

On Imperialism and the Current Global Situation



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Preface by Politsturm

This material was translated for us by the Communist Party of Sweden. This article, written by Andreas Sorensen, the General Secretary of the CP of Sweden, develops the ideas in his previous materials, that we have published before: "Peace, Capitalism, and Imperialism", "Export of Capital and Anti-Imperialism", "The Problem of Neo-Colonialism".

This material explores the problems and some points related to the interpretation of the concept of imperialism in the present day.

The author examines the most common misconceptions regarding the theory of imperialism, and other incorrect interpretations of Lenin's ideas, also providing several illustrative examples that support his position.

The original article entitled "Om imperialismen och den nuvarande situationen i världen" was published in Riktpunkt.nu on June 18, 2023.

The global developments over the last couple of years have sharpened the contradictions within the imperialist system and have necessitated the need for a deeper analysis of the mechanisms forcing development forward.

To do this, the following presentation will focus on the analysis which Lenin presented in his book *Imperialism, the highest stage of capitalism*. In this work, he explored the mechanisms that continue to decide the development of international capitalism. In this article, those mechanisms and characteristics will be discussed further, and I will focus on problematic ways to approach Lenin.

A Theoretical Starting Point

In the following section, I will explain the fundamental theoretical foundations which will constitute the framework for the rest of the article. The basis for the entire analysis is the simple assertion that capitalism [in the current stage of its development - PS] is imperialism. This assertion is simple enough, but as we move on, we will begin to see that it is more nuanced than what's obvious at first glance.

First and foremost, it is necessary to not separate capitalism and imperialism, rather, capitalism is operating on its imperialist level. What this means is that [modern - PS] capitalism has ceased to be characterised by free competition, but instead by monopoly capital. Hence there is no distinction to be made between capitalist and imperialist nations, and I will argue that there are no such things as imperialist nations. Instead, we constantly must deal with capitalist nations which exist within an imperialist system.

Within this system, every capitalist nation struggles to advance within the hierarchy of capitalist competition. Every nation represents its own bourgeoisie, and in doing so fights for its share of the market, raw materials, supply chains, geographic advantages and so on. This naturally entails that one tries to stop other states from reaching their own goals.

This does not mean that contradictions don't exist within the system or amongst these states. My point is that these differences are quantitative and not qualitative. These states are not naturally distinct, but rather what separates them is their strength and level of development.

Lenin's Five Characteristics of Imperialism

In what is likely the most quoted part of his work titled "Imperialism..." Lenin briefly presents a summary of the most essential characteristics of imperialism. This might have been his greatest mistake.

The mistake is not theoretical, but pedagogical, as it invites the reader to be satisfied with the summary and not go beyond it. This in turn fosters a sloppy reading. His warning that all definitions have "conditional and relative value" has far too many times not been taken seriously, but is instead ignored [1]. These characteristics, which will be familiar to most readers are as follows:

(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. [2]

In the most extreme cases, this sloppiness led to assumptions regarding how to use these characteristics. Too often they are used uncritically in a way to determine if a specific country is imperialist or not. This presents us with a host of theoretical and scientific problems.

When Lenin is used in such a way, one necessarily runs into multiple problems. These are inevitable and show clear scientific flaws in their interpretation of imperialism's main characteristics as something which should be applied to every country [like an arbitrary checklist - PS]. Few people use Lenin in this way, but some of the questions discussed hereafter are relevant as a critique of most of the ways Lenin is used today.

This first problem standing before us is the problem of quantification:

1. When one divides the world into either capitalist or imperialist nations one must inevitably deal with the issue of quantification. To put it simply: At which point does a nation transition from a capitalist nation to an imperialist nation? How concentrated must production and capital be? How developed must finance capital be? How much must capital exports have grown in relation to commodity exports?

