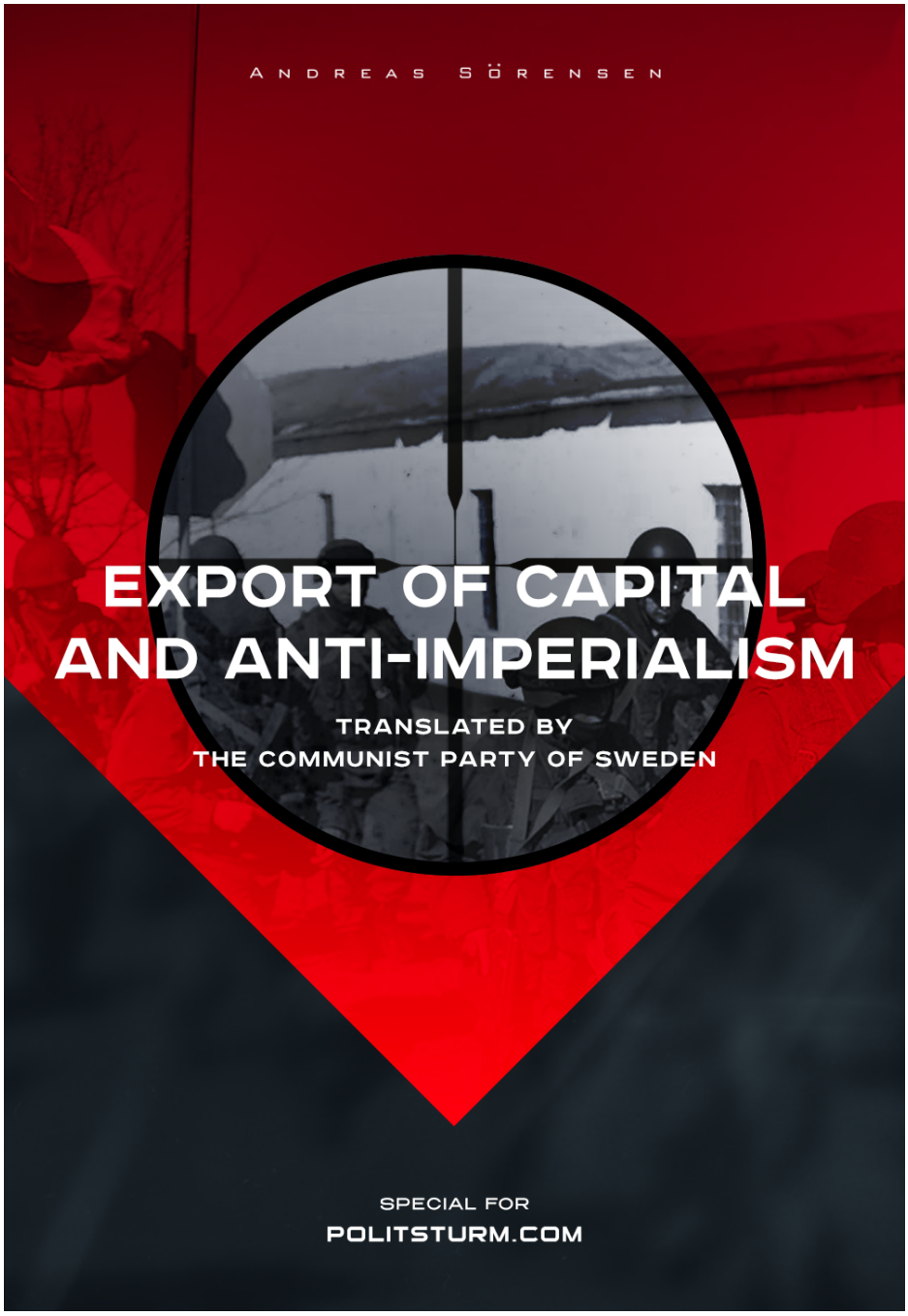
Export of Capital and Anti-Imperialism



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Preface by Politsturm

This article by Andreas Sörensen – the General Secretary of the Communist Party of Sweden – logically follows the previous materials we published: “Russia and Imperialism” and “Peace, Capitalism, and Imperialism”.

