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**Russia as a
Great Imperialist Power**

by Michael Pröbsting

plus: The crisis in the Ukraine

Cartoon by Carlos Latuff

WORKERS AND OPPRESSED UNITE!

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Revolutionary Communism

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Ukraine: Rivalry between Imperialist Powers escalates	p.3
Ukraine/Russia: Down with imperialist colonialism!	p.4
Russia as an imperialist Great Power	p.5
Introduction	p.5
I. What are the Criteria for an Imperialist State?	p.5
Imperialism and Super-Exploitation	p.6
II. Russia: The Nature of its Monopoly Capital and its Status as a Great Imperialist Power	p.7
Monopolization	p.7
State Capitalism	p.8
Excuse: The Breakdown in the 1990s	p.9
Russia's Rise as an Economic Power	p.10
Capital Export of Russian Monopolies	p.11
Russia as a Great Political and Military Power	p.15
III. Rebuilding the Empire	p.16
Russia's Internal Colonies	p.16
Putin's Eurasian Union and the Central Asian and Eastern European Semi-Colonies	p.16
Migration and Super-Exploitation	p.19
IV. The Distinguishing Characteristics of Russia as an Imperialist Power	p.22
V. The Arguments of Our Critics	p.24
WIVP (South Africa): Russia is a Semi-Colony of German Imperialism	p.24
LCFI: From "Imperialist" to "Pre-Imperialist" China and Russia	p.25
The LCFI Schematic: An A-historic and Un-dialectical Understanding of Imperialism	p.26
The Great Imperialist Powers before 1914	p.27
Lenin, Trotsky and the Bolsheviki on Russia as an Imperialist Power	p.30
An Ultra-Left Version of Kautskyianism	p.31
Inverted Social-Imperialists	p.32
VI. Appendix: The Capitalist Restoration in Russia (2001)	
Capitalism restoration has crossed the Rubicon	p.33
The Putin regime as a strong bonapartist-restorationist regime	p.34
Russia as a weak imperialist power	p.34
On the concept of restorationist bonapartism	p.34
August 1998: a pre-revolutionary crisis which ended in a defeat	p.35
Whiter Russia?	p.35
The democratic question and permanent revolution	p.36
Endnotes	p.37

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Ukraine: Rivalry between Imperialist Powers escalates after Right-Wing Coup: Stop the Imperialist Saber-Rattling!

*Joint Statement of the Revolutionary Communist International Tendency (RCIT)
and the Movement to Socialism (MAS, Russia), 2.3.2014*

1. On the background of the February 22 right-wing coup in the Ukraine, the rivalry between the imperialist powers has dangerously escalated. Now in power is a right-wing coalition – the so-called “Euro-Maidan” movement – composed of pro-Western conservative parties and fascist forces. This coalition overthrew the former government of Viktor Yanukovich who acted as a lackey of most Ukraine oligarchs as well as of Russian imperialism, and who ruled with increasingly authoritarian methods.

2. The new government of Oleksandr Turchynov is similarly playing the marionette on a string for an important sector of the Ukraine oligarchs, as well as for US and EU imperialism. Turchynov’s government abolished Russian as an official language in the Crimea and the eastern parts of the country, and has banned the Communist party (KPU) in several regions of the Ukraine.

3. We in the RCIT and MAS reaffirm the positions which we have elaborated in past statements. The conflict between the right-wing “Euro-Maidan” coalition and the former government of Viktor Yanukovich was and is a conflict between two reactionary camps. Class conscious workers cannot support either of these camps. The right-wing coup represents a victory for US and EU imperialism and a setback for their Russian rival.

4. Following the right-wing coup, the main tasks of socialists in the Ukraine are to:

- i) Defend the Russian-speaking minority against discrimination.
- ii) Oppose the repression of the KPU and other political forces.
- iii) Prepare and organize the working class to fight against the massive social attacks that lay ahead, attacks being planned by the new government in the service of the imperialist banks and monopolies.

To achieve these tasks, socialists must take a leading role in convening mass assemblies and coordinating actions, as well as organizing workers’ militias against any attacks by fascists or the police forces of the new government.

5. At the same time, the RCIT and the MAS denounce the saber-rattling by the Putin regime. The Russian president has been granted the authority to use the country’s armed forces in the Ukraine as pro-Russian militias continue their seizure of state buildings in the country’s southeastern region of Crimea. The Federation Council, the upper house of the Russian parliament, voted overwhelmingly to back a proposal to use “the armed forces of the Russian Federation on the territory of Ukraine until the normalization of the socio-political situation in that country.” According to Ukrainian sources, Russia has already deployed 6,000 troops in the Crimea. These latest developments are

nothing but the implementation of an aggressive, imperialist policy by Russia under the pretext of defending the Russian-speaking majority in Crimea. The present military maneuvers and the deployment of Russian forces in Crimea is the continuation of the Russia’s imperialist policies of the past by other means. They by no means constitute “fraternal aid for their Russian brother and sisters.”

6. Equally, we denounce the reactionary saber-rattling by the Western imperialist powers. Under present conditions, the new Ukrainian regime is not an independent actor, but only the marionette of Obama, Merkel, and Hollande. In any military conflict between the Ukraine and Russia, the Ukrainian state would represent the Western imperialist powers. Hence, socialists in the Ukraine, Russia, and internationally should not support either of these two imperialist camps.

