

Presentation on Amendment to the T&P

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Our differences with the Majority concern the world situation -- in particular, the degree to which global capitalism is today characterized by dangerous and increasing levels of inter-imperialist rivalry. Specifically, the Majority downplays the level of inter-imperialist rivalry to the extent to which it views Russia as a non-imperialist, subordinate state within the capitalist world order.

The T&P document does not contain the phrase "inter-imperialist rivalry" or any of its variants. It speaks of "imperialist governments," "the imperialists," "imperialist free trade" and the like, but it fails to identify imperialism as a system that is divided at all levels: there is no homogenous entity called "the imperialists" which confronts neocolonial countries, but in fact *competing* imperialist countries that may at times cooperate (to varying degrees) as they each seek to maximize their standing in the system. Of course the Majority comrades would agree with this, and they reject Kautsky's notion of ultra-imperialism. But all they have to say in the T&P is that the election of Donald Trump in the U.S. "might lead to an overhaul of global alliances amongst imperialist and other powers," suggesting that Trump's policies "might" stress the NATO alliance. The picture this paints is of a world order far more stable than the one we actually see.

In our amendment, Barbara [Dorn] and I provide a more coherent and accurate overview of the state of global capitalism. In our first "thesis," we note that "the disastrous adventures in Afghanistan and Iraq accelerated the decline of the American Empire, creating new possibilities for global realignments."

In our second thesis, we provide an explanation of how inter-imperialist rivalries were relatively muted during the Cold War, and even for a decade or so after the fall of the Soviet Union -- and how most of the Washington Consensus/NATO infrastructure continues to exert pressure on America's traditional rivals in Europe and Japan.

In our fifth thesis, we observe that the relative weakening of U.S. imperialism -- owing not only to the failed wars in the Middle East but to the long-term profitability crisis of American capitalism -- has "created more room for maneuver for regional powers like Brazil and India. These countries have been able to exert relatively more independence from the centers of finance capital, which nevertheless continue to subordinate their economies and relegate these states to a qualitatively lower standing in the global order."

Russia Becomes Imperialist

Our differences with the Majority come out most sharply beginning with Thesis 6, where we explain that the decline of U.S. imperialism has not only allowed for greater flexibility for regional powers and for China, but also "created the opening for the conversion of Russia into an imperialist competitor."

What is our explanation of this? We write:

"Buoyed by rising oil prices in the 2000s, Russia's capitalist oligarchy under Vladimir Putin's regime consolidated a strong independent state and managed to stabilize Russian capitalism, which suffered from open plunder, disintegration and massive capital flight in the 1990s. Comparatively weak in technology outside of military industries, heavily reliant on natural resources and possessed of an underdeveloped banking sector, Russian capitalism

nevertheless developed highly oligopolistic giant corporations, fusing industrial and financial activities, with innumerable connections to the state. These corporations, beginning in Russia's neocolonial "near abroad," have made enormous overseas investments. Moscow has projected Russian state power with considerable success, starting with its war with Georgia in 2008 and continuing ever since."

In my document, "Russia's Emergence as an Imperialist Power," I presented a compelling case -- backed up by evidence about the structure of the Russian economy -- that there was a sharp transformation that occurred in Russia beginning in the early 2000s and consolidating around the middle of the last decade. I cited the 2013 book, *The BRICS and Outward Foreign Direct Investment* (Oxford University Press), by David Collins. He observed how an oligopolistic financial-industrial structure emerged:

"During the early 2000s there was a strategic shift in the domestic business environment that led to general improvements in [Russia's] economy and saw the creation of SOEs [state-owned enterprises] in key industries, either with the assistance of public finance or through more efficient administrative measures. During the period since 2000, the Russian economy has become largely concentrated in the hands of several large corporations. It is believed that the high concentration of income in the Russian economy was one of the major motivators behind the globalization of Russian firms. In 2001 the Russian investment bank Troika Dialog calculated that around 70 large financial and industrial groups controlled 40 per cent of the Russian GDP."

Russian capitalism was no longer a "basket case" economy that was being plundered by foreign imperialists, as had been the case in the 1990s. Instead, under the Putin government, the oligarchs were cohered into a ruling class with a high concentration of economic power in a small number of giant corporations, guided by a strong state power subordinate to no foreign entity. The nexus of the new Russian ruling class is the energy sector (oil and natural gas), though Russian capital is strong in aerospace and aviation, weapons, metallurgy, chemicals, electricity generation and distribution, information technology and telecommunications.