He draws attention to the importance of a clear definition of the terms “imperialism” and “anti-imperialism” so as not to turn them into empty labels. Using statistical data, he shows the current state of imperialism and points on the fact, that, unlike 100 years ago, the vast majority of modern states are now imbued with an imperialist tendency. moreThe importance of a clear understanding of the concept of “anti-imperialism” is emphasized by current events, as a result of which some of the communists have taken social-chauvinist positions, urging workers to close their eyes to their own bourgeoisie for the sake of a “multipolar world”.

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Introduction

Lately, the question of imperialism has been widely discussed, and that is a good thing. It has generated quite a few articles, as well as counter-arguments. With this text, I’d like to take the opportunity to further develop a few of the thoughts, specifically the ones concerning the role of the export of capital and its function, as well as anti-imperialism.

In my earlier texts I have drawn various conclusions about the term “anti-imperialism” and how it can be used, but that differs slightly from its popular meaning that is rooted thorough some parts of the general left. Critique has also been pointed towards Lenin’s analysis of imperialism that I have used, saying that it is incorrect to see Lenin’s analysis as a description of the capitalist system in its late stage in general, and that imperialist analysis needs to instead be applied to each country separately. And when analyzing each separate country, according to the same critics, the export of capital would be of utmost importance.

I will begin by explaining my thought process in regards to the export of capital, which has been a central tendency within the capitalist system at large, and not just during its imperialist stage. Thereafter I will discuss the concept of anti-imperialism and how it relates to the nationalist question, since the two terms are tightly intertwined.

Export of capital and anti-imperialism

In my earlier articles, I explained that the main characteristics that Lenin has identified when analyzing imperialism, cannot be applied to separate countries in a vacuum. These processes exist in all countries. When looking at the big picture, these characteristics become quite obvious, as I have argued here.

Despite this, one of the points raised against my explanations has been that one of Lenin's characteristics can only be used to analyze countries separately. The characteristic in question is that the export of capital growing in importance necessarily diminishes the importance of the export of physical goods.

This critique misses the point, as I never meant that the characteristics identified by Lenin should be used to assess the capitalist system generally, rather that the characteristics should be understood to be processes active in every capitalist country – which is also outlined by Lenin. They cannot however be seen as some immovable points of reference, no matter if we are analyzing the system at large or separate countries in particular.

Another critique my points have been exposed to is that all export of capital must, clearly, be equally matched by import of capital. Everything that is exported by one country, needs to be imported by another. Thus, when I state that this is a tendency in every capitalist state, a question follows: where is all the capital exported, when pretty much the entire world is exporting capital? If this was a zero-sum game, then this thought process would be absolutely correct, however the reality is different. Just because one country is exporting capital does not mean that it cannot also be importing capital. That one state exports capital to another, does not mean that the other does not export its capital to a third one. This is how Sweden exports capital to Lithuania, which then exports further to Belarus. Similarly, USA and Germany export to Sweden. Even if one country at the very end of this chain does not export any capital, the need to do so would very quickly arise, as this capital wants to find its way to the most profitable investments.

Having said that, I want to continue diving somewhat deeper into the question of export of capital, as it is a most central process, critical to the capitalist system's expansion, and so every single capitalist state's expansion.

In the third volume of Capital, Marx writes:

> *"Capitals invested in foreign trade can yield a higher rate of profit, because, in the first place, there is competition with commodities produced in other countries with inferior production facilities, so that the more advanced country sells its goods above their value even though cheaper than the competing countries. [...] Just as a manufacturer who employs a new invention before it becomes generally used, undersells his competitors and yet sells his commodity above its individual value, that is, realizes the specifically higher productiveness of the labor he employs as surplus-labor. He thus secures a surplus-profit. As concerns capitals invested in colonies, etc., on the other hand, they may yield higher rates of profit for the simple reason that the rate of profit is higher there due to backward development, and likewise the exploitation of labor, because of the use of slaves, coolies, etc."[1]*

So it was already possible in 19th century for Marx to observe the export of capital and identify the basic forces behind its tendencies: the strife for ever increasing rates of profit. He relates this to the question of more or less advanced countries, where the more advanced exported capital to a greater extent than the less advanced ones.