The observant reader will immediately notice the issue. To determine whether a country is imperialist or capitalist one must quantify the characteristics. If one does not do this, then the decision to label the country loses all scientific credibility. On the other hand, if one tries to quantify these characteristics, one simply has to choose a level of concentration, a level of development of finance capital and capital exports where a given country changes from capitalist to imperialist. How does one do this? Where does one find these levels and how does one justify them?

That is not the sole problem with reading Lenin in this way. If one argues that there are capitalist and imperialist nations, then one must acknowledge that there are quantitative differences between them. Many questions arise: Does a capitalist nation act differently from an imperialist nation? Are the motives behind their

actions different? If not, what analytical differences are to be made from such distinctions?

This desire to separate the capitalist and imperialist nations raises the question: who rules in these capitalist nations? Lenin made it very clear that “the cartels [have become] one of the foundations of economic life” when he discussed the concentration of the production of capital; the logic necessitates that this would not be the case with the capitalist nations. [3] So if the cartels and monopolies do not constitute the foundations of the economic life in the capitalist [but supposedly not imperialist - PS] nations, then what does?

In the same way, it would be logical to assume that as imperialism is monopoly capitalism and non-imperialist capitalism is characterised by free competition, this is therefore what characterises the capitalist countries which have not yet reached their imperialist stage. Hence one reaches the inevitable conclusion that these nations are ruled by their petty bourgeoisie, as they are clearly not peasant or worker states. As we will see later on in this text, this line of argumentation does not hold, as there is no [modern - PS] capitalist nation which has not gone through the creation of financial capital.

These analytical and theoretical problems not only apply to those using Lenin in such ways as described above but also to those insisting on separating capitalist and imperialist nations in general, irrespective of the methods they choose.

When we move on, we will find even more problems with applying Lenin’s analysis in the aforementioned way:

2. When we apply Lenin’s characteristics in this way to individual countries the following question arises: How do we deal with the last two characteristics? How do “the formation of international monopolist capitalist associations which share the world among themselves” and the completion of “the territorial division of the whole world among the biggest capitalist powers” apply to a single country?

To avoid this problem, there are two ways of moving forward: one can ignore these two characteristics and focus on the first three, or one can interpret this as a given monopoly’s participation in the creation of “international monopolist capitalist associations”, in other words, a given state’s participation in the division of the world.

The first way leads to a complete falsification of Lenin and is nothing more than intellectual dishonesty. It is a point of no return.

The second way is more reasonable, but must deal with the question: If this was the way that Lenin meant for his analysis to be used, why didn't he simply write the participation of countries and monopolies in the division of the world as a criterion?

We have now reached the point I am trying to make: it is obvious that this is not the way Lenin understood his own analysis and not the way he wanted others to interpret it. Instead, we can use the last two characteristics as clues - they lead us to the object of the analysis itself; the capitalist system is at its imperialist stage.

The Capitalist System At its Imperialist Stage

The characteristics in opposition to the view presented above were identified by Lenin in the aforementioned point of departure. We will not treat characteristics as criteria, but rather as just characteristics. We must understand them as a process which at every given opportunity forces development forward in every capitalist

country [4].

In the following section, I will discuss these characteristics – or rather, processes – and how they manifest in multiple different capitalist nations.

Concentration of Capital and Production

This process is the first one analysed in "Imperialism..." and from the start, Lenin makes his debt to Marx clear. He writes about the bourgeois economists who...

...by a conspiracy of silence, to kill the works of Marx, who by a theoretical and historical analysis of capitalism had proved that free competition gives rise to the concentration of production, which, in turn, at a certain stage of development, leads to monopoly. [5]

In the same paragraph, he writes about how...

... facts show that differences between capitalist countries, e.g., in the matter of protection or free trade, only give rise to insignificant variations in the form of monopolies or in the moment of their appearance; and that the rise of monopolies, as the result of the concentration of production, is a general and fundamental law of the present stage of development of capitalism. [6]

What Marx argues and Lenin emphasises is that this tendency is present in every capitalist country, at every opportunity. The politics which are implemented at a given time cannot stop this tendency, which is proved by reality. [7]

The richest percentage of people in the US owned 31.4 per cent of the wealth in the country in 2020, whereas the same statistic for India was 40.5 per cent. In the UK and France the richest percentage owned 22 and 23 per cent of all wealth in their respective countries in the same year. In Sweden the richest percentage owned 34.9 percent of all wealth; in Nigeria and South Africa, the number was 44.2 and 40.8 percent respectively. Brazil is at the top of the list, where the richest percentage owns 49.6 per cent of all wealth.