7. In addition, while we resolutely defend the rights of the Russian-speaking minority, we no less equally defend the rights of the Crimean Tatars who were brutally displaced by Stalin’s regime in 1944. The Tatars constitute a minority in Crimea only due to their displacement by the reactionary Stalinist bureaucracy 70 years ago. We uncompromisingly defend their rights to return to their homeland, use their national language, and fully exercise their cultural rights without facing discrimination.

8. The most urgent task before us is to rally advanced sectors of the working class in the Ukraine, Russia, and the Western imperialist countries and unite them behind an internationalist, class struggle and anti-imperialist program. To organize the struggle for working class power, true socialists must build a revolutionary party in the tradition of Lenin and Trotsky. The RCIT and MAS call for revolutionaries in the Ukraine to unite in a Bolshevik organization based on an internationalist and communist program.

** Down with the right-wing government of Turchynov! Organize the working class against the social attacks ahead!*

** For workers militias to defeat the fascists! Defend the rights of the Russian-speaking minorities! Defend the KPU and other forces against the fascists and state repression!*

** Defend the rights of the Crimea Tatars!*

** Down with the military provocations and threats of Russian imperialism! Down with the imperialist interference of US and EU imperialism!*

** For a workers’ government based on working class councils and militias! Neither Brussels nor Moscow – for an independent, red Ukraine!*

*International Secretariat of the RCIT and Editors of the Bulletin
“Movement to Socialism” (MAS) ■*

Ukraine/Russia: The victory over the imperialist colonialism is impossible without the proletarian revolution!

Statement of the Editors of the Bulletin "Movement to Socialism", 5.3.2014

In response to the recent events in the Ukraine, the Russian Trotskyist bulletin "Movement to Socialism" states the following.

Russian Communist-Internationalists have always been consistent in their unconditional support for the struggle of the Ukrainian people against Russian imperialism. This absoluteness means that we do not make our support for this right conditional of the character and actions of the Ukraine authorities nor on the methods and forms of struggle of the Ukrainian people against Russian aggression.

As part of the aggressor state, we recognize the right of the Ukraine people to oppose Russian imperialism under any slogans, including under nationalist. This does not mean that we support nationalism in any form, but it does mean that the task of fighting Ukrainian nationalism is exclusively the task of the working class in the Ukraine.

Our task as Russian Communist-Internationalists is to fight against Great Russian chauvinism and imperial hegemony. Trotskyists are consistent supporters of proletarian internationalism, especially the Leninist principle of revolutionary defeatism, asserting that the

main enemy of the working class is the bourgeoisie of its own country.

However proletarian internationalism is not reduced to mere defeatism. Another important principle of proletarian internationalism is the transformation of the imperialist war into a civil war, the leadership role of the working class and the revolutionary proletarian organization in the national liberation struggle and the necessity of the world proletarian revolution for the final destruction of imperialism.

The opposition of the Ukrainian people against Russian imperialist aggression will by itself not guarantee that the Ukraine becomes colonized by Western European and North American imperialist predators. The national liberation struggle can not win if you do not turn it into an anti-imperialist revolution. The anti-imperialist revolution can not win if you do not turn it into a proletarian revolution. Proletarian revolution, which begins in a single country, will not win if it does not grow into a worldwide working-class revolution.

Workers of all countries, unite!

Long live the world socialist revolution! ■

New Books from the RCIT

Michael Pröbsting: The Great Robbery of the South

Continuity and Changes in the Super-Exploitation of the Semi-Colonial World by Monopoly Capital. Consequences for the Marxist Theory of Imperialism

The RCIT is proud to announce the publication of a new book. It's called **THE GREAT ROBBERY OF THE SOUTH**. The book's subtitle is: *Continuity and Changes in the Super-Exploitation of the Semi-Colonial World by Monopoly Capital. Consequences for the Marxist Theory of Imperialism*. The book is in English-language. It has 15 chapters, 448 pages and includes 139 Tables and Figures. The author of the book is Michael Pröbsting who is the *International Secretary* of the RCIT.

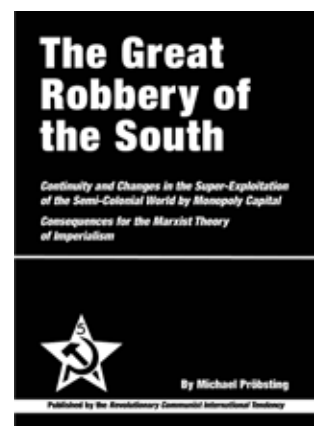
In *The Great Robbery of the South* Michael Pröbsting analyses the super-exploitation and oppression of the semi-colonial world (often referred to as the "Third World") by the imperialist powers and monopolies. He shows that the relationship between the small minority of rich capitalist countries and the huge majority of mankind living in the semi-colonial world forms one of the most important elements of the imperialist world system we are living in. The Great Robbery of the South shows that the past decades have been a complete confirmation of the validity of Lenin's theory of imperialism and its programmatic conclusions.

The Great Robbery of the South demonstrates the important changes in the relationship between the imperialist and the semi-colonial countries. Using comprehensive material (including 139 Tables and Figures), Michael Pröbsting elaborates that never before has

such a big share of the world capitalist value been produced in the South. Never before have the imperialist monopolies been so dependent on the super-exploitation of the semi-colonial world. Never before has migrant labor from the semi-colonial world played such a significant role for the capitalist value production in the imperialist countries. Never before has the huge majority of the world working class lived in the South – outside of the old imperialist metropolises.