This gives us the key to understanding the export of capital: it's a measure of the capital's strength and development in a country. Let us look at a few examples:

– In 2019, Sweden invested almost $23B abroad, while almost $21B were invested in Sweden. The sides being roughly equivalent points towards the Swedish capital's relative strength.

– In 2019, Poland invested almost $700M abroad, while the country received investments of about $12B. It's very clear that Poland was a net importer of capital, reflecting its relatively weak capitalism, compared globally.

– In 2019, the UK invested just over $31B abroad, while the country received roughly $60B, reflecting the relative decline that the British capitalism has suffered. At the same time, the decline strengthened the internal contradictions of the British capitalism, which in turn led to Brexit.

For those that argue that the export of capital is an important metric for measuring whether a country is imperialist or not, the following question needs to be answered: does the UK oscillate between being an imperialist power and losing that status? Stated out loud, the question becomes absurd. The export of capital cannot be seen as a measurement of whether a country is imperialist or not. Rather, it is a measurement of how strong a country is and what its position within the imperialist hierarchy.

But this is still not all that is to be said about the export of capital. Marx showed already in the 19th century that the export of capital will grow out of the need for a higher rate of profit, and this is still true today. This is, naturally, something that applies to all capitalist countries, both those more and less developed. Even the less developed countries' capital is exported, since the rate of profit is higher than anywhere else: Swedish capital is exported for example to Bangladesh, which in turn exports its capital to, for example, Myanmar. All this is really quite simple:

> *"If capital is sent abroad, this is not done because it absolutely could not be applied at home, but because it can be employed at a higher rate of profit in a foreign country."[2]*

Lenin also described this process, although in different words. He asserted that countries become "overripe" relative to their own bourgeoisie, that the amount of capital grows too large in a given country to be able to be invested profitably within that country. This is the basis for investing the capital in other countries, as the profit there is larger. It is worth noting that the "over-ripeness" is not an absolute category, with some countries being "more overripe" than others, rather it is a measure of "over-ripeness" relative to the country's own bourgeoisie, which will then look for higher rates of profit in other countries. We need to also understand that what might be overripe for one country's bourgeoisie does not necessarily need to be overripe for other countries' bourgeoisie.

However, let us assume, for argument's sake, that there does exist a country that only imports capital, that the rate of profit in that country is the highest, even for its own bourgeoisie. This assumptions will inescapably lead to the following:

> *"The export of capital influences and greatly accelerates the development of capitalism in those countries to which it is exported." [3]*

The export of capital accelerates the capitalist development in the country that imports capital. It means nothing less than that this development will lead to even this country's capital needing to be exported abroad at increasingly higher rates, to much the rate at which the internal economy becomes saturated and the rate of profit plummets, relatively to other countries.

Having said that, we circle back around to our starting point: the export of capital is not a zero-sum game, rather than a dynamic tendency in every capitalist country.

Before we continue to the question of anti-imperialism, I would like to discuss the question of whether there exists any concrete difference between an imperialist and a capitalist country. This question also deals with the terms: colonies, half-colonies, and the oppressed classes. This is the minimal basis required for a productive discussion about anti-imperialism.

There are no imperialist nations*

*The title of this chapter may seem dubious to our readers, since the question may arise in the first place: “What then are such states as the United States, China or Russia?” In this regard, we asked the author of the article to clarify this thing, and he replied that this should be understood as “There are no imperialist nations, but there is an imperialist system and capitalist nations in that system” – Politsturm

I have previously put forward a theory that, using Lenin’s analysis, it is impossible to classify countries as more or less imperialist, or that each separate country takes the journey from being just capitalist, to becoming imperialist. This would imply that both capitalist and imperialist countries can exist next to each other.

However, nothing in Lenin’s analysis or in his following analyses outlines the tools allowing us to make such a distinction. The analysis that he puts forward can remain coherent only if we see imperialism as systemic, as the capitalist system’s highest stage.