These numbers say a lot but do not give the whole picture. What they do not say is the stage of development in each respective country and their place in the imperialist hierarchy. Capital concentration within a given country does not say a lot about the characteristics of the wealth, where it emerged and so on. On the other hand, we can see how useless these numbers become if we try to determine if a country is imperialist or not. If we were to use the numbers in this way, that would indicate that after Brazil, Nigeria would be the most developed imperialist country in the world, while the UK and France would be on the opposite end of the scale. The point is obvious, one cannot use these numbers in that way. Instead one has to understand that capitalism will concentrate capital and production, and as an innate tendency to capitalism, it will play this role in every capitalist country.

The Merging of Banks and Industrial Capital into Finance Capital

As emphasised earlier by Lenin this process is intimately intertwined with capitalism. In his work, he begins his analysis by writing the following:

We now have to describe how, under the general conditions of commodity production and private property, the "business operations" of capitalist monopolies inevitably lead to the domination of a financial oligarchy. [8]

In other words: we cannot imagine a capitalist country which does not develop a financial oligarchy.

What we are witnessing is the development of capital to a higher stage, which constitutes the basis for capital and the concentration of production, but also capital exports, which is the next characteristic we will be looking at. First, we will test Lenin's thesis against reality.

Readers will more or less be familiar with the situation in the Western countries, which is the reason why I want to turn the spotlight to another country, normally never mentioned in a discussion on imperialism, and yet the country is ripped apart by the two largest imperialist blocs – Ukraine. The country will serve as an example, but it is of course possible to observe such tendencies in every country.

When we investigate the economic situation in Ukraine as it was before 2022, we can clearly observe the creation of a financial oligarchy, concentrated in the hands of a few people.

Ukraine's wealthiest man, Rinat Akhmetov, is the owner of SCM Holding, one of the largest holding companies in the country. Companies connected to SCM Holding are active in metallurgy, energy, telecommunications, real estate, banking, and insurance. Within the SCM-sphere, we can find First Ukrainian National Bank, which was the country's ninth-largest national bank in 2018, and the mine and steel company Metinvest, which was Ukraine's largest firm that could compete internationally.

Right behind Akhmetov, we can find Viktor Pintjuk. He is the founder of Interpipe, one of the leading manufacturers of steel pipes in the world. From this group, he has been able to expand into other branches. The group has been active in the flight industry, investments and finances, transport, media and real estate, to name a few.

It is revealing to look at Privat Group, one of Ukraine's largest conglomerates. The group's assets are varied and not limited to their own country. Among these assets are investments in steel, metallurgy, oil, agriculture, food, media and chemical industry. A couple of years ago the group also controlled Privatbank, however, this was nationalised following a financial crisis.

It is easy to continue in the same manner, but the goal of this analysis is not specific to Ukraine. I wanted to show how the merging of industry and bank capital into finance capital occurs in every single country. Even in Ukraine, "under the general conditions of commodity production and private property, the 'business operations' of capitalist monopolies inevitably lead to the domination of a financial oligarchy."

This does not necessarily mean that Ukrainian finance capital can compete with more developed countries' financial oligarchies. It is undeniable that weaker and less developed countries also foster financial oligarchies, and as such is the case, it is clear that we are dealing with quantitative and not qualitative differences – we can find a financial oligarchy in every country at different degrees of power and development.

