquires exceptional importance;

4) the formation of international monopolist capitalist combines which share the world among themselves, and

5) territorial division of the whole world among the biggest capitalist powers is completed.

Here we are concerned with the first criterion. No doubt Lenin talks of the concentration of “production and capital” but he qualifies this with the necessity for such concentration to create monopolies. Not just any monopolies but such as play a decisive role in economic life. Mere concentration of production does not lead to any result indicative of imperialism. To illustrate this point, let us consider a modern monopoly which out sources its production. In many of modern establishments we find that 80% or even 90% of the production is outsourced to small establishments which specialise in such jobs. Some of these contract workshops even grow quite huge. Today Bangladesh is the largest manufacturer of ready-made garments in the world. Still, you hardly hear of a Bangladeshi brand in ready-made garments. Certainly, there is a concentration of production in this sphere in Bangladesh. However, unless such a concentration of production also coincides with a concentration of capital and leads to the formation of monopolies which play a “decisive role in economic life”, a country like Bangladesh – a mere outsourcing base – can never become an imperialist country.

The whole *raison de'être* for globalisation (the Dunkel draft, the GATT treaty, etc.) was only so that such outsourcing of production could be done without the state intervening to capitalise on such production in the outsource countries. Such treaties provided a legal framework for the safe withdrawal of the profits and finished goods from such outsourced countries. So today, leave alone owning the top brands in ready-made garments, most people in India and Bangladesh cannot even think of buying Armani or Gucci or Prada. Occasionally a rare one may be Asian (Issay Miyake!) but only from Japan or perhaps Hong Kong or Singapore. No doubt most



of the products of such brands will be made in Bangladesh (or even India) but that can hardly qualify them as imperialist.

Having established the status of “production” or “manufacture” or “value added” as a measure for imperialism, let us now turn our attention to the actual statistics. No doubt, there is a huge growth even in physical volume in manufacturing in India. India had a 12.7% annual rate of increase of value added in manufacturing between 2002 and 2012.<sup>3</sup> After correcting for inflation and the drop in the value of the Rupee, we get a 7.7% physical growth rate for value added per annum for manufacturing.<sup>4</sup> In spite of this growth, India had only 2.1% of the world manufacturing in 2012. This only shows that the manufacturing base for India was miniscule and even after a healthy growth of 7.7% for a decade, it is still very small.

In fact, seen in terms of the per capita, of the top 15 manufacturing countries, the two most manufacturing-intensive and productive are Japan (\$8,705 per capita) and Germany (\$8,292). Korea (\$6,446) ranks third and the United States (\$6,280) is fourth. Among developing economies, China’s manufacturing value-added per capita is highest at \$1,856 per person, but Russia’s (\$1,833) is only slightly lower. Brazil has \$1,278 per capita manufacturing value-added, while India—the second largest country by population—has a very low manufacturing intensity of \$194 per person. All this shows that the argument for “new imperialist countries” having achieved their status through high levels of production does not hold water either at the level of fact or at the level of concept.

The next plank upon which the MLPD bases its argument is to do with “export of capital”. No doubt export of capital is one of the points emphasised by Lenin in the demarcation of imperialism. He pointed out that some countries had moved over from an export of goods to an export of capital. That was in a world where only few countries had surplus capital which they could export. Today the whole system of world capital is much more complex. It is not easy to define which country a particular block of capital belongs to. As the world became globalised to a greater and greater extent, blocks of capital from various countries were allowed to invest in compa-

nies and institutions of different countries. Especially after 1994, there was a rush to bring down all barriers to the free flow of capital across national borders. The situation was further complicated as large block of capital rushed to certain countries for investment due to particular advantages. Most of the shipping companies preferred Panama for registration. Most of those who want to invest in India come through Mauritius due to tax advantages. Capital has become grossly enmeshed in such a fashion all over the world, that it is difficult to assess who is dominating whom in the net movement of capital.

Today, there is almost no country in the world which does not export capital as I had stated in an earlier article. If the question was the extent of export of capital then we have to calculate the net import or export of capital. This is usually calculated on the basis of the current account balance. The statistics of 2008 (before the crisis deepened) show that even then, USA, UK, France, Australia, etc. were among the 10 largest net importers of capital on this basis. They were not even in the top 10 net exporters of capital. The top 10 net exporters of capital included China, Germany, Japan, Saudi Arabia, Russia and also Libya, Venezuela (this was during the time of Chavez) and Malaysia. There is not much of a different scenario in the data for 2016. The USA is still the largest net importer of capital and China is still the largest net exporter. Some changes are seen. South Korea is coming up fast as a net exporter of capital and Germany is poised to overtake China as the largest exporter of capital in the world. Of course current account measures the actual export and import of goods, services, foreign remittances, interest, rent, etc.

One may take a view that what has to be measured is the capital account. This measures long term investments of one country in another, like FDI, purchase of land and assets, etc. If we go by this measure, then from the data of 2015, China and Brazil are net importers of capital. USA just scrapes through as a net exporter of capital. The largest net exporter is the Netherlands. So it is not easy to now accept the definition of "export of capital" as a defining point in economics for understanding imperialism. Even if we see the stats of the countries referred to by the MLPD as new imperialist coun-

tries, the stats on “export of capital” for these countries do not support such a conclusion. The mere fact that some Tata buys Corus or that Mittal buys Arcelor proves nothing. When considering the Tata takeover of Corus by Tata Steel I had written in 2007 :

“The Corus Group is three to four times bigger than Tata Steel. Tata Steel has only Rs. 4500 crores in cash or cash equivalents (which works out to around \$1 billion). So what is actually happening in the Tata deal? Tata Steel UK, a SPV (Special Purpose Vehicle) set up by Tata Steel in the UK will buy a controlling interest of slightly over 21% of the shareholding of Corus Group Plc at 608 pence a share for a total consideration of \$12.15 billion. Of this only \$4.1 billion will be the contribution of Tata Steel whereas the remaining \$8 billion is expected to be raised by Tata Steel UK. Tata Steels \$4.1 billion will serve as the equity capital of Tata Steels UK. So how will Tata Steel fund even this \$4.1 billion, when it has only around \$1 billion in hand? This again will be with a mix of debt and equity. Tata Sons may pump some more equity in, maybe to the extent of \$1 billion. However, about \$10 billion of the total deal is to be financed by debt! So who is going to pick up the tab?

According to Business Standard, 2nd February, CSFB (Credit Suisse First Boston, the investment banking division of the Credit Suisse group) who were the bankers of Corus have agreed to fund 45% of the debt part of the deal. Deutsche Bank and ABN Amro will fund the remaining 55% equally. The report also states that Standard Chartered Bank, which had agreed to provide \$375.24 million subordinated debt financing for the acquisition, has agreed to step up funding by another \$1 billion.

Hey, what happened to the export of Indian capital? Actually, India will be importing 10 times more capital in this deal than it will actually be exporting, however it may be reported, as an inflow or outflow of FDI!”

Once again then, at the risk of repetition, the problem is not of new countries becoming imperialist. The problem, instead, is of changes taking place in the system of imperialism. This is the real

problem we have to address and we cannot shirk this responsibility by digging our heads into the sand like Ostriches and crying “new imperialist countries”.

---

**Select References**

1. *Fortune Global 500*
2. <https://www.mapi.net/blog/2014/01>
3. United Nations and MAPI (Manufacturers' Alliance for Productivity and Innovation)
4. IMF, *World Economic Outlook* database as of April 16, 2009.
5. World Bank site based on the *IMF Yearbook*; <http://data.worldbank.org/indicator/BN.TRF.KOGT.CD>

**[Red Star, January 2017]**

## Chapter 7

*Stefan Engel*

### **On the Emergence of a Number of New Imperialist Countries: Reply to Comrades P J James and Sanjay Singhvi**

Since the MLPD published its thesis in the book *Dawn of the International Socialist Revolution* that a number of formerly neocolonially dependent countries are transforming into new imperialist countries (see pp. 487 ff.), a fruitful, partly controversial debate has begun over whether this thesis accords with the manifest changes in the imperialist world system. Especially since the publication of my interview of 7 June 2016 in the central organ of the MLPD, in which an entire passage is devoted to this topic, this debate has also been conducted in written form. In the following I deal with two written contributions to this debate: the article “On MLPD’s Thesis on ‘New-Imperialist Countries’” by Comrade P J James, published in the central organ *Red Star* 17/5 August 2016, pp. 10 ff., of CPI (ML), and the article “Discussion on New Imperialism” by Comrade Sanjay Singhvi, *Red Star* 17/6 September 2016, pp. 15 ff. (published on the website of the same party <http://www.cpiml.in>).

Whereas P J James rejects our thesis because of an alleged “gross disregard of the class character of the respective ruling regimes and

historical-political contexts”, Sanjay Singhvi criticizes this as unscientific, but states that for his part he cannot agree with the position of the MLPD because the question how an imperialist country must be defined today is completely open.

The Tenth Party Congress of the MLPD, whose task was to decide on the further development of the ideological-political line of the MLPD since the Ninth Party Congress, discussed the thesis of the emergence of new imperialist countries in detail and confirmed it by unanimous vote.

If the Marxist-Leninist, revolutionary and working-class movement wants to resolve and achieve unification on this issue, then first of all it must answer the question what yardstick should be used to assess whether or not it is correct that countries like the so-called BRICS countries (Brazil, Russia, India, China, South Africa) and MIST countries (Mexico, Indonesia, South Korea, Turkey) have developed into the most important new imperialist countries.

Comrade P J James does raise the question of the proper approach. However, he refers merely abstractly to the necessity of the “concrete analysis of concrete condition”. With that he does not provide an answer to the question of the yardstick. For us Marxist-Leninists, the Marxist-Leninist categories and concepts contain the theoretical yardstick which we apply to new manifestations in order to determine whether these categories and concepts still suffice to explain the changed reality, and whether the Marxist-Leninist theory must be further developed by working out new categories and concepts, because essential changes have taken place: without clarifying the new phenomenon of new imperialist countries it is not possible today to understand either the development of the world economy, the growing general danger of war or the accelerated development towards a global environmental catastrophe, and certainly not to develop adequate strategy and tactics.

In the concrete case under discussion, Lenin’s theory of imperialism and his definition of imperialism serve as our theoretical yardstick. In other words: applying Marxist-Leninist theory to the changed reality requires assimilating this theory critically and, where

necessary, developing it further through dialectical negation. I think Comrade Sanjay is right in criticizing Comrade P J James' contribution when he points out: "We agree that times have changed but we do not want to take the trouble to make a new and proper analysis." Instead of contributing to further develop the Marxist-Leninist theory of imperialism, Comrade P J James concedes it is true that in India a big bourgeoisie and monopoly capital have developed, but asserts at the same time that this has not changed the character of the Indian bourgeoisie as a comprador bourgeoisie, but, on the contrary, has even cemented it. This supposed fact is said to virtually rule out any development of India into an imperialist country.

I will prove below that this assessment does not in any way stand up to a concrete analysis of the concrete socioeconomic changes in India. Here, to start with, it only should be noted that Comrade P J James uses the characteristic of the comprador bourgeoisie as universally applicable criterion to explain these changes. Comrade Sanjay criticizes this method: "He [James] says that clubbing together of certain countries with China and Russia in gross disregard of the class character of their respective ruling regimes and historical-political contexts are anachronistic from the analytical perspective. The 'class character of their respective ruling regimes' is precisely what is under debate. To use your understanding of the class character as a premise in this debate makes the argument tautological."

With that Comrade Sanjay hits the nail on the head and points out the necessity of "develop[ing] a definition of imperialism for today." Such a definition must start from Lenin's, because today's imperialist world system did not come out of nowhere, but, since Lenin's analysis, has developed further from the monopoly capitalist stage and gone through important changes.

For his period Lenin generalized five basic features: "1) the concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life; 2) the merging of bank capital with industrial capital, and the creation, on the basis of this 'finance capital', of a financial oligarchy; 3) the export of capital as distinguished from the export

of commodities acquires exceptional importance; 4) the formation of international monopolist capitalist associations which share the world among themselves, and 5) the territorial division of the whole world among the biggest capitalist powers is completed." (Selected Works in three volumes, Vol. 1, p. 700)

These five characteristics constitute the theoretical yardstick for resolving our issue. I cannot agree with the view of Comrade Sanjay, who contests this. He argues: "In fact, the five criteria were put forward by Lenin as distinguishing the imperialist system from the earlier capitalist system. These were never put forward as criteria for determining an imperialist country." The opposite is true! In his writing, *Imperialism, the Highest Stage of Capitalism*, Lenin very consciously developed a definition of imperialism. At the same time he emphasized the elasticity of concepts and said, in regard to brief definitions of imperialism, that one must not forget "the conditional and relative value of all definitions in general, which can never embrace all the concatenations of a phenomenon in its full development." (Selected Works in three volumes, Vol. 1, p. 700)

Comrade Sanjay emphasizes further: "We cannot continue to rely on Lenin's writings of a hundred years ago" and concludes from this that it is necessary to "redefine what is meant by imperialism." With that he makes a metaphysical negation of Lenin's determinations of imperialism instead of dialectically negating them. Thus, the development of capitalism did not stop at the then highest stage, an imperialism which in its economic essence still corresponded to the stage of monopoly capitalism. Lenin already showed that monopoly capitalism was about to develop to a higher level, to state-monopoly capitalism. This process, which began during World War I, matured in all imperialist countries after World War II, causing the particular essence of imperialism to change.

We make reference here to the fact that in its theoretical publication series, *Revolutionärer Weg*, the MLPD has analysed the maturing and further development of state-monopoly capitalism (Nos. 16–19) and the entire process of the internationalization of capitalist production down to the present (Nos. 29–35). The changes in the



imperialist world system require the modification of Lenin's first criterion.

As highest form of the national-state organization of capitalism, state-monopoly capitalism is an indispensable condition for carrying out an imperialist policy externally and internally. It constituted the economic-political basis for the reorganization of international capitalist production under the condition of a re-emerged unified world market at the beginning of the 1990s.

Lenin's second criterion also retains its validity. The financial oligarchy of which Lenin spoke at the time when it was emerging has meanwhile developed into the dictatorial subjugator of the world with the 500 biggest international super-monopolies from industry, trade, finance and agriculture.

The validity of Lenin's third criterion likewise has been confirmed since the beginning of the last century, modified in form and content. In particular, the reorganization of international capitalist production changed the investment activity of the international monopolies, which sought investment opportunities with the prospect of maximum profits for their over-accumulated capital.

Lenin's fourth criterion, the formation of international monopolist capitalist associations which share the world among themselves, took on a more distinct form particularly after World War II in that a number of international forms of organization of international finance capital grew in importance. Starting from the UN, these were mainly the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO). The national factions of the super-monopolies among the 500 biggest compete with each other and at the same time agree in the tendency to increasingly subordinate the national-state forms of organization to their own interests as international finance capital.

As for Lenin's fifth criterion, which declares the territorial division of the whole world among the biggest capitalist powers completed, Comrade Sanjay explicitly regards this as no longer valid. No longer valid is doubtless the form of the division practiced then,

by means of military occupation of territories by the leading imperialist countries of that period. One can no longer speak of such a completed division of colonial possessions under the conditions of the formal independence of the former colonies as states. It was superseded after World War II by the content and method of neocolonialism, which leads to a new division of the world into economic and political spheres of power and influence of the different rival national factions of international finance capital. Currently a struggle to redivide these zones of influence by economic, political (alliances, trade agreements, etc.) and violent military means (Ukraine, Syria, etc.) is taking place.

All these changes also have intensified the uneven development of the neocolonially dependent countries. A gap has formed between countries which, as a whole, have been thrust into ever deeper misery, and others which were in the process of rising to become imperialist countries themselves. In its analysis the MLPD characterizes 14 countries as new-imperialist, though this process is not yet completed.

Capital export plays a decisive role in this. The capital import of these countries in 2000 was a little more than a thousand billion US dollars; by 2010 it had quadrupled, rising sharply especially during the deepest world economic and financial crisis. In 2014 it reached USD 5,500 bn. These formerly neocolonially dependent countries previously had delivered mainly raw materials and finished goods to the imperialist metropolises. Now they themselves began a growing capital export. This was a decisive economic driver for transforming the character of these countries from neocolonial into imperialist.

Of all BRICS and MIST countries, India increased its direct investments fastest, from USD 1.7 bn (2000) to USD 120 bn (2013). Between 2008 and 2013, 2,066 projects came out of India (China 2,077; Japan 5,900). Of these, 455 (23%) were transacted in the EU, 217 (11%) in the USA, 196 (10%) in the UK, 177 in the UAE. They were facilitated by government laws and loans.

India's share of worldwide industrial value-added was still 1.3

percent in the year 2000, rose to 1.9 percent by 2008, and was already 2.5 percent in 2013, i.e., it rose especially fast during the crisis. Japan, long the second biggest imperialist power in economic terms, was left with only a 6 percent share in 2013. The stock of direct investments in India grew 2.5-fold from USD 105,791 million in 2007 to USD 252,331 million in 2014.

Comrade James endeavours to belittle the significance of such analyses of measurable economic facts as one-sidedly determinist, i.e., metaphysical and arbitrary, arguing: "One of the drawbacks of 'determinism' whether external, economic or technological is its inability to approach capital as the sum total of social relations instead of dealing with it as a measurable thing." However, it is a mistake to view the causal dependencies as opposites of the universal interconnections; rather, both must be treated as a dialectical unity. The MLPD explained in its theoretical organ *Revolutionärer Weg*, No. 6: "Causality shows the links in the chain of the mutual dependence of all things and phenomena in a deeper, more law-governed form of connection. That constitutes its significance," whereas "the all-sidedness and all-embracing character of the interconnection of the world ... is only one-sidedly, fragmentarily and incompletely expressed by causality." (p. 57)

Comrade James's demand that capital be treated as the sum total of social relations undoubtedly is correct; but does he meet this requirement in his article? It is only a different formulation of the same facts that with the development and advancement of the capitalist mode of production all social relations, the class relations and the interrelations of base and superstructure change, too. Development and advancement of the capitalist mode of production without a corresponding change in the class relations, the superstructure, etc., is unthinkable.

However, this is exactly what Comrade James asserts when he answers the question, "whether the global expansion of capitalism and internationalization of finance capital and its penetration into the socio-economic formations of 'neo-colonially dependent countries' (a phrase used by MLPD) [are] capable of transforming them

into 'new imperialist countries'," with a fundamental "no". He even makes the assertion that "rather than resulting in self-expanding national development, the ... integration of neo-colonial countries with imperialism [is] leading to a further strengthening of the compradorisation of the ruling regime in them."

According to this, the class relations that were characteristic at the beginning of the imperialist stage of capitalism have not changed, but have even become more entrenched. Stalin defined these relations in the well-known textbook *Political Economy* as follows:

"The ruling classes in the colonies and semi-colonies are the feudal landlords and the capitalists, both urban and rural (kulaks). The capitalist class is divided into the comprador bourgeoisie and the national bourgeoisie. The compradors are native middlemen between the foreign monopolies and the colonial markets, both for selling and for buying raw materials. The feudal landlords and the comprador bourgeoisie are vassals of foreign finance capital, direct mercenary agents of international imperialism, which holds the colonies and semi-colonies in thrall." (Chapter 19, [www.marxists.org/subject/economy/authors/pe/pe-ch19.htm](http://www.marxists.org/subject/economy/authors/pe/pe-ch19.htm))

The existence of a comprador bourgeoisie requires a mode of existence in which the industrial and agrarian capitalists (subdivided into national bourgeoisie and comprador bourgeoisie) and the feudal landlords are ruling classes which vie for the control of the state. The transition from feudalism to capitalism took place in the majority of the former colonies not through the overthrow of the compradors and the agrarian oligarchy, not in an agrarian revolution, but through reforms, i.e., by way of adaptation. Thus, amalgamation of agrarian oligarchy, agrarian capital, industrial capital and banks into a domestic big bourgeoisie took place.

In the domestic big bourgeoisie the oppressed masses in most dependent countries came up against an opponent who differs from the old, historically progressive national bourgeoisie, but also from the old, historically reactionary comprador bourgeoisie. This domestic big bourgeoisie sought to maintain and extend its economic and political power, which was restricted by imperialism, through ruth-

less exploitation and oppression of the masses. Regarding the growth of a domestic bourgeoisie which possesses developed industrial and agrarian capital, the MLPD analysed in *Revolutionärer Weg*, No. 25, that in the 1970s and 1980s this became a general phenomenon in most developing countries. In this connection we drew attention to a phenomenon that was new at the beginning of the 1990s: "In a number of countries such as Argentina, Brazil, India and South Korea, this process has led to the emergence of local monopolies. But whereas monopoly capital in the imperialist countries has completely subordinated the state, the organs of the monopolies have fused with the organs of the state, and monopoly capital exercises its absolute rule over the whole of society, big capital in the oppressed countries is in varying degrees dependent on the imperialists. It is itself subject to control and has turned into an instrument for exercising the rule of international monopoly capital over society in the oppressed countries." (*Neocolonialism and the Changes in the National Liberation Struggle*, p. 109)

Therefore, at that time it was not yet possible in the aforementioned countries for a state-monopoly capitalism to develop. But even then it was becoming evident that certain capitalist or neocolonially dependent countries can transform into imperialist countries, i.e., countries which strive to exploit and dominate other countries and have the capability to do so. Lenin already pointed out the driving forces responsible for this: "A monopoly, once it is formed and controls thousands of millions, inevitably penetrates into every sphere of public life, regardless of the form of government and all other 'details'."

So it could not come as a surprise that the aforementioned countries would begin to promote their own capital export in close connection with the development of structures of state-monopoly capitalism. Without control of the power of the state, domestic monopoly capital cannot develop international monopolies capable of competing in the struggle for a world market dominating position.

For that, however, very specific conditions were required on the part of the established imperialist countries. It was the over-accu-

mulation of capital that had become chronic in the 1990s which created the economic compulsion for them to change their investment activity in the former neocolonial countries. Different from before, the international monopolies now participated in investments to build up the necessary infrastructure; they invested not only in the production of parts and semi-finished products, but partly transferred their integrated production operations or production systems to these countries. With that, an international industrial proletariat as carrier of the most advanced mode of production also emerged there.

It is not a coincidence that this development temporarily peaked during the deepest and most comprehensive world economic and financial crisis to date. The construction of new capital assets and production sites in the BRICs and MIST countries acted as an outlet. On the basis of the deep crisis drop in 2008/2009, tremendous pressure built up to invest the surplus capital outside of the old imperialist metropolises. These investments helped the leading imperialist super-monopolies from 2009 to 2011 to get out of the economic crisis quickly. At the same time they flooded the markets in those countries and the young domestically-based monopolies there with capital. Without having intended it, they brought about the emergence of new imperialist rivals.

The interest of the international monopolies focused particularly on those countries which have a large area and large populations and are characterized by capitalist relations of production, and which have a developed infrastructure and a large labour force potential. 3.7 billion people, more than half of the world population, live in these 14 countries. Capital export to these countries concentrated on the expansion of major production and trade centres, often in so-called special economic zones that attempt to keep wages and worker rights to lowest levels. On this basis, the state apparatus in these countries grew into the task of asserting, as service providers in domestic and foreign policy, the interests of the international monopolies and organizing state redistribution in their favour and to the detriment of the workers and broad masses. The government pro-

grams of old and new imperialist countries hardly differ from each other.