However, it cannot be ignored that Lenin himself uses the terms “imperialist states” and “capitalist states” – but it should also be noted that he never makes any qualitative distinctions between the two! For him, these terms become inter-exchangeable. In one paragraph, he mentions the “advanced capitalist countries” only to then talk about “the violent struggles among the imperialist states” in the next. He describes the emigration from the “imperialist countries” while at the same time discussing “the territorial division of the world among the capitalist great powers”. The point here being: nowhere does Lenin even attempt to outline a systematic division between a capitalist and an imperialist country -he uses the two terms to describe the same thing. We need to pretty much accept that if he wanted to make this distinction in any way central, then he would have done so. Instead, when it comes to the goal of his analysis, we need to take him at his word:

“[T]he main purpose of the book was, and remains, to present, on the basis of the summarized returns of irrefutable bourgeois statistics, and the admissions of bourgeois scholars of all countries, a composite picture of the world capitalist system in its international relationships at the beginning of the twentieth century—on the eve of the first world imperialist war.” [4]

Why doesn’t Lenin bother to outline the apparent difference between capitalist and imperialist countries? Why does he use the terms synonymously? To answer the question, we need to first take a look at what the world looked like a hundred years ago.

What becomes apparent when looking at this past, is that a big part of the world consisted of colonies, alternatively what Lenin called half-colonies or dependent territories. In these countries, the capitalist mode of production cannot really be considered dominant. We see a world in which the countries where capitalism is developed and reigning, where the national bourgeoisie holds power, to be in the minority, seen globally. What Lenin does is that he looks at the contrast between capitalist/imperialist countries and the not-capitalist countries, instead of comparing

strong capitalist countries to weaker, but still capitalist ones. He also marks no clear distinction between imperialist and capitalist states, which many others erroneously do today.

If we go back to today, then we can see that the world is clearly different: the colonial system has mostly disappeared and the overwhelming majority of the former colonies has gained their political independence. The capitalist mode of production has been developed in large parts of the world, and the national bourgeoisie controls many more countries than in Lenin's time. Capitalism today is no longer contained to just a few Western European and North American states, but has spread globally. Capitalism has spread its roots to smaller, peripheral countries, as well as the formerly socialist states in East Europe and Asia.

These "new" capitalist states are subject to the same type of coercion as the "old" capitalist states. The capital in these countries then concentrates, a financial capital crystallizes, the export of capital accelerates and begins to take a more aggressive role in the battle of world division. This is what we mean when we write that Lenin's characteristics apply to the system as such and that they are processes operating in each country.

Does this mean that we should see all capitalist countries as equal? Yes, in the sense that they all follow a similar pattern of development, follow the same rules and processes, and strive to progress their own monopolies using those advantages which can be found in capitalism's highest stage. We do not consider them equal in strength. It is obvious there are differences, for instance, between Bangladesh and the USA. However, the differences are not about which country is "more" or "less" imperialist, or that Bangladesh would be purely capitalist while the United States would be imperialist, but about the balance of power, about their position in the hierarchy of the imperialist system.

There is no qualitative difference between Bangladesh and the USA, but there is a quantitative one. The capital in Bangladesh can barely compete with the American one on the global scale, but it doesn't mean that the Bangladeshi capital is not being concentrated, or that it is not being exported and seeking advantages for its monopoly's development – even if only on a regional arena.

Even Bangladesh has big monopolies and conglomerates, such as the ACI Group, which produces everything from food and fertilizer to electronics and engines. Pran-RFL, which is a merger of two separate companies, has factories in, for example, India. Apart from the export of capital flowing to India, Bangladeshi companies also invest in, among others, Myanmar, Cambodia and Ethiopia.

Similar tendencies can be found when looking at every single capitalist country. Each one fights for its own monopolies, for beneficial conditions for its capital's export, and to further climb the imperialist hierarchy. This applies just as much to Venezuela's dealings in the Caribbean, as well as Lithuania's struggles for market shares in East Europe, Nigeria's aspirations of economic dominance in Africa, and Bangladesh's expansion in southeastern Asia.