In *The Great Robbery of the South* Michael Pröbsting argues that a correct understanding of the nature of imperialism as well as of the program of permanent revolution which includes the tactics of consistent anti-imperialism is essential for anyone who wants to change the world and bring about a socialist future.

Order your copy NOW! \$20 / £13 / €15 plus p+p (21\$ for US and international, £9 for UK, €10 for Europe) ■



Look for details of the books at www.great-robbery-of-the-south.net and www.cuba-sold-out.net

Russia as a Great Imperialist Power

The formation of Russian Monopoly Capital and its Empire

A Reply to our Critics

By Michael Pröbsting, *Revolutionary Communist International Tendency (RCIT)*, March 2014

Introduction

The political crisis in the Ukraine and the civil war in Syria have recently shown once again the significance of Russia as an imperialist power. In fact Russia's and China's rise as great imperialist powers has been one of the most important developments in world politics of the recent decade. It has substantially increased the inner-imperialist rivalry and hence forms the background for the intensification of various regional conflicts and civil wars. We specifically point to the Georgia war in 2008, the conflict in the East China Sea between China, Japan and the US, the Syrian civil war, and now the events in the Ukraine.

Yet, huge sectors of the workers movement completely ignore Russia's and China's imperialist character. Most Stalinists and Bolivarians consider the Russian and the Chinese states as a progressive forces which oppose Western imperialism – the US, EU, and Japan – and hence deserves critical (or not so critical) support. A number of "Trotskyist" centrists – like the Morenoite LIT-CI, the FLTI or the South African WIVP – consider Russia as a "semi-colony." Others – like the LCFI – have invented a new category and judge Russia and China as "pre-imperialist states" which deserves critical support as part of the anti-imperialist struggle against the great Western powers.

We think that ignoring the imperialist character of Russia (and China) is a serious mistake which unavoidably leads to confusion in assessing major world political events and even taking the wrong side of the barricades in the class struggle. We have already stated in the RCIT's program that the increasing orientation of sectors of the workers' movement towards the allegedly less imperialistic great Eastern powers leads to a new version of the reformist popular front and of social-imperialism, i.e., pro-imperialist policy covered with "socialist" and "anti-imperialist" rhetoric.

"A dangerous development in the recent past is the open or semi-open support for the imperialist power China by (petty-) bourgeois forces who describe themselves as socialist. (e.g. a number of the Stalinist parties, Chavez and the Bolivarian movement) The working class has not the slightest interest to support a fraction of monopoly capital (e.g. China and its allies) against another (e.g. USA). The support of sections of reformism to the emerging Great power China is nothing more than "social imperialism" – that is an imperialistic policy disguised with social or even "socialist" phrases." ¹

Indeed, such a polarization is increasingly taking place inside the workers' movement. The social democratic and ex-Stalinist forces side with their imperialist masters, i.e., the Western imperialist powers. Other, like the more orthodox Stalinists, the Bolivarians, and various centrists sympathize with the new imperialist powers Russia and China. The Stalinists and the Bolivarians obviously hope to benefit from the Eastern imperialists rise by an inten-

sification of trade and investment. The pro-Russian and Chinese centrists are guided by a totally erroneous understanding of anti-imperialism: in effect they replace anti-imperialism with anti-Americanism or anti-Westernism.

In effect, contrary to their intentions, these centrists end up in an ultra-left version of Kautskyianism: they ignore the increasing rivalry between the imperialist camps US/EU/Japan and Russia/China and believe in an increasing harmony between the imperialist powers (which they believe are only the great Western powers). On the level of strategy they end up advocating a popular frontist support with one imperialist camp against the other – repeating the Stalinist treachery of the 1930s and 1940s.

The new revolutionary workers' international, which in our opinion will be the Fifth Workers International, must be free from all forms of social-imperialism. It is only the interests of the international working class and the oppressed people which must be the guiding light for the class struggle and the program of world proletarian revolution. This is the goal for which the RCIT is fighting and which we call all authentic revolutionaries to join.

I. What are the Criteria for an Imperialist State?

Before we present a concrete overview of the characteristics of Russia as an imperialist state, we shall start by clarifying what is our own definition of an imperialist state. Doing so, we are fully aware that such definitions are not abstract dogmas but have to be understood as elastic categories. Lenin put such a dialectical approach once wisely: *"...without forgetting the conditional and relative value of all definitions in general, which can never embrace all the concatenations of a phenomenon in its full development..."* ²

Our methodological understanding of imperialism is based on Lenin's theory which became the basis for revolutionary Marxism from the early 20th century. We have dealt with Lenin's imperialism in other publications and will summarize here only the results of our conclusions. ³ Lenin described the essential characteristic of imperialism as the formation of monopolies which dominate the economy. Related to this, he pointed out the fusion of banking and industrial capital into financial capital, the increase in capital export alongside the export of commodities export, and the fight for spheres of influence, specifically colonies. Such he wrote in *Imperialism and the Split in Socialism* – his most comprehensive theoretical essay on imperialism:

"We have to begin with as precise and full a definition of imperialism as possible. Imperialism is a specific historical stage of capitalism. Its specific character is threefold: imperialism is monopoly capitalism; parasitic, or decaying capitalism; moribund capitalism. The supplanting of free competition by monopoly is the fundamental economic feature, the quintessence of

imperialism. Monopoly manifests itself in five principal forms: (1) cartels, syndicates and trusts—the concentration of production has reached a degree which gives rise to these monopolistic associations of capitalists; (2) the monopolistic position of the big banks—three, four or five giant banks manipulate the whole economic life of America, France, Germany; (3) seizure of the sources of raw material by the trusts and the financial oligarchy (finance capital is monopoly industrial capital merged with bank capital); (4) the (economic) partition of the world by the international cartels has begun. There are already over one hundred such international cartels, which command the entire world market and divide it “amicably” among themselves—until war redivides it. The export of capital, as distinct from the export of commodities under non-monopoly capitalism, is a highly characteristic phenomenon and is closely linked with the economic and territorial-political partition of the world; (5) the territorial partition of the world (colonies) is completed.“⁴

The characteristic of an imperialist power has to be seen in the totality of its economic, political, and military position in the global hierarchy of states. Thus, a given state must – following Lenin’s dialectical advice about examining “the entire totality of the manifold relations of this thing to others”⁵ – be viewed not only as a separate unit but first and foremost in its relation to other states and nations. An imperialist state usually enters a relationship with other states and nations whom it oppresses in one way or another and super-exploits – i.e., appropriates a share of its produced capitalist value. Again this has to be viewed in its totality, i.e., if a state gains certain profits from foreign investment but has to pay much more (debt service, profit repatriation, etc.) to other countries’ foreign investment, this state can usually not be considered as imperialist.

Finally we want to stress the necessity of considering the totality of a state’s economic, political, and military position in the global hierarchy of states. Thus we can consider a given state as imperialist even it is economically weaker but possesses a relatively strong political and military position (like Russia before 1917 and, again, in the early 2000s). Such a strong political and military position can be used to oppress other countries and nations and to appropriate capitalist value from them.

Viewing a state in the context of the global imperialist order is also important because particularly smaller imperialist states (like Australia, Belgium, Swiss, the Netherlands, Austria, the Scandinavian countries, etc.) are obviously not the equals of the Great Powers, but rather are subordinated to them. They could not play an imperialist role by themselves. However, despite being not the equals of the Great Powers – by the way even among the Great Powers themselves there is constant rivalry and no parity – these smaller imperialist states are still not super-exploited by them. As a result, while there is no or no significant value transfer from these smaller imperialist states to the Great Powers, there is a significant value transfer from semi-colonies to these smaller imperialist states. They ensure this privileged position by entering economic, political, and military alliances with the Great Powers (NATO, EU, OECD, IMF, World Bank, WTO, various “partnerships,” etc.)

In short we define an imperialist state as follows: *An imperialist state is a capitalist state whose monopolies and state apparatus have a position in the world order where they first and foremost dominate other states and nations. As a result they*

gain extra-profits and other economic, political and/or military advantages from such a relationship based on super-exploitation and oppression.

We think such a definition of an imperialist state is in accordance with the brief definition which Lenin gave in one of his writings on imperialism in 1916: „... imperialist Great Powers (i.e., powers that oppress a whole number of nations and enmesh them in dependence on finance capital, etc.)...”⁶

Imperialism and Super-Exploitation

An important– albeit not exclusive– aspect of imperialism is the systematic and massive super-exploitation of the colonial and semi-colonial world by the imperialist monopolies and states. In our book, *The Great Robbery of the South*, we have elaborated basically four different forms of super-exploitation by which monopoly capital obtains extra profits from the colonial and semi-colonial countries:

- i) Capital export as productive investment
- ii) Capital export as money capital (loans, currency reserves, speculation, etc.)
- iii) Value transfer via unequal exchange
- iv) Value transfer via migration

Surplus value is the share of the capitalist exchange value which is not paid by the capitalists for wages or for machinery, raw materials, etc. but which they appropriate. If the monopolies export capital and invest in factories in the semi-colonial countries, they can extract an extra-profit. They can employ cheaper labor but still sell the commodities at the average market price in the imperialist countries. Or they can sell the commodities at a market price *below* the average price in the semi-colonial countries. The imperialist monopolies repatriate the major part of these extra-profits from the semi-colonies to their parent company.

Marx referred to foreign trade as an important source for capital to counteract the tendency of the rate of profit to fall. The basis for this is that given the lower level of development of productive forces, capital in the (semi-)colonial countries has a higher organic composition, i.e. the share of human labour is higher relative to constant capital. As a consequence they produce relatively more surplus value and hence a higher average rate of profit. However, when the commodities of the more developed (imperialist) countries and the commodities of the less developed (semi-colonial) countries are exchanged in the world market the law of value enables imperialist capital to gain extra profit from an unequal exchange. Its cheaper commodities (due to the higher productivity of the developed economies) out-compete the more expensive commodities from the semi-colonial countries, and force the latter to sell their own commodities below their true value (a function of the labour invested), etc. Therefore, the stronger (imperialist) capital can sell its commodities *above* their production price and still remain cheaper on the world market than the commodities of the less competitive (semi-colonial) capital. The latter is forced to sell its commodities *below* its production price and often still remains more expensive on the world market than its imperialist rivals. As a result, the stronger (imperialist) capital successfully appropriates a part of the surplus value which is created by the weaker (semi-colonial) capital. This means that unequal exchange provides an important basis for a massive transfer of val-

ue from capitalistically less-developed to capitalistically more-developed countries.

