

Counting Trees, or Leninism vs Empiricism

Barbara Dorn

11 April 2014

Tom [Riley]'s document of 8 April confirms one thing: that empirical data is of limited use unless it is viewed within the right theoretical framework. And there is something pretty obviously wrong about a framework that tells you Russia plays a qualitatively identical role in the global system to Brazil or Greece, and that Russia's role is qualitatively inferior to that of Spain or New Zealand. The numbers are not in dispute; what is in dispute is the way we read, understand and contextualise those numbers.

There is no single economic metric indicating whether a state is imperialist. If there were, we could all have saved ourselves a lot of time by referring to indices of labour productivity or global competitiveness or whatever else you prefer. Including FDI outflows and related measures, the Nimps have jumped around from one metric to another, arguing at various times that Russia must figure highly on this measure, now that measure, now all these measures to be deemed imperialist. The Imps have argued that Russia figures highly on some of these measures (above all, FDI outflows, which the Nimps now seem to have abandoned), but that it is subject to combined and uneven development, and that an overall qualitative analysis shows that Russia (now as a hundred years ago) is imperialist.

We accuse the Nimps of one-sided empiricism; they accuse us of not paying enough attention to empirical data. Our accusation is well-founded; theirs is absurd. We have more than met the challenge to provide evidence of the economic dimensions of Russian imperialism, ie, the export of substantial amounts of capital from gigantic monopoly capitalist corporations to neo-colonies (and imperialist countries as well). We have also sought to discuss the military and geo-political dimensions of Russian imperialism, but the Nimps insist not only on coming back to economic indicators but also on focusing on one or two measures they feel demonstrate Russia's weak position within global capitalism, eg, competitiveness of products, technological development.

When Roxie [Baker] posed specific empirical questions in the London local, I responded with empirical evidence that met her challenge. However, it is clear that the Nimps were not impressed, although Tom has deemed the fact that I responded on this level to be a 'step forward' in the discussion. Actually, it was a minor document in the collection produced by the Imps in recent months, making a couple of subsidiary points.

Recent documents produced by Josh [Decker] (17 March and 27 March) and Bill [Logan] (23 March and 8 April) giving an overview of the debate are much greater steps forward. It is significant that Tom focuses his response to Josh on some of the empirical aspects of Josh's document 'Russia's Emergence as an Imperialist Power' (without however a serious critique of the comparative analysis therein), rather than on Josh's rather lucid explanation of how Russia became an imperialist power over the past decade using its inherited military and technology from the Soviet Union – an infrastructure that allowed it to take advantage of the same energy price spike as the petro-states but also to surpass them through wider and deeper investment of the proceeds (as indicated in Josh's data). Here we have a serious, qualitative analysis (incorporating impressive amounts of quantitative data) of the emergence of a super-rich oligarchy controlling massive corporations

(fusing industrial and financial capital) that export capital abroad for the purposes of generating even more super-profits.

None of the Imps have argued that Russia's outward investment to neo-colonies is on the same level as Britain or the US, or that it is not subject to setbacks. We were asked to show that it exists, and that it extracts value. It does, and it does. To disprove this, Tom quotes a section of the Vale report on a severe crisis for Russian greenfield FDI, which also concludes: 'However, some companies (mainly oil & gas MNEs) continued to make large new deals in 2009'. The Vale report, as quoted by Tom, says that Russian FDI is 'rarely efficiency-seeking (this latter motive is to be found in Russian FDI only in the CIS and a few other countries, where labor costs are lower than in Russia).' In other words, Russian investment in other imperialist countries is not efficiency seeking (ie, obtaining greater profits via lower labour costs), while its investment in semi-colonies is. Just like other imperialist countries. That the scale and the proportions are different does not negate the fact that Russia 'pumps value out of neo-colonies'; it simply shows that it does so from a weaker position than some other imperialist powers. This has never been disputed.