To be clear: so far we have been talking about nations in which capitalism is the dominant mode of production, and where the national bourgeoisie holds power. But what happens when there is no national bourgeoisie in power?

Colonies, half-colonies and the national question

As mentioned earlier, the colonial system has in large part disappeared. Of course, there are still some old holdovers left – for example the Falkland Islands, West Sahara, or French Guyana – but these cannot be used to characterize the age we live in: colonialism is dead and national independence has been won for the majority of former colonies.

This political and national independence has in turn been the basis for the development and consolidation of the capitalist mode of production, which was not possible under the colonial conditions. National independence was the prerequisite for the development of national bourgeoisie: “But in any country the rule of the bourgeoisie is impossible without national independence.” [5]

The local market within the own country needs to be secured for the national bourgeoisie to be able to expand. In “Marxism and the National Question”, Stalin states the following:

> *“The chief problem for the young bourgeoisie is the problem of the market. Its aim is to sell its goods and to emerge victorious from competition with the bourgeoisie of a different nationality. Hence its desire to secure its “own,” its “home” market. The market is the first school in which the bourgeoisie learns its nationalism.” [6]*

National independence goes hand in hand with the aspiring bourgeoisie – when it wants to free itself, a national basis needs to be established. When this point is secured – once the national independence is secured – then the national question has been solved. This is why Lenin connected the national struggle with capitalist development in “The Military Programme of the Proletarian Revolution”:

> *“One of the main features of imperialism is that it accelerates capitalist development in the most backward countries, and thereby extends and intensifies the struggle against national oppression.” [7]*

As the national bourgeoisie developed in the colonial countries, the national struggle also became more pronounced, since these aspiring capitalists wanted to secure the national home market for themselves. Once this had been achieved, due to colonial liberation, the national question relative to other nations was solved. Most of the former colonies have established themselves as independent capitalist countries, all of which seek to strengthen their own monopolies and companies. Some of these are more powerful, others less; some can compete on the global market, and others get confined to their immediate local area. As soon as a national bourgeoisie takes power, the national question ceases to be relevant:

> *“The domination of finance capital, as of capital in general, cannot be abolished by any kind of reforms in the realm of political democracy, and self-determination belongs wholly and exclusively to this realm.” [8]*

An economic liberation is impossible under capitalism, at least if we are to believe Lenin – and such a liberation has nothing to do with national independence. We need to keep this kind of reasoning in mind when we continue, as I have previously outlined in a Riktpunkt article, “The National Question”.

The term “Anti-imperialism”

Today the term “anti-imperialism” is used in many, often wildly differing, ways, probably most often to describe the states or movements that specifically oppose American imperialism. We see this as an incorrect description, which misses the entire point by a long shot. Partially, it is a theoretically incorrect usage, since it differentiates imperialism from capitalism and thus obscures the true relation of

imperialism being capitalism. Secondly, it becomes a justification to choose “the lesser evil”, where the smaller capitalist nations are seen in a different, often better, light than the larger ones, despite no qualitative differences between them.

Hence, we want to underline that there cannot logically exist an anti-imperialism that simultaneously is not anti-capitalist. The thought that capitalist states can themselves be anti-imperialist is absurd. The entire logic falls apart as it is obviously impossible for a capitalist country to be anti-capitalist. And yet, it is this very point that is so often objected to.

Our critics often try to say that this must mean we deny the fact that stronger capitalist nations attack weaker ones, or that there exist states that oppress other states. This is an objection that does not respond to what we are actually proposing, rather than what they want to hear us say. We have never denied that stronger states attack weaker ones, as this is a natural consequence of the capitalist system’s internal logic and the struggle for a better place in the imperialist hierarchy. It does not mean that the stronger nations would be more imperialist than the weak ones or that the strong ones would be imperialist while the weak ones are merely capitalist.

We have also never denied that there exist states that oppress other states, even if this question is much more complex than it often appears. There do exist oppressed peoples and nations. However, there do not exist any oppressed nations that are capitalist, where the capitalist mode of production dominates. These we need to see as split: they are made up of the workers and the exploitative capitalists. That one country would be subordinate to another in the imperialist hierarchy does not make the subordinate country an oppressed one. After all, these countries in turn have their own subordinates.