The monopolies can appropriate an extra profit via capital export as money capital (loans, currency reserves, speculation, etc.).

Finally, monopoly capital extracts surplus profits not only by means of exploitation of the semi-colonial countries but also via exploitation of migrants from these countries and oppressed nationalities. Imperialist capital draws profit by paying the migrant workers *below the value of their labour force* in several ways:

i) Capitalists can often exploit the migrants with no or only limited costs for their education, since the migrants are often educated in their home country.

ii) Capitalists often have to pay either no or only reduced costs for the pension and social security of the migrants, since they have limited access to social services, and when they can no longer work due to age, they often return to their home country.

iii) Capitalists can usually pay the migrants a wage which is substantially lower than the wage paid to the workers who are citizens of the country in which the work is done. To do so they utilize various forms of national oppression (reduced or no rights for workers who are not citizens of the imperialist country; discrimination against the migrants' mother tongue; various forms of social discrimination; etc.). These forms of oppression are implemented not only against first generation migrants, but against their children and grandchildren.

For these reasons the RCIT defines migrants as being, in the vast majority, *"a nationally oppressed layer of super-exploited labour."*

II. Russia: The Nature of its Monopoly Capital and its Status as a Great Imperialist Power

As we will show in the following chapters, Russia is, without doubt, an imperialist power consistent with what we have defined above. Russia oppresses other nations and has developed monopoly capital which profits from its hegemonial position both at home as well as throughout the world market.

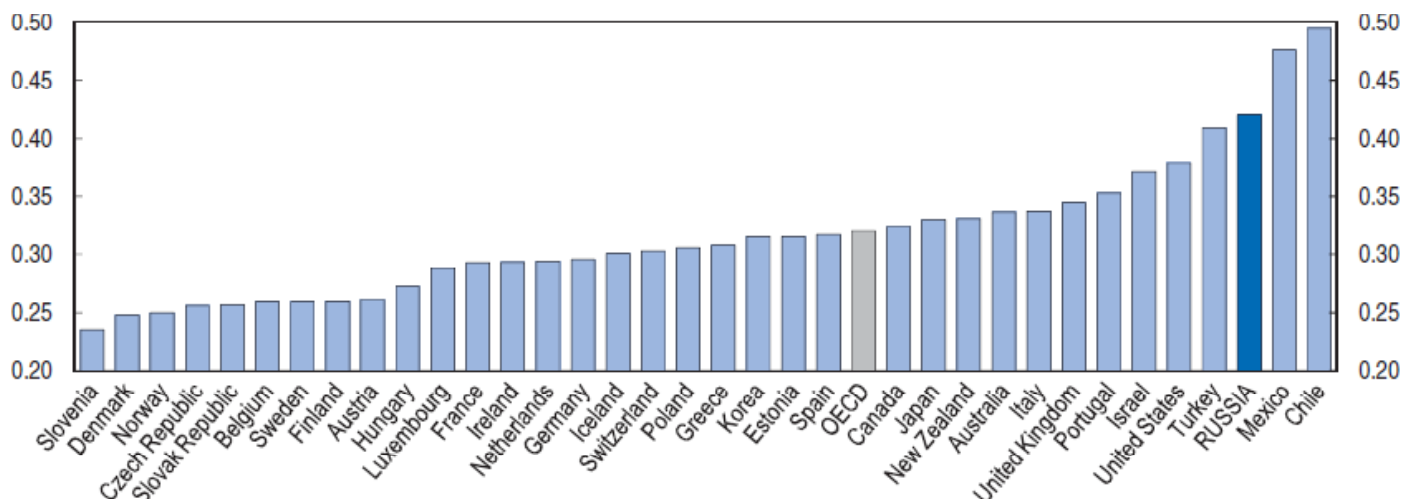
Monopolization

Lenin once wrote: *"The supplanting of free competition by monopoly is the fundamental economic feature, the quintessence of imperialism."* ⁷ Indeed, Russia is a prime example for an imperialist economy which is completely dominated by domestic monopolistic corporations.

Russia's economy is dominated by a small group of monopolies owned by super-rich capitalists, called "oligarchs," who have close relations with the state apparatus. The Russian state actively supports these monopolies in various ways. In fact, we can say that Russia has a substantial state-capitalist sector and is – to use Lenin's famous category – characteristically a highly-developed, state-monopoly capitalism.

Russia's oligarchs – among which Roman Abramovich or Oleg Deripaska are only the most famous names – have accumulated extraordinary wealth and power. According to Credit Suisse, a small group of 110 billionaires owns 35% of all the wealth in Russia today. ⁸ The OECD ranks Russia as a country with one of the highest level of income inequality in the world. (See Figure 1)

Figure 1 Income Inequality in Russia and international in the late 2000s (9)



Unsurprisingly, Russia's monopolies dominate the domestic market even more than their counterparts in other imperialistic states. According to a recent OECD study, Russia's small and medium-sized enterprises account only for about one fifth of employment and an even smaller share of output, whereas in most OECD economies both figures are above one half.¹⁰

Probably the most important Russian monopoly is *Gazprom*, the world's largest gas company, which by 2008 had about 400,000 employees. The company is reported to control over 93% of Russia's natural gas production and about a quarter of the world's known gas reserves.¹¹

Another important monopoly is the *Sberbank* which is Europe's third-largest bank by market capitalization. These two companies, Sberbank and Gazprom, account for more than half of the turnover of the Russian stock exchange.¹² Other huge corporations are *Rosneft* and *LUKoil*, both oil companies; *Transneft*, a pipeline company; *Sukhoi*, an aircraft-manufacturer; *Unified Energy Systems*, an electricity giant; and *Aeroflot*.