For instance, the agenda of the proto-fascist Modi government in India consists among other things in replacing the variety of different taxation systems with a uniform national value-added tax, facilitating investment activity by cutting restrictions on land grabbing and population displacement, large-scale dismantling of labour rights, creation of investment opportunities for the capital of solely ruling international finance capital. From Delhi to Mumbai it is planned to establish a 1,500 km long corridor as special economic zone without regard for humans and nature. With investments of USD 90 billion it is planned to create 24 industrial zones, eight new metropolises (“smart cities”), two airports, five large power plants and two logistics centres. Anand Mahindra (CEO of Mahindra & Mahindra, the world’s biggest tractor maker) put it in a nutshell: “Since he [Modi] took power, I no longer have to travel to Delhi to lobby for my interests. Today officials of the Ministry of Commerce in Delhi call me up and ask whether I have any problems.”

In the following I discuss some of the arguments of Comrade James with which he tries to underpin his thesis of the comprador character of the ruling class of India.

1. He maintains that the Indian monopolies have “utterly failed to evolve an indigenous technology and this is the one of the major economic factors that denies the country the path of a normal capitalist development.” Anand Mahindra provides proof of the contrary: “As farm equipment manufacturers we pursue a two-brand strategy in India: Under the Swaraj label we sell simple yet very robust products which are reduced to the essentials. With the house brand Mahindra, on the other hand, we are trend-setters in technology. Our new tractor is more advanced than the competition from John Deere. We are market leaders and therefore must set the standards for the future. The image of the brand depends on this. In the USA we have five plants that obtain sales of USD 500 million annually, and we are the Number 3 in small tractors in terms of unit sales. Tractors built by Mitsubishi in Japan and Moolsan in Korea also are

sold under our brand. Each on its own, the two corporations previously had not managed to get a toehold in the US market. All models are equipped with our engines, which are cheaper and better than their own. This is the new global world.”

2. He maintains that the “Indian compradors ... are satisfied with a decent place in the neo-colonial order led by US.” The facts tell a different story: India has historical relations with many countries in southern Africa owing to past migration to this area. With their capital export the Indian monopolies compete there with social-imperialist China and its aggressive methods. India has mainly trade relations with Nigeria, Sudan and South Africa as well as with other African countries that have an appreciable Indian minority (around two million), like Kenya, Tanzania and Mauritius. The Indian motor vehicle manufacturers Mahindra and Tata have a strong presence in the African market. Mahindra has production facilities in various African countries where it adapts its products to local requirements. With the African Union India maintains a partnership under which it has equipped all 55 member states with a telecommunications system. Bharti Airtel became market leader by taking over the Africa business of the Kuwaiti mobile telephony provider Zain in 2010. In addition, India offers IT services on a professional level that even China is unable to match yet. In the IT industry the Indian Wipro Corporation has 140,000 employees worldwide. The outsourcing orders come from the USA, Canada, Australia and Europe. Infosys is present in 26 countries worldwide with 160,000 employees.

The Indian Tata group, which ranks among the 500 largest international super-monopolies, obtained two thirds of its revenues of USD 103 billion in 2013/2014 outside India. Two thirds of the shares of the main holding company Tata Sons are in the hands of Tata Trusts, which the family controls.

Germany Trade & Invest, a German economic development agency, draws a realistic picture of the expansion of Indian investors: “More and more companies are setting up foreign branches or taking over existing know-how and distribution structures. The development in the IT, pharmaceutical, automotive and raw materials



sectors is especially dynamic. Indian companies are increasingly becoming integrated in the world economy. Both state-owned and privately owned companies constantly are founding new branches of their own or joint ventures or acquiring existing companies in foreign countries. The objective is to be better able to serve the local markets, to profit from technologies available in the host country, or to secure important raw materials for their own production locally or at home. This trend can be observed in particular since the start of the liberalization of the Indian economy in the early 1990s.”

3. James maintains that “as of now, i.e., in the neoliberal period, the comprador character of the Indian state is exposed more than ever both politically and militarily, and it is only under the umbrella or hegemony of international capitalism, especially US imperialism that it acts as a bully in South Asia.”

Arguments against the subaltern role claimed for India are that India is aggressively arming itself militarily, has the world’s second largest army in terms of manpower (1.3 million soldiers) and makes military expenditures of USD 38,400 million, more than Russia or Turkey. India has atomic weapons, builds nuclear power plants on a large scale – also with Russian assistance. In early August 2015 the first aircraft carrier built in a domestic shipyard was launched. With the construction of INS Vikrant for USD 3.8 billion, India is among the five states in total, next to Britain, France, Russia and the USA, which can build their own aircraft carriers.

The Modi government has an ultra-reactionary proto-fascist orientation and collaborates by no means only with US imperialism. In armaments it cooperates mainly with Russian imperialism and has concluded a contract with Thyssen Krupp for the building of new submarines in India. It pursues a policy of blackmail towards smaller neighbours (e.g. blockade of Nepal). India is developing into a regional power with global foreign policy, economic and power-political ambitions.

4. Comrade James maintains “that on account of the weakness of subjective forces of revolution and due to the lack of momentum in the development of class struggle, rather than resulting in self-

expanding national development, the internationalization of capital and financial expansion and the consequent integration of neo-colonial countries with imperialism are leading to a further strengthening of the compradorisation of the ruling regime in them. India is a typical example.”

The international industrial proletariat that has emerged in the worldwide production systems is the main carrier of future united socialist states of the world. It is the decisive force of the international revolution because it is in the centre of the most highly developed international productive forces. According to statistics available to us for the years 1995–2009 on the workers in the “global value chains”, the overwhelming majority of the international industrial proletariat works in the new-imperialist countries. Their share of the total number of employees in those countries is higher than average, reaching a peak figure of 32.1 percent in China – that is 250 million workers. The chart contains a total of 40 states, eight of which are new-imperialist countries. Together there are 470 million workers in these eight who belong to the international industrial proletariat. That is 85.6 percent of the total 549 million for the 40 listed states.

So it is a case of misjudgment when James observes a pronounced weakness of subjective forces of revolution in countries like India. The “lack of momentum in the development of class struggle” claimed by him also contradicts the facts.

We dispense here with more extensive evidence of the development of class struggle in the new-imperialist countries and refer only to the general strike of 2 September 2016 in India, in which according to reports of Indian trade union associations as many as 180 million people participated: organized and unorganized female and male workers, family members and young people from various sectors of the Indian economy, including mining, agriculture, electricity, public and private sectors, education, telecommunications. Blue- and white-collar workers demonstrated great unity in their strike from West Bengal to Uttar Pradesh, New Delhi, Mumbai, Assam, Kerala, Haryana, Punjab and beyond. Cities and public roads were

entirely paralyzed by the striking workers. The strikers themselves took the initiative to block the roads. The strike was directed against the Modi government and its anti-worker policies. The strikers demanded, among other things, social security, healthcare and doubling of the minimum paid wages, abolition of “temporary employment” and conversion to permanent jobs. These characteristics of the mass strike are indicative of a progressing development of the class consciousness of industrial workers and the toiling masses of India and belie the approach taken by Comrade James.

5. The comments of Comrade James culminate in the new thesis that the Indian comprador regime has achieved, or can achieve, the status of a sub-imperialism at most: “Far from being an independent capitalist class with a national character, the Indian monopoly houses are ‘sub-exploiters’ or junior partners of imperialism.” According to his logic, “Indian expansionism in South Asia or Saudi regional supremacy in the Gulf or Brazilian role in South America ... which may involve apparently the same form of economic and military intervention as imperialism ... is not imperialist but only an aspect of ‘acceptable level’ of sub-imperialist regional looting.”

Measured against the scientific, Marxist-Leninist approach which Comrade James claims to take, not without polemics against the positions of the MLPD, one can only describe such a conclusion as theoretical confusion: After going on for pages about their alleged comprador character, James attributes to countries like India, Brazil or Saudi Arabia expansionism, economic and military intervention and regional looting. However, this obviously reactionary policy is supposedly only apparently imperialist. And why? Because there are still worse exploiters and looters of the masses, even of entire peoples, in the world? Because the expansionism of certain countries – we call them new-imperialist – still has an “acceptable level”? Because they are not “truly independent” and in various respects, be it through economic, political or military alliances, are mutually dependent on other, in part more powerful imperialist countries?

According to this logic, Lenin was the victim of a major error when he included Tsarist Russia among the imperialist countries,

because compared with the British world empire its expansionism was rather limited. According to this logic, after its defeat in World War II and after the reestablishment of the power of German monopoly capital with the political and economic aid of US imperialism, Germany would not have been an imperialist country.

According to this logic, countries like Belgium, Luxemburg, Denmark, Spain, etc. would not be imperialist countries either because they are economically and politically dependent on the EU, in which Germany and France doubtlessly are the strongest imperialist countries.

As a matter of fact, history teaches that particularly the new imperialist countries that only entered the scene later fight especially aggressively for the redivision of the already distributed spoils. That was demonstrated by German imperialism at the beginning of the last century, and that can be seen today in the role played today, for example, by Saudi Arabia or Turkey in the war for supremacy in the Middle East.

But the idea as well of the omnipotence of the established imperialist countries, especially the USA, the idea that they are independent in an absolute sense and have virtually unlimited "economic, political and military options ... to replace recalcitrant regimes with governments 'friendly' to imperialism" ignores the fact that the imperialist world system has fallen into a general crisis-proneness which confronts solely ruling international finance capital with unsolvable problems. While the struggle for the redivision of spheres of power and influence intensifies up to the point of a real danger of a third imperialist world war, the main rivals at the same time are dependent on one another, in particular as regards their complex economic relations, access to sales markets, etc.

Does the theory of sub-imperialist countries which practice an "acceptable level" of intervention, participation in wars and looting not objectively pursue the reconciliation with the imperialist politics of the monopoly bourgeoisie in one's own country?

Lenin warned emphatically about "those who do not wish to

understand that the fight against imperialism is a sham and humbug unless it is inseparably bound up with the fight against opportunism." And as we all know, this opportunism showed itself in World War I not towards the imperialism of other national states, but usually towards the imperialism of one's own country. German Social Democracy provided a warning historical example of this with its role in World War I.

Comrade James himself concedes at the end of his article that the "junior partners of imperialism" could transform into imperialist countries, whereas at the present they are still "at the intermediate stage and not yet politically qualified for categorization as imperialist." No doubt there are also countries that are in such a transitional stage. However, there can be just as little doubt that countries like India or Brazil have already left this transitional stage behind.

We are convinced that the open debate now unfolding among the Marxist-Leninist and revolutionary parties over the issue of the development of new imperialist countries is fruitful and will lead to ideological-political unification if it is conducted with the necessary respectful openness and scientificity. In this spirit we must be grateful to Comrades James and Sanjay for their theoretical contributions.

[**Note:** By new-imperialist countries, MLPD mean the BRICS states Brazil, Russia, India, China and South Africa, the MIST states Mexico, Indonesia, South Korea and Turkey, along with Argentina, Saudi Arabia, Qatar, the United Arab Emirates and Iran.]

---

### Select References

1. GSA table and chart 160606 on population and capital import to the new-imperialist countries
2. *Imperialism, the Highest Stage of Capitalism*, in: Lenin, Selected Works in three volumes, Volume 1,
4. "Das indische Wirtschaftwunder" ("India's economic miracle"), 17 March 2016, [www.capital.de](http://www.capital.de), our translation from the German
5. "Das indische Wirtschaftwunder", 17 March 2016, [www.capital.de](http://www.capital.de)
6. [www.4-traders.com](http://www.4-traders.com)

7. [www.nzz.ch](http://www.nzz.ch) 6 June 2015
8. Indische Investoren setzen auf Industrie- und Schwellenländer, 10 November 2014 [www.GTAI.de](http://www.GTAI.de)
9. [www.wiod.org](http://www.wiod.org)
10. RF-News of 4 September 2016

**[Published on 30 March 2017]**

## Chapter 8

*P J James*

### **Debate over the Issue of New Imperialist Countries**

It is significant that the thesis on the transformation of a number of formerly “neocolonially dependent countries” into “new imperialist countries” espoused by MLPD has become the central theme in the development of the ideological-political line of its Tenth Party Congress. As part of it, Comrade Stefan Engel of the MLPD has further replied to my article “On MLPD’s Thesis on ‘New-Imperialist Countries’” (published in *Red Star*, the Central Organ of CPI (ML) *Red Star*, August, 2016) in which I had contested the MLPD thesis by specifically pinpointing to the ‘comprador’ class character of the Indian state serving imperialism with an emphasis on the further cementing of this compradorism under neoliberalism. In the debate, I had also challenged MLPD’s characterization of the so-called BRICS countries (Brazil, Russia, India, China, South Africa) and MIST (Mexico, Indonesia, South Korea, Turkey) as “most important new imperialist countries”.

In this note which is in response to Comrade Stefan’s criticism of my article, while firmly sticking to the position already taken, and

avoiding repetition of what has already been stated, it is intended to lay down a broader basis for a continued debate on the conceptualization of “new imperialist countries” in conformity with the political-ideological line adopted by the CPI (ML) Red Star in its Tenth Congress held in 2015.

We fully agree with the general postulate that Marxist-Leninist theory must be constantly developed to comprehend the new developments that are taking place in today’s imperialism without which the working class and oppressed people cannot scientifically formulate the strategy and tactics of revolution. Like all phenomena, imperialism is also subject to the law of change. As all previous systems, imperialism cannot be static and is constantly evolving taking on newer and newer forms. The classical theory of imperialism including its essential characteristics that Lenin put forward in the early twentieth century in its colonial phase was a guide to political action in that particular historical context. Those essential characteristics of capitalism’s monopoly stage, which were evident at the turn of the twentieth century as identified by Lenin such as the centralization of capital and the advent of international monopolies, the emergence and domination of finance capital in all aspects of life, imperialist oppression and plunder of dependent and weak nations, widespread militarism, etc. have continued as ever strengthening processes.

At the same time, it is not at all surprising that twenty-first century imperialism has assumed several novel forms which require further analysis. That is, while the basic parameters delineated in Lenin’s pioneering work remains the indispensable key to the understanding of finance capital and imperialism, the challenge before Marxist-Leninists now is to unravel the laws of motion of finance capital according to the concrete conditions today.

### **On the Need for Understanding Internationalization of Monopoly Finance Capital**

A recurring theme in MLPD’s analysis has been “internationalization of capitalist production” and its thesis on the emergence of “new imperialist countries” is firmly put in the “framework of the



reorganization of international production." In an article entitled "The Development of a Number of New-Imperialist Countries", Comrade Monika Gartner-Engel opines: "With the reorganization of international production since the beginning of the 1990s a new phase of imperialism began," while Comrade Stefan in his criticism of my article refers to a "reorganization of international capitalist production under the condition of a re-emerged unified world market at the beginning of the 1990s." Accordingly, the changes associated with this internationalization also have intensified the uneven development of the neocolonially dependent countries. To quote again:

"A gap has formed between countries which, as a whole, have been thrust into ever deeper misery, and others which were in the process of rising to become imperialist countries themselves. In its analysis the MLPD characterizes 14 countries as new-imperialist, though this process is not yet completed." As a result, capital export from these "new imperialist countries" plays a decisive role today. It further says: "These formerly neocolonially dependent countries previously had delivered mainly raw materials and finished goods to the imperialist metropolises. Now they themselves began a growing capital export. This was a decisive economic driver for transforming the character of these countries from neocolonial into imperialist." (MLPD)

At the outset, it is to be stated that the reorganization of international production that MLPD identifies as the basis for its thesis on "new imperialist countries" is not an overnight development of the 1990s. The structural foundations of imperialism have been transforming since the early decades of postwar neocolonial phase itself, more particularly since the 1960s with the emergence of new technologies pertaining to production and processing, transportation, information and communication that enabled finance capital to have a fundamental dislocation and restructuring of the erstwhile centralized and "nation-centred" basis of production. For instance, the development and refinement of new production and processing technologies that accomplished a multi-stage decomposition of the production process itself had started evolving in the 1960s. These tech-

nologies backed by epoch-making developments in transportation, information and communication enabled international monopolies from imperialist countries to transplant different stages, especially labour-intensive stages of production to remote global destinations for utilizing even unskilled labourers who could easily be trained to perform otherwise complex operations, thereby transforming themselves into super-monopolies or MNCs.

Consequently, decentralization of production and 'outsourcing' of work on an international scale rendering industrial location, control and organization of production increasingly less dependent on geographic distances had become the new trend. As against the pre-war methods of centralized factory arrangements, the prospects of decentralization and fragmentation of workforce made possible by new technologies since the late 1960s prompted monopoly finance capitalists to devise what is called 'flexible specialization' that also enabled business enterprises to weaken and fragment the collective bargaining power of workers at a global level through what is called a 'new international division of labour' such that most of the "neocolonially dependent countries" were transformed in to cheap labour-based "export platforms" building up export processing zones and special economic zones also resulting in a shift in a policy orientation in them from erstwhile "import substitution" to "export promotion."

This postwar restructuring of international production and the pursuit of a "new international division of labour" since the late 1960s have over the years led to a massive global "informalisation" of the working class especially in dependent countries. Outsourcing and categorization of workers' unions also went hand in hand with the availability of wide variety of consumer products, market diversification, autonomous profit centres and network systems as the hallmark of internationalization of production. Along with the unleashing of an unprecedented "deindustrialization" and neoliberal regimentation and regulation of labour in imperialist countries, internationalization of production enabled imperialism to tap the cheapest source of labour in neocolonial countries which is forced to sell off itself at the lowest wages. It was this globalized produc-

tion facilitated through a whole set of super-imposed, pro-corporate laws pertaining to labour, investment, profit-repatriation, tax, trade and environment in neocolonial regimes that facilitated the conditions for neoliberal accumulation enabling imperialism to temporarily overcome the crisis of the 1970s.

Contrary to the claims of MLPD comrades, rather than strengthening the positions of neocolonial regimes, this has contributed to a further undermining of the economic and political structures there, as is exemplified by the external pressure on the comprador regimes to ensure the conditions for the free international mobility of global finance capital and accommodate the neoliberal economic pressures, at the behest of IMF, World Bank, WTO, etc. The exception has been China which since the counter revolutionary coup led by Deng Xiaoping after the death of Mao Zedong embraced capitalism and from an independent state monopoly-capitalist position systematically went on integrating itself with world market to become the second largest imperialist power over a period of almost four decades. And this has definitely given rise to a divergence of economic and military hegemony within imperialism.

However, far more striking has been the trends associated with the deep seated, speculative character of finance capital emphasized by Lenin a century ago. Financial speculation that was behind the financial crash of 1929 and Great Depression of 1930s, but regimented and camouflaged through state's regulatory framework during the quarter century following World War II, gathered further strength and got unleashed through stagflation of the 1970s. On account of the inherent contradictions of capitalism including overproduction and declining purchasing power of the workers, immense money accumulated by financial oligarchs could not be deployed in the most profitable manner as the productive sphere was stagnating. To overcome the consequent downturn in profit, the option was to develop new avenues of financial speculation for which a change in the accumulation process was required. However, unlike the situation in the 1930s, the ideological-political weakness of the ICM was obvious in the 1970s.

This was the context that enabled US led imperialism to successfully resort to a change in the neocolonial accumulation process by embracing neoliberalism in the ensuing period. Originating in imperialist countries in the form of Thatcherism and Reaganomics, neoliberal policies gradually spread to neocolonial countries that gathered further momentum through globalization in the post-Cold War period since the 1990s. Rollback of the 'welfare state' and abolition of Keynesian restraints on financial speculation became the global trend. Consequently, the decay and parasitism which are inherent characteristics of finance capital as identified by Lenin have started assuming horrific proportions. Unlike the earlier periods of imperialism when the speculative bubble was feeding on a productive economy, the financial speculation since the eighties began to thrive on a stagnant and moribund economy under neoliberalism. The collapse of East Europe and Soviet Union and capitalist restoration in China followed by their eventual integration with imperialist market that created the historical context for the altogether disappearance of the "socialist camp" opened up new avenues for finance capital by way of a further expansion of the world market and internationalization of capital.

Under the past quarter century of neoliberalism since the 1990s, and more specifically since the turn of the 21st century, the dominant trend is unfettered international mobility of speculative finance capital effectively utilizing the breakthroughs in information and communication technologies (ICT) and digitization (digital flows which are crucial and most concentrated in the sphere of monetary and financial transactions have imparted a qualitative dimension to the global operations of finance capital in the 21st century and the domination by MNCs from imperialist countries is very striking in the sphere of digitization also). Consequently, through internationalization of monopoly finance capital (or what is called financialisation), it is speculation that bounces back with intensified vigour. That is, during the past quarter century, internationalization of financial speculation or financialisation has proceeded much faster than the internationalization of production, an aspect often missed by MLPD in its analysis.

Compared with productive investment often identified with FDI flows (much of which also actually goes in to outright speculation) into the cheap-labour “export enclaves” of neocolonial countries, lion’s share of the cross-border financial flows today is directed towards ballooning the speculative sphere. In fact, to speed up the accumulation process through financialisation, a multidimensional network of financial institutions and services and bewildering variety of financial assets and devises called “derivatives” and transaction methods were built up. Before the crisis of the 1970s and advent of neoliberalism since then, financial expansion was allowed more or less in tandem with production and employment or rather speculation was feeding on a productive economy. But under neoliberal globalization there emerged a clear dichotomy between “the financial” and “the real” and financial growth started gearing itself for self-expansion through unhindered speculation. Unlike the past history of imperialism, today the global speculative bubble is thriving on a stagnant economy. Thus, internationalization of monopoly finance capital that drives today’s imperialism is undermining the very basis of capitalist commodity production itself.

During the early twentieth century, though finance capital was in its early stage, Lenin was farsighted enough to note its destructive nature. In today’s imperialism, this reactionary essence of finance capital pinpointed by Lenin has assumed a qualitative leap and has become terribly destructive today. Major chunk of international financial transactions today does not serve any productive function, but serve purely financial speculation such that production can be compared to “a bubble on a whirlpool of speculation.” Taking the US as an example, the dollar value of financial transactions there that was more than two times of the GDP in 1970, rose to more than five times in 1980 and to more than fifty times in 2000. By the turn of the twenty-first century, when the floodgates of financial speculation (one of the major reasons for the 2007-08 crises) started opening up, the total value of annual financial transactions in US had reached \$ 500 trillion mark whereas its GDP was \$ 10 trillion. In 2006, just an year before the imperialist “global meltdown” (the so called “sub-prime crisis” in US followed by the “sovereign debt cri-

sis" in EU and recession in China) of the twenty-first century, the value of international "derivative trading" alone reached \$1200 trillion when the GDP of US amounted to \$ 12.456 trillion, around one-hundredth of the former. The same trend was repeated in other countries too. Accommodation of the interests of speculative finance capital, the primary form of which has been cross-border "hot money flows" became the major concern of comprador regimes at the behest of neocolonial-neoliberal institutions such as IMF, World Bank Multilateral Investment Guaranty Agency, TRIMs and GATS provisions of WTO and so on. Thus internationalization of financial speculation has not only reduced the maneuverability of dependent regimes but also exposed the countries to the turbulences and instabilities arising from "hot money flows" crossing 'national' borders within split seconds.