This distinction is also consequently being made in the classics. The realpolitik that the Bolsheviks were forced to employ in relation to the oppressed nations in, for example, East Asia, meant that they needed to get them to take part in the struggle against imperialism to lessen the pressure on the budding Soviet state (this can be seen for example in the discussions held by Lenin with the Afghan ambassador in Moscow) can however be seen as an exception to that. Otherwise the proletariat of the capitalist nations is seen as distinct from the oppressed peoples and nations. This difference is key to understanding anti-imperialism.

An explicit distinction is being made between the capitalist nations and the non-capitalist ones, where the former is not being discussed in terms of the nation as a whole while the latter is addressed as all people. The reasoning used by Lenin in his speech at the Comintern second congress is very telling here.

In the speech he discussed the difference between the oppressed and the oppressing nations. He said:

> *“The characteristic feature of imperialism consists in the whole world, as we now see, being divided into a large number of oppressed nations and an insignificant number of oppressor nations, the latter possessing colossal wealth and powerful armed forces. The vast majority of the world’s population, over a thousand million, perhaps even 1,250 million people, if we take the total population of the world as 1,750 million, in other words, about 70 per cent of the world’s population, belong to the oppressed nations, which are either in a state of direct colonial dependence or are semi-colonies, as, for example, Persia, Turkey and China, or else, conquered by some big imperialist power, have become greatly dependent on that power by virtue of peace treaties.” [9]*

This particular passage is very interesting and revealing. The distinction made by Lenin between the oppressed and oppressing nations is the same one he makes

between advanced, capitalist nations and non-capitalist nations. Both of these divisions run parallel to each other. Lenin makes no note here trying to discuss capitalist nations in terms of oppressed since it obviously would disguise the very basic class antagonisms built into the very foundation of such a country. The oppressed nations are thus the undeveloped and non-advanced nations, which have not yet begun their own capitalist development.

In the same speech, he outlines what can be understood to be the way forward:

> *World imperialism shall fall when the revolutionary onslaught of the exploited and oppressed workers in each country, overcoming resistance from petty-bourgeois elements and the influence of the small upper crust of labor aristocrats, merges with the revolutionary onslaught of hundreds of millions of people who have hitherto stood beyond the pale of history, and have been regarded merely as the object of history.*

Stalin makes a similar point in “The Foundations of Leninism”:

> *“The interests of the proletarian movement in the developed countries and of the national liberation movement in the colonies call for the union of these two forms of the revolutionary movement into a common front against the common enemy, against imperialism;the victory of the working class in the developed countries and the liberation of the oppressed peoples from the yoke of imperialism are impossible without the formation and the consolidation of a common revolutionary front;” [11]*

There is a reason why they do not talk about the oppressed peoples in the developed countries (rather than the proletarian movement), while at the same time discussing the liberation of the oppressed peoples in the less developed countries and colonies. In the capitalist states, the people are not oppressed, as the national bourgeoisie has developed and seized power. The oppressed people exist in the non-capitalist and colonial nations, those in which the national bourgeoisie has not yet seized power and the capitalist mode of production has not become dominant. A capitalist nation in its entirety cannot be considered oppressed, as that would be to conceal the class character of the struggle and the contradictions between labor and capital in the capitalist nation.

Capitalism and imperialism are here ambushed from two sides: by the working class in the capitalist nations, and by the people in the non-capitalist nations. It is because of this a “common revolutionary front” can be established. They never discuss a capitalist nation’s anti-imperialism or struggle against imperialism as this struggle is always the struggle of the workers in the capitalist states, or the oppressed nation’s people.

We want to say that since the capitalist mode of production is dominant in more or less the entirety of the world, and the national liberation for the most part has been achieved, it is very problematic to still talk about “the oppressed peoples” in ways other than their relation to colonial residues or peoples who, due to historical circumstances, are part of minorities within already established capitalist nations. With this perspective, both the national question and the question of oppressed nations are more or less overplayed.

