

Geopolitical conflict and the logic of capital

Nick Rogers, 27 January 2023

Abstract

How should Marxists understand the relationship between the economic base of capitalist accumulation and the superstructure of the international system of states? As conflict between major powers reasserts itself, does Lenin's attempt to answer the same question amid the carnage of the First World War (*Imperialism*, 1916) retain explanatory power for our day? What is the wider significance of war in Ukraine and the emerging cold war between the United States and China? What should be the political response of socialists? Nick Rogers will invite us to discuss these questions.

Capital 1: 727, footnote

"Here we take no account of the export trade, by means of which a nation can change articles of luxury either into means of production or means of subsistence, and *vice versa*. In order to examine the object of our investigation in its integrity, free from all disturbing subsidiary circumstances, we must treat the whole world as one nation, and assume that capitalist production is established everywhere and has taken possession of every branch of industry."

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916
[Peking: 1973] – 1

"Colonial policy and imperialism existed before this latest stage of capitalism, and even before capitalism. Rome, founded on slavery, pursued a colonial policy and practised imperialism. But 'general' disquisitions on imperialism, which ignore, or put into the background, the fundamental difference between socio-economic systems, inevitably degenerate into the most vapid banality or bragging, like the comparison: 'Greater Rome and Greater Britain'. Even the capitalist colonial policy of *previous* stages of capitalism is essentially different from the colonial policy of finance capital." (pp. 97-98)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916
[Peking: 1973] – 2

The briefest possible definition of imperialism: "the monopoly stage of capitalism... finance capital is the bank capital of a few very big monopolist banks, merged with the capital of the monopolist combines of industrialists; and... the division of the world is the transition from a colonial policy which has extended without hindrance to territories unseized by any capitalist power, to a colonial policy of monopolistic possession of the territory of the world which has been completely divided up." (p. 105)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916 [Peking: 1973] – 3

Fuller definition (p. 106):

1. concentration of production and capital to such a high stage that it has created monopolies.
2. Financial oligarchy.
3. Export of capital (as distinguished export of commodities) becomes of exceptional importance.
4. The formation of international monopolist combines which share the world among themselves.
5. The territorial division of the whole world among the biggest capitalist powers has been completed.

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916 [Peking: 1973] – 4

I. **Monopoly capitalism**

"Capitalism in its imperialist stage leads right up to the most comprehensive socialisation of production; it, so to speak, drags the capitalists, against their will and consciousness, into some sort of new social order, a transitional one from complete free competition to complete socialization." (p. 24)

"[T]he old capitalism, the capitalism of free competition with its indispensable regulator, the Stock Exchange, is passing away. A new capitalism has come to take its place, bearing obvious features of something transient, a mixture of free competition and monopoly." (p. 43)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916 [Peking: 1973] – 5

II. Financial oligarchy

Hilferding: "Finance capital is capital controlled by banks and employed by industrialists." (p. 52)

"... the concentration of capital and the growth of bank turnover are radically changing the significance of the banks. Scattered capitalists are transformed into a single collective capitalist.... a handful of monopolists subordinate to their will all the operations, both commercial and industrial, of the whole of capitalist society..." (p. 37)

"The supremacy of finance capital over all other forms of capital means the predominance of the rentier and of the financial oligarchy; it means the singling out of a small number of financially 'powerful' states from among all the rest." (p.69)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916 [Peking: 1973] – 6

III. The export of capital

So long as capitalism remains, "surplus capital will be utilized not for the purpose of raising the standard of living of the masses in a given country, for this would mean a decline in profits for the capitalists, but for the purpose of increasing profits by exporting capital abroad to the backward countries. In these backward countries profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap." (p.73)

"The necessity for exporting capital arises from the fact that in a few countries capitalism has become 'overripe' and (owing to the backward stage of agriculture and impoverished state of the masses) capital cannot find a field for 'profitable' investment." (pp. 73-74)

"The export of capital affects and greatly accelerates the development of capitalism in those countries to which it is exported. While, therefore, 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." (p. 76)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916
[Peking: 1973] – 7

IV. Fusion of state and capital

"The capitalists divide the world, not out of any particular malice, but because the degree of concentration which has been reached forces them to adopt this method in order to obtain profits.... The question as to whether these changes are 'purely' economic or non-economic (e.g., military) is a secondary one, which cannot in the least affect the fundamental views on the latest epoch of capitalism. To substitute the question of the form of the struggle and agreements (today peaceful, tomorrow warlike, the next day warlike again) for the question of the 'substance' of the struggle and agreements between capitalist combines is to sink to the role of a sophist." (pp. 88-89)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916
[Peking: 1973] – 8

VI. Territorial division of the world among the biggest capitalist powers

"For the first time the world is completely divided up, so that in future 'only' redivision is possible, ie, territories can only pass from one 'owner' to another, instead of passing as ownerless territory to an 'owner'." (p. 90)

"It is beyond doubt, therefore, that capitalism's transition to the stage of monopoly capitalism, to finance capital, 'is connected' with the intensification of the struggle for the partition of the world." (p. 92)