In such a scenario, where the driving force of profit accumulation has been financial speculation rather than production, we are witnessing the paradoxical situation of growing wealth concentration with corporate billionaires even as world economy is reeling under slump. No doubt, this accumulation of wealth by financial oligarchs and global inequality reaching hitherto unknown levels in the entire history capitalism, according to Marxist analysis, is invariably rooted in the extraction of surplus value from living labour. But in a situation where employment and mass consumption are going down, development of cracks in the extraction of surplus value is inevitable. This specific crisis under internationalization of monopoly finance capital is to be understood in relation to the whole course of transformation of finance capital during the entire post-war neocolonial phase of imperialism. As such, the "framework of internationalization of production" alone as frequently stressed by MLPD is insufficient to unravel the laws of motion of finance capital today.

During the initial decades of neocolonial plunder, finance capital accumulated profit mainly through the provision of loans to industry, engaging in commercial banking operation, supplying loans to housing, etc. In that sense, there was a fairly direct relationship between the extraction of surplus value from the workers and ap-

appropriation of that by finance capital. However, due to the inherent contradiction of capitalism, this so called “coalescence’ of finance and industry and accumulation of wealth have become unviable since the advent of “stagflation” in the 1970s. Confronted with this new crisis and downturn in profit, as already noted, through a shift in neocolonial policy towards neoliberalism, imperialism resorted to a reorganization and restructuring of both the spheres of production and circulation such that accumulation of wealth was increasingly camouflaged from the creation of value. The outcome has been financialisation on the one hand, and deindustrialization, outsourcing, casualization, “jobless growth” (large-scale unemployment and under-employment as a permanent phenomenon), etc., on the other, leading to a galloping of profits and deterioration in the real earnings of workers as two aspects of the same process.

No doubt, the root of the crisis is to be traced to production relations. As a greater proportion of surplus value is extracted from the workers and toiling masses through a whole set of complex financial processes, the purchasing power of the broad masses depreciates leading to the so called ‘realization crisis’. That is, though the appropriation of surplus value by finance capital apparently takes place in financial markets and speculative spheres, it is ultimately related to the extraction of surplus value from living labour in the sphere of production which is lagging behind. Contrary to MLPD’s argument, rather than strengthening the production base, deindustrialisation, joblessness, environmental devastation, curtailment of democratic rights and so on in manifold ways have enforced a redistribution of wealth and income from the neocolonial countries to the imperialist powers and from the workers and the oppressed people to the corporate oppressors in general.

### **On the Question of “Export of Capital” and “Super-Monopolies” from New Imperialist Countries**

An oft-repeated argument that MLPD puts forward for substantiating its thesis on “new imperialist countries” is their new-found role as “capital exporters.” Of course, this calls for deeper analysis. The internationalization of production and globally integrated fi-

nancial speculation and the growing integration of neocolonially dependent countries with imperialist market have certainly given rise to a new trend by which both private and state-owned companies even from dependent countries can enter into the globalized production-financial stream through mergers, cross-border alliances and joint ventures with MNCs and super-monopolies emanating from imperialist countries.

Here our argument is that the 'riddle' connected with "export of capital" remains only at the level of 'form' while the essence is production relations and international class forces that determine the process of value extraction, an aspect that requires detailed analysis. Today MNCs can exploit workers in low-wage countries and capture surplus value even without resorting to physical capital export as they are better placed to get preferential treatment by host country creditors or are capable of borrowing funds at 'bargain rates' from host country sources. For instance, while leading banks and financial institutions in India, true to their comprador character, are happy to grant loans to MNCs from US and EU at more favourable terms than those available to local firms, no such facility is available for so called Indian monopolies operating abroad. Our argument is that today FDI alone is an insufficient indicator to unravel the complex class relations underlying internationalization of monopoly finance capital today.

In this context, MLPD's added emphasis on the emergence of "super monopolies" and growing "capital export" from "new imperialist" turned "neocolonially dependent countries" need more explanation. At the outset, it should be stated that the emergence of monopolies in neocolonially dependent countries is not at all a post 1990 (or post-Cold War) phenomenon amenable to be fitted in the "framework of internationalization of production" as claimed by comrades of MLPD. That is, the accumulation of vast wealth by the big bourgeoisie and consequent development of monopoly in certain Asian, African and Latin American countries had been there since colonial days. For instance, the fabulous financial accumulation and heights of wealth reached by Tata, Birla, etc., the leading Indian monopoly houses during the inter-war period and the so



called “managing agency system” led by them were definitely at par with the international monopolies emanating from imperialist Britain in the colonial days.

But unlike the development of capitalism in today’s imperialist powers, the big bourgeoisie from erstwhile colonial and semi-colonial countries have been incapable of leading their respective countries to normal capitalist development. It is widely recognized that while the growth of monopolies in imperialist countries was due to the concentration and centralization of capital and production leading to unprecedented increase in the “organic composition of capital,” in neocolonially dependent countries the centralization of capital with the big bourgeoisie born and brought up under the fostering care of imperialist finance capital in its moribund stage has been oriented more to the sphere of circulation and speculation than production.

Here, the position taken on the class character of the bourgeoisie in colonial and semi-colonial countries by the 1928 Sixth Congress of the Comintern still continues to be a valid proposition. Based on the concrete evaluation of the betrayal of democratic revolution and anti-imperialist movements by the big bourgeoisie particularly in China and India, the Comintern at that time had reached the conclusion that being “comprador” in character the big bourgeoisie in these countries was incapable of leading the anti-imperialist and anti-feudal struggles to victory. Even much before this Comintern evaluation, in 1926, Mao Tsetung had characterized the comprador bourgeoisie as a class that directly served imperialism in many ways and explained how top sections of the comprador bourgeoisie could develop a peculiar form of “monopoly capital” integrally linking with state power.

Despite being “monopolies” in several respects, far from being an independent capitalist class with a national character, these comprador bourgeoisie being born and brought up under the umbrella of imperialist finance capital in its decadent stage and satisfied with its position as a junior partner or “sub-exploiter” has been faithfully serving imperialism. In the postwar neocolonial phase of

imperialism, in direct proportion to the horrific levels of wealth appropriation by this ruling class, its compradorisation, often in the garb of populist-nationalistic pretensions (as the present Modi regime in India), has been an ever-strengthening process.

Nevertheless, in spite of this inherent structural weakness of the comprador bourgeoisie, internationalization of production and finance capital has, as mentioned earlier, yielded new opportunities for them to break through the confines of national economy and enter into licensing agreements, joint ventures, mergers and acquisitions with MNCs to operate at a global level. Internationalization of finance capital has also enabled these sections specialized in money-spinning financial, stock and real estate speculation to enter world financial and monetary circulation channels with their financial accumulation and integrate themselves with imperialist financial and investment centres. Thus the emergence of new avenues for greater interlinking between MNCs and dominant factions of the comprador bourgeoisie from neocolonial countries is not a debatable issue. But this has not yet yielded any sufficient condition for the transformation of neocolonially dependent countries into imperialist ones. On the other hand, the new liaison between comprador bourgeoisie and MNCs continues to be an obstacle to self-expanding internal accumulation and national development; it encourages added surplus value extraction to imperialist havens leading to domestic distortions and unfeasibility of nationally oriented “inward-looking policies.”

As per the neocolonial rules of the game, the loyalty of imperialist-trained technocratic elite and higher bureaucracy (for instance, most of the senior bureaucrats placed in higher echelons of policy making in India are either IMF-pensioners or Harvard-trained) in comprador regimes towards IMF, World Bank (it is common knowledge that these two neocolonial institutions in which the US has its veto power still enforce their policy diktats in all neocolonially dependent countries including India), WTO (whose decisions are taken in corporate board rooms controlled by MNCs from Imperialist countries) and similar other neocolonial-neoliberal institutions has always been stronger than that towards the ‘national states’ they repre-

sent. Further, imperialist servitude of the ruling regimes in dependent countries makes even international or regional groupings and associations among them irrelevant. Thus, the so called association among the ruling classes in both imperialist and neocolonial countries and the consequent intensified loot of the workers and oppressed peoples, rather than levelling out the differences, actually strengthens the historical gap between the two.

No doubt, imperialist centred UN and its Security Council, Fund-Bank combine, WTO, various military arrangements like NATO and so on which are still controlled by a handful of leading imperialist powers still ensure imperialism's hegemony over the planet. Of course, the comprador ruling classes of the dependent countries are not the victims of neocolonial oppression and together with the imperialist bourgeoisie they accumulate profit mainly through exploiting the workers and toiling masses of their own countries. However, this is not sufficient for establishing world level domination by the comprador bourgeoisie. Though inter-nationalization of production and financial speculation are postwar qualitative trends, finance capital still is continuing to operate broadly within the historical structures of the neocolonial order laid down at the time of "decolonization." The unique exceptions were Soviet Union that became "social imperialist" and China that after completion of democratic revolution in 1949 got successfully delinked from the imperial chain for almost three decades, only to return later integrating itself with the imperialist market as a full-fledged state capitalism and eventually rising to the position of second largest imperialist power as of now, even capable of challenging US imperialism, still the supreme arbiter.

### **Acknowledging Compradorism tantamount to Chauvinism and Opportunism?**

In his introductory speech to the 10th Party Congress of Marxist Leninist Party of Germany (MLPD), Comrade Stefan said: "The revolutionaries in the new-imperialist countries must understand that you cannot trivialize the imperialist economics and policies of their monopolies and government as being measures of a 'dependent

comprador bourgeoisie' or as a 'sub-imperialist activity'. Such a misjudgment can rapidly lead to social-chauvinist positions in the anti-imperialist struggle which disregard the dictatorship of the monopolies in one's own country and lead this struggle only against US-imperialism or other foreign imperialist powers" (quoted in Comrade Monika). The same view is repeated by him in another form while criticizing my article thus: "Does the theory of sub-imperialist countries which practice an "acceptable level" of intervention, participation in wars and looting not objectively pursue the reconciliation with the imperialist politics of the monopoly bourgeoisie in one's own country? Lenin warned emphatically about 'those who do not wish to understand that the fight against imperialism is a sham and humbug unless it is inseparably bound up with the fight against opportunism.' And as we all know, this opportunism showed itself in World War I not towards the imperialism of other national states, but usually towards the imperialism of one's own country. German Social Democracy provided a warning historical example of this with its role in World War I."

Of course, this apprehension, in our view, arises from a lack of clarity on the approach to comprador bourgeoisie. On the other hand, in its class analysis of India under neocolonial domination that pinpoints the enemies of Indian people, CPI (ML) Red Star finds the interests of comprador bourgeoisie as interwoven with that of imperialism and the Party Program unequivocally identifies "the contradiction between the alliance of imperialism, comprador bureaucratic bourgeoisie and landlord classes on the one hand and the broad masses of people on the other" as the principal contradiction today. And regarding the comprador bourgeoisie, our understanding is not a straitjacket one and, among other things, the Party Program says:

"In the neocolonial phase, though this bourgeois class which has become the most influential section of the ruling class in neocolonial countries is contending to some extent with the imperialist powers for its enrichment according to the extent of their development, it is basically collaborating with imperialism. The comprador bourgeoisie is not only the agent of imperialists, but also is a conscious part of monopoly capital which goes on to take decisions for

the interest of the monopoly capital. In that sense it can still be called comprador in character" (Party Program, Party Constitution, p.11).

Suffice it to say that Comrade Stefan's far-fetched attributes of social chauvinism and opportunism based on anachronistic comparison with German Social Democracy has nothing to do with CPI (ML) Red Star's position on comprador bourgeoisie. We cherish no illusions on the compradorism of the leading ruling classes in our country as a lesser evil. Again to quote from the Party Program: "The Indian state is a state of the comprador bureaucratic bourgeois and landlord classes led by the comprador bureaucratic bourgeoisie. It is the organ of class rule, that is the dictatorship of the comprador bureaucratic bourgeois-big landlord classes serving imperialism, over the working class, peasantry and all sections of exploited and oppressed masses. This reactionary state can be overthrown and be replaced by the People's Democratic State only by mobilizing the working class as the leader of the revolution, forging its alliance with the peasantry and People's Democratic Front based on this worker peasant alliance, uniting the middle classes and the national bourgeoisie, a vacillating ally" (pp. 17-18). The stage Indian revolution as People's Democratic is arrived at by CPI (ML) Red Star by analysing both hitherto historical experiences and concrete conditions of today. In view of this explicitly stated position, allegations like "social chauvinism" and "opportunism" for not upholding the thesis of "new-imperialist countries" seem highly misplaced. On the contrary, by denying the compradorism of the ruling classes, it is the MLPD that, in effect, is camouflaging the ruling bourgeoisie's traitorous and anti-people essence.

### **Character of the State and Neocolonially Super-imposed Policies**

Comrade Stefan's critique of my article sets apart much space for substantiating India as an imperialist country. Constraints of space do not allow me for going in to each and every aspect of that narrative. But what is missing in the entire discussion is the badly needed inseparable link between the character of the state and the set of policies pursued by it over the years since Power Transfer. Right

from the Green Revolution of the initial postwar decades to the latest tax reforms as GST and Demonetization, the genesis of all such policies can easily be traced to and situated in the whole postwar trajectory of imperialist finance capital. Stefan sharply focuses on “the agenda of the proto-fascist Modi government in India consists among other things in replacing the variety of different taxation systems with a uniform national value-added tax, facilitating investment activity by cutting restrictions on land grabbing and popular displacement, large-scale dismantling of labour rights...”, etc. Here, take just one example of the new uniform value-added tax called GST. To the best of our understanding, GST, the most regressive and pro-corporate postwar tax reform that practically places the entire tax burden on the common people is not an indigenous invention but superimposed on India and around 165 countries as part of the neoliberal corporate offensive from US and EU led imperialist centres.

For instance, the intellectual inputs and even the minutest guidelines for GST intended to achieve “ease of doing business” by transforming India into a “unified market” even replacing its namesake federal structure are framed and sponsored by US (which to this day does not have a centralized pan-US indirect tax system), OECD, IMF, WB, WTO, UNDP and such other consultant agencies like Pricewaterhouse Coopers, KPMG, Deloitte, Crimson & Co., including, of course, GST guidelines from Tax Inspectors Without Borders (TIWB), Forum on Tax Administration (FTA), etc., all connected with imperialist financial centres. It is also reported that the last decisions pertaining to implementing GST in India were finalized during Modi’s US visit and Jaitley’s (Indian finance minister) latest visit to the Davos Summit.

Or take the case of Demonetization, another corporate onslaught on the people that at one stroke sucked out 86.4 percent of the currency in circulation in India. Here I just want to draw MLPD comrades’ attention to two articles namely, “A well-kept open secret: Washington is behind India’s brutal experiment of abolishing cash” (January 1, 2017) and “More evidence of early US involvement in Indian demonetization” (January 7, 2017) written by Norbert

Haering, well known German blogger (see, [norberthaering.de](http://norberthaering.de)) for understanding how US imperialism manipulated its comprador Modi to act in accordance with the script formulated in Washington. Along with the list of various US agencies such as USAID, McKinsey, a whole set of US foundations, etc., the blog also unravels the neoliberal-neocolonial motives of US imperialism behind the superimposed Demonetization for which the India became a “guinea pig region” (quoted from [norberthaering.de](http://norberthaering.de)).

Comrade Stefan has dragged in a number of policies and programs of the Modi government to substantiate his position that India is imperialist. On this, our stand is already explicit. In fact, Modi’s policies are further intensifying the penetration of imperialist finance capital into the country and the horrid proportions of wealth appropriation by MNCs and Indian big bourgeoisie as their partners from ever-mounting loot of the workers and plunder of country’s natural resources, leading to an unprecedented deprivation and marginalization of the vast majority of the toiling people in the country. In the process, it is the compradorisation of the ruling regime that is exposed more than ever. For instance, under the cover of his “Make in India” project, Modi has drawn out a road map for the eventual transfer of de-facto ownership of infrastructures and social overheads including strategic sectors such as defence production, railways, ports, etc., and service sectors such as insurance and banking to imperialist capital through the FDI route.

Modi’s whirlwind tour of more than 40 countries that got much media hype was preceded by official invitation sent to world’s top 3,000 companies especially from US, China, Japan and EU to explore investment possibilities in India along with the setting up of an eight-member expert panel by the Department of Industrial Policy and Promotion to interface with investors and work with Central and State government departments to “resolve” policy and procedural issues and laying red carpet for the entry of foreign capital. In the US, for instance, Modi had several round of talks with CEOs of major US industrial and finance companies such as Boeing, KKR, Black Rock, IBM, General Electric, and Goldman Sachs, Google, PepsiCo, Citigroup, Cargill, Caterpillar and so on unfolding a broad

agenda for drumming up US corporate investment in India. An immediate outcome of Modi's Washington visit has been the surrender of India's nominal sovereignty on drug prices and enormous concessions to US pharmaceutical companies regarding drug patents at the level of WTO (which was superimposed on India, and the treaty that established WTO was never discussed in the so called sovereign Indian parliament!) leading to an on-the-spot twelve-fold gallop in the prices of certain cancer drugs in India. To resolve the differences with US over WTO issues, decision was also taken for urgent official-level consultation with the commitment for establishing an "annual high-level Intellectual Property Working Group." The latest decision by Modi after winning the recent state assembly elections to invite FDI from imperialist retail giants is going to devastate India's retail sector composed of 50 million small units which sector-wise is the second largest employment provider in India after agriculture.

The "Joint Statement" issued by Indian prime minister and US president has been in conformity with keeping India as its strategic junior partner in the US economic and geo-political contradiction mainly with China. Its resolve on "safeguarding maritime security and ensuring freedom of navigation and over-flight" in the South China Sea region and agreement on a further expansion of "military-to-military partnerships," including "expert exchanges," "joint training and exercises," sharing of "civilian and military intelligence," and intensified cooperation between their navies in ensuring "maritime security" and "freedom of navigation" the active US role in the establishment of an Indian National Defence University, and above all the latest LEMOA treaty that in effect transforms India as a launching pad for American machinations against China and so on, while serves the regional bully aspirations of Indian state, are all serving US imperialism's broader neocolonial Asia-Pacific agenda.

Comrade Stefan seems working hard to prove India's imperialist credentials by referring to its military prowess. In our understanding compradorism does not at all construe to mean a weak or less aggressive military, rather it is connected with the class character of



the state and that of the class leading it. He says: "Arguments against the subaltern role claimed for India are that India is aggressively arming itself militarily, has the world's second largest army in terms of manpower (1.3 million soldiers) and makes military expenditures of USD 38,400 million, more than Russia or Turkey. India has atomic weapons, builds nuclear power plants on a large scale – also with Russian assistance", etc.

Of course, it is not a new thing that India's total military expenditure is at par with several imperialist powers. However, India's military expenditure as per the 2016 Fact Sheet released by Stockholm International Peace Research Institute (SIPRI) and confirmed by International Institute for Strategic Studies is only 8.6 percent of US military spending and while the per capita military expenditure of US is \$1859, that of UK is \$1066 and for EU countries the average is \$500, the same for India still hovers around \$ 15. And contrary to Comrade Stefan's argument, India's military budget is still below that of Russia. India's world rank in military spending with \$ 51.3 billion is sixth, while with \$596 billion, US occupies the first position followed by China (\$215 billion), Saudi Arabia (\$87.2 billion), Russia (\$66.4 billion) and UK (\$55.5 billion). India's share in global military expenditure is 3.1 percent, while that of US is 36 percent, China 13 percent, Saudi Arabia 5.2 percent, Russia 4 percent, and UK 3.3 percent.

In this context, my request to MLPD comrades is not to treat this explanation as an apology for Indian compradors' military spending which as Marx said is just like "throwing part of the national product into water." Interestingly, along with Saudi Arabia, India continues to be one of the biggest arms importers from US military industrial complexes. And more than 40 percent of India's military budget is spent on the import of obsolete weapons from US, Russia and other imperialist powers. There is nothing much to debate on India's possession of atomic weapons which Comrade Stefan highlights. While nuclear technology is already diffused among many nations (one of the concerns today is regarding the danger of transfer of nuclear arms to "non-state actors"), Indian compradors' abject surrender to US imperialism in the recent Indo- US nuclear agree-

ment, and their despicably unsuccessful effort for an entry into Nuclear Suppliers Group and still more deplorable subservience in knocking at US doors for achieving a seat in the UN Security Council, etc. are much discussed topics.

### **On Subordination of “national-state forms of organization”**

Comrade Stefan opines: “...the formation of international monopolist capitalist associations which share the world among themselves, took on a more distinct form particularly after World War II in that a number of international forms of organization of international finance capital grew in importance. Starting from the UN, these were mainly the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO). The national factions of the super-monopolies among the 500 biggest compete with each other and at the same time agree in the tendency to increasingly subordinate the national-state forms of organization to their own interests as international finance capital.” The manner in which imperialist power is shared among a handful of leading powers through UN Security Council and how the US with its veto is still using the Fund-Bank combine for its neocolonial agenda are well-known. And the establishment of WTO as a new weapon in the neoliberal period and synchronization of its operations along with IMF and World Bank at the behest of US and EU are open facts. No doubt, UN and its Security Council, Fund-Bank combine, WTO, various military arrangements like NATO, a wide array of international agencies, foundations and funding institutions and so on which are still controlled by a handful of imperialist powers still ensure imperialism’s hegemony over the planet, as already said.

The immense neocolonial tasks these organizations have already accomplished for US and other imperialist powers that hold their reins and the neocolonial strangulation they have inflicted on dependent countries in the entire postwar period are to be analysed from the perspective of international class relations. For instance, let me draw Comrade Stefan’s attention to a comment by an American diplomat: “What we have in our time with the WTO and the power of the World Bank and the power of the IMF and the reach of

American corporations around the world is a more sophisticated kind of imperialism in which we don't have to send armies into other countries. We send corporations instead" (quoted from [www.en.wikipedia/wto](http://www.en.wikipedia/wto)). Therefore, a mere labelling of these institutions as "international forms of organization of international finance capital" without pinpointing those who enforce the neocolonial rules of the game will be confusing.

And we are expecting more analysis from MLPD on what it intends by the super-monopolies' agreement on "the tendency to increasingly subordinate the national-state forms of organization to their own interests as international finance capital." Does it mean that "internationalization of production" has enabled MNCs to shed their imperialist national roots? Clarity on this issue is very important when such prognoses as "non-state capitalism", "trans-national capitalism", etc. are emanating from various "neo-Marxian" quarters. No doubt, the situation today is qualitatively different compared with the time when Lenin conceptualized on "state capitalism" defined as the merger of finance capital and state, a process that got strengthened in the imperialist world through the emergence of "military-industrial complexes", state programming of the economy, etc. It is also true that the neoliberal redefinition of the state as a mere facilitator of corporatization and granting of unfettered freedom to MNCs and financial giants and subjecting of every sphere of social and economic life to the discipline of international capital flows have brought forward several new questions.