There is also no anti-imperialism that at the same time is not anti-capitalist and to call a weaker capitalist nation’s struggle against a stronger one “anti-imperialist” is to disguise not only the imperialist system’s nature, but also the capitalist nations’ inner class hierarchy. To side with a weaker capitalist state against a stronger one cannot thus be considered anti-imperialism. We would rather consider it to be opportunism.

As always, one can imagine “intermediate stages”: nations that formally have won their independence, but in which the national bourgeois has still not had time to fully develop, such as many African countries where the former colonizers still hold the absolute power, and the independent capitalist development has been hindered. The term neocolonialism can be useful here, but we strongly oppose the notion that neocolonialism is imperialism’s highest stage, as has been stated by Kwameh Nkrumah, a well-known leader within Africa’s anti-colonialism movement, and which is how the term neocolonialism is often used. We consider instead the term to only be applicable to a few countries, and that it cannot generally be used to characterize the imperialist system at large.

Conclusion

In this article we have looked, mainly, at two aspects of the discussion around imperialism: the export of capital and anti-imperialism. We are fully aware that the points of view we presented here strongly contrast the often casual perceptions of the phenomenon anchored in the general left, and which are an ideological remnant of the opportunism developed concurrently with the communist movement’s decline in the second half of the 20th century. At the same time, we are convinced that there is a great need to re-evaluate the perceptions that exist and strengthen the ideological understanding of the world as it actually looks.

An important aspect of this more nuanced understanding of imperialism is that it allows a more effective navigation of the international question: it is neither desirable nor necessary for communists to side with either the weaker capitalists during a conflict or with the attacked country in a way that conceals its class structure and obscures the socialist goal.

A holistic approach to imperialism allows us also to better understand how each separate question is tied to development within the capitalist-imperialist system: each cutback and each attack on the working class also reflects the growing contradictions within the system and a higher need for each individual capitalist to attack their own population and increase their profits and competitiveness.

For these reasons, we attach great importance to the imperialism question. It is simply one of the central questions we need to scrutinize and understand. Without its good comprehension, we will not be able to analyze international or national politics within a revolutionary scope, and the question will be reduced to, at best, helping us with “choosing the lesser evil” within the capitalist system.

[1] Marx, K., “Capital vol. 3”, Ch. 14-V (https://www.marxists.org/archive/marx/works/1894-c3/ch14.htm)

[2] Marx, K., “Capital vol.3”, Ch. 15-III (https://www.marxists.org/archive/marx/works/1894-c3/ch15.htm)

[3] Lenin, V. I., “Imperialism, the Highest Stage of Capitalism”, Ch. 4 (https://www.marxists.org/archive/lenin/works/1916/imp-hsc/ch04.htm)

[4] Lenin, V. I., “Imperialism, the Highest Stage of Capitalism”, Preface to the French and German editions (https://www.marxists.org/archive/lenin/works/1916/imp-hsc/pref02.htm)

[5] Marx, K., Engels, F., “Manifesto of the Communist Party”, Preface (https://www.marxists.org/archive/marx/works/1848/communist-manifesto/preface.htm)

[6] Stalin, J. V., “Marxism and the National Question”, Ch. 2 (https://www.marxists.org/reference/archive/stalin/works/1913/03a.htm#s2)

[7] Lenin, V. I., “Military Programme of the Proletarian Revolution”, Ch. 1 (https://www.marxists.org/archive/lenin/works/1916/miliprog/i.htm)

[8] Lenin, V. I., “The Socialist Revolution and the Right of Nations to Self-Determination”, Ch. 2 (https://www.marxists.org/archive/lenin/works/1916/jan/x01.htm)’

[9] Lenin, V. I., “The Second Congress Of The Communist International” Pt. 3 (https://www.marxists.org/archive/lenin/works/1920/jul/x03.htm)

[10] Lenin, V. I., “The Second Congress Of The Communist International” Pt. 1 (https://www.marxists.org/archive/lenin/works/1920/jul/x03.htm)

[11] Stalin, J. V., “The Foundations of Leninism”, Ch. 6 (https://www.marxists.org/reference/archive/stalin/works/1924/foundations-leninism/index.htm)

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