Either we are asked to believe the implausible scenario that Gazprom and Lukoil invest billions of dollars in the CIS (and beyond), not because they make a profit, but because Putin asks them to in order to stay on good terms (or 'close psychological distance') with his neighbours, or we are told that even if these investments in neo-colonies *are* profitable that is not the key metric after all, because they are made by companies with an organic composition of capital that is lower than typically found in the most advanced industries in other imperialist countries. Or there is some other excuse related to the comparative backwardness of some elements of the Russian economy. This, as Bill has pointed out (in 'Uneven Development of Nimpism'), indicates a failure to understand the factor of combined and uneven development in modern imperialism. The spectre of a typical, ideal imperialist does not allow for the differing roles played by the US, Germany, Spain, Canada and New Zealand in the world economy. Nor does it explain Russia.

Insofar as Lenin's *Imperialism* pamphlet talks about the generation of super-profits and its connection to surplus capital export, the discussion is about the role of *monopoly* (hence 'monopoly capitalism' as the imperialist stage of global capitalism). Super-profits may be realised by value transfers through the market (from products made in low-OCC industries to those made in high-OCC industries), but Lenin talks about super-profits generated by monopolies (regardless of OCC level) because it is the process of monopolisation that best illustrates how the fusion of industrial-financial (ie, 'finance') capital with the state leads to capital export backed up by the pursuit of 'spheres of influence' and therefore inter-imperialist rivalry. Lenin writes:

'Imperialism is the epoch of finance capital and of monopolies, which introduce everywhere the striving for domination, not for freedom. Whatever the political system, the result of these tendencies is everywhere reaction and an extreme intensification of antagonisms in this field. Particularly intensified become the yoke of national oppression and the striving for annexations....

'To this must be added that it is not only in newly opened-up countries, but also in the old, that imperialism is leading to annexation, to increased national oppression, and, consequently, also to increasing resistance.'

(Imperialism, chapter 9)

Lenin's descriptions of the early days of the major imperialist powers could be directly applied to the role played by Gazprom and Lukoil (and other huge monopolies) in the Russian economy today. Lenin concludes his pamphlet by noting the following:

'It is very instructive in this respect to note that bourgeois economists, in describing modern capitalism, frequently employ catchwords and phrases like "interlocking"....

'What then does this catchword "interlocking" express? It merely expresses the most striking feature of the process going on before our eyes. It shows that the observer counts the separate trees, but cannot see the wood. It slavishly copies the superficial, the fortuitous, the chaotic. It reveals the observer as one who is overwhelmed by the mass of raw material and is utterly incapable of appreciating its meaning and importance. Ownership of shares, the relations between owners of private property "interlock in a haphazard way". But underlying this interlocking, its very base, are the changing social relations of production. When a big enterprise assumes gigantic proportions, and, on the basis of an exact computation of mass data, organises according to plan the supply of primary raw materials to the extent of two-thirds, or three-fourths, of all that is necessary for tens of millions of people; when the raw materials are transported in a systematic and organised manner to the most suitable places of production, sometimes situated hundreds or thousands of miles from each other; when a single centre directs all the consecutive stages of processing the material right up to the manufacture of numerous varieties of finished articles; when these products are distributed according to a single plan among tens and hundreds of millions of consumers (the marketing of oil in America and Germany by the American oil trust)— then it becomes evident that we have socialisation of production, and not mere "interlocking".'

(Imperialism, chapter 10)

Russia is today a capitalist great power with gigantic monopolies/oligopolies generating massive super-profits. The oligarchy that owns those monopolies controls the Russian state, which, like the oligarchy itself, is independent of foreign imperialist domination. Russian finance capital, which is relatively backward on certain measures compared with other imperialist states, has its tentacles in the economies of weaker, neo-colonial countries in which it often operates in a monopoly setting, generating further super-profits (including on the basis of exploiting cheaper labour). While economically weak in many respects, Russian imperialism has positioned itself as a major player in the global capitalist system, expressed in part in its military and geo-political weight. That is the big picture, the 'wood' that the Nimps cannot seem to see for the trees.

My fear going into this conference is if the empiricist Nimp line prevails, our organisation will be blinded to the reality of the world, and we will be led in the direction of siding with one imperialist power in an inter-imperialist conflict. Of all the mistakes we may have made since our foundation, that would be the greatest.