Unhindered cross-border capital movements, stability of investment, liberal trade policies, etc. which are essential pre-requisites for internationalization of capital have certainly brought about qualitative changes in the accumulation process. However, behind the apparent move of privatization and rollback of the state, the neoliberal state everywhere can be seen taking a pro-active role in unleashing the tyranny of finance capital on workers and peoples by framing repressive labour laws, and pro-corporate tax and environmental regimes. Put it differently, today, finance capital is relying on the state and its policies as much as ever, though in a qualitatively different form, both internationally and intra-nationally.

Therefore, the argument on “tendency” to “subordinate the national-state forms” at this juncture seems problematic, since even after several decades of internationalization of production, we see the world’s leading MNCs still branch out from the so called “home country.” The great majority of US, German, British, French, Japanese and Chinese companies still continue to be overwhelmingly nationally owned and have the majority of their assets concentrated in a single country. According to available data, 96 percent of the world’s 200 largest MNCs have their headquarters in only eight imperialist countries; they are legally registered as incorporated companies of eight countries and their boards of directors also sit in these eight imperialist countries. Only less than 2 percent of their board members are non-nationals.

That is, despite their “global reach”, the wealth and ownership of MNCs still have a clear ‘national base’. These MNCs still rely on their “home state” for the establishment of appropriate multilateral investment, trading and monetary institutions and arrangements for orderly regulation of trade and commercial relations, for coercing dependent countries to have an “investor-friendly” atmosphere and for ensuring “ease of doing business”, for avoiding fluctuations in international currency and capital markets, for the protection of a captive domestic market, for bailing them out during crises, and above all for using military might against an adversary or “competitor” or recalcitrant element as the last resort.

As a matter of fact, the crisis-ridden imperialism cannot exist without state and greater the threat of crisis, the greater the need for the state. Historically, “speculative capital” has been less tightly rooted in the state than industrial capital. However, the financial crash of 1987 and the onset of recession in the last decade of the 20th century brought home very strongly its need also for the imperialist state. The provision of trillions of dollars-worth “quantitative easing”, “stimulus packages”, “rescue operations” and “asset purchase programs” extended to corporate capitalists in US, EU, China, Japan, etc., in the aftermath of the 2007-08 “global meltdown” has been the latest example. As exemplified by the trend towards autarkic, xenophobic and protectionist economic policies the world over to-

day, the immediate response of finance capitalists to a crisis is to rush back to the relative security of their own imperialist states. And the recent surge in “economic nationalism”, “protectionism” “beggar-thy neighbour” policies, etc., undermines the academic conceptualization on a “trans-national capitalist class.”

The US dictated decision of the just concluded G 20 Finance Ministers’ Meeting (March 19, 2017) at Baden-Baden in Germany to drop their previous commitment to oppose trade protectionism while unravels the undercurrents of inter-imperialist contradictions is also a testimony to the limits of unfettered globalization when imperialism is confronting crises. Suffice it to say that true internationalism and the move towards a “stateless society” are implanted to socialism and not to capitalism. At the same time, an objective historical understanding of capitalist-imperialist system amply reveals that both “protectionism” and “free trade” have been two sides of the policies pursued by the bourgeois state according to the concrete political and economic interests of capital at any particular time.

Regarding BRICS and MIST, Comrade Stefan has added nothing new in his critique. One thing to be stressed in this context is that after the 8th BRICS Summit, hosted by India at Goa, on account of its own inherent centrifugal tendencies, as a political economic project, the BRICS has become just like a talking shop. In view of growing strategic Sino-Russian convergence on several issues on the one hand, and South African-Brazilian lethargy on the other, BRICS is losing its grip as a wall of loose bricks. Modi’s spirited and forceful campaign for utilizing the BRICS platform to nail Pakistan was foiled by China and Russia, both of whom have close affinity with Pakistan. And, as I have already pointed out, the systemic integration and allegiance of India, Brazil and South Africa in the BRICS grouping to Washington-centred political, economic and military arrangements is much deeper than their involvement in BRICS.

As far as the ‘comprador’ Indian regime is concerned, right from its inception, the BRICS has been a bargaining tool for it to demand from US and EU more favours including increased voting rights in IMF. To reiterate, lack of coherence arising from divergent political

and economic perceptions and interests among its members has made the BRICS incapable of shouldering any relevant international tasks.

As per the Leninist understanding, full-fledged capitalism in the modern era is the same thing as monopoly capitalism/imperialism. It is not the geographical size of the country, i.e., it is not the bigness of a country, nor its military might, but the character of the state, the class relations, both domestic and international that matter. At the same time, as underlined in an earlier article (“On MLPD’s Thesis on ‘New-Imperialist Countries’”), we are not dogmatic to argue that India will not emerge as capitalist-imperialist. Postwar experience of Soviet Union and China amply proves that new imperialist countries can still emerge. Marxist-Leninists cannot rule out this option so long as capitalist-imperialism as a world system itself is transforming. Transformation to an imperialist position by a country is contingent on ending the constraints imposed by the class character of its state and that of its ruling classes. Therefore, as unequivocally pointed out earlier, our class analysis does not conform to the characterization of India as a capitalist-imperialist country today.

**[Red Star, April 2017]**

## Chapter 9

Stefan Engel

### *On the Emergence of the New-Imperialist Countries*

#### **I. The emergence of new imperialist countries is an essential feature of the imperialist world system**

In his analysis of imperialism written in 1916, Lenin stated that a new epoch in the development of capitalism had begun: the *transition from capitalism of free competition to monopoly-capitalist imperialism*.

In the last third of the nineteenth century a process of the emergence of several imperialist countries like Britain or France began. Already in the middle of the nineteenth century “at least *two* major distinguishing features of imperialism” existed in Britain. But Lenin pointed out that capitalist imperialism “finally matured” only at the beginning of the twentieth century.

When he analysed imperialism in 1916 he was primarily interested in new-imperialist Germany. Germany had only few colonies; the more clearly its new imperialist character stood out: the *domination of finance capital as the decisive economic and political foundation*.

Britain was a country which had created its wealth primarily

“by the exploitation of innumerable colonies, by the vast power of its banks....” *Germany*, on the other hand, developed very quickly since 1871, and much more dynamically than Britain, into a new capitalist Great Power. Industrial production rose rapidly; large-scale enterprises with thousands of employees were established, and there was great hunger for raw material sources and markets.

Besides Germany, the USA and Japan belonged to the new-imperialist group. Their superiority over the group of old imperialist countries was based on an *advanced capitalist mode of production*; they introduced “into the struggle new methods for developing capitalist production, improved techniques, and superior organisation.” Their disadvantage: the colonies, indispensable for them as sources of raw material and markets, were already divided among the old imperialists. This produced a striving for the redivision of the world and made them especially aggressive.

In his famous work, *Imperialism, the Highest Stage of Capitalism*, Lenin generalized: “If it were necessary to give the briefest possible definition of imperialism we should have to say that *imperialism is the monopoly stage of capitalism.*”

By monopoly Lenin means both finance capital as “bank capital of a few very big monopolist banks, merged with the capital of the monopolist associations of industrialists” and “the division of the world ... to a colonial policy of monopolist possession of the territory of the world, which has been completely divided up.”

So imperialist countries are countries whose economy is determined by monopolies, where the monopolies have increasingly subordinated the state, and that strive for the domination of other territories and countries.

The *export of capital* became typical for this “latest stage of capitalism.” It is the decisive economic foundation for the exploitation and oppression of other countries by imperialism. In capitalism of free competition the *export of goods* was still predominant.

In the history of imperialism, under certain conditions again and again new imperialist countries have developed from former colo-



nies, like the USA, Canada or Australia. It would be dogmatic, therefore, to classify countries once and for all into oppressor and oppressed countries.

## II. The changes in the economy and class structure of the oppressed countries

There were roughly 20 capitalist countries at the time of Lenin. Today the capitalist mode of production is predominant in almost all countries of the world. This is the law-governed result of the triumph of capitalism over feudalism.

Capitalist-imperialist colonial politics was connected with an inflation of the power apparatus and tremendous growth of arms production. With that the *state* became more and more important. Its role changed from that of representative of the interests of capital in general to *representative of the interests of a handful of monopoly capitalists*. In view of the imperialist war economy Lenin observed already in 1917 the beginning transition of monopoly capitalism to state-monopoly capitalism:

“...monopoly capitalism is developing into *state monopoly capitalism*. In a number of countries regulation of production and distribution by society is being introduced by force of circumstances. Some countries are introducing universal labour conscription.” Before the war we had the monopoly of trusts and syndicates; since the war we have had a state monopoly.

During the Second World War, in all imperialist countries the *transition from monopoly capitalist to state-monopoly imperialism* was completed. In 1979 Willi Dickhut defined this new quality of the capitalist social order in his book, *State- Monopoly Capitalism in the Federal Republic of Germany*, Part I:

State-monopoly capitalism means: the total subjugation of the state to monopoly rule; the fusion of monopoly organs with those of the state apparatus; and the establishment of the economic and political power of the monopolies over all of society. (p. 69)

This *state-monopoly power base* is the “*highest form of national- state organization of capitalism*.” It was the essential foundation for the now

beginning *rapid internationalization of the capitalist mode of production*. It signified a *new phase in the development of the imperialist world system*.

After the Second World War the national liberation struggles smashed the old colonial system. From then on *capital export* became the *predominant method of imperialist colonial policy*. As a result the former colonies, now formally independent states, remained subjugated to the international monopolies. Thus *neocolonialism* emerged, bringing the developing countries to heel as areas for the investment of surplus capital.

Before 1945 there were only a few hundred international monopolies worldwide. In 1969 there were already 7,300 with 27,300 subsidiaries. The process of the accelerated division of the world by the international monopolies, only in its initial stage at the time of Lenin, was now characteristic for the world economy.

Capital export to imperialist countries is particularly attractive for the international monopolies, because the hunger for capital is very strong there due to their developed production. This tremendously speeded up the *interpenetration and linkage of imperialist capital* and became the driving force of the accelerated internationalization of capitalist production.

Export of capital to the colonies, on the other hand, was concentrated on the most lucrative projects where maximum profit could be made. Willi Dickhut aptly characterized the goals and methods:

Sources of raw materials, markets for products, capital investments – those are the imperialist goals of all monopoly capitalists. To achieve these goals, the imperialists will use whatever means they can: diplomatic intrigue, bribery, a share of the profits, blackmail, threats, assassination attempts, changes in governments through corruption, military coups with the aid of corrupt officers, military intervention from outside with soldiers of fortune or own troops, and so on and so forth.

In the neocolonially dependent countries, with the expanding capitalist mode of production a *national bourgeoisie* and the *industrial proletariat* inevitably emerged. The domestic bourgeoisie established

numerous industrial production facilities, assisted by loans from the imperialist countries, the International Monetary Fund (IMF) or the World Bank.

But once capitalist industry has been introduced it pushes towards the concentration and centralization of capital in a law-governed way. From the national bourgeoisie – or in its interest – *national* private, semi-public or state-owned *monopolies* evolved *closely linked with international corporations*. In 1993, in the book, *Neocolonialism and the Changes in the National Liberation Struggle*, we stated that in a number of countries such as Argentina, Brazil, India and South Korea

big capital in the oppressed countries is in varying degrees dependent on the imperialists. It is itself subject to control and has turned into an instrument for exercising the rule of international monopoly capital over society in the oppressed countries. (p. 109)

The *fundamental precondition* for the *development of these domestic monopolies* in a number of neocolonially dependent countries was the merging of capitalist large estates with industrial, bank and merchant capital. This included above all countries which, because of their socioeconomic conditions, attracted the special interest of international monopoly capital for its capital export. Most of them were large, resource-rich, populous countries characterized by relatively developed capitalist relations of production; they had a relatively well-developed infrastructure, a large labor potential, or the pre-requisites for a growing market. Growing markets developed mainly when backward small-scale agriculture was transformed into *capitalist agro-industrial production*.

The formation of *domestic monopolies* was the essential economic *starting point for the emergence of new-imperialist countries*.

In 1980 there were 21 international monopolies in Brazil, Mexico, Argentina, India, South Africa, Turkey and South Korea; in 1990 there were 28. But they still were vitally dependent on the imperialists and, on their behalf, influenced government decisions that were principally determined by imperialism.

### III. The reorganization of international production and the emergence of new imperialist countries

The neocolonially dependent countries had to produce semi-finished products with cheap labor for the international monopolies, sell them their raw materials at low prices, or were forced to buy certain goods. Imperialist powers kept a tight rein on them also in military affairs. They forced costly arms purchases upon them and exercised tight control through military advisors, involvement in military operations or the forming of “military alliances.”

A large part of the surplus value squeezed out of the industrial and agricultural workers of these countries landed in the tills of the international monopolies. Because of their lack of capital, the neocolonially dependent countries had to take up partly huge, hardly repayable loans from the big foreign monopoly banks. The consequence was a gigantic *debt crisis*, which developed into a deep *crisis of neocolonialism*. The neo-colonially dependent countries' share of the world population increased from 74 to 76 percent between 1980 and 1989. However, over the same period the share of the gross world product generated by them declined from 23 percent to 17 per cent.

The imperialist countries responded to this development at the beginning of the 1990s with the policy of *neoliberalism*. Their intention was to counteract the repercussions of this crisis and stimulate further growth of the markets in the neocolonially dependent countries. The result: the economies of these countries were subjected still more completely to the international production and reproduction process of the imperialist countries and international monopolies. This also gave rise to new markets and investment opportunities for the surplus capital of the international monopolies.

The *essential instrument* for this purpose since the mid-1980s was the *privatization of state-owned enterprises*. From 1992 to 2001, in Latin America alone more than 1,000 state-owned enterprises were sold for proceeds totaling about 150 billion US dollars. In the book, *Twilight of the Gods – Götterdämmerung over the “New World Order”*, we wrote in 2003:

The privatization and *sell-out of state-owned enterprises to the in-*

*ternational monopolies* reveal what is the core of the reorganization of international production in the neocolonial countries. The extent of this sell-out is expressed by the gigantic growth of foreign direct investment. The international monopolies increased their investments in these countries from US\$115 billion in 1980 to US\$1,206 billion in 2000, that is, by more than tenfold. (p. 372)

Today, 114,000 international monopolies with some 900,000 subsidiaries shape the face of the world economy among these monopolies are about 500 international super-monopolies as leading stratum of solely ruling international finance capital. This manifests a *monopolistic quality of capitalist production* of immense proportions.

The reorganization of international production since the 1990s tremendously accelerated the process of the formation of domestic monopolies in the neocolonially dependent countries. Between 1980 and 2015, industry's share of the gross domestic product increased. In India it rose from 24.3 to 29.6 percent, in Turkey from 23.8 to 26.5 percent. In China, on the other hand, the share declined from 48.1 to 40.9 percent. However, this is by no means an indication of a decline in industrial output. Rather, an ever larger part of the industrial workforce is compelled to earn a living in outsourced operations, with work contractors, as agency workers, contract workers, seasonal workers, etc. In many cases they are misleadingly counted in the statistics as "service providers." However, the majority of the occupational groups of the "services sector" belong to the working class in the restricted or extended sense. The contribution of this sector to the gross domestic product in China has virtually exploded: from 22.3 to 50.2 percent. In India it rose from 40.3 to 53.0 percent, in Turkey from 49.7 to 65.0 percent, and in Russia from 33.0 to 62.7 percent.

This development caused agriculture's share of the gross domestic product to decline substantially in these countries. Between 1980 and 2015 it fell in China from 29.6 to 8.8 percent, in India from 35.4 to 17.5 percent, in Turkey from 26.5 to 8.5 percent, or in Russia from 16.8 to 4.6 percent.

The international monopolies thus enforced a new phase of concentration of capital and internationalization in the agricultural

sector. It involved the agrochemical sector, the agricultural machinery industry, the predominance of industrial-scale agricultural production, the food industry and food retailing. The new domestic monopolies became competitors for the supply of the large domestic markets. JBS in Brazil, founded as a small slaughterhouse in 1953, grew on an agro-industrial basis in the 1990s to become Brazil's chief supplier of meat, and by 2010 had risen to the rank of the world's biggest meat producer.

The changes in the socioeconomic structure are made especially clear by the rapid growth of the urban population: its share of the population in the 14 most important new-imperialist countries rose from 30.3 percent in 1980 to 52.0 percent in 2014.

The monopolization of the capitalist world economy affects production, trade, transportation and communication, all sectors of the economy, science and culture. It is based on the *internationalization of the financial sector*, which in turn is an essential result of the tremendous concentration and centralization of capital.

The reorganization of international production since the 1990s has standardized the training of workers for modern industrial production worldwide and created an international labor market. Increasingly it extends also to parts of the production and reproduction of human life like the health and educational sectors, which have adopted an industrial mode of production due to privatization and transfer to international monopolies.

In the wake of privatization, domestic monopolies also emerged and became stronger; they increasingly pursued goals of their own. In Brazil the mining company Companhia Vale do Rio Doce was privatized in 1997. Today Vale is the world market leader in iron ore trading. The state share of the South Korean steel corporation Posco was progressively reduced at the beginning of the 1990s. In 2015 Posco was the world's fourth largest steel group.

The *majority of the neocolonial countries were ruined*. This went as far as the destruction of their independent industrial base and the *breakup of numerous national states*. However, other neocolonially

dependent countries developed into new-imperialist countries. How was that possible? Lenin identified as universal law of the capitalist mode of production:

“Under capitalism the *smooth economic growth* of individual enterprises or individual states is *impossible*.” He drew the conclusion: “*strength changes with the course of economic development*.”

### **1. From one-sided dependence to interpenetration of domestic monopolies with international finance capital**

An increasing number of neocolonially dependent countries became more and more completely integrated into the global production and reproduction of the international monopolies. This *intensified the mutual penetration* of national and international monopolies.

This found expression especially in the *cross-border mergers and acquisitions*. Between 1999 and 2007, monopolies from the emerging new-imperialist countries already carried out 66 cross-border acquisitions, buying up international monopolies across the globe for at least one billion US dollars in each case: monopolies from China realized 12 acquisitions, monopolies from the United Arab Emirates 11, from Mexico and Brazil 7 each, from South Africa 6, from Saudi Arabia and Russia 4 each, from India, Indonesia and South Korea 3 each, from Turkey and Argentina 2 each, and monopolies from Iran and Qatar realized one acquisition each.

Since the reorganization of international production, the *international super-monopolies* have been producing mainly abroad. They are therefore dependent on monopoly-friendly legislation and regulations: in patent procedures and taxation, for modern infrastructure, well-trained manpower, and favorable conditions for the “peaceful exploitation” of the masses and the natural resources on an international scale. These are imposed against the individual countries first of all by World Bank, IMF, WTO (World Trade Organization) and ILO (International Labour Organization).

This process causes the concrete modes of production and exchange in the imperialist world system to converge, relatively speak-

ing. This increases international competition, and yet it is also an essential social condition for the unification of the international revolutionary and working-class and people's movements.

## **2. The way from neocolonial dependence on imperialism to independence as new-imperialist countries**

As long as the national monopolies of the neocolonies were economically and politically not strong enough to step out of the shadow of the international monopolies of the imperialist countries, one could not speak of real political independence. With the growth of the strongest among them, their increasing disengagement from the foreign international monopolies, and the beginning capital export of their own, they began to use the *scope of formal political independence* and to *subordinate their home nation-state more and more also to their own interests*.

In *South Korea*, in 1987 democratic mass protests caused the fall of the military dictatorship, which was servile to the USA. This also undermined the neocolonial dependence on the USA. For decades, capitalist family dynasties, called *chaebols*, had been developing in South Korea; they are interlocked, nested conglomerates. They now recruited government bureaucrats and military people, organized their control over the banks through the state, and began to subordinate the state apparatus and to merge with it.

In *South Africa*, in the early 1990s, the fascist, racist apartheid regime was overthrown. Thereafter the monopolies converted the state-owned Industrial Development Corporation more and more into an instrument for their expansion to other countries.

The ultimately decisive precondition to develop into new-imperialist countries was the existence of *state-monopoly capitalist structures*. These could best develop from the structures of military dictatorships or bureaucratic-capitalist countries.

The international imperialist organizations IMF and World Bank played a special role in the forming of state-monopoly structures. In view of the horrendous debt crisis they dictated rigorous "structural adjustment programs" to shift the burden of crisis onto the



workers and broad masses. These programs were accompanied by extensive credits, subsidies or “aids” to the respective states for building up an administration and a military and police apparatus – not least for suppressing the working class and the revolutionaries.

In the transition from neocolonial to new-imperialist countries, these state-monopoly structures have a peculiar feature: they subordinate the state both to the interests of the domestic monopolies and to the interests of international finance capital. It is from this specific constellation that the temporary instability of the respective states and their governments arises.

### **3. The crisis of neocolonialism undermines the old imperialists’ sole rule**

*Neoliberalism* could only temporarily cushion the budget and debt crises of the neocolonial countries. They broke out anew, and even before the turn of the millennium they resulted in a *new crisis of neocolonialism* – *deeper and more comprehensive* still than that of the early 1980s. It developed on the basis of the reorganization of international production and became the precursor of the world economic crisis of 2001–2003.

In 2000 the countries most highly indebted to international finance capital were (all figures in billions of US dollars): Brazil 238.0, Mexico 150.3, Argentina 146.2, Indonesia 141.8, South Korea 134.4, Turkey 116.2 and India 99.1.

With the *over-accumulation of capital becoming chronic* it was more and more difficult for the international monopolies to find investment opportunities yielding maximum profit. Hence, from the beginning of the 1990s onwards, they proceeded to alter their *investment activity* into a *reorganization of international production*:

For a long time the imperialists had seen to it that in the neocolonially dependent countries mainly semifinished products, raw materials, etc., were produced and exported. Now, however, they found themselves forced to transplant their own production facilities also to neocolonially dependent countries – at least to the centres of international production. And this *on the same level as in*

*the imperialist countries.* Production at the highest level made new markets develop rapidly: there was a need for a system of local suppliers, new infrastructure, skilled manpower, and the provision of housing and groceries. From this *the financial strength of the domestic monopolies also benefited.* More and more they took part in buying out former state-owned enterprises, in forming joint ventures, and increasingly also in mergers and acquisitions.

The working class and the masses mainly had to bear the consequences of the debt crisis. In some countries, a rapidly increasing cost of living led to a *dramatic deterioration of the living conditions of the working class* and challenged it to offer *active resistance.* In the beginning of the new millennium, the imperialist countries were confronted with an upswing of mass struggles, at first in Latin America and some Asian countries.

They were increasingly directed *straight at international finance capital.*

Particularly after the people's uprising *Argentinazo* in December 2001, *a revolutionary ferment emerged,* spreading all over Latin America. The neoliberal, neocolonial policy proved to be unfeasible in the old way. And the masses in the countries concerned were no longer willing to accept plundering and oppression in the old way.