The consolidation of the Russian capitalist class in the early 2000s coincided with a separate development: the rise of world oil prices. This was a decisive and, for the ruling class, fortunate event: under the direction of the Putin government, the profits gained under the oil boom did not simply flee abroad to offshore bank accounts (though that did happen), but rather, as Collins explained: "Russian firms have exploited the ties to their natural resources base as collateral to raise loans for FDI, particularly during periods where the prices for these commodities were highest." In other words, the Russian bourgeoisie used its expanding profits to make massive foreign investments.

The graphs I created for my document, which I recently updated and sent to DISC, show an unmistakable development beginning around the middle 2000s: Russian foreign investments skyrocketed, launching Russia into the same category as many second and even first-tier imperialist states. Indeed, Russian outward FDI exceeds that of many imperialist states.

What the data show is that Russia, in terms of its foreign investments (as measured by FDI at least), surpassed Brazil, India and other regional powers to a significant degree. Russia *stopped* being like other "Petro States," as it left them behind. I'll repeat that: the oil boom of the 2000s does help explain Russia's expansion of FDI, but it did not lead to a similar development in other oil exporting countries, which are simply not in the same category as Russia. It was during the oil boom that Russia ceased to be like the Petro States.

Where does Russia invest? Like many imperialist countries, much of its investments are in other imperialist countries. But tens of billions of dollars were invested in its neocolonial "near abroad." At the last conference, we noted that Russia invested almost \$45 billion dollars in the CIS (Commonwealth of Independent States) and Georgia alone -- about the same amount, accounting for inflation, that supposedly led the Majority comrades to conclude that Tsarist Russia had made overseas investments large enough to make it imperialist in the Leninist sense.

Russia also, as Barbara documented at the last conference, has major investments in Syria, which is of strategic importance to its energy export interests, as well as militarily. While Putin may have had other good reasons to intervene in the Syrian civil war to prop up the Assad regime, it is the country's strategic economic and geopolitical significance that was the overriding cause of the intervention. Although Russia is an economically weak player compared to the U.S., it is vying with the U.S. for influence in the Middle East -- and doing so for similar, although opposed, reasons.

Indeed, what other capitalist country rivals the U.S. on the world stage more than Russia? Can anyone in the Majority name a single imperialist power that effectively challenges the U.S. more than Russia? Whether it's in Syria or in Ukraine, Russia has emerged as a major capitalist power on the world stage.

Leninist Theory & Methodology

And that brings us to another question. Setting aside the issue of Russian economic development and foreign investment (both of which, in our view, clearly qualify Russia as imperialist), the T&P document, as noted, talks about "imperialist and other powers," and cites Russia and China. Russia is, for the Majority, a capitalist world power...but not imperialist. We have dealt with this and related questions in a series of contributions on what we've called methodological issues, but which really point to differing understandings of the Leninist theory of imperialism.

The Majority's refusal to see Russia as an imperialist power (and thus to fully understand the world situation) has required them to distance themselves in practice from a Leninist (or even a materialist) understanding of global politics. I think there is a sense among Majority comrades that, since the Minority is proposing to change our designation of Russia, that somehow means we are changing Leninist theory. Rather, the opposite is true: the Majority's refusal to recognize that Russia has changed means that they have to revise Leninist theory.

The Majority claims that imperialist countries were only subject to combined development in the early phase of the imperialist epoch. They now admit that backward Tsarist Russia was imperialist in the Leninist sense of the term, but that today no country with a significant degree of economic backwardness can be imperialist. For the majority, the dominance of finance capital in a country can only mean that a country has reached the highest stage possible of capitalist technology (and has done so in all, or at least most, industries). That, essentially, is their argument against Russia today being imperialist.

(In fact, this ignores the very advanced parts of the Russian economy, including aerospace technology and weapons systems, including those being deployed in Syria today.)

But the argument that because Russia has some significant elements of economic backwardness it can't be imperialist is not a Leninist argument. Lenin and Trotsky never argued that a country had to be the most advanced capitalist in order to be imperialist. They never argued that. If they did, they

would not have said that Tsarist Russia was imperialist -- and in fact, the Majority used to think it wasn't.

We're not bringing this up to embarrass the comrades, but to point out that, while they've changed their view on Tsarist Russia, they have not in fact abandoned the non-Leninist theory that led them to that incorrect view in the first place.

This theory, which I first found clearly stated by Tom [Riley] way back on 9 October 2008, had him arguing the following:

“No Trotsky is not saying that Russia was an imperialist country. He is saying that it was a backward country in which the bourgeoisie was incapable of carrying through its historic role and freeing itself of the feudal autocracy and developing into a "normal" capitalist state.... "There was something called a Russian Empire, and also a Turkish Empire, and Lenin favored the soldiers employed by them turning their guns around just as much as those of Britain or Germany. But this does not mean that these tottering remnant "empires" were somehow the equivalent of the products of the dynamics that had produced the "highest stage of capitalism"--finance capital--in the immediately preceding period.”