Capital Exports in Relation to Commodity Exports

When discussing capital exports it is important to note that before Lenin, Marx had already observed the same tendency. In the third volume of Capital, he writes the following:

As concerns capital 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 labour, because of the use of slaves, coolies, etc.[9]

The basis for this section of Marx's analysis is that capital searches for branches of industry which have the highest profit margin. Capital must simply search for the most profitable investments. Lenin repeats this conclusion, in his own words:

The need to export capital arises from the fact that in a few countries capitalism has become "overripe" and (owing to the backward state of agriculture and the poverty of the masses) capital cannot find a field for "profitable" investment. [10]

The colonies benefited the capitalist nations well in this way and offered further opportunities for investments, which could not be made as profitable in the home countries, partially because of poverty and underdeveloped agriculture.

We should note that capital exports are not simply a question of exports from a richer country to a poorer one. We see how capital imports to the US are marginally lower than the country's capital exports [11] and we see how the foremost destination of Swedish capital is the US. In 2021 the US absorbed 18.5 per cent of capital exported from Sweden, meanwhile, the rest of the Nordic countries amounted to 18.9 per cent of Sweden's exported capital.

This disproves neither Marx nor Lenin's analysis. Instead, we must understand "profitable investment" in a broader sense. These allocations can be made to markets, technologies, supply chains, educated workforces, infrastructure and so on.

We must also look closely at Lenin's formulations. What does it mean that capital in "a few countries" became overripe? Does it mean that we need to find these "few countries" in our present time and that we will always have to look for these "few countries"? To do so would be to depart from Marxism in its entirety.

During Lenin's time, he could easily speak of a "few countries", as there were only a few countries in which capitalism had developed! It would have been impossible for him to write about capitalism in Africa and Asia, as these areas were either colonies or semi-colonies. There was no capital in these countries that could become "overripe".

Today the situation has changed radically, and we can speak of capitalism in large parts of Africa and Asia; as a twist of fate, Indian capital now controls the majority of the car industry in the UK.

All this means is that we are dealing with a much more multifaceted system for capital exports which stretches all over the capitalist world. Therefore, I will discuss the case of Lithuania to emphasise this point, as I did in a more extensive article for the Kommunistische Organisation a couple of years ago. [12]

Lithuania is an important market for Swedish capital, especially large companies like Ikea, ABB, Tele2, Telia Sonera, Swedbank, and SEB. Many of these investments go to free trade zones in Klaipeda and Kaunas and we can henceforth draw the simple conclusion that Lithuania offers more profitable investments for Swedish capital because of its lower salaries and worse working conditions. Lithuania alone stood for a fifth of the total international investments for Swedish companies in 2016. If we were to stop here, then we would have a classic example of what some would call an oppressed nation. That would however not give us the complete picture.

While capital is exported from Sweden to Lithuania, capital is also exported from Lithuania to other countries. [13]

We can find Lithuanian capital in more than 500 Belarusian companies, and one Lithuanian parliamentarian stated that “every other rich Lithuanian conducts business in Belarus”. Every year investments flow in the magnitude of 80 million USD from Lithuania to Belarus.

Aside from Belarus, investments are conducted in Poland, where Lithuanian capital is found in the energy sector, as well as the retail market. Lithuanian capital flows into the Latvian construction sector, where they invest hundreds of millions of euros.

Why is all of this relevant? Because it signifies how a hierarchy exists within the capitalist system, which in turn exemplifies how the idea of some oppressed and other oppressing nations is problematic. Simultaneously, the capital flows show the strength of the different capitalist countries and their ability to make their influence effective. We can hence conclude that this is capitalism's natural development.

The export of capital both influences and greatly accelerates the development of capitalism in those countries it is exported to. While the export of capital may tend to a certain extent to arrest development in the capital-exporting countries, it can only do so by expanding and deepening the further development of capitalism throughout the world. [14]

Even if the paragraph is short, it speaks volumes. We have to admit – as Lenin did before he had the answers in hand – that capitalism has developed; it has expanded and deepened its roots in the earth. It means that we can no longer speak of a “few countries” rather we have to speak of a system of capitalist countries struggling within the boundary of a hierarchy.