So those in power temporarily came to terms with the left-wing governments in Venezuela, Argentina, Ecuador, Brazil or Bolivia, in order to extinguish the revolutionary embers with bourgeois parliamentarism. They created *room for the election of new carriers of hope in the form of "left-wing" governments.* Hugo Chavez's opportunistic conception of "socialism of the 21st century" in Venezuela also contributed to this objectively, gaining great influence among the masses in Latin America temporarily.

In 2003, Lula da Silva, a former strike leader against the VW corporation, assumed the presidency of Brazil. It was hoped that he would campaign for a "just world order," in the shaping of which the South must have a share. His government promoted the development of the Latin American economic alliance Mercosur to an

economic power bloc. Brazilian monopolies have become the dominating power in it. Between 2002 and 2011 Mercosur was able to more than double its share of the world gross domestic product, from 1.8 to 4.4 percent. Brazil accounted for more than 80 percent of this. In 2010, Lula da Silva's government arranged a then world record capital transaction. It was carried out by the Petrobras corporation and raised about 79 billion US dollars. Petrobras became world market leader in the production of oil and natural gas from deep-sea drilling.

In South Africa the working class and the masses of the people struggled for decades heroically against apartheid. This fascist form of rule increasingly had become an obstacle for the international monopolies too. In years of talks and agreements with the revisionist South African Communist Party (SACP) and the leader of the African National Congress (ANC), Nelson Mandela, the imperialists prepared the transition to a bourgeois democracy. This was designed to stop the advancing revolutionization of the masses and open up the country for the imperialists' business.

New-imperialist South Africa became a center of the reorganization of international production and of international investments. In 2010, already 231 parent companies of multi-national corporations and 675 subsidiaries had their place of business in South Africa. State-monopoly ruling structures and internationally operating South African oil, mining or bank monopolies were established with the help of a complex network of connections between the ANC government and solely ruling international finance capital, joint ventures, mergers, acquisitions, etc.

To the international super-monopolies, the ANC conceded new liberties to exploit the black South African working class. The admission of trade-union leaders to the government was linked with a particular pact of class collaboration: the trade unions were to abstain from striking, prevent incipient strikes and collaborate in their suppression. But the deterioration of the working and living conditions of the working class and of the whole black population of the townships has led to a whole series of significant independent strikes

and demonstrations since 2013. They put an end to the “social peace” decreed by the state.

It was not by chance that the transition to the new imperialism took place under these ostensibly left-wing, reformist governments. The *merging of the power of domestic monopoly capital with the state-monopoly power of the national state* was the *decisive internal precondition* for it.

#### **IV. The world economic and financial crisis of 2008–2014 as driver of the emergence and rapid development of new-imperialist countries**

The preliminary transformation of formerly neocolonially dependent countries or of revisionist, degenerated former socialist countries into new-imperialist countries began in part as early as the 1980s. For most, the qualitative leap began from the turn of the millennium. Their *share of the global gross domestic product* had increased only slightly between 1980 (13.3 percent), 1990 (13.4 percent) and 2000 (15.8 percent). In 2007, however, the share of the new-imperialist countries was already 21.8 percent.

This process of rapid capitalist accumulation in the new-imperialist countries was an important factor helping to pave the way for the devastating crash: the deepest and longest world economic and financial crisis to date in the history of capitalism (2008–2014). The plethora of imperialist capital could only be balanced out by the destruction of capital in an overproduction crisis.

During the world economic and financial crisis the new-imperialist countries tremendously increased their share of the global gross domestic product – to 31.1 percent by 2014. In 2010 they outstripped the USA and the EU. The USA with its global share of 22.1 percent in 2014 had lost 3.0 percentage points compared with 2007 and 8.6 compared with 2000. The EU, with a 23.6 percent global share in 2014, had lost 7.2 percentage points compared with 2007.

The *sharp decline at the start of the crisis in 2008/2009* also severely affected the 500 solely ruling international super-monopolies. From 2007 to 2008 their profits plunged sharply, by 48.4 percent, from 1.6

trillion US dollars to 0.8 trillion. Tremendous pressure built up to invest the surplus capital for maximum profit increasingly outside the old imperialist metropolises. This shift of forces had the effect that the comprehensive international crisis management was organized through the G20, that is, with the involvement of the most important new-imperialist countries.

The *construction of new capital assets and production sites in the new-imperialist countries* acted as an outlet to dampen the overproduction crisis. Foreign direct investments to these countries doubled between 2008 and 2014, from 2.6 to 5.4 trillion US dollars. They helped the 500 leading international super-monopolies get out of the worldwide crisis of overproduction quickly. Their profits rose again already in 2010, by 59 percent. At the same time, the flooding of the new-imperialist countries with capital unintentionally accelerated the emergence of new imperialist rivals there.

The new-imperialist countries' share of *worldwide industrial value-added* doubled: from 19.7 percent in the year 2000 to 40.2 percent in 2014. Over the same period, the share of the EU declined by 5.5 percentage points to 18.6 percent, the share of the USA by 9.1 percentage points to 16.0 percent, and Japan's share by 10.3 percentage points to 5.6 percent.

In the midst of the world economic and financial crisis the *economies* of several new-imperialist countries developed dynamic growth. In China, India, South Korea, Turkey, Indonesia, Saudi Arabia and Argentina the economy grew in some cases by 120 percentage points compared to the pre-crisis level. Even in the first quarter of 2017, old imperialist countries remained well below the respective pre-crisis level: Japan at 85.7 percent, the United Kingdom at 90.5 percent, France at 88.3 percent, Italy at 78.8 percent, and Spain at 76.5 percent. The industrial output in Germany and the USA reached the pre-crisis level again in 2014.

From 2007 to 2014 the *new-imperialist countries' share of worldwide capital export tripled* from 10.2 to 30.9 percent. During this period the new-imperialist countries extended their *share of the global foreign direct investment stocks* from 10.8 to 15.2 percent; the EU share fell

from 42.2 to 36.6 percent, that of the USA from 28.5 to 25.3 percent. China, South Africa and Saudi Arabia doubled their stocks between 2007 and 2014, while Turkey, South Korea and India tripled theirs; in Qatar they increased by a factor of six, in Indonesia by a factor of eight.

*Cross-border mergers and acquisitions*, in which super monopolies from new-imperialist countries played an increasingly active role, also served this expansion of the economic power base. Between 2008 and 2014 they doubled their global share as buyers in cross-border mergers from 15.1 percent to 29.1 percent, thereby substantially extending their international imperialist influence. Particularly large increases in the annual average for 2008 to 2014 versus the annual average for 2001 to 2007 were reported by China with 690 percent, South Korea with 326 percent, Qatar with 310 percent, Turkey with 255 percent, Indonesia with 158 percent.

The changes in relative strength between the imperialist countries find expression in the development of capital export. However, in concentrated form they become evident in the rise of monopolies from the new-imperialist countries into the ranks of the 500 international super-monopolies belonging to solely ruling international finance capital. The number of these *super-monopolies from BRICS and MIST countries* has more than *quadrupled* from 32 in 2000 to 141 in 2015. That was at the expense of the USA, the EU and Japan.

In 2014 the BRICS countries formed the New Development Bank (NDB) explicitly in competition to the IMF. This aimed among other things at calling the US dollar into question as world reserve currency.

*In the struggle for domination of the world market, enormous shifts in power* have occurred. China superseded the USA as world market leader in the mineral oil industry, the construction industry or in the bank sector. Super-monopolies from South Korea became world market leaders in shipbuilding and in the electrical and electronics industries, displacing the USA and Germany.

New-imperialist countries have built up a *regional imperialist position of supremacy* against what so far have been spheres of influence

of the old imperialist powers: Brazil is the fifth largest country on Earth with the seventh largest economy in 2014, the eleventh largest military budget, and more than 200 million inhabitants. It used the Mercosur economic bloc for its rise as new-imperialist power in South America. South Africa has extended its ascendancy on the African continent. The mining monopolies of South Africa exploit other countries and workers in southern Africa. South Africa has even stationed military in all these countries. South Africa has made a deal with the African Union allowing its troops to intervene on short notice if uprisings occur. India is expanding its imperialist power on the Indian subcontinent, intensifying the rivalry with China by doing so. Israel, Turkey, Iran, Saudi Arabia and the Arab sheikhdoms struggle amongst each other and with the old imperialists for regional supremacy in the Middle East and North Africa.

For the struggle to redivide the world, the new-imperialist countries stepped up the *expansion of their state and military power apparatuses*. In 2015 their armies comprised some eight million soldiers; NATO had 3.3 million.

From 2000 to 2014 the new-imperialist countries quadrupled their *military expenditures*: from 125 to 561 billion US dollars. The NATO countries also increased their arms buildup during this period, though at a less rapid rate: from 479 to 921 billion US dollars.

The *USA* remains the *sole imperialist superpower*. This special role is evident particularly in the military field. In 2016 alone its military spending came to 611 billion US dollars or more than a third of the worldwide military expenditures. With its nuclear arsenal of 7,000 warheads, in 2015 the USA commanded 45 percent of the world's nuclear weapons stock-pile. Since Donald Trump came into office, the USA has been pursuing an even more aggressive military buildup. By 2027 it intends to increase military spending to 722 billion US dollars annually.

The new-imperialist states have grown into the world's *biggest importers of heavy weapons*. From 2011 to 2015 India headed the list with a world market share of 14 percent – followed by Saudi Arabia with 7 percent, China with 4.7 percent and the United Arab Emir-

ates with 4.6 percent. For the autonomous expansion of their military power apparatus, in 2014 the new-imperialist countries already controlled 26 of the world's 100 biggest *arms manufacturing monopolies*.

New-imperialist countries maintain huge police forces and *paramilitary organizations*. Their size far exceeds that of the corresponding units in other imperialist countries. China's armed People's Police is a force of 1.5 million, India's paramilitaries "for protection against uprisings" are 1.3 million strong. They serve above all to oppress the masses within the country, suppressing everything from strikes and rebellions against the government to insurrections and revolutionary movements. The state-controlled mass media are used by the new-imperialist countries as *ideological-political power centres* for the *manipulation of public opinion* worldwide. Qatar influences around one billion Arabic-speaking people with the Al Jazeera television network. With partly multilingual, monopolized media, Russia, China and Turkey use the *emigrant population as platform* for their new-imperialist policy in other countries.

At UN Climate Summits the new-imperialist countries claim *special rights to destroy the natural foundations of human life*. As pretexts they cite "catch-up economic development" and "independent energy supply." With that they justify aggressive exploitation methods in surface and deep mining, the destruction of rainforests, the forced displacement of millions of small farmers or the expansion of nuclear energy. China, India, Russia, South Korea, Iran, Saudi Arabia, Indonesia, Brazil, Mexico, South Africa and Turkey have pushed up their share of global CO<sub>2</sub> emissions from 35.6 percent in the year 2000 to 50.9 percent in 2015.

In the international production systems a modern *international industrial proletariat*, linked by the international division of labor, has grown at a quickened pace also in the new-imperialist countries. The majority of the approximately 500 million members of the international industrial proletariat now are employed in the new-imperialist countries.

International industrial workers in new-imperialist countries are at the forefront of *strikes and class disputes*. On 2 September 2016 as



many as 180 million participated in the second general strike against the Modi government in India. A year earlier 150 million had gone on strike. On 16 August 2012, 34 striking black miners were killed in a massacre at the Lonmin mine in South Africa. In response, in the following years a wave of independent mass strikes by South African miners and metal workers developed.

On this basis a new upsurge of the worldwide militant women's movement is growing. Women increasingly are becoming a part of the international industrial proletariat. They play an increasing role as link between the working-class movement, rebellious youth and active people's resistance. Mass protests of women against laws and a reactionary women's policy in the USA, India, Turkey or Poland testify to this.

Thus, new forces are developing for the coordination and revolutionization of the struggles in the preparation of the international socialist revolution – with the international industrial proletariat as leading force.

## **V. Some especially aggressive new-imperialist countries**

The development of the gross domestic product from 1980 to 2015 demonstrates the qualitative leaps the group of 14 countries underwent in the process of emerging and developing as new-imperialist countries. It also illustrates how this group's share of the world economy has grown in leaps and bounds in particular since the new-imperialist character of these countries matured after the turn of the millennium.

### **1. China as strongest of the new-imperialist countries**

After Mao Zedong's death in 1976 the modern revisionists under Deng Xiaoping restored capitalism in the People's Republic of China. The country quickly developed into a new kind of bureaucratic state-monopoly capitalism, which since then has been pursuing *social-imperialist expansion* – under the guise of “socialism.”

The new Chinese monopoly bourgeoisie evolved from the degenerated petty-bourgeois bureaucracy in the apparatus of party, state and economy. It utilized the centrally organized, formerly so-

cialist state apparatus to rise rapidly into solely ruling international finance capital. It subjugated the state apparatus and transformed it into an *ultra-centralistic, bureaucratic instrument for exercising dictatorship* over the Chinese people.

The imperialists all over the world eagerly seized upon the opportunities offered by the opening of the Chinese market with a population of meanwhile 1.4 billion people. The development of *private monopoly capital* and *international monopolies* in China was driven forward mainly by using the method of "*joint ventures*." The Chinese revisionists hypocritically called them "useful additions to the socialist economy." Their true purpose was: the *Chinese bureaucratic monopoly capitalists* wanted to attract foreign investors without losing *control*.

The first joint venture between a foreign and a Chinese enterprise was established in 1984 by the two automotive groups VW (Volkswagen, Germany) and SAIC (Shanghai Automotive Industry Corporation, China). China imposed two conditions: Foreign monopolies obtained access to the Chinese market only by entering into joint ventures with Chinese state-owned enterprises. And over time these were to pass into Chinese hands. Skillfully the new rulers of China thus managed to take over and develop further their foreign partners' modern technology, improved forms of organizing production and the related know-how. In 2003, Chinese capital participation in 16 of the larger joint ventures between Chinese and foreign automobile manufacturers was at least 50 percent. This went together with rapid industrialization of the country. Today there are roughly 400 to 500 million wage workers in China.

Between 2001 and 2015 the gross domestic product of China grew more than sevenfold from 1.5 to 11.4 trillion US dollars. China's share of the global gross domestic product in this period increased from 4.5 percent to 15.4 percent. During the same period the number of Chinese corporations belonging to the 500 solely ruling international super-monopolies increased rapidly: from 12 to 103.

During the world economic and financial crisis from 2008 to 2014 the Chinese social-imperialists rose to become the largest investor

in infrastructure projects in *Africa*. They demanded lower profit margins than the Western imperialists and granted credits with lower interest rates for infrastructure investments: ports, railroads, pipelines, roads, and telecommunications. They deceitfully declared this to be “development aid” – and only in this way gained structural access to the profitable exploitation of African raw materials. It was predominantly skilled Chinese personnel who carried out the projects. At the same time, mass unemployment and mass poverty among African workers was growing; tens of thousands of small farmers were ruined.

With its program “Made in China 2025” China initiated a change of its expansion strategy in the struggle for redividing the world market. The focus is now on becoming the *unquestioned leading power of the world economy* and outrunning its chief rival, the USA. For this purpose China is increasing its investments in foreign monopoly enterprises which have great technological know-how. Chinese investments in the EU rose from 2015 to 2016 by 77 percent to more than 35 billion euros. Holding almost ten percent, in 2017 the Chinese monopoly HNA became the largest single shareholder of Deutsche Bank, the leading German monopoly bank. In 2016, Midea, the Chinese electrical appliances monopoly, gobbled up the leading German manufacturer of industrial robots, Kuka.

For military support of its aspirations as a world power, China has built up the world’s largest army: approximately 2.3 million soldiers are under arms, 600,000 more than in the US military. China has more than 160 intercontinental missiles. With 10 to 12 nuclear warheads each and a range of up to 14,000 kilometers they can reach every corner of the earth. The Chinese air force has about 20 strategic medium-range bombers of type H-6 for the use of nuclear bombs, and it has one aircraft carrier.

The military alliance “*Shanghai Cooperation Organisation*” under the leadership of the nuclear powers China and Russia is mainly directed against the influence of NATO. India and Pakistan also became members in 2017. With *aggressive, belligerent activities* in the struggle over domination in the South China Sea, China provoked

armed confrontations with Japan in 2014 and with the USA in 2016. The US government under Trump today regards China as main rival in the struggle for world hegemony.

## 2. Resurgence of new-imperialist Russia

Starting from the Twentieth Party Congress in the Soviet Union in 1956, the central bureaucracy in the leadership of party, state and economy under Khrushchev took over the role of the ruling class as collective and state-monopolist personification of the total national capital. This new monopoly bourgeoisie established its bourgeois dictatorship over the whole society. The Soviet Union lost its socialist character. Whereas in 1960 the social-imperialist Soviet Union was still the second strongest economic power worldwide, by 1990 it had fallen back to less than a third of the economic strength of Western Europe and barely more than half of Japan's.

With the collapse of the CMEA and the dissolution of the Soviet Union in 1991 "Gorbachev's attempt had failed to proceed ... *to a state-monopoly capitalism of Western coinage in a controlled way...*" In the following years, Russia's economy fell far behind in the competition with the Western imperialist countries. From 1991 to 1995 Russian industrial production dropped by 46 percent. For a while, Russia lost its imperialist character.

The breakdown of Soviet social-imperialism gave rise to a single world market. This created the decisive *political precondition for the reorganization of international production* in the imperialist world system.

In the 1990s most Russian state-owned enterprises, mainly belonging to the raw material sector and state-owned banks, were privatized. These enterprises miraculously fell into the hands especially of top functionaries of the former bureaucratic-capitalist apparatus of economy, party and state, the so-called *oligarchs*. Their *unscrupulous striving for profit and power* was a *driving force for Russia's rise as a new-imperialist power*.

Its abundance of raw materials, crude oil, natural gas and metals was a *contradictory starting position* for the new-imperialist de-

velopment of Russia: On the one hand, for strategic reasons tight limits were set for foreign capital seeking access. On the other hand, Russia took advantage of the fact that many imperialist rivals depend on Russian raw materials, and so used the opportunity to penetrate the world market.

When the former KGB secret service officer Vladimir Putin was appointed Russian president in 1999, a power-hungry nationalist monopoly politician got a chance. Under his leadership the Russian monopoly bourgeoisie became established on a private capitalist basis, and new-imperialist Russia developed. Whereas its share of the worldwide industrial value-added had dropped from 3.3 to 1.0 percent between 1990 and 2000, this share now increased sharply to 2.9 percent by 2011. Russia increased its share of global capital export twentyfold between 1999 and 2007 to 2.0 percent.

By centralizing many enterprises and banks the Putin government established "*national champion companies*." In this way Rusal, for a time the largest aluminum producer world-wide, and Alrosa, a diamond monopoly dominating the world market, were formed, and the state-owned Sberbank was built up to become an international super-monopoly. In 2014, 19 Russian monopolies had risen into the ranks of the one hundred largest armaments groups worldwide. By 2013 Gazprom became the second largest energy monopoly world-wide, and Russia the world's largest exporter of natural gas. As second largest oil producer it competes with Saudi Arabia and the USA for world market leadership. Russia became the world's largest exporter of nuclear power plants financed by loans.

The Putin government pursues an openly reactionary, chauvinist and anticommunist domestic policy against the working class and the broad masses. The resistance that flares up again and again is persecuted by brutal police and military actions.

Putin pursues the goal of a Eurasian Union from Lisbon to Vladivostok dominated by Russia. Russian military took brutal action against secessionist wishes of the peoples of the North Caucasus and in Chechnya and Georgia.

The fighting power of the Russian army is said to be the second strongest in the world. In 2008 a modernization program carrying a price tag of 700 billion euros was launched, in particular for expansion of the nuclear weapons arsenal. The plan is to increase the manpower of the Russian army from 710,000 to 915,000 soldiers and deploy it as an international intervention army.

With its eastward expansion after the fall of the Berlin Wall, NATO and EU took advantage of Russia's weakness and penetrated aggressively into territory that used to be under the influence of the social-imperialist Soviet Union. In response to this, and struggling for hegemony over Ukraine, in violation of international law re-strengthened Russia annexed Crimea in 2014.

Since 2011 Russia is keeping the proto-fascist regime of Assad alive in the Syrian war – with military support, bombings and the use of ground troops. It tries to maintain its imperialist influence in the Middle East by strengthening the axis Iran/ Syria.

The Russian government maintains very close relations with the fascist Turkish ruler, Recep Tayyip Erdoğan. It supports at least 15 proto-fascist, fascist and ultra-nationalist parties in the EU and holds regular meetings with them in Russia. Among them: the neo-fascist NPD and the AfD (“Alternative for Germany”) in Germany, the Lega Nord in Italy, the Front National in France and Jobbik in Hungary. In 2014 the First Czech-Russian Bank, which has close ties with the Kremlin under Putin, gave the fascist Front National nine million euros for its election campaign.

Seemingly paradoxical, Putin also cherishes revisionist parties which call themselves “communist.” He receives revisionist parties from all over the world in Moscow – as host of celebrations which the Russian government is holding on the occasion of the 100<sup>th</sup> anniversary of the October Revolution. They take place under the counterrevolutionary guideline: *never again class struggle, never again revolution*. Among the guests are the Communist Party of China, the Workers' Party of Korea or the German Communist Party (DKP).

By maintaining these relationships Putin is attempting to destabilize the EU and its member countries.

### 3. India's new-imperialist dominance on the Indian subcontinent

After India gained its national independence from Britain in 1947, as a resource-rich and populous country it built a relatively comprehensive *foundation for industrialization and the production of capital goods*. For this purpose, the key industries and capitalist large-scale enterprises were nationalised. After 1956, independent development was restricted to a large extent by the neocolonialism of the social-imperialist Soviet Union. During this time India also developed marked bureaucratic-capitalist features – a material base for the later emergence of state-monopoly capitalism.

With the “Green Revolution” the capitalist industrialization of agriculture was initiated. In 1976 the law abolishing bonded labor released the farm workers necessary for it. This set the course for an enormous growth of the Indian domestic market for producer and consumer goods. During this period Indian raw material companies in the oil, gas, petrol, coal, steel and aluminum sectors were established, most of them as state-owned enterprises which, however, were still dependent financially and technologically on imperialists in other countries.

The breakdown of the social-imperialist Soviet Union in 1991 was the decisive prerequisite for international finance capital to assert its neoliberal policy also vis-à-vis India. The “*New Economic Policy*” of finance minister Manmohan Singh opened India to the world market through accession to the World Trade Organization (WTO) in 1995. This policy organized the privatization of the public sector. On a large scale Singh promoted foreign investments and the establishment of a great number of *special economic zones* (SEZs). Since the “*Special Economic Zones Act*” was passed in 2005, through 2017 the number of new SEZs increased to 421, with 4,456 enterprises and 1.7 million employees.

The Indian monopoly bourgeoisie, which already had acquired substantial industrial, bank, merchant and agricultural capital, also profited from this state program for privatization and the establishment of SEZs. India's share of the global gross domestic product

rose steadily between 1995 and 2007 from 1.2 to 2.1 percent – an increase of 75 percent.