"The principal feature of the latest stage of capitalism is the domination of monopolist combines of the big capitalists.... Colonial possession alone gives the monopolies complete guarantee against all contingencies in the struggle with competitors." (p. 98)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916 [Peking: 1973] – 9

V. Oppressor and oppressed nations – slide 1

Commenting on the enormous increase in the quantity of capital invested abroad between 1862 and 1914 and the income that the exporting countries would be receiving on the investments: "A solid basis for imperialist oppression and the exploitation of most of the countries and nations of the world, for the capitalist parasitism of a handful of wealthy states." (pp. 74-75)

Semi-colonial countries include Persia, China and Turkey. (p. 94)

"[T]he diverse forms of dependent countries which officially are politically independent, but in fact are enmeshed in the net of financial and diplomatic dependence." (p. 101): (as well as the semi-colony)

-- Argentina's financial dependence effectively makes it "a British commercial colony"

-- Portugal since the war of Spanish Succession (1701-14) has been a British protectorate with Britain receiving commercial privileges and preferential treatment in Portugal and its colonies

-- "Relations of this kind have always existed between big and little states, but in the epoch of capitalist imperialism they become a general system, they form part of the sum total of 'divide the world' relations, become links in the chains of operations of world finance capital." (pp. 102-103)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916
[Peking: 1973] – 10

V. Oppressor and oppressed nations – slide 2

"Capitalism is growing with the greatest rapidity in the colonies and in overseas countries. Among the latter, new imperialist powers are emerging (e.g., Japan). The struggle among the world imperialisms is becoming more acute. The tribute levied by finance capital on the most profitable colonial and overseas enterprises is increasing." (p. 117)

Three socialist responses to Ukraine conflict

1. The invasion of Ukraine is an attack on national sovereignty, the right of self-determination and a rules-based international system. Russia needs to be defeated and we support providing military equipment and financial aid to Ukraine and sanctioning and isolating Russia.
2. The US and NATO versus Russia is an inter-imperialist conflict. Socialists should call for the defeat of their own side - the defeatist position taken by the Bolsheviks and their international allies in WW1.
3. China is third world developing country blazing a trail for the rest of the Global South and/or a socialist country. The route to a more equitable distribution of power globally and a socialist future is via the defeat of the US and the achievement of a multilateral international order. We support Russia (and all other countries challenging the US) against the US and NATO.

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916 [Peking: 1973] - 11

VI. Socialist/Marxist opportunists (especially Kautsky) – slide 1

Kautsky's definition of imperialism (p. 108): "Imperialism is a product of highly developed industrial capitalism. It consists in the striving of every industrial capitalist nation to bring under its control or to annex larger and larger areas of 'agrarian' territory, irrespective of what nations inhabit those regions."

Adherents of Kautsky argue that: "it 'would be possible' to obtain raw materials in the open market without a 'costly and dangerous' colonial policy; and that it 'would be possible' to increase the supply of raw materials to an enormous extent 'simply' by improving conditions in agriculture in general. But such arguments become an apology for imperialism..." (p. 99)

Kautsky on ultra-imperialism (1915): "From the purely economic point of view, it is not impossible that capitalism will yet go through a new phase, that of the extension of the policy of the cartels to foreign policy, the phase of ultra-imperialism... the joint exploitation of the world by internationally united finance capital." - i.e., of a super-imperialism, of a union of the imperialisms of the whole world and not struggles among them, a phase when wars shall cease under capitalism. (p. 113)

Lenin, *Imperialism, the Highest Stage of Capitalism*, 1916 [Peking: 1973] - 12

VI. Socialist/Marxist opportunists (especially Kautsky) – slide 2

not impossible on the basis of future trends (in the same way that foodstuffs might eventually be manufactured in laboratories), but "the best reply to the lifeless abstractions of 'ultra-imperialism'... is to contrast them with the concrete economic realities of present-day world economy." (p. 113)

"Compare this reality - the vast diversity of economic and political conditions, the extreme disparity in the rate of development of the various countries, etc., and the violent struggles among the imperialist states - with Kautsky's silly little fable about 'peaceful' ultra-imperialism." -- Lenin predicts transition from peaceful division of world to non-peaceful redivision and vice-versa. (p, 115)

"The question is: what means other than war could there be 'under capitalism' of removing the disparity between the development of productive forces and the accumulation of capital on the one side, and the division of colonies and 'spheres of influence' for finance capital on the other?" (p. 118)

Through Pluripolarity to Socialism: A Manifesto' (September 2021) [1]

<https://internationalmanifesto.org/>

"Internationally, in the dialectic between uneven and combined development, powerful states vainly sought to preserve their imperial dominance through economic, political and military means, often in competition among themselves. Those resisting them attempted to develop productive forces through protection and state direction, asserting economic sovereignty. This resistance, not the extension of the world market or imperialism, spread productive capacity around the world. Success in challenging imperialism through economic development was greatest and most sustained where a successful popular revolution displaced private capital from political power. The result of these struggles among and against imperial powers has been multipolarity or what Hugo Chávez more accurately called pluripolarity, referring to the multiplicity of poles of power and the variety of their national capitalisms and socialisms."

