“Export of capital” as a riddle in defining “new imperialist countries”

P J James, CPI (ML) India, Article No. A13 for the "International Internet Discussion on the importance of the 100th October Revolution", 19 August 2017

The internationalization of production and global reach attained by monopoly finance capital today have given rise to a new trend by which both private and state-owned companies from neocolonial and oppressed nations have started entering into the globalized production and financial stream through cross-border alliances and joint ventures with MNCs. In the guise of adhering to the Leninist definition of imperialism, this situation has prompted some sections of the Left to interpret such neocolonial countries as “capital exporters” and characterize them as “new imperialist countries”. Here it is pertinent to unravel the ‘riddle’ connected with “export of capital” itself. Closer analysis amply makes it clear that the so called export of capital remains only at the level of ‘form’ while class character of the state and the consequent production relations which are the ‘essence’ still determine the process of value extraction. Today MNCs can capture surplus value and exploit workers in low-wage countries even without apparently resorting to ‘export of capital’, as the sources of funds mobilized by MNCs are from the countries themselves where investments are made. This can also be guessed from the lack of correlation between FDI inflows and profit repatriation (value extraction) from the oppressed nations. At the same time, while MNCs from US, EU, Japan etc. engage in super-exploitation of Latin American, African and Asian workers, there are no reports of Brazilian, South African or Indian bourgeoisie independently engaging in similar expropriation and exploitation of the proletariat in imperialist countries. In fact, the comprador ruling classes of the dependent countries accumulate profit mainly through exploiting the workers and toiling masses of their own countries in alliance with the imperialist bourgeoisie. Mere participation in the globalized production process alone is not sufficient for establishing world level domination by the comprador bourgeoisie from dependent countries.

The accumulation of vast wealth by the big bourgeoisie and consequent development of big monopolies in certain Asian, African and Latin American countries are not at all new phenomena, as the same trend had been there during the colonial phase of imperialism itself. For instance, the fabulous financial accumulation and heights of wealth reached by Tata, Birla, etc., the leading Indian monopoly houses during the inter-war period, in terms of volume, were definitely at par with that of the international monopolies emanating from imperialist Britain. But unlike the development of capitalism in today’s imperialist powers, the big bourgeoisie from erstwhile colonial, semi-colonial and dependent countries have been incapable of leading their respective countries to normal capitalist development. It is widely recognized that while the growth of monopolies in imperialist countries was due to the concentration and centralization of capital and production leading to the unprecedented increase in the ‘organic composition of capital’, in today’s neocolonial and dependent countries the centralization of capital with the big bourgeoisie has been oriented not to the sphere of production but to circulation. It is here that the position taken on the class character of the bourgeoisie in colonial, semi-colonial and dependent countries by the 1928 Sixth Congress of the Comintern in its Theses on “The Revolutionary Movement in the Colonies and Semi-colonies” still continues to be a valid proposition. Based on the concrete evaluation of the betrayal of democratic revolution and anti-imperialist movements particularly in China and India, the Comintern at that time had reached the conclusion that being “comprador” in character the big bourgeoisie in colonial and semi-colonial countries was incapable of leading the anti-imperialist, anti-feudal struggles to victory. Even much before this Comintern evaluation, in 1926, Mao Tsetung had characterized the comprador bourgeoisie as a class that directly served imperialism in many ways and explained how top sections of the comprador bourgeoisie could develop a peculiar form of “monopoly capital” integrally linking with state power. Far from being an independent capitalist class with a national character, these comprador bourgeoisie being born and brought up under the umbrella of imperialist finance capital in its decadent stage and satisfied with its position as a “sub-exploiter” has been faithfully serving imperialism. In the postwar neocolonial phase of imperialism, in direct proportion to the horrific levels of wealth appropriation by this ruling class, its compradorisation, often in the garb of nationalistic pretensions with the concomitant political ramifications, has been an ever-strengthening process. Thus, though internationalization of monopoly finance capital has been a qualitative trend, the historical and political structures of postwar neocolonial order (with the exception of capitalist transformation in erstwhile socialist countries such as Soviet Union and China) that establish a line of demarcation between oppressors and oppressed still continue unaltered in varying degrees.

Of course, it is a recognized fact that despite the inherent structural weakness of the comprador bourgeoisie from “neocolonially” oppressed countries, internationalization of production and unfettered cross-border financial flows have yielded new opportunities for them to break through the confines of national economy and enter into licensing agreements, joint ventures, mergers and acquisitions with MNCs to operate at a global level. Globalized production and trend towards integration of market have also provided new avenues for greater interlinking between MNCs and dominant fractions of the comprador bourgeoisie from neocolonial countries. Moreover, as exploitation, inequality and poverty are intensifying in imperialist countries too, this interlinking is likely to intensify further. But this has not yet yielded any sufficient condition for the transformation of neocolonial countries into imperialist ones. On the other hand, the new liaison between comprador bourgeoisie and MNCs continues to be an obstacle to self-expanding internal accumulation and national development in dependent countries; it encourages added flight of wealth to imperialist havens leading to domestic distortions and unfeasibility of “inward-looking policies.” This aspect is very relevant in the case of the imperialist-trained technocratic elite and higher bureaucracy in comprador regimes who are more loyal to IMF, World Bank, WTO and similar other neocolonial-neoliberal institutions than towards the ‘national’ states they represent. Further, as the experience of BRICS, MIST and similar other groupings illustrate, imperialist servitude of the ruling regimes from neocolonial countries makes even international or regional groupings and associations of poor countries still more irrelevant. Thus, the so called association and close collaboration between the ruling classes from both imperialist and neocolonial countries, restructuring of the nation-centered basis of production through a new international division of labour, digitization and financial speculation and the consequent intensified plunder of the workers and nature leading to several domestic distortions, etc., rather than leveling out the differences between them, actually strengthens the historical gap between the two. No doubt, the UN and its Security Council, the Fund-Bank combine, WTO, various military arrangements, whole set of international agreements and so on which are still controlled by a handful of leading imperialist powers still ensure imperialism's hegemony over the planet. To be precise, the so called "export of capital" taking place from dependent countries today has not yet shaken the imperialist hierarchy inherited from the twentieth century.