In 2004, immediately after the election of Sonia Gandhi as Prime Minister, India's stock exchange experienced the most dramatic slump in 135 years. Behind this was international finance capital's concern that the government might abandon the road to privatization. In this situation the *Indian monopoly bourgeoisie* urged Gandhi to "give up" the office of prime minister. The stock market shot upwards when Manmohan Singh then became prime minister. In the rivalry between the Indian monopoly bourgeoisie and international monopolies over the control of India's economy and state, leading Indian monopolies increasingly gained the decisive influence.

This was followed by the fast development of India's growing role on the world stage. In 2006 USA recognized India officially as sixth nuclear power. The rapid rise of telecommunications and the Internet created special competitive advantages for India's monopolies, which had a large number of excellently trained *IT specialists* at their disposal.

In sharp contrast to the ultramodern industrial areas, large parts of the country are dominated by great poverty, are backward and marked by semi-feudal rural production. This fact tempts some left economists to doubt the new-imperialist character of India. In a similar situation, in 1917, Lenin said about the imperialist character of Russia:

"Furthermore, in the case of Russia it would be wrong to present imperialism as a coherent whole (imperialism in general is an incoherent whole), since in Russia there are no few fields and branches of labour that are still in a state of transition from natural or semi-natural economy to capitalism." ("Materials Relating to the Revision of the Party Programme," written April–May 1917, Lenin, *Collected Works*, Vol. 24, p. 465)

Indian corporations are increasing the neocolonial dependence of other countries now. Indian Oil is the largest oil producer in Sri Lanka. In 2015 Bharti Airtel took over the mobile phone network of 15 African countries. The Indian chemical monopoly Reliance In-



dustries, the largest producer of fibers and polyester worldwide, has major production sites in Turkey, Malaysia, China, Britain and the Netherlands. The exports go to 121 countries. Indian *world market leaders* are also Mahindra in tractor manufacturing, Wipro in the IT sector, Crompton Greaves in transformer production.

Since the Indian steel corporation *Arcelor Mittal* was founded in 2007 it advanced aggressively in a short time to become the largest steel producer worldwide. It was formed when Mittal Steel took over the then second largest steel company of the world, Arcelor from Luxemburg. With an output of 41 million tons in 2016 and 199,000 employees worldwide, Arcelor Mittal is also Europe's largest steel producer, ahead of the Indian monopoly *Tata Steel*, which has annual production of 24 million tons and 70,000 employees. Under ruthless methods of exploitation of humans and the environment, more than 30,000 miners also work for Arcelor Mittal in Kazakhstan, Ukraine, Bosnia, Canada, the USA, Mexico, Brazil and Liberia.

When Manmohan Singh met with broad mass resistance against his program of stepped up privatization and expansion of special economic zones, the government of *Narendra Modi*, who has ties to Hindu fascism, took office in 2014. Special features of his program "*Make in India*" are structural measures and investments particularly promoting the expansion of Indian monopolies. Measures for investor protection abroad and for the taxation of international monopolies also served this purpose. By 2016, 58 Indian corporations had advanced into the group of the 2,000 largest enterprises worldwide, more than the 51 from Germany.

The Indian mining group Adani is investing 11.5 billion euros in the *construction of the Carmichael coal mine in Australia* – with an annual production of 60 million tons it will be one of the largest mines worldwide. Included in the investment are the building of a railroad and the 99-year lease of the coal port Abbot Point. The Australian government approved this megalomaniac project in 2017: it will lower the ground water table of wide areas and destroy the unique off-shore system of the Great Barrier Reef. The Modi government

aggressively pushes the building of another 370 coal-fired power stations and wants to construct ten new nuclear reactors.

Modi explicitly justifies his government program with the Hindutva ideology, which aims at a Hindu empire encompassing the “geocultural” unity of the entire Indian subcontinent. This provides an ideological basis for the imperialist ambitions. With blockades contrary to international law as in 2015, the support of separatist movements in the Terai and direct interference in legislation, Nepal is to be transformed into a Hindu state dominated by India. Hindu nationalism, an aggressive anticommunist ideology, is the declared enemy of the Marxist-Leninist and anti-imperialist movements.

In 2016 the military spending by the Indian state, amounting to 55.9 billion US dollars, already exceeded the military spending of France and Britain. In 2013 the first aircraft carrier built in India was launched. In 2016 the first reusable space freighter was launched.

Modi entered into “strategic” alliances with Japan and the USA directed against China. Because the US claim to world hegemony is threatened by China, the USA is relying on India in East Asia. This inter-imperialist alliance presupposes an *independent Indian interest* to assert itself against the Chinese competitor. It is a *temporary and contradictory alliance for mutual benefit*. India’s former *one-sided dependence* on the USA more and more gives way to *interpenetration*, even though the imperialist superpower USA still calls the tune.

In domestic politics, India’s new imperialist striving for expansion primarily aims at suppressing the class struggle of the millions-strong army of the international industrial proletariat and the hundreds of millions of the rural population.

#### **4. New-imperialist Turkey at the crossroads between Europe and Asia**

Situated between Europe, Asia and Africa, Turkey has special geopolitical, economic and strategic military importance. Following the collapse of the Ottoman Empire in the wake of the First World War, the country became a semi-colony of various imperialist coun-

tries. In 1923, following a national-revolutionary war of liberation under the leadership of Mustafa Kemal Atatürk, the Turkish Republic was established. Atatürk pursued policies in favor of the national bourgeoisie: for national independence, capitalist industrialization, modernization and secularization of the country, and for the restriction of imperialist influence.

In 1927 Turkey had a population of 13.7 million; today the population is 79 million. The large majority of the people are Muslims.

In 1952 Turkey became a member of NATO and was reduced to a state of neocolonial dependence especially on US imperialism. In 1960, 1971 and 1980 the military, aided and abetted by NATO and the CIA, staged coups in the interest of imperialism and the domestic big bourgeoisie. The military coups of 1971 and 1980 combined with the bloody suppression of the strengthened working-class movement and the revolutionary Left.

As early as the 1960s major Turkish monopolies like Koç Holding or Oyak developed. The latter was formed from an armed forces pension fund and today comprises almost 90 companies and equity interests in various sectors.

In the 1980s the monopolies stepped up the pace of the transformation of Turkey into a *capitalist industrial country*. This was done with the aid of the state using foreign capital. In 1971 *TÜSIAD*, the *Turkish Industry and Business Association*, was formed and exerted influence on decisions of the state in the interest of international and national monopolies. The generally important societal role of the Turkish military, which grew further especially after the 1980 military coup, sped up the development of *state-monopoly capitalist structures*. The coup of 1980 initiated a change of course to neoliberalism: The privatization of state-owned enterprises dictated by the IMF promoted the merger of industrial, bank and merchant capital with parts of the reactionary agrarian oligarchy. The *domestic monopoly bourgeoisie* which thus emerged still largely followed the dictates of foreign finance capital, however. International monopolies like Toyota, Daimler, Ford, Renault, Bosch, Fiat or RWE have production sites in Turkey.

Whereas at the end of the 1970s more than 50 percent of the population still worked in agriculture, in 2014 it was just under 20 percent. 74 percent of the population lived in cities in 2016; in the mid-1970s it was only 40 percent. A *modern international industrial proletariat* emerged. About three million work in factories of the textile and clothing industry, more than 50,000 for international and Turkish electrical engineering companies. About 400,000 are employed in the automotive industry by 17 vehicle manufacturers and around 4,000 supplier companies.

The severe world economic crisis of 2001 increased the economic necessity for the Turkish monopolies to expand. This led to an overt government crisis that also affected the ideology of Kemalism and secularism. This provided leeway for the purportedly “moderate Islamic” AKP led by Recep Tayyip Erdoğan in alliance with the Islamist Gülen movement. Erdoğan was able to spread and anchor religious and petty-bourgeois nationalist sentiments among parts of the masses and win the 2002 parliamentary elections. Vigorous support for this was provided by the USA and the EU.

Social and political reforms of the Erdoğan government on the basis of an economic upswing enabled it to build up the mass base necessary for Turkey’s Great Power aspirations.

In 2004 a new *Investment Promotion Law* was adopted that placed domestic and foreign investors on an equal footing. A new wave of privatizations of state-owned enterprises followed: electricity grid, ports, infrastructure programs, buildings, landed estates, etc. This triggered a rapid increase in capital imports and a credit-financed expansion of the domestic market. And it accelerated the accumulation of capital in Turkey, from which the Turkish monopolies also benefited. Since 2002 the gross domestic product of Turkey has tripled.

The concentration and centralization of capital in Turkey had created 4,858 large enterprises with more than 250 employees by 2014, including 1,628 in the manufacturing industry. In 2016 ten Turkish monopolies ranked among the world’s 2,000 biggest.

Since the Iraq War of 2003–2011 Turkish monopolies have steadily extended their influence in the Middle East. In 2014 the oil monopoly Türkiye Petrolleri A.O. (TPAO) acquired a 1.9 billion US dollar stake in the Shah Deniz natural gas field and the South Caucasus Pipeline in Azerbaijan.

The biggest airline, Turkish Airlines, sharply increased the number of its destination airports in Africa from two to 48; its passenger volume has almost doubled since 2011 to 61.2 million. It captured market shares from previously dominant companies like Air France, British Airways or Lufthansa, especially in the West African countries Ghana, Benin, Cameroon and Nigeria.

The biggest Turkish monopoly is *Koç Holding*, a conglomerate with activities, inter alia, in the automotive industry, in the energy supply industry and in financial services. With sales revenues of 25.5 billion US dollars it is the first Turkish monopoly that has managed to rise into the ranks of the 500 international super-monopolies. Koç Holding operates production facilities in Russia, Thailand, China, South Africa and Romania and exploits the workers of these countries. Through joint ventures, especially with Ford and Fiat, it controls 48 percent of Turkey's motorcar production. Between 1990 and 2015 Turkish monopolies increased their *capital export* from 1.2 to 44.7 billion dollars, or almost by a factor of 40.

In foreign policy the AKP government justifies its claims to power in the Middle East and North Africa with so-called *Neo-Ottomanism*. To this end it has *promoted fascist terror organizations* in religious guise, such as Al Nusra and "Islamic State" (IS).

As early as the 1970s Turkey undertook efforts to build up an independent armaments industry. In 1974 the "Turkish Armed Forces Foundation" (TSKGV) was set up – in answer to a weapons embargo imposed on Turkey by the USA. The *build-up and expansion of the military-industrial complex* became the *pacesetter of Turkey's new-imperialist expansionism*. The production of armaments has risen by 21 percent annually since 2011. The annual military budget for military product and technology development grew in 2016, versus 2015, by 1.25 billion US dollars. The leading Turkish *arms monopoly*,

ASELSAN, today reports a growth in demand of 273 percent versus 2015.

In August 2016 the Turkish arms company BMC signed an agreement with Germany's *Rheinmetall AG* and Etika Strategi of Malaysia to set up a joint subsidiary (RBSS), which makes it possible to offer the Turkish military and other armies "armored system solutions" for the production of sophisticated armored vehicles on wheeled and tracked chassis. Since 2015 the armed forces of Qatar hold a 49 percent stake in the Turkish arms company BMC. In April 2017 Turkey concluded an agreement with Qatar to deliver 1,500 armored vehicles. The construction of the first aircraft carrier by 2021 underscores the imperialist ambitions of Turkey.

With its state terror, new-imperialist Turkey makes brutal use of its different weapons systems, intelligence services, police, military and paramilitary: against the Kurdish population and their struggle for liberation, but also against struggles of the working class and the broad masses.

With 493,000 troops the Turkish *army* is the tenth-strongest in the world and – after the USA – the second-strongest in NATO.

The erstwhile neocolonial dependence of Turkey on imperialism has changed into a *reciprocal penetration* of the new-imperialist regional power Turkey, US imperialism, the EU and German imperialism. On the basis of Turkey's *key geopolitical role* the AKP government takes advantage of the growing contradictions between the USA, the EU, Russia and China. During the crisis of EU refugee policy in 2015, Turkey misused millions of people seeking to emigrate from Iraq or the war zones of Syria via Turkey to Europe as a means of exerting pressure to implement its new-imperialist policy.

In most mosques in Germany the imam is provided by Turkey. The Turkish state finances these imams, trains them and, in conjunction with the Turkish-language mass media, seeks to win over the parts of the population with Turkish roots for the reactionary policies of Turkey. Quite a few "clerics" have been exposed so far as Turkish intelligence service collaborators.

The attraction exerted by the economic development in Turkey and the manipulation of public opinion brought the Erdoğan government a mass return of hundreds of thousands of emigrants from the EU through 2015.

It was no coincidence that the failed military coup in June 2016, carried out by parts of the Turkish army, took place exactly *after* Erdoğan had brought up the possibility of closer cooperation with Russia and the Shanghai alliance. An important role in the attempted coup was played by those units which were strongly integrated into NATO structures. They were supported by the US-sponsored, anti-communist and proto-fascist Islamist Gülen movement, which broke with Erdoğan in 2013. Erdoğan took the failed coup as a welcome pretext to declare a state of emergency and create a mass base for the *establishment of a fascist dictatorship*. In April 2017, under conditions of the state of emergency, the government held a manipulated referendum. Its purpose was to give a democratic veneer to the fascist smashing of democratic rights and freedoms. However, antifascist resistance and the struggle for freedom and democracy are developing – despite brutal suppression of the revolutionary and democratic opposition and the Kurdish people.

## **VI. Necessary struggle against social-chauvinism, opportunism and dogmatism**

The aggravation of the contradictions in the imperialist world system and the intensification of the class disputes expand the potential for a revolutionary world crisis. At the same time they are a breeding ground for the encroachment of opportunism in the international working-class and revolutionary movement through the medium of the *petty-bourgeois opportunist mode of thinking*. The contradictions between the *revolutionary* and *opportunist directions* become increasingly evident. Under the condition of intensifying contradictions in the imperialist world system there is a tendency for *opportunism to transform into social-chauvinism*.

The German federal government under Chancellor Merkel passes off its leading role in the EU as a policy of peace keeping and reconciliation of ecological, economic, political and social interests – as

alternative to the policies of Trump, Erdoğan or Putin. That is exactly part of the system of the petty-bourgeois mode of thinking as method of government. With that the government cleverly nurtures the illusions of forces in the working-class movement and mass movements who are influenced by petty-bourgeois reformism and petty-bourgeois revisionism and dream of being protected by “good” or “tolerable” imperialists against the “bad” ones.

More or less all parties in Berlin, along with the entire bourgeois media landscape and the rightist trade union leadership, have fallen in line with this position. The result: the *petty-bourgeois social-chauvinist mode of thinking is making inroads in the working-class and people’s movements* – anti-imperialist criticism of German or European imperialism is abandoned, and an anti-imperialist position is imputed to Russian or Chinese imperialism.

PCMLM (Partido Comunista de Bolivia – Marxist-Leninist-Maoist) declared its *withdrawal from ICOR* on 26 March 2017. It cites as reason for this step, inter alia, the position taken by ICOR on the armed conflict in Ukraine:

It is inconceivable to us that one can see Russia as main enemy and “aggressor” in Ukraine. That means “whitewashing” US imperialism...

At no time has the ICOR referred to Russia as “main enemy.” ICOR likewise has not questioned the fact that the main danger to world peace comes from the superpower USA, and that the USA and NATO, including the government of Ukraine, play an ultra-reactionary role in the Ukraine conflict.

However: Can it really have escaped the notice of the leadership of the PCMLM that Putin’s policies are characterized by massive repression of the working-class movement, the national minorities, the democratic and revolutionary forces in Russia? Is the leadership of the PCMLM unable to recognize the imperialist character of Russia, which dreams of restoring the power of Russian social-imperialism or the tsarist empire?

From the German Communist Party (DKP), wracked by internal factional fighting today, one also can hear avowals of slavish loyalty



to Russia. For instance, the deputy chairwoman of the DKP, Wera Richter, in her introductory speech for a meeting of the DKP Executive Committee, denies the imperialist character of Russia and China:

“Of course, different from the G7, this is not a meeting where solely the leaders of the most important imperialists come together. ... We know that Russia and the People’s Republic of China, as well as several other countries of the G20, belong to the de facto allies of the peace movement.”

At a conference of modern revisionists in Münster in April 2017 the DKP even made an anti-imperialist force out of Russia:

Russia is forced to pursue a policy in opposition to NATO and, consequently, objectively is acting in an anti-imperialist way.

This absurd logic characterizes the *transition of revisionism to open social-chauvinism*. It is social-chauvinist to fly the flag of revolution and side with one imperialist or the other in the event of inter-imperialist contradictions or even wars. The *working class, the oppressed masses and the revolutionaries of the world must fight any kind of imperialists without exception!*

Among the organizations and parties of ICOR a *fruitful, partly controversial debate* currently is developing over the emergence of new-imperialist countries and the conclusions that must be drawn from this.

Some parties explicitly avoid using the term “*new-imperialist country*” and speak of “*regional power*.” “Regional power,” however, is merely a superficial *description* of the expansionism of countries like India, Turkey or Saudi Arabia. It is not a scientific characterization from a class standpoint. This also applies to terms such as “*sub-imperialist countries*” or “*emerging countries*.”

To the characterization of Saudi Arabia, Qatar and the United Arab Emirates (UAE) as new-imperialist countries the objection is raised that they “*hardly have an advanced production base of their own*.” Their production base is, in fact, limited and concentrates on oil and gas. It is, however, integrated in the internationalized mode of production. These countries invest their over-accumulated capital in shares of monopolies in the entire world. In Saudi Arabia 22.7 per-

cent of the workforce is employed in industry and 71.2 percent in the so-called services sector, which in large part must be treated as industrial jobs. In Aramco, Saudi Arabia controls the *world's biggest monopoly* (in terms of estimated stock market value), which had sales revenues of about 400 billion US dollars in 2013. Saudi Arabia owned 20 of the 2,000 biggest monopolies in 2013, the UAE 14 and Qatar 8. The six to eight million workers in Saudi Arabia come from Pakistan, Bangladesh and the Philippines. They are exploited under inhumane conditions and oppressed.

Because of the current level of the *international division of labor*, the presence of a universal production base no longer is a decisive criterion for qualifying a country as "imperialist." The imperialist countries and their international monopolies concentrate on *those* areas in which they can achieve world market leadership, dictate monopoly prices and make other countries – including imperialist countries – dependent.

This is consistent with the capital export strategy pursued by Saudi Arabia, Qatar and the UAE. The sovereign wealth fund Qatar Investment Authority has an estimated 335 billion US dollars at its disposal. It holds billions of dollars' worth of shares in stock companies and large real estate and infrastructure projects worldwide, including 57 billion US dollars in just ten companies, like Volkswagen, Glencore or Royal Dutch Shell. In Saudi Arabia the central bank manages 450 billion euros, using it to make bank deposits and buy up bonds and stocks worldwide.

Lenin emphasized that *detachment from production proper* is particularly characteristic of ruling imperialist finance capital:

Finance capital took over as the typical "lord" of the world; it is particularly mobile and flexible, particularly interknit at home and internationally, and particularly impersonal and divorced from production proper; it lends itself to concentration with particular ease, and has been concentrated to an unusual degree already, so that literally a few hundred multimillionaires and millionaires control the destiny of the world.

What Lenin wrote about the parasitic nature of imperialism applies to the Arab sheikhdoms:

More and more prominently there emerges, as one of the tendencies of imperialism, the creation of the “rentier state”, the usurer state, in which the bourgeoisie to an ever-increasing degree lives on the proceeds of capital exports and by “clipping coupons”.

A further objection to the new-imperialist character of these sheikhdoms is their “*feudal power structure*.” This objection would also have to be directed against Lenin, who defined tsarist Russia as “an imperialism that is much more crude, medieval, economically backward and militarily bureaucratic.” The autocratic system of rule as special form of state-monopoly capitalism is extremely useful.

The reality-contradicting assessments of the new-imperialist countries are the *result of a dogmatic application of Marxism-Leninism*. They inevitably entail errors in strategy and tactics and cause avoidable setbacks in the social and national liberation struggle.

## **VII. The new quality of imperialism’s general crisis-proneness**

Until the dissolution of the Soviet Union a *bipolarity* existed in the imperialist world system: the USA and the social-imperialist Soviet Union were the two imperialist superpowers. Today the bipolarity has given way to a *multipolarity*, due also to the emergence of numerous new-imperialist countries, which are gaining ever growing weight and influence on the world economy and world politics.

A hundred years ago the world still was ruled by a handful of imperialist Great Powers. The vast majority of humanity lived in colonies and semi-colonies. *Today around 65.5 percent of the world population lives in imperialist countries.*

The social relations thus are largely characteristic of the highest and last stage of capitalism, the threshold of socialism. This development signifies a leap into a new quality of the crisis-riddenness of the imperialist world system, a new quality of the prospects for the international socialist revolution.

In the countries that are plundered as neocolonial appendages the masses are subjected to catastrophic conditions of life. Some of these countries – like Afghanistan, Syria, Iraq, Yemen, Congo or Libya

– for years veritably have been torn apart by the rivalry between the old and new imperialists: by wars and reactionary terror.

Within the imperialist countries the class contradictions are intensifying. The chasm between poor and rich increasingly widens. While the ruling monopolies corrupt a privileged stratum in the petty bourgeoisie and among the industrial workers as mass base for their rule, a growing mass of the population is driven into poverty. Overexploitation of the workers more and more becomes normality.

The ascertainment of a multipolar world does not at all mean that we have to do with a monolithic block of evenly balanced forces. On the contrary, we must speak of groups of differing quality among the old and new imperialist powers, depending on the role they play in the imperialist world system on the basis of their economic, political and military potentials.

In the 1970s it was possible to distinguish in world imperialism between a *primary* and a *secondary imperialism*. The two superpowers, the USA and the social-imperialist Soviet Union, were primary imperialism. The Federal Republic of Germany, France or Japan, for example, were secondary imperialism.

Against the downplaying of German imperialism in those days by the petty-bourgeois “ML movement”, which partly even went as far as to propagate fatherland defense against the superpowers, the Marxist-Leninists took a firm stand:

In the shadow of primary imperialism the secondary imperialists ... are trying to assert their state monopolist aims, that is to achieve maximum profits and exploit the developing countries by means of neo-colonialist policies. But who can say if the balance of power will remain the same?

The rise of new-imperialist countries shakes the existing fabric of the imperialist world system.

China and Russia are *imperialist Great Powers in world politics* – Russia mainly militarily. China is on the way to becoming a superpower and, in the struggle for world supremacy, increasingly is the chief strategic rival of US imperialism, which continues aggressively

to pursue its aspiration to world domination economically, politically and militarily.

The *EU as alliance of imperialist states* including more than 20 imperialist countries is trying to become a *new global Great Power*. The United Kingdom's exit from the EU is a setback for the EU in this particular regard.

Various countries like Turkey, Israel, Saudi Arabia, Brazil, South Africa or India are striving as imperialist countries mainly for *regional supremacy*, usually in alliance with other imperialist Great Powers.

*Weaker imperialist countries* receive their share of the global production of surplus value as junior partners or in special functions (e.g. Norway, Singapore, Luxemburg or Switzerland).

