

Reply to Tom on Petro-State FDI

Josh Decker

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In his 8 April response to Barbara [Dorn] and me, Tom [Riley] revisits several old arguments attempting to show how Russia is in the same league as Brazil (or is even a notch below it) within the global capitalist system. He adds a handful of new quotes taken from the Vale 2011 study and the David Collins book, none of which is surprising.

I'm not particularly interested in responding to his document, which Tom will perhaps view as proof that the Imps are incapable of addressing what he may think is a devastating critique. (As I said to Tom during the Toronto pre-conference discussion after he complained repeatedly that we had "chosen not to respond" to some of the arguments he had made in the past, it is neither useful nor serious to assert that "failure to respond" to random points/facts indicates an inability to deal with them – especially when it should be clear that those points are only meaningful in the context of a theoretical framework we reject.)

I do, however, feel the need to address the following accusation Tom makes in his document:

"A sharp spike in oil prices in the early 1970s resulted in a similar dramatic upturn in 'petrodollars,' but no one interpreted the massive outflow of FDI from OPEC countries (most of which was recycled through imperialist financial centers) as signaling the emergence of Kuwaiti or Saudi Arabian 'finance capital.'

"In his 27 March document 'Russia's Emergence as an Imperialist Power' Josh [Decker] attempted to deal with this argument with three graphs (which he labeled 2A, 2B and 2C) that showed Russia 'exceeding' or 'greatly exceeding' a 'selected group of so-called "petro states"' in terms of outward FDI, net outward FDI and FDI as a percentage of GDP. The 'petro states' he selected did not, however, include any of the four [UAE, Kuwait, Bahrain and Qatar] I had cited last July as having doubled, tripled or quintupled their FDI. **In order to get the results he wanted** Josh chose a different quartet: Iraq and Nigeria (which were both undergoing major civil conflicts), Venezuela (where the Bolivarian government was directing much of its oil revenues to various redistributive projects, including supplying Cuba with oil in exchange for medical personnel) and Iran (which has been under increasingly tight imperialist sanctions.) While **Josh's graphs largely show what he wanted them to** they failed to prove his point." [emphasis added – JD]

Tom made the same unpleasant allegation in his presentation at the Toronto pre-conference, suggesting that I had cherry-picked the data set in order to prove that Russia does not resemble the petro states. I told him at the time that there was no basis to his accusation, and that I had chosen the countries somewhat at random based on the fact that each of them had been brought up at various points by *Nimp* comrades as possible analogues to Russia. Given that Tom has not written directly about the many