The Division of the World and International Competition Between the Capitalists

As stated before, the division of the world is intimately connected to the existence of the colonies:

As there are no unoccupied territories—that is, territories that do not belong to any state in Asia and America, it is necessary to amplify Supan’s conclusion and say that the characteristic feature of the period under review is the final partitioning of the globe—final, not in the sense that repartition is impossible; on the contrary, repartitions are possible and inevitable—but in the sense that the colonial policy of the capitalist countries has completed the seizure of the unoccupied territories on our planet. [15]

We must acknowledge that the world has changed. Colonialism no longer exists, other than leftover remains; the division of the world cannot be seen as it was during Lenin’s time. The development has not gone backwards and instead, capitalism has spread; all the world’s territories remain occupied, not as colonies but as sovereign actors on the capitalist scene. We simply have many more actors fighting for their place under the sun.

In Latin America, Chile, Brazil, and Mexico have emerged as regional powers; in Africa, South Africa, Nigeria and Egypt struggle for regional influence; in the Middle East, Turkey, Saudi Arabia and Iran clash in Syria and Yemen; in Asia, powers are competing on a global scale against the old order; in both Europe and Asia, Russia is in the process of reversing its previous defensive policy to meet the expansion of Euro-Atlantic imperialism.

We also have lesser actors tying themselves to their larger counterparts. Swedish capital is moving closer to American and German capital. Kazakh capital is balancing itself between Western and Eastern imperialism. Countries like Hungary are members of an imperialist alliance, yet cannot completely cut ties with Russia, which is one of the main competitors to the EU.

This reality constitutes the foundation of the competition between the capitalists and their respective countries. We cannot speak of the division and re-division of the world as Lenin did [i.e., wholly in the literal sense - PS]. Instead, we should speak of the competition within the capitalist hierarchy.

Within said hierarchy, which constitutes the capitalist system at its imperialist stage, all capitalist nations are players. They form alliances with each other based on their common interests. Because these alliances are fragile, they will inevitably crack. In the end, each country's own financial oligarchy's expansion is all that matters.

This does not mean that the stronger countries do not exercise power over the weaker countries. It is not a question of the strong country's occupation or oppression of the weaker one, rather it's about the weaker's positioning together with the stronger to meet the needs of their respective bourgeoisies. From this, we can say that the Swedish entrance into NATO is not a question of occupation or submission to a foreign power, but rather in line with the Swedish bourgeoisie's own interests, or their need to act more forcefully in a world characterised by sharpening contradictions.

What Would Lenin Have Done?

In my text, I have argued that instead of separating the capitalist and imperialist nations, we should see the system as imperialist and simultaneously not separate between the capitalist and imperialist nations. To further strengthen my thesis, it is worth looking at how Lenin himself characterised Tsarist Russia.

In "Imperialism..." Lenin mentions Russia on numerous occasions, which gives us a very clear picture of how he saw both Russia and imperialism. In his chapter on financial oligarchies, he discusses the Russian banks and makes it clear that their size does not compare to the Western banks, especially if we take into consideration how the Russian banks' assets were up to three-fourths foreign:

According to these figures, of the approximately 4,000 million rubles making up the "working" capital of the big banks, more than three-fourths, more than 3,000 million, belonged to banks which in reality were only "daughter companies" of foreign banks.
[16]

In the sixth chapter of "Imperialism..." he writes how Russia is "a country most backwards economically, where modern capitalist imperialism is enmeshed, so to speak, in a particularly close network of pre-capitalist relations." [17] It constitutes the foundations for an interesting – and contradictory – analysis: What should we do with a nation where pre-capitalist relations dominate and whose banks are dominated by foreign capital?