This *quality of the imperialist multipolarity* has intensified the worldwide rivalries, has deepened the instability of imperialist rule, and in essence weakens the imperialist world system and *deepens the general crisis of capitalism*.

[**Note:** G20 includes : EU, USA, Japan, China, Germany, France, United Kingdom, Italy, Brazil, Canada, India, Russia, Australia, Mexico, South Korea, Turkey, Indonesia, Saudi Arabia, Argentina, South Africa]

---

## References

- 1 Lenin, "Imperialism and the Split in Socialism," *Collected Works*, Vol. 23
- 2 Lenin, "The Proletarian Revolution and the Renegade Kautsky," *Collected Works*, Vol. 28
- 3 Lenin, "War and Revolution," *Collected Works*, Vol. 24
- 4 Lenin, "War and Revolution," *Collected Works*, Vol. 24
- 5 Lenin, "Imperialism..." *Collected Works*, Vol. 22
- 6 Lenin, "Speech in Favour of the Resolution on the Current Situation," *Collected Works*, Vol. 24
- 7 *Twilight of the Gods – Götterdämmerung over the "New World Order"*
- 8 *State-Monopoly Capitalism in the Federal Republic of Germany (FRG)*, Part I
- 9 Fortune Global 500

- 10 *Neocolonialism and the Changes in the National Liberation Struggle*
- 11 Peter Rösler, *Ausländische Direktinvestitionen in Lateinamerika* (Foreign Direct Investment in Latin America), [www.ixpos.de](http://www.ixpos.de), 29 March 2002
- 12 [www.unctad.org/wir](http://www.unctad.org/wir) Web table 34
- 13 World Bank, World Development Indicators; Russia only from 1989
- 14 [www.sueddeutsche.de](http://www.sueddeutsche.de), 22 May 2011
- 15 World Bank, World Development Indicators, 1 June 2016 *Monopoly Capitalism in the Federal Republic of Germany (FRG)*, Part I
- 16 [www.vale.com](http://www.vale.com)
- 17 [www.worldsteel.org](http://www.worldsteel.org)
- 18 Lenin, "On the Slogan for a United States of Europe," *Collected Works*, Vol. 21
- 19 UNCTAD, World Investment Report, various years' issues
- 20 Markus Pohlmann, *Südkoreas Unternehmen* [The Enterprises of South Korea], in Kern/Köllner, *Südkorea und Nordkorea* [South Korea and North Korea]
- 21 IDC Annual Report, 2016
- 22 World Bank, World Development Indicators 2002
- 23 Common market of South America: Brazil, Argentina, Paraguay, Uruguay, Bolivia, Venezuela
- 24 [www.faz.net](http://www.faz.net), 24 September 2010
- 25 [www.handelsblatt.com](http://www.handelsblatt.com), 14 April 2012
- 26 GSA table: survey of international monopolies based on the Fortune Global 500
- 27 Capital export and capital import according to UNCTAD
- 28 World Development Indicators
- 29 OECD Main Economic Indicators, own calculations GSA e. V.
- 30 UNCTAD, FDI outflows; own calculations GSA e. V.
- 31 UNCTAD, FDI outward stock; own calculations GSA e. V.
- 32 UNCTAD cross-border M&A database
- 33 [www.ndb.int/about-us/essence/history](http://www.ndb.int/about-us/essence/history), download 4 July 2017
- 34 [www.bundesheer.at](http://www.bundesheer.at), NATO Press Release 10 March 2011 and 22 June 2015, own calculations GSA e. V.
- 35 SIPRI, Military expenditure by country 1988–2015; own calculations GSA e. V.
- 36 SIPRI, Yearbook 2016

- 37 [www.globalcarbonatlas.org](http://www.globalcarbonatlas.org), own calculation GSA e. V.
- 38 Konrad Seitz, *China – eine Weltmacht kehrt zurück* (China, a world power returns)
- 39 “Foreign direct investment in China’s automobile industry,” 2006
- 40 There are wage workers in agriculture, industry and in the so-called “services.” Source: *Chinas Arbeitswelten* (China’s working worlds), Stiftung Asienhaus, 2015
- 41 Fortune Global 500
- 42 “La Chine, principal investisseur dans le secteur des infrastructures en Afrique” [www.fr.africatime.com](http://www.fr.africatime.com), 24 August 2013; published only in French by Xinhua
- 43 Südwind, “Partnerschaft auf Augenhöhe? Die Rolle Chinas in Afrika” (Equal Partners? The role of China in Africa)
- 44 [www.sueddeutsche.de](http://www.sueddeutsche.de), 7 March 2016
- 45 [www.managermagazin.de](http://www.managermagazin.de), 30 December 2016
- 46 [de.statista.com](http://de.statista.com)
- 47 Atomwaffen A – Z (Nuclear Weapons A – Z)
- 48 Deutsche Welle (German public broadcaster), 14 June 2017
- 49 [www.n-tv.de](http://www.n-tv.de), 31 May 2014 and 15 December 2016
- 50 *Twilight of the Gods – Götterdämmerung over the “New World Order”*
- 51 CMEA = Council for Mutual Economic Assistance
- 52 [www.netstudien.de/Russland/](http://www.netstudien.de/Russland/)
- 53 UNCTAD, FDI outward stock; own calculations GSA e. V.
- 54 Fortune Global 500
- 55 “Russian Military Capability in a Ten-Year Perspective – 2013” by the Swedish Defence Research Agency (FOI)
- 56 Bilateral talks with comrades from the Marxist-Leninist Platform (MLP) Russia and the Russian Communist Workers’ Party (RCWP) in January 2017
- 57 Fact Sheet on Special Economic Zones at [www.sezindia.nic.in](http://www.sezindia.nic.in)
- 58 [www.iocl.com](http://www.iocl.com)
- 59 [www.ril.com](http://www.ril.com)
- 60 [Annualreview2015.arcelormittal.com/operations-and-performance/segment-review/mining](http://Annualreview2015.arcelormittal.com/operations-and-performance/segment-review/mining)
- 61 [www.greenpeace.org.au](http://www.greenpeace.org.au)
- 62 Länder-Informationen-Portal Türkei, [www.liportal.de](http://www.liportal.de)

- 63 GTAI, Türkei im Fokus 2015
- 64 Turkish Airlines Annual Report 2015
- 65 *Rote Fahne Magazin*, No. 21, 2016
- 66 [www.eurasianews.de](http://www.eurasianews.de), 11 June 2017
- 67 Global Firepower: [www.test.dtj-online.de](http://www.test.dtj-online.de), 23 May 2015
- 68 ICOR
- 69 "Summary of the political and ideological differences between the Communist Party (MLM) of Bolivia and ICOR," 20 March 2017
- 70 *DKP-Informationen*, No. 3, 2017 – 21 June 2017, 9th Meeting of the Party Executive Committee, 17/18 June 2017, Essen
- 71 *unsere zeit* (uz), 14 April 2017
- 72 Forbes Global 2000
- 73 [www.bloomberg.com](http://www.bloomberg.com)
- 74 Lenin, "Preface to N. Bukharin's Pamphlet, Imperialism and the World Economy," *Collected Works*, Vol. 22
- 75 Lenin, "The Discussion On Self-Determination Summed Up," *Collected Works*, Vol. 22
- 76 KABD, *China aktuell*, No. 2, "The 'Theory of Three Worlds' as a Strategic Conception Smacks of Right-Wing Opportunism!"

**[Extracted pages 8-60 from *On the Emergence of the New-Imperialist Countries* Published by Verlag Neuer Weg in August 2017]**



## Chapter 10

*P J James*

### **Comment on the Brochure *On the Emergence of the New-Imperialist Countries***

IN continuation of the ongoing debate on “new-imperialist countries”, a thesis being advanced by the MLPD since 2011, its theoretician Comrade Stefan Engel has carried forward the analysis further in a brochure entitled *On the Emergence of the New-Imperialist Countries*. Pointing out the cardinal importance of this thesis in determining both the strategy and tactics of international revolution today, Stefan has once again set out the MLPD position on this question of “new imperialist countries” thus: “The emergence of a number of new imperialist countries is a central question today. It is important to comprehend this fact along with its deeper causes and effects. Otherwise it is impossible to understand the current changes in the world situation and to draw the right conclusions for the class struggle and for the future of humankind.”

Accordingly, in this book, the MLPD identifies mainly a group of 14 countries as “new-imperialist.” They are: the BRICS countries Brazil, Russia, India, China, and South Africa; the MIST countries Mexico, Indonesia, South Korea and Turkey, as well as Argentina, Saudi Arabia, Qatar, the United Arab Emirates and Iran. Thus around

3.7 billion people, more than half of the world population, live in these 14 countries. Of course, according to MLPD, the trend towards “new-imperialism” does not stop with these 14 countries as the “process of the formation of new-imperialist countries already is in evidence in a number of other countries.” And, if this so-called “evidence in a number of other countries” is also taken for granted, then except a few continental peripheries, large number of countries inhabited by majority of world population will be imperialist. Then, being devoid of oppressed nations and peoples, imperialism itself will be in a peculiar situation and the Leninist as well as the widely held ICM characterization of it as division of the world in to oppressor and oppressed shall eventually become irrelevant.

That is, the MLPD evaluation that “it would be dogmatic ... to classify countries once and for all in to oppressor and oppressed countries,” implies an outright denial of today’s fundamental international contradiction—the contradiction between imperialism on the one hand and oppressed nations and peoples on the other.

### **Export of Capital as the Key Determinant?**

Quoting from Lenin’s analysis of imperialism a century ago, MLPD identifies export of capital as the decisive factor that makes countries “new-imperialist”. It says: “Export of capital is the decisive economic foundation for the exploitation and oppression of other countries by imperialism.” Hence, an elucidation of this aspect assumes utmost importance in the debate on new-imperialist countries. At the outset, it is to be reiterated that export of capital had been there even in the pre-monopoly stage of capitalist development though it assumed specific importance under its monopoly stage. Moreover, the Leninist understanding of ‘export of capital’ as one of the features of imperialism even at that historical context was not an isolated one but integrally linked up with several other features. Monopoly capitalism or imperialism as a social phenomenon can never be static but is inevitably subject to the law of change such that all of its features together with capital export as identified by Lenin in imperialism’s colonial phase shall inevitably be developed or transformed further incorporating many qualitative changes ac-

ording to the concrete realities of today's neoliberal globalized imperialism.

In this sense, the so called export of capital even by backward countries (here we are not going in to a statistical analysis on whether the so called "new imperialist countries" are "net capital exporters" or "net capital importers") arising from participation in cross-border capital flows needs to be understood in the broader context of the new avenues yielded by globalized (or transnational) imperialism with its latest neoliberal features including financialisation (compared to its previous analyses on new-imperialist countries, it is welcome that the latest brochure published by MLPD acknowledges "internationalization of the financial sector" as a major trend) and digitization. Unlike the world situation before neo-liberalism, the complex trajectories associated with internationalization of production and financial flows have also enabled even companies from the 'weakest links' of the international economy to seek attractive investment destinations abroad. And, as pointed out in my earlier articles (see for instance, "Export of Capital" as a Riddle in Defining "New-imperialist Countries", October 2, 2017; Debate Over the Issue of "New-imperialist Countries", March 30, 2017; and "On MLPD's Thesis on New Imperialist Countries", August, 2016 : [www.cpiml.in](http://www.cpiml.in)), irrespective of the political character of the concerned states and the ruling regimes to which they belong, there are a tiny few extremely rich capitalists even in economically very backward countries who individually benefit from internationalization of finance capital.

Here, we once again refer to the case of Nepal which is one of the poorest countries in the world. But there is one billionaire, Binod Chaudhury, who together with large business operations in Nepal has global business conglomerations in 45 countries. In that way Chaudhury is a beneficiary from and participant in the world imperialist system. At the same time, his participation or partnership with global capitalism is transitional that depends on several external and internal factors. But that is not sufficient enough to alter the neo-colonial position of Nepal. If such international investment opportunities arising from new avenues of cross-border capital flows are

mechanically interpreted as “export of capital”, it may lead us to the grotesque situation of characterizing even the poorest countries as imperialist. For instance, according to official statistics in India, Mauritius is a major capital exporter to this country. But on closer analysis, it can be found that this so called FDI that comes through the Mauritius route is the unaccounted wealth already stashed in imperialist tax havens situated in Switzerland, Germany, etc. Similarly, as per international data, Singapore is also one of the biggest capital exporters to India. Revealingly, MLPD has not included Singapore and Mauritius in its list of new-imperialist countries. Therefore, instead of arriving at sweeping conclusions, this and other new developments need to be situated in the complex trajectory of postwar neocolonial phase of imperialism.

That is, of particular relevance here is the underlying class relation behind the so called capital export that is made possible through cross-border investments, mergers, acquisitions and joint ventures between imperialist-based MNCs and companies from neo-colonially dependent countries under today’s internationalization of production and transnational financial flows attained by monopoly finance capital. Mechanical adherence to one of the features of Lenin’s conceptualization of imperialism, viz., “export of capital” and characterizing countries as “new-imperialist” on that basis alone today shall be extremely simplistic. For, from a Marxist-Leninist perspective, capital export today remains at the level of ‘form’ while surplus value extraction determined by the class character of the state and internal and external relations of production is the ‘essence’. Ironically, even without formally exporting capital, MNCs from imperialist countries have always been capable of sourcing funds for investment from dependent countries themselves while access to such funds are even denied to domestic companies emanating from there, an aspect that pinpoints at the “comprador character” of the neo-colonially depended states in general.

In fact, in the context of internationalization of monopoly finance capital though monopolies from dependent countries, who on account of their historically-determined class character are incapable of accomplishing independent and self-expanding capitalist devel-

opment, can enter the stream of cross-border capital flows and participate in the globalized production process, their operations, as in their own home countries, are still as junior partners of imperialist-based MNCs. Unlike the imperialist-centred MNCs and IMF-WB-WTO trio who can dictate and manipulate policy decisions in dependent countries, companies from the latter are incapable of performing a similar role in imperialist countries.

On the other hand, the ever-mounting super-exploitation of workers and plunder of nature today unleashed in Latin America, Africa and Asia by corporate financiers and giant monopolies from US, China, EU, and Japan through super-imposition of pro-corporate environmental, labour and tax regulations and under IMF-WB-WTO diktats are leading to a systematic erosion even in the name-sake national sovereignty of these countries. As against the dominance of foreign capital in dependent countries, the involvement of latter's bourgeoisie in imperialist countries or their participation in global capital flows is not sufficient for establishing world level domination by them. Therefore, the "export of capital" from the so called new-imperialist countries has not yet developed enough to shake the imperialist hierarchy inherited from the twentieth century. Rather than dealing with this aspect in isolation and delinked from other interrelated critical issues, what requires is to approach it from the perspective of global class relations.

The only exception to this general rule is that of Soviet Union and China, two erstwhile socialist countries both of which after delinking from the laws of motion of finance capital through revolutions had a fundamentally different political trajectory till their capitalist restoration and eventual merger with imperialism as full-fledged imperialist powers. Once freed themselves from the laws of motion of imperialist capital, Russia and China had the opportunity for developing an independent socio-economic system based on independent political decisions. Thus the concrete historical contexts and political conditions of the delinking of these two countries from imperialism, their transformation as socialist countries and then restoration of capitalism in them and their role as imperialist powers need separate analysis and it is scientifically improper to club them

along with the general category of Afro-Asian-Latin American countries whose historical and political contexts are fundamentally different.

For instance, Stefan himself in his 2003 book (*Twilight of the Gods*) had vividly explained the “imperialist success story” of China without any mention on similar stories in the 14 countries including India, Brazil, Saudi Arabia, etc. regarding which the new theorization is made now. And in the 2011 book (*Dawn of the International Socialist Revolution*) he has given a detailed description of the restoration of capitalism and social imperialist development in Soviet Union and how Soviet Union had transformed CMEA in to a neocolonial tool of plunder in the 1960s. Of course, here too he mentions about imperialist China thus: “The seizure of power by the new bureaucratic monopoly bourgeoisie under the leadership of Deng Xiaoping after the death of Mao Zedong ushered in the restoration of capitalism also in China.” (p.124) Therefore, it becomes difficult to comprehend the political expediency behind the sudden characterization of a set of countries as “new-imperialist” within such a short span of time.

### **On the Emergence of Monopolies from Neo-Colonial Countries**

Closely connected with the formulation of “capital export”, MLPD identifies the emergence of monopolies from neo-colonially dependent countries as the firm foundation for the advent of new-imperialist countries. It says: “The reorganization of international production since the 1990s tremendously accelerated the process of the formation of domestic monopolies in the neo-colonially dependent countries.” That is, for MLPD the emergence of monopolies in dependent countries is a very recent phenomenon. As elucidated in Stefan’s recent brochure quoted here, the transformation of neo-colonially dependent countries to new-imperialist countries took place between 1999 and 2007. And until then “they have no real political independence.” The revealing thesis that the new-imperialist countries got political independence by the turn of this century also comes here! Till then, “the national monopolies of the neo-colonies were

economically and politically not strong enough to step out of the shadow of the international monopolies of the imperialist countries". (p.19) The transformation took place since then. Among other things, MLPD opines: "With the growth of the strongest among them, their increasing disengagement from the foreign international monopolies, and the beginning of capital export of their own, they began to use the scope of formal political independence and to subordinate their home nation-state more and more also to their own interests."(p.19) Thus, it led to "the transformation of these countries from neocolonial dependence on imperialism to independence as new-imperialist countries." (Ibid) A very simplistic explanation indeed!

On the other hand, two decades back, the MLPD itself had held a diametrically opposite position regarding this issue. To quote: "In 1993 in the book, *Neocolonialism and the Changes in The National Liberation Struggle*, the MLPD stated that in a number of countries such as Argentina, Brazil, India and South Korea big capital in the oppressed countries is in varying degrees dependent on the imperialists. It is itself subject to control and has turned in to an instrument for exercising the rule of international monopoly capital over society in the oppressed countries." (p.12) Thus various trends stressed by MLPD such as rapid growth of monopolies in neo-colonially dependent countries, beginning of capital export by them, their disengagement from international monopolies, gaining of political independence and transformation to new-imperialist countries, etc., are all very recent developments.

Ironically this is the same period when on account of the neo-liberal offensive by US-led imperialism and consequent abandonment of even the erstwhile formal self-reliant, import-substitution, state-led inward-looking policies and abject surrender to IMF-WB-WTO diktats, compradorization of both the state and the corporate big bourgeoisie leading it in neo-colonially dependent countries has intensified further resulting in more ignominious political servitude to world imperialism in general. Therefore a mere economic interpretation of the recent wealth accumulation by the big bourgeoisie in neo-colonially dependent countries is an insufficient explanation

for characterizing them as new-imperialist. For instance, Stefan says: "The merging of the power of domestic monopoly capital with the state-monopoly power of the national state was the decisive internal precondition" for "new imperialism". (p.24) But what misses throughout MLPD's analysis of "new imperialism" has been the class character of both the state and the big bourgeoisie leading it. Let us explain this aspect a bit detail with respect to the concrete Indian situation.

As a matter of fact, the accumulation of vast wealth by the big bourgeoisie and consequent development of big monopolies in certain Asian, African and Latin American countries are not at all new phenomena; and the ICM had identified such a trend during the colonial phase of imperialism itself. For instance, the fabulous financial accumulation and heights of wealth reached by Tata and Birla and other leading Indian monopoly houses while India was still a British colony were definitely at par with that of the international monopolies emanating from imperialist Britain. But that economic base did not in any way politically qualify India as an imperialist power following the transfer of power to the Indian big bourgeoisie in 1947. The reason is obvious. Unlike the bourgeoisie in today's imperialist countries who could accomplish national capitalist development that later paved the way for their transformation to imperialism, the big bourgeoisie in erstwhile colonial, semi-colonial and dependent countries had been historically incapable of leading their respective countries to normal capitalist development.

It is widely recognized that while the growth of monopolies in imperialist countries was due to the concentration and centralization of capital and production leading to the unprecedented increase in the 'organic composition of capital', in today's neo-colonial and dependent countries the centralization of capital with the big bourgeoisie in consonance with the extreme decadence of finance capital especially under neo-liberalism has been oriented not to the sphere of production but to speculation. For instance, the spectacular growth of speculative corporate giants like Ambanis, Adanis, etc. in India relegating even the Tatas and Birlas having a tradition of industrialization (though dependent) to the background is to be viewed in this perspective.



Of course, wealth accumulation and the growth of bourgeoisie in dependent countries are not new and as noted earlier, the ICM had taken note of their political character during the inter-war period itself. The Sixth Congress of the Comintern held in 1928, for instance, in its Theses on "The Revolutionary Movement in the Colonies and Semi-colonies" had identified the big bourgeoisie in countries like colonial India and semi-colonial China as "comprador" in character. Despite the fabulous wealth accumulated by these big compradors, according to Comintern, they lacked the national character essential for normal capitalist development and this led to their betrayal of democratic revolution and anti-imperialist movements particularly in China and India.

Though born and bought up under the umbrella of imperialist capital and even while serving it in many respects, these bourgeoisie also had a monopolistic hold in many spheres of the economy from early times. It needs to be reiterated that Mao Tsetung was the first to pinpoint this much before the Comintern thesis. While characterizing the comprador bourgeoisie in 1926 as a class that directly served imperialism in many ways, Mao also had explained how top sections of the comprador bourgeoisie could develop a peculiar form of "monopoly capital" integrally linking with state power.

In the postwar neo-colonial phase of imperialism, and more particularly under neo-liberalism, in spite of unprecedented accumulation of wealth, this political character of monopolies from neo-colonially dependent countries identified by Mao has strengthened further such that they are increasingly becoming "junior partners" of imperialism. Of course, on account of the presence of socialism and national liberation movements of the postwar "welfare era" that lingered on till the 1970s, this comprador character of the bourgeoisie as well as the state led by them in neo-colonially dependent countries could be camouflaged to an extent through various "self-reliant", "inward looking" and "import-substituting" policies. But in contradistinction to the MLPD's position, and according to our evaluation, in direct proportion to the horrific levels of speculation-induced wealth appropriation by the big bourgeoisie in countries like India during the post-Cold War period, its comprador class charac-

ter which is the main stumbling block for its potential transformation to imperialist monopolies has intensified further.

It is a recognized fact that despite the inherent structural weakness of the comprador bourgeoisie from “neo-colonially” oppressed countries, internationalization of production and unfettered cross-border financial flows have yielded new opportunities for them to break through the confines of national economy and enter into licensing agreements and collaborations with imperialist-based MNCs to operate at a global level. Globalized production, trend towards integration of market and unfettered cross-border financial flows have also provided new opportunities for greater interlinking between MNCs and dominant fractions of the comprador bourgeoisie from neo-colonial countries.