This passage captures the non-dialectical, non-Leninist approach of the Majority -- that it is logically impossible to be both imperialist and relatively backward, since by definition imperialist countries are not backward because having finance capital required having reached the "highest stage of capitalism" (a term that Lenin in reality only applied to the epoch as a whole, not to any individual country). The Majority make the same argument about why Russia today cannot be imperialist. That doesn't in itself mean that Russia is imperialist; it just means that the arguments of the Majority depart from Leninism.

If the Majority wants to change Lenin's theory to say that in the 21st century an imperialist country can only have the most advanced capitalism, then they should say so clearly, and explain how that change happened. But the Majority turns things on their head and wants the Minority to explain why the Leninist theory of imperialism, as formulated by Lenin and Trotsky, is still applicable today. But the onus is rather on the Majority to explain when, how and why imperialist countries ceased being subject to the historical process of combined and uneven development.

The difference between the Minority and Lenin on the one hand, and the Majority on the other, can perhaps be most clearly seen in the Majority's invention of the new category of the "non-imperialist capitalist world power". But it was Lenin and Trotsky's argument that Tsarist Russia was imperialist -- and had to become imperialist -- in the modern sense precisely *because* it was a capitalist world power.

In his *History of the Russian Revolution*, Trotsky wrote:

“...Russia, as one of the great powers, could not help participating in the scramble of the advanced capitalist countries.... The not infrequent disputes among Russian historians of the newest school as to how far Russia was ripe for present-day imperialist policies often fall into mere scholasticism, because they look upon Russia in the international arena as isolated, as an independent factor, whereas she was but one link in a system.”

Trotsky is clearly saying that since Russia was "one of the great powers," it "could not help participating in the scramble of the advanced capitalist countries" for world domination, though its low economic base placed severe limitations on its aspirations. As a (capitalist) great power in the

age of imperialism, it had inevitably become a finance-capital imperialist despite combining "advanced capitalist structures" with "extreme backwardness." The important point is not to "look upon Russia in the international arena as isolated, as an independent factor," but to view the situation dialectically, holistically, in its historical development.

If we continue to live in the imperialist epoch, then imperialism decisively shapes world politics. But the Majority's own theory of imperialism reduces it merely to a sort of surplus value transfer via differential organic compositions of capital -- it offers no real explanation for the real-world struggles of the great powers that shape the global capitalist order.

The Majority's assertion that Russia today is not imperialist due to having a "technological gap with [its] more advanced rivals" is, from a Leninist perspective, ridiculous -- and it is in fact a position that would have excluded the militarily powerful but technologically weak Tsarist Russia from the category.

Revolutionary Perspective

The ultimate problem with the Majority's theory is that it leads to a wrong interpretation of the world, and it politically disarms us in the face of a rapidly changing and increasingly dangerous imperialist order.

The seventh thesis that Barbara and I put forward argued:

"The spectacular re-emergence of Russia as a global power is both symptom and cause of the increasingly fractured system of inter-imperialist relations. Washington's strategy -- aimed at shoring up its sliding position -- has been to encircle and contain its fledgling (and still economically weak) competitor, with provocation after provocation. Moscow has, by contrast, tried on multiple occasions to seek alliances with major imperialists as a junior player, only to be barred at the door. In this context, Russian imperialism has sought to turn setbacks into opportunities, and has performed remarkably well with a series of dramatic moves. "

Our tenth thesis observed: "the international situation is very fluid...the contradictions of global capitalism -- contradictions that run between and through the imperialist states -- are likely to produce convulsive changes in the short and medium terms. Trade wars and shooting wars between imperialist powers are appearing ever more real possibilities in the coming period."

What attitude should revolutionaries take to this period of heightened inter-imperialist rivalry? The Majority suggests that, by recognizing that Russia is imperialist, the Minority is caving in to imperialist propaganda in the West. In reality, the Minority is recognizing the true character of the situation. We ended our amendment with Thesis 11, which outlines a revolutionary political perspective:

"In this context, it is the duty of revolutionaries to advance the perspective of working-class independence from the bourgeoisie and to advocate defeatism toward all imperialist powers. As always, the main enemy is at home -- but opposition to one's own imperialist power cannot mean, and for Leninists never has meant, support to the great power rivals of one's own imperialist power. Only proletarian socialist revolution can save humanity from the nightmare of capitalism and imperialist war."