He gives us the answer himself in the text "The Discussion on Self-Determination Summed Up" which was written almost at the same time as "Imperialism...". He writes how "...even in peace time Russia set a world record for the oppression of nations with an imperialism that is much more crude, medieval, Economically backward and militarily bureaucratic." [18]

I do not doubt that if a country like that existed today, many would falter in calling it imperialist and would instead turn to quote Lenin and his characteristics. What

would then remain would be whether to categorise such a country as capitalist or pre-capitalist, maybe semi-colonial or oppressed instead. All these categorisations would open the door for catastrophic conclusions, like the assumption that such a country could be anti-imperialist. Sadly these “analyses” have been infecting the communist movement and I remain resolute that they are deeply opportunistic and anti-socialist. Had Lenin and the Bolsheviks turned to such a path then it is not unreasonable to assume that they would have ended up on the wrong side of history and the single most important event in world history would not have occurred.

It is clear that Lenin himself had never tried to differentiate between capitalist and imperialist nations in his own analysis. Had he wanted his analysis to be used in such a way then he would have formulated such an analysis.

Conclusions

With this text, I have highlighted some theoretical and analytical difficulties that arise when one tries to apply Lenin in the ways described above. More problems arise, for which there are no answers: Which class rules in which country? At what level does a capitalist nation become imperialist? Wherein are the analytical rewards for making such a differentiation?

As I mentioned at the beginning of my text, this is a theoretical and political dead end. Instead, one has to emphasise the dynamics within the system. What I mean to say is that one has to see the world for what it is, one has to see the complexities. We see that capitalism has developed and that it has drawn almost the entire world into its sphere and created a national bourgeoisie in many countries which had previously lacked one, which has in turn made competition fiercer and more complex. We see that we're moving away from the division of the world [wholly in the literal sense - PS], as Lenin had discussed it and that we must instead use his method scientifically, and not interpret every single word as if we were dealing with a sacred text.

We see that every country acts from the same set of principles - in short, they are trying to improve the situation for their own monopolies in the international struggle, so as to maximise profit both in the short and long term - and that there are no qualitative differences between the weakest and strongest capitalist nations. This division between capitalist and imperialist nations is superfluous and instead serves to obfuscate how the capitalist system truly operates.

This is especially dangerous in our current times of sharpening contradictions, as it has led too many communists to take the side of one capitalist against another, thereby abandoning all thought of proletarian internationalism. To take the side of the weaker capitalist against the stronger capitalist is to allow oneself to be caught in an eternal cycle as there will always be weaker and stronger capitalists. The goal of the communist parties is instead to create a new and independent proletarian stance, completely separate from bourgeois and capitalist influence.

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Sources:

[1] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[2] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[3] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[4] Lenin's fifth and final characteristic – the territorial division of the world between the great powers – is closely intertwined with the existence of colonies, and must be treated carefully; colonies no longer signify capitalism, and the division of the world has taken other forms. The term neocolonialism is often used in this context, which I find problematic because it hides the development of a national bourgeoisie in many former colonies. The present world's division between the capitalist powers is a much more complex process as the economic competition today is between a multitude of capitalist states and not just a handful, as during Lenin's time. Hence it is not appropriate to discuss imperialism in terms of neocolonialism or oppressed or oppressing nations.

[5] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[6] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[7] The following numbers are taken from the Global Wealth Report 2021, as published by the bank Credit Suisse: <https://www.credit-suisse.com/about-us/en/reports-research/global-wealth-report.html>

[8] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[9] <https://www.marxists.org/archive/marx/works/1894-c3/>

[10] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[11] <https://www.bea.gov/data/intl-trade-investment/direct-investment-country-and-industry>

[12] <https://kommunistische.org/diskussion/zur-frage-des-imperialismus-on-the-question-of-imperialism/>. Here one can find references to the claims made in the following.

[13] Here we must be careful – the following information is from the time from before the special military operation in Ukraine and does not necessarily reflect the present situation. It is still a sufficient example even if some parts are outdated, they still constitute the point I want to make.

[14] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[15] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[16] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[17] <https://www.marxists.org/archive/lenin/works/1916/imp-hsc/index.htm>

[18] <https://www.marxists.org/archive/lenin/works/1916/jul/x01.htm>

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