Moreover, as exploitation, joblessness, inequality and poverty are intensifying in imperialist countries this interlinking is likely to intensify further. But this integration has not yet yielded sufficient condition for the transformation of neo-colonial countries into imperialist ones or for the emergence of a transnational-type imperialism as arrived at by MLPD. Rather, as the Hindu supremacist Modi regime in India amply proves, the Indian corporate bourgeoisie is increasingly satisfied with its junior partnership with its imperialist, especially US, counterparts. In the new brochure, Stefan opines: “... the state-monopoly structures have a peculiar feature: they subordinate the state both to the interests of the domestic monopolies and to the interests of international finance capital.” (p. 20) However, it would have been in order if any evidence is given regarding a similar subordination in imperialist countries such as USA, Germany, Japan or China to the interests of the monopolies emanating from the so called new-imperialist countries.

On the other hand, the so called new liaison between comprador bourgeoisie from neo-colonially dependent countries and imperialist-based MNCs continues to be an obstacle to self-expanding internal accumulation and national development in the former; it encourages added flight of wealth to imperialist havens leading to several domestic distortions and unfeasibility of “inward-looking” or self-

reliant domestic policies. This aspect is all the more relevant in the case of the imperialist-trained technocratic elite and higher bureaucracy whose clout under neo-liberalism has grown further in the policy-making process of comprador regimes in neo-colonially dependent countries. Having so many strings with imperialist centres, the loyalty and affinity of these comprador bureaucrats to IMF, World Bank, WTO and similar other neo-colonial-neoliberal institutions are stronger than that towards the 'national' states they belong. Indian situation is a good example.

Further, as the experience of BRICS (except two unique cases of imperialist China and Russia whose post-war political trajectory belongs to a fundamentally different category) and MIST and similar other blocks illustrate, imperialist servitude of the ruling regimes from neo-colonially dependent countries makes even international or regional groupings and associations among dependent countries still more irrelevant. For instance, the inherent contradiction between China and India in BRICS on the one hand, and India's position as the close ally and strategic junior partner of US imperialism on the other, has already made the BRICS an incompatible configuration. Further, as we have noted in our previous comments, the systemic integration and allegiance of the three members of the BRICS group viz., India, Brazil and South Africa to Washington-centered political, economic and military arrangements are much deeper than their involvement in BRICS.

In fact, the close association and collaboration between MNCs from imperialist countries and corporate companies of the neo-colonial countries, the latter often performing the role of a 'junior partner' and 'sub-exploiter' also result in a double oppression and intensified exploitation of the workers and broad masses of the oppressed and toiling people in the dependent countries. The restructuring of the nation-centered basis of production through a new international division of labour (euphemistically called "flexible specialization") through emerging newer technological breakthroughs like digitization and the consequent super-exploitation (a situation marked by the prevalence of lower than global average wages) of workers and plunder of nature are all leading to several domestic

distortions like “deindustrialization” and “informalization” of the workforce and increased dependence of backward countries on imperialism in manifold ways.

Therefore, rather than levelling out the differences between imperialism and neo-colonially dependent countries, internationalization of monopoly finance capital under neo-liberalism is actually reinforcing the historical gap between the two. No doubt, the UN and its Security Council, the Bretton Woods institutions, WTO, various military arrangements, a whole set of international treaties and agreements and so on which are systematically controlled by a handful of leading imperialist powers still ensure imperialism’s hegemony over the planet.

In this context, the expansion of the “exclusive G8 club in to the G20” regarding which the MLPD discusses at length is only a convenient crisis management effort for dealing with the unprecedented economic and financial meltdown currently confronting imperialism. Certainly, we are still in general agreement with the spirit of what Stefan wrote in 2011 in the book *Dawn of the International Socialist Revolution*: “In the neo-colonial countries the national bourgeoisie disintegrated. A part rose into the big bourgeoisie; the top echelons of industrial, bank and commercial capital amalgamated with parts of the reactionary agrarian oligarchy. This new big bourgeoisie was in possession of developed industrial and/or bank capital and as ruling class had the state apparatus at its command, at least in formal terms. In contrast to the old, partly progressive national bourgeoisie, this new big bourgeoisie in the neo-colonial countries is reactionary because it is dependent on international finance capital, subordinates itself to it, and partly even merges with it.” (p. 489)

According to our understanding, this is not a new phenomenon but a long drawn out process. The big bourgeoisie, the most powerful ruling class section in Afro-Asian-Latin American neo-colonially dependent countries though occasionally may contend or bargain with imperialist capital and MNCs for its enrichment, the essential class character of this section is that of collaboration with imperial-

ism. No doubt, this comprador bourgeoisie is not only an agent of imperialism, but also is a conscious part of monopoly capital and is integrated as its junior partner. For instance, MLPD has specifically interpreted Modi's "Make in India" program as part of "structural measures and investments particularly promoting the expansion of Indian monopolies." (p.45) But last four years of experience has shown that this is only an ingenious cover for betraying national interest and surrendering the country's labour and resources to imperialist capital. The latest instance has been the gobbling up of Flipkart, the biggest Indian online retailer and one of the much trumpeted Indian ecommerce "start-up" businesses associated with "Make in India" by Walmart, the biggest American MNC.

### **"New-Imperialism" and the Strategy of Revolution**

Of course, the MLPD has proposed its thesis of "new-imperialist countries" as the core of the strategy and tactics of world revolution. As far as the communists are concerned, the strategy and tactics of world revolution today is still based on the Leninist conceptualization of the world into oppressor and oppressed nations and on the identification of the major world contradiction as between oppressed peoples and nations on the one hand and imperialism on the other. Today's paramount political relevance of the strategic slogan of "workers of all countries and all oppressed peoples unite" also emerges from this concrete understanding. That people's democratic revolutions in neo-colonially dependent and oppressed countries are an integral part of international socialist revolution is also in conformity with this Leninist orientation on proletarian internationalism.

An oft-repeated postulate of the MLPD is the rapid internationalization of the capitalist mode of production that signifies a "new phase in the development of the imperialist world system." (p. 11) It also speaks at length on the emergence of an international industrial proletariat as inseparable from this internationalization of production. According to Stefan, the chronic over-accumulation of capital compelled international monopolies "to alter their investment activity into a reorganization of international production." And the

imperialists “found themselves forced to transplant their own production facilities also to neo-colonially dependent countries—at least to the centres of international production. And this “on the same level as in the imperialist countries.” (p. 21)

But, what are the real facts? Whether large-scale transplantation and outsourcing of production to neo-colonially dependent countries replicate the same situation at the same level as in imperialist countries? To be precise, the outcome of internationalization of production and superimposed global division of labour on neo-colonially dependent countries is not self-expanding national capitalist development; rather, as already mentioned, it is increasingly leading to added dependence on foreign capital, deindustrialization, casualization and informalisation of the workforce, depeasantization arising from corporatization of agriculture, joblessness and above all an incomparable ecological crisis of horrific proportions.

The shift from erstwhile state-led, “import-substitution industrialization” (ISI) under Keynesian welfare period and so called UN Development Decades that lasted till the 1970s to “export oriented industrialization” (EOI) of the neoliberal period and the conversion of several neo-colonial countries as cheap-labour based “export platforms” in tandem with the internationalization of production have imparted many distortions and disruptions to their domestic economic base.

Therefore, unlike argued by MLPD, rather than creating the “new basis for imperialism” in neo-colonially dependent countries, internationalization of production and of monopoly finance capital is leading to a destruction of the conditions necessary for independent and self-expanding capitalist development in them. In fact, the abandonment of the so called “state-led development” and the intensified dependence on IMF-World Bank-WTO diktats by neo-colonially dependent countries are a corollary of the reorganization of international production arising from internationalization of corporate capital in the neoliberal period. Ironically, the historical context in which MLPD identifies the emergence of “new-imperialist countries” has been the same when these countries started their unprecedented

dependence on imperialist centres and experience a relative erosion in their political power making it difficult to take independent domestically oriented policy decisions.

Integrally connected with the thesis of new imperialism is the conceptualization of international industrial proletariat as a linear and homogeneous category. In fact, the driving force behind internationalization/globalization today is the mad rush for profit from unhindered plunder of labour and nature—two sources of production underlined by Marx in his magnum opus, *Capital*—through a reversal of even the namesake ‘domestically oriented’ labour and environmental laws in dependent countries. In the specific case of labour, in the guise of global reorganization of production, what is taking place today is a super-exploitation of the workers in neo-colonially dependent countries as is manifested in the prevalence there of abysmally low wages which are less than their global averages.

While freely flowing finance capital is globally integrated and centralized on an unprecedented scale, the working class everywhere is facing unprecedented restrictions on their movements and is subject to a reverse process of fragmentation and disaggregation such that vast majority of them being denied all hard-earned rights of yesteryears is legally transformed from industrial proletariat in to informal working class which is the rapidly growing most wretched, exploited and oppressed class on earth today. This unorganized, heterogeneous and informal working class composed of migrants, refugees, slum dwellers, displaced and other marginalized who may collectively be categorized as the most oppressed far outnumber the category of the industrial proletariat today. Everywhere, wages are systematically pushed down through such means as outsourcing, flexible specialization and a host of other extra-economic and institutional measures according to the unique specificities (caste system in India, for example) of different social formations or “ensemble of social relations”, as Marx characterized.

In its brochure (p.16) though the MLPD deals with the “changes in the socio-economic structure” of “new-imperialist countries”, it is too formal with an emphasis on the rapid growth of urban popu-

lation, but is silent on the political and organizational questions pertaining to the tremendous informalization of the working class and their sub-categorization that are taking place today. While internationalization of monopoly finance capital even utilizing the avenues of technology is extremely fragmenting and marginalizing the vast majority of working people in to several sub-categories and driving them to the social peripheries, rather than mechanically repeating on the unity of international industrial proletariat what requires today is an assertion of the strategic significance of the slogan "workers of all countries and all oppressed peoples unite" appropriately incorporating the concrete heterogeneity of countries and peoples today.

Such an approach is all the more significant on the part of the Marxist-Leninists in their ideological-political struggle against various hues of postmodernism, post-Marxism, identity politics, orientalism, etc. Therefore, instead of a mechanical, linear or economic approach, what needs today is a development of the Marxist-Leninist theory of imperialism as well as the strategy and tactics of world revolution through a concrete unfolding of the complex neoliberal process of super-exploitation and surplus value extraction under the ongoing superimposed financial corporatization and digitization at a global level.

### **Analytical Flaws**

Certain aspects that the brochure has taken up in the analysis on "new imperialism" are not in accord with historical facts too. For instance, the MLPD says: "The preliminary transformation of formerly neo-colonially dependent countries or of revisionist, degenerated former socialist countries in to new-imperialist countries began in part as early as the 1980s. For most, the qualitative leap began from the turn of the millennium." (p.24) As per the general understanding among Marxist-Leninists, during the entire post-war period, only two countries, namely, Soviet Union and China whose transformation towards imperialism began since the 1960s and 1980s respectively qualify as imperialist. The former became imperialist (or social imperialist) in the 1960s itself.



Only China's transformation into an imperialist power starts with the 1980s along with Deng's "cat theory" of wealth accumulation and of becoming rich. As such, interpreting both as "new-imperialist" for placing them along with other countries is a twisting of facts. And the revelation of "world economic and financial crisis of 2008-2014 as driver of the emergence and rapid development of new-imperialist countries" (p.24) is still more problematic since the economic and political stability of neo-colonial regimes whom MLPD defines as "new-imperialist" has become more vulnerable during this period. An example has been the recent US-engineered political coup and regime change in Brazil, a leading "new-imperialist" country identified by MLPD.

On account of constraints of space, we are not going in to a debate on the role of military power in situating imperialism. The MLPD refers to a quadrupling of the military expenditures of new-imperialist countries between 2000 and 2014. It opines: "For the struggle to re-divide the world, the new-imperialist countries stepped up the expansion of their state and military power apparatuses. In 2015 their armies comprised some eight million soldiers; NATO had 3.3 million." (p. 28) Regarding the number of soldiers, here we would like to draw the attention of our MLPD comrades to the 1757 Battle of Plassey (also see Comrade Sankar's article in this edition) where with barely 3000 soldiers at his command Robert Clive, the then British military general could easily defeat the 50000-strong army of Sirajuddaulah in a battle lasting just 11 hours that laid the foundation of the two-century old British colonial empire in India.

For instance, if the annual military expenditure of the US, the biggest military machine in history is \$ 611 billion, that of China, the second in order with \$215 billion hovers around one-third of it, whereas that of India with \$ 55 billion (which is not at all a small amount since almost 12 percent of the Indian budget is set apart for military spending while that for education is less than 3 percent) is less than one-tenth of that of the US. And the combined military spending of all "14 new-imperialist countries" identified by MLPD is still much less than that of the US military expenditure. Ironically,

a major chunk of the military spending by comprador regimes in India, Saudi Arabia, etc. is regularly spent on purchasing obsolete weapons from the US, Russia, and EU countries without any let up.

Yet another instance of the flaw in MLPD's analysis is that of clubbing the three pillars of neo-colonialism, IMF-World Bank duo (also known as Bretton Woods twin in which the US still hold veto power) and WTO (the third pillar of neo-colonialism, added and ranged along with the former in the neoliberal period) along with ILO, a reformist organization affiliated to the UN. (p.18) Belittling the hegemonic role that IMF, World Bank and WTO perform in political-economic policy-making in neo-colonially dependent countries has been the usual practice among academic apologists.

An analysis of imperialism in its neo-colonial phase will be partial if the strategic role played IMF and WB including their regional arms like Asian Development Bank, African Development Bank, Inter-American Development Bank (interestingly, though envisaged as a development institution for the Latin Americas, the Inter-American Development Bank is located not in the "new-imperialist" Brazil, Mexico, or Argentina but in Washington for direct control by the US) which are controlled and directed by US and other imperialist powers who are custodians of world's elite currencies such as dollar, euro, pound, yen and Yuan (renminbi). Suffice it to note here the analytical incorrectness of ranging reformist ILO along with IMF-World Bank-WTO trio.

Of course, the recent addition of the Chinese renminbi to the basket of international currencies as adopted by IMF needs particular mention here. As the second largest imperialist power, together with the inauguration of military bases in Africa (eg. Djibhouthi) and in remote Latin America (eg. Argentina), emulating USA's post-war Marshall Plan, China has unleashed the One Belt One Road (OBOR) initiative, the biggest-ever capital-export program for prying open investment outlets for its surplus capital in all continents. The Asian Infrastructure Investment Bank (AIIB) with renminbi as its medium of exchange is also intended as an institutional and financial counterweight to Bretton Woods and their regional economic arm, the

Asian Development Bank now decisively controlled by US and Japan. Moreover leading such groupings as the Shanghai Cooperation Organization (SCO) and BRICS, imperialist China is aggressively pursuing to redraw the post-Cold War geopolitical map. However, MLPD's recent obsession with "new-imperialism" has led to a belittling of the strategic significance of the ascendancy of China as the second biggest imperialist power and the consequent new dimensions in inter-imperialist contradictions today.

## **Conclusion**

Though the brochure has made absurd observations and grave factual errors like "the election of Sonia Gandhi as Prime Minister" of India (p.43 of the brochure), here it would not be in order to take up those details. True, imperialism as a social phenomenon can never be static and imperialism (monopoly capitalism) in its neocolonial-neoliberal phase will be more complex and subject to many changes. However, the crucial point is the political character of the state and the capability of the classes leading it to accomplish independent and self-expanding capitalist development. Disregarding this, the geographical size, economic strength, or military might of a country taken in isolation is not a sufficient condition to characterize it as imperialist.

In the present era in which capitalism has already transformed in to imperialism, a capitalist country with the concomitant internal and external dynamics and class relations cannot be different from imperialism. There cannot be any dispute on this. At the same time, as MLPD rightly puts, it would be dogmatic to rule out the possibility for the emergence of new imperialist powers. But in our view, this option of transformation to imperialism by a country today is contingent on ending the state's class constraints imposed on its independent development. The transformation of Russia and China to imperialism following capitalist restoration in them is in conformity with this position. Viewed in this perspective, except China and Russia, none of the 14 countries identified by MLPD conforms to this criterion and therefore cannot be categorized as imperialist as of now.

**Select References**

*Marx and Engels, Collected Works, Vol. 25*

Lenin, *Imperialism, the Highest Stage of Capitalism*

Mao Zedong, *Selected Works, Vol. V*

Great Debate, Massline Publications, Kollam, India, 1994

Stefan Engel, *Twilight of the Gods- ...*, Massline Publication, Kottayam, India, 2010

Stefan Engel, *Dawn of the International Socialist Revolution*, Massline Publication, Kottayam, India, 2011

P J James, *Imperialism in the Neocolonial Phase*, Massline Publication, Kottayam, India, 2015

P J James, "Imperialism Today", *The Marxist-Leninist (Theoretical Journal of CPI (ML) Red Star)*, Issue No. 20, May 2017

[www.bricsforum.org](http://www.bricsforum.org)

[www.coldwar.org](http://www.coldwar.org)

[www.ec.europa.eu](http://www.ec.europa.eu)

[www.ilo.org](http://www.ilo.org)

[www.imf.org](http://www.imf.org)

[www.makeinindia.org](http://www.makeinindia.org)

[www.marxists.org](http://www.marxists.org)

[www.worldbank.org](http://www.worldbank.org)

[www.marx2mao](http://www.marx2mao)

**[Red Star, June 2018]**

## Chapter 11

*Sanjay Singhvi*

### **By Way of a Conclusion**

*Polemics on New Imperialism* that sums up the differing views on the issue so far is being published with the perspective of carrying the debate forward. This is certainly not in lieu of a last word. There is much work still to be done. Can the world today be described in terms of “exploiter” and “exploited” countries or nations or peoples? If so, how are these to be defined? And further, are all exploiter countries to be put in the same category? And all exploited countries? If not what are the different categories which we can see in today’s world? And what is the relationship among these various categories and what is the relative importance of each of such relationships.

The world is hurtling speedily towards disaster. This is evident from opening the papers every day. Of late, a host of trigger happy ultra-right wing representatives have been voted to power in many countries all over the world like Modi in India, Erdogan in Turkey and Trump in the USA. The vote in favour of Brexit in the UK is a part of this phenomenon. The popular anti-US government in Latin America have mostly lost power. Where they are still in power, they are under attack.

At the same time more and more open undemocratic and au-

thoritarian methods are being used. Whether we use the term “fascist” or not, there is no doubt that some of laws being passed in many countries are in the nature of crippling undemocratic provisions. Neo-Nazi groups are on the rise all over the world. The recent murder of the journalist Khashoggi in the Saudi Embassy in Turkey is a case in point. In this situation it is imperative that we, as the leadership of communist parties all over the world, must understand the real relationships between governments and devise our strategy and tactics for creating the best environment for the revolution on the basis of this understanding.

There is no easy method for this. One thing though is clear. We cannot use the same analysis that Lenin had made in 1917 and foist it upon the world of today. The world had changed. To do this would be a great disservice to Lenin. On the contrary, what is required is to analyse the concrete problems and issues of the world today using the methods of Marx and Lenin.

When Marx studied the world, before he wrote the Communist Manifesto with Engels, there were almost no colonies. The next thirty years saw the expansion of imperialism as a colonizing process at a fantastic pace. By the end of the 19th century, the whole of Asia and Africa had been transformed into colonies. This was the period of the First Indian War of Independence and the Opium Wars. The might of arms was openly used to conquer nations and conquest itself had legal sanctity. By the beginning of the 20<sup>th</sup> century, the world had been divided into colonies by some of the imperialist powers and others were straining at the leash for obtaining colonies. The first World War being fought for the redivision of the world among the imperialist powers, was, in a sense, inevitable. But this war also provided the opportunity to attack the weak link in the chain of imperialism which led to the Great October Revolution in Russia a hundred years ago.

It was at the same time that Lenin analysed the concrete situation in the world and made his thesis on imperialism. He saw that imperialism was the highest stage of capitalism. He saw the link between the exploitation of labour by capital and the exploitation of peoples and nations of the world by imperialism. He was thus able to put forward a cohesive and comprehensive strategy against im-

perialism which stood the international communist movement in good stead for many decades. The communist movement grew from strength to strength till around 1950. It is not coincidental that this was the time when the growth of the international communist movement slowed down. It was at this time that imperialism adopted a new form. The old colonial system gave way to a system which was quite different. In the new system, all nations were guaranteed equality - in form. In reality, all nations were free to exploit every other nation, equally.

In today's world, the living standards in some nations are clearly in stark contrast to those in others. Whereas people in Western Europe, parts of North America and Japan, even with the wide disparity, have, on average, a certain standard of life, the average standard of life in Asia and to a much greater extent in Africa is abysmally low in comparison. These differences are drastic. If the world were to consume food grain at the same rate as is consumed in the USA, we would need four worlds just to grow this amount of food grain. On the other hand the rich in Asia (and even the very rich in some parts of Africa) can even compete with the richest in Western Europe, USA and Japan. Large corporates in many of these poorer countries seem to be threatening the hegemony of the old corporates from the richer countries. What are the real relationships then between these countries and these corporates. Does Tata from India really have an influence on the government in UK? Or is this just a charade? Is Tata actually a puppet whose strings are being pulled by Deutsche Bank and the Credit Suisse First Boston?

There are no shortcuts. We have to grapple with the real conditions. We have to obtain the relevant statistics, to study them in an unbiased manner and to reach concrete conclusions on these question. The worst response of all is to merely quote Lenin and Marx and expect that the answers to all these questions are to be found there. That is not Marxism-Leninism. That is to push the blame for our own inadequacies upon Marx and Lenin. They certainly do not deserve this.

Lenin made a concrete study of the situation in his time. He waded through piles of available statistics to understand the power of the cartels. More importantly he read all available literature on

imperialism. He studied Hobson and Hilferding and then came to his conclusion on the nature of imperialism in the world at that time. We have to do the same. Today authors like Jarred Diamond have put forward some theories on why the world has developed in the lop-sided manner in which it has. His theories may be right or wrong but we have to grapple with them. We cannot consider ourselves to be fully equipped only by reading Lenin.

Lenin identified imperialism by the characteristics of the extreme concentration of capital to form monopoly capital, the merger of bank capital and industrial capital to form finance capital, the export of capital as opposed to the export of goods, the formation of international monopoly capitalist associations and the territorial division of the world being complete. While giving this definition, Lenin had specifically warned that all definitions are inadequate. Further, it is obvious that he was defining imperialism as a system and not using this to define an imperialist country. The condition of the territorial division of the world being complete could not, obviously apply to each imperialist country. Yet we find today that if we are asked to define imperialism or an imperialist country, we are not able to go beyond this definition.

Today almost every country in the world exports capital. Today almost all countries are a part of some international trade association or the other which tries to establish a monopoly in some manner or the other. The territorial division of the world as it existed in Lenin's time is non-existent today. It is ridiculous for us to use this definition, used with such caution by Lenin, as defining an imperialist country today. What we have to do today is to use the Leninist method. To thoroughly study the situation as it concretely manifests itself, in an unbiased manner, and to come to our own conclusions of what is the nature of exploitation today, at an international level, between countries, between nations and between peoples. It is only in this manner that we will be able to truly understand the world of today and make a real difference. It is in this manner that we can move towards an understanding of genuine socialism and of communism. We hope that this book will contribute to this cause and help to carry the debate forward.