In sum, in less than two decades a number of Russian monopolies have been formed which exert a total grip on the country's economy. Russia's capitalism is probably more monopolized than most other imperialist economies. As we will see below in more detail, these monopolies are involved in all forms of businesses – starting with oil and gas extraction, metal mining and manufacturing, and up to finance. Lenin's definition of an imperialist power is obviously applicable when it comes to Russia's monopoly capital.

State Capitalism

These Russian monopolies are strongly linked to the imperialist state apparatus. This is reflected in the pervasive state-ownership of these monopolies which constitute a significant state-capitalist sector. As we have already shown in our study of Chinese capitalism, this is not unusual in countries where the capitalist class has developed belatedly and aspires to play an independent and hegemonial role.¹³ Indeed after the collapse of Russia's economy in the 1990s, the only way to reconstruct the capitalist class was by means of the state-capitalist bonapartist model instituted by the Putin regime. (See the chapter below "*Excuse: The breakdown in the 1990s*"). Under Putin, the state

apparatus managed to unify the bourgeoisie and to establish the regime as a regulator and coordinator of the capitalist class. This is why we characterized the Putin regime from early on as a "*bonapartist-restorationist regime*".¹⁴

Today the Russian state-capitalist sector is crucial for the economy. It plays a decisive role among many Russian monopolies. For example, the state has retained *Golden Shares* in 181 firms. 15 State-backed companies account for 62% of Russia's stock market.¹⁶

In Table 1 we can see the strong position of the state capitalist sector in the crucial sectors of Russia's economy – oil and gas.

According to the German magazine *Der Spiegel*, the Russian state controls more than 50% of the country's banks and 73% of the transportation industry. Likewise, government control of the oil industry has grown from 10%, at the beginning of the Putin era in 1999, to 45% in 2013.¹⁸

In a study on the Russian economy, the economist Kálmán Kalotay calculates: "*A look at the 25 largest Russian companies by absolute size at the end of 2008 reveals that no less than 55% of their aggregate market capitalization is due to State owned firms, while in terms of foreign assets, State-owned TNCs account for 26% of total of the top 25.*"¹⁹

Another commentator correctly points out the amalgamation of the private capitalist and the state-capitalist sectors: "*It would be misleading, though, to draw a sharp distinction between private and state ownership. What Wheel of Fortune describes is not so much the displacement of private companies by a state-led model as the creation of a new hybrid form. Rosneft may be a giant state corporation, but it is listed on the London Stock Exchange and competes with other state companies – notably Gazprom – like a private concern. Conversely, LUKoil and Surgutneftegas may be privately owned, but they respond obligingly to political directives from Moscow: the former has worked to bolster the Kremlin's foreign policy stance in the Caspian, the latter has fronted the cash for Rosneft to buy Yukos's production arm. This blurring of the personnel, motivations and strategic orientations of state and private sectors is the hallmark of contemporary Russian capitalism.*"²⁰

It is important in this context to recall the fact that the state-capitalist sector has nothing to do with a socialist state sector. In contrast to the latter, a state-capitalist sector operates according to the law of value. In the case of Russia, the law of value constitutes the core of the economy and the spearhead for its operation on the world market.

Table 1 Share of State Sector in Oil and Gas Production 1994-2009 (in %) (17)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Oil	81	80	38	33	26	22	22	19	14	13	13	34	36	38	39	36
Gas	94	94	94	94	94	92	90	89	89	87	86	86	84	84	83	79

Table 2 Russian Federation Manufacturing Output, 1990–1997, in Percent, 1990 = 100 (21)

1990	1992	1993	1994	1995	1996	1997
100	75	65	51	50	48	49

Excuse: The Breakdown in the 1990s and Putin's Solution of a Bonapartist-Restorationist Regime

While both Russia and China have become emerging imperialist powers with a significant state-capitalist sector, their roads of development have sharply differed. In contrast to China, after the restoration of capitalism, Russia faced economic collapse. Its manufacturing output fell by one quarter between 1990 and 1992. By 1996, Russia's manufacturing industry produced only 48% of its output in 1990 (see Table 2).

If we examine at the precipitous drop in investment in machinery and equipment, the destruction of Russia's productive forces is even more visible. In only two years – between 1990 and 1992 – investment in fixed capital declined by 40%!²²

Figure 2 illustrates graphically the economic catastrophe which accompanied the capitalist restoration in Russia.

Concomitant with this catastrophe, Russia's population decreased substantially. By the end of 2001, Russia's population stood at 144 million, down 4.3 million from its peak at the beginning of 1992. And this figure is even distorted because Russia experienced substantial net migration during the same period. An expression of the dramatic social crisis in the country is the huge decrease in life expectancy. Life expectancy for men declined from 64.9 years (1987) to 58.6 years (2001). Women's life expectancy also declined, however less dramatically, from 74.6 years (1987) to 72.1 years (2001).²⁴

In contrast with Russia, not only did the Chinese ruling class avoid such a disaster in their road to capitalist restoration but, as is well known, the Chinese economy experienced rapid rates of growth. Today China is a much more powerful imperialist state than Russia, despite the fact that the USSR had been much more industrialized than

China, and possessed a much more developed mechanical infrastructure, technology and skilled labor forces. As we have shown in our study on China, the basis for the latter's successful rise as an imperialist power was its ability to defeat its own working class in 1989, so much so that the Chinese state was subsequently able to subjugate the majority of the workers to super-exploitation. By being much more effective than their Russian counterparts in defeating the working class, the Chinese restorationist bureaucracy was able to appropriate much more surplus-value than the Russian bourgeoisie.

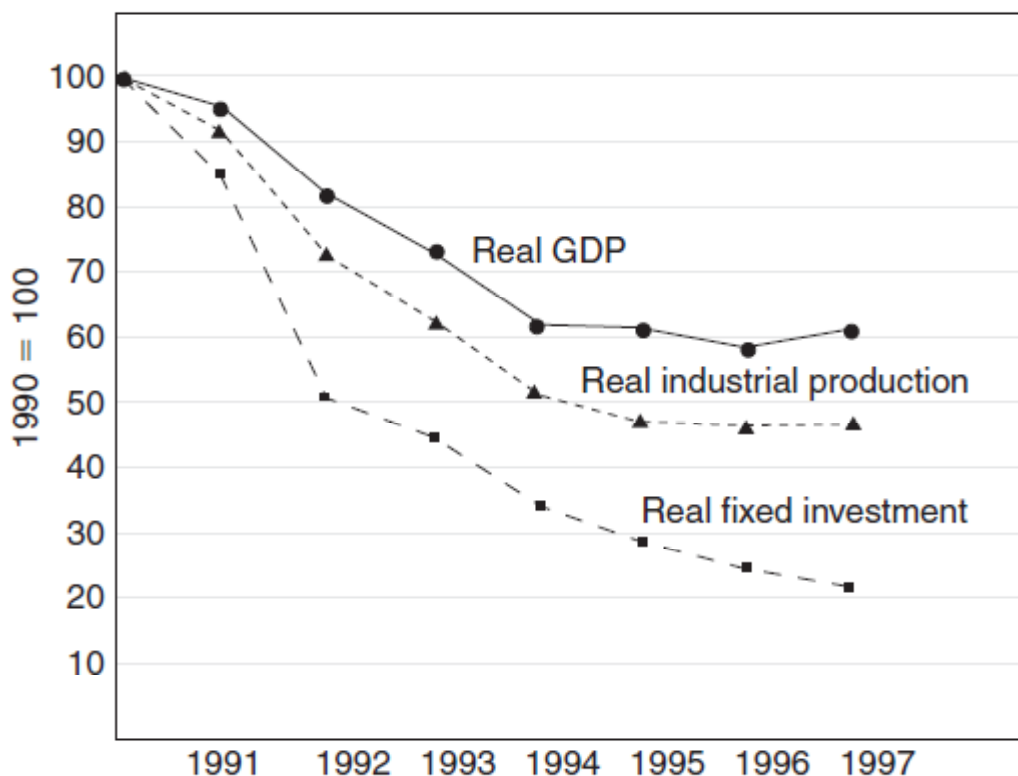
But why were the Chinese ruling class so much more successful than the Russians? We have elaborated our explanation in "The Great Robbery":

"The answer can only be found in the form of the capitalist restoration process. Both in China and in Russia capitalism was restored in the early 1990s. Hence in both cases we saw social counter-revolutions. But the forms were very different. In China the Stalinist bureaucracy managed to brutally smash the working class and the youth with the massacre at the Tiananmen Square on 4th of June 1989 where they killed thousands of activists. After succeeding in this they could subjugate the working class, force on it the worst possible labor discipline (remember the draconic hukou- system), and hence squeeze out of it for many years without any interruptions massive volumes of capitalist value.

Compare this to the Russian rulers. The Stalinist bureaucracy there was in a weaker position against its working class. It had no Tiananmen Square massacre. When one wing of the ruling bureaucrats attempted a "Chinese solution" on 19th-21st August 1991 (the Yanayev coup) it failed. So while in China we saw a dictatorial form of capitalist restoration, in Russia we had a democratic counter-revolution under the leadership of the Yeltsin-wing of the Stalinist bureaucracy.

This difference in form was important and not accidental. In

Figure 2 Russia's Key Economic Indicators, 1991-97 (23)



Russia we already had a number of class struggles before the August coup in 1991 (like the famous miner strikes). In addition there were a number of democratic and national liberation mass movements (in the Baltic, in the Caucasus etc.) Sure, these strikes and movements were not sufficient to stop the capitalist restoration, but they created huge rifts and divisions in the ruling Stalinist bureaucracy so that it split and was incapable to introduce a 'Chinese solution'."

The response of Russia's ruling class to the country's economic and political catastrophe was the rise of the Putin regime in 1999. This development involved the formation of a *bonapartist-restorationist regime* and the massive intervention of the state in the economy. (See my document "Political and Economic problems of Capitalist Restoration in Russia" from March 2001 – attached here as an appendix). So, to a certain degree, and with a different prehistory, Russia's bourgeoisie chose a road which resembles the Chinese.

As we will see below, the Russian bourgeoisie could utilize some crucial advantages which it inherited from its imperialist-tsarist as well as from its Stalinist USSR past. The country possesses huge deposits of important raw materials (among which oil and gas are the most prominent but are far from being the only ones). It also has a hi-tech sector, a skilled labor force, and a modern military. Finally, Russia controls a number of oppressed nations and ethnic minorities which it treats as internal colonies and it maintains close economic relations with a number of former Soviet republics in Central Asia and Eastern Europe.

Russia's Rise as an Economic Power

According to the World Bank, Russia is about to overtake Germany as the world's fifth largest economy in terms of purchasing power parity for 2012. ²⁵ It calculates Russia's GDP at \$3.4 trillion. The International Monetary Fund lists Russia as the eighth largest world economy with a GDP of \$2 trillion. Regardless, Russia has become a great economic power. Its ruling class has successfully overcome the collapse of the 1990s. Russia is *not* dominated by other imperialist countries – contrary to the incorrect claims of those who support the thesis that Russia is a semi-colonial country – but rather dominates and exploits other countries and peoples.

Let us first demonstrate that Russian imperialism is *not* dominated by foreign capital. One might attempt to argue

against this notion by indicating that foreign investment, as a share of Russia's total investment, has substantially increased since the early 2000s. Specifically, Inward Foreign Direct Investment (FDI) as a share of Russia's Gross Fixed Capital Formation rose from 6.2% in 2000 to 19.7% in 2008. ²⁶ However such an interpretation would be highly misleading for several reasons.

Firstly, during the same time Russia has also massively increased its outward FDI. By 2012 Russia's FDI inward stock stood at US\$ 509 billion, while the country's FDI outward stock was US\$ 413 billion. This means that, in 2012, outward FDI was the equivalent of about 81% of the inward FDI stock. ²⁷

To demonstrate our thesis in this matter, let us compare Russia with semi-colonial countries in Eastern Europe and Central Asia. Table 3 shows that, in contrast to Russia, foreign investment to these countries clearly outweigh their outward FDI.

One should add that, in recent years, Russia has even invested more abroad than was invested in her by foreign countries. While Russia received US\$ 43.3 billion in inward FDI in 2010 and US\$ 52.9 billion in 2011, Russian corporations invested outside the country US\$ 52.5 billion in 2010 and US\$ 67.3 billion in 2011. ²⁹

Russia's successful resistance to being taken over by foreign imperialist powers is related to the history of the country's capitalist restoration. According to one estimate, by 1998 "only 3% of former state properties had been sold to foreign buyers in the Russian Federation, compared to 48% in Hungary and 15% in the Czech Republic. Moreover, privatization sales to foreigners in the latter groups accelerated after 1998, while it remained practically non-existent in the Russian Federation." ³⁰

Secondly, most of Russia's inward as well as outward FDI is not genuinely foreign investment but is Russian capital which is being "round-tripped." This means that Russian capitalists are formally "investing" money in off-shore centers and then "repatriating" it, thereby avoiding taxation, etc. ³¹ The following countries are well-known as offshore countries popular with Russian capitalists and are, at the same time, countries from which a substantial part of inward FDI in Russia originates: Cyprus, British Virgin Islands, Panama, Belize, Seychelles, Bahamas, Netherlands, Luxemburg, and Liechtenstein. One study has concluded that about 56% of the "foreign" firms investing in Russia have "foreign" owners from these offshore countries. ³²

Table 3 Outward FDI as a % of inward FDI stock 2007 (28)

Poland	13.8
Hungary	18.8
Czech Republic	6.9
Slovenia	59.2
Estonia	35.4
Croatia	7.8
Slovakia	4.0
Ukraine	16.0
Kazakhstan	5.0



Another study concluded that “around 70% firms in manufacturing industries and around 67% - in trade and repair sector are established by genuine foreign investors. On the other hand around 70% firms in real estate sector and around 80% firms in financial sector are established by round-trip investors.”³³

In fact – as we show in Table 4 – the huge majority of such “foreign” investment is not genuine. According to this table, 76.2% of all foreign direct investment in Russia originated in countries known as offshore countries, i.e., from Russian capitalists! This means that less than one quarter of all foreign investment in Russia is genuine foreign investment.

Note that Russia is not the only country where capitalists transfer money abroad in order to return it as “foreign” investment. As we have elaborated in *The Great Robbery of the South*, a similar process takes place in China. The Marxist economist John Smith explains: “Another example of this type of distortion is the so-called ‘round-tripping’ of Chinese investment through Hong Kong, in which domestic investment appears as FDI – up to half of all inward FDI into China is estimated to fall into this category.”³⁵

Transferring money to offshore countries also constitutes a significant percent of the ostensible FDI of Western imperialists. According to a recently published study, “at least 30% of global FDI stock is intermediated through tax havens.”³⁶

Russia’s rise as an economic power is also reflected in its relatively low level of debt. Compared with other countries, its external debt to foreign capital is relatively moderate. Since Putin’s rise to power, Russia has been able to substantially reduce its debt. As such, Russia’s external debt stocks – as a percent of its Gross National Income – declined from 57.9% (2000) to 31.1% (2011).³⁷ Equally, Russia’s government debts have fallen dramatically from 99% of GDP in December of 1999 to 8.4% of GDP in 2012.³⁸

At the same time Russia’s reserves have increased massively to about US\$ 500 billion (See Figure 3).

This is the equivalent of about 25% of Russia’s Gross Domestic Product (See Figure 4).

Russia’s rise as