"The stark contrast between socialisms' successes and capitalisms' failures has placed the fate of capitalism in the balance of international power. Advances towards socialism in the near future will involve international struggle as much as domestic class struggle, if not more so."

"Capitalism is at a domestic and international impasse and the classes and nations fighting for socialism must advance in solidarity. In this advance, some governments and movements, such as Iran or Yemen's Ansarullah, for example, may at first glance appear strange fellow-travellers for working people and their socialist nations and movements. However, they are subject to imperialist aggression, wars, blockades, economic and financial sanctions, colour revolutions and regime changes, and therefore deserve at least anti-imperialist solidarity."

Through Pluripolarity to Socialism: A Manifesto' (September 2021) [2]

"Of course, we will reach communism – a society that produces use values, rather than (exchange) value, and distributes the social product by taking 'from each according to their ability' and giving 'to each according to their need' – only at the end of a long road. We must traverse several stages of socialism – increasingly socialised production, distribution and outlook – before our productive capacities, our societies and our cultures become capable of relating to other individuals, groups and societies in solidarity, whilst living harmoniously with other species and the planet."

"We must oppose the US-sponsored imperialist New Cold War and build an ambitious multilateral international governance enabling all countries to develop, create economic, gender, racial and religious equality, and address shared challenges through economic, political, financial, scientific and cultural cooperation for mutual benefit in 'win-win' relations. True development in the Third World requires investment in human capacities and a new scientific and technological revolution to fulfil human and planetary needs, cooperative integration of economies to enhance industrial, data and human resource chains and sustainable connectivity and green infrastructure to diffuse the gains widely."

Through Pluripolarity to Socialism: A Manifesto' (September 2021) [3]

"The Soviet Union's demise set socialism back, but it was not the end of socialism, only the end of socialism's beginning. The road to socialism, and eventually communism, is long. Societies embarked on it are not magically freed of class and historical contradictions. Setbacks are possible. After all, socialist revolutions to date have occurred in poor countries. Developing their productive forces is not only far harder than living off the gains of imperialism; it had to be achieved against imperialist pressure. ...

"The story of socialism so far brings to mind Engels' saying that socialism is not 'something that remains crystallised for all time' but is 'in process of constant change and transformation' and Marx's remarks on proletarian revolutions:

"... proletarian revolutions ... constantly criticise themselves, constantly interrupt themselves, ... return to the apparently accomplished in order to begin anew; they deride with cruel thoroughness the half-measures, weaknesses, and paltriness of their first attempts, seem to throw down their opponents only so the latter may draw new strength from the earth and rise before them again more gigantic than ever, recoil constantly from the indefinite colossalness of their own goals – until a situation is created which makes all turning back impossible."

Critique of the Gotha Programme (1875) - First phase of communist society

"co-operative society based on common ownership of the means of production" within which "the producers do not exchange their products; just as little does the labour employed on the products appear here as the value of these products, as a material quality possessed by them, since now, in contrast to capitalist society, individual labour no longer exists in an indirect fashion but directly as a component part of total labour".

Engels to Otto von Boenigk, 21.08.1890 – slide 1

ENGELS TO OTTO VON BOENIGK ¹⁸

IN BRESLAU^a

Folkestone near Dover, 21 August 1890

Otto von Boenigk, Esq.,
Breslau

Dear Sir,

I can only reply to your inquiries ¹⁹ briefly and in general terms, for otherwise I should have to write a dissertation on the first one.

Ad I. So-called 'socialist society' is not, in my view, to be regarded as something that remains crystallised for all time, but rather as being in process of constant change and transformation like all other social conditions. The crucial difference between that society and conditions today consists, of course, in the organisation of production on the basis of common ownership, initially by the nation, of all means of production. I see absolutely no difficulty in carrying out this revolution over a period, i. e. gradually. The fact that our working men are up to it is borne out by their many productive and distributive associations which, wherever they have not been deliberately wrecked by

^a Wrocław

Engels to Otto von Boenigk, 21.08.1890 – slide 2

With proper technical management there would be no difficulty in leasing the large Junker estates east of the Elbe to the present day labourers and/or farm servants for communal cultivation. If there are excesses, it will be the Junkers' own fault, since it was they who, heedless of all existing educational legislation, were the cause of the people's becoming so brutalised.

The biggest obstacle is presented by the small farmers and the importunate, educated smart-Alecks whose superior knowledge of a subject is always in inverse proportion to their understanding of it.

Assuming, therefore, that we have an adequate number of supporters among the masses, the socialisation of large-scale industry and of the farms on the big estates can be carried out very quickly, once we have gained political supremacy. The rest will soon follow at a faster or slower pace. And when the large sources of production are ours, we shall be masters of the situation.

You speak of the absence of a uniform opinion. This does exist — but it is to be found among the educated men who come from aristocratic and bourgeois circles and who have absolutely no idea of how much they still have to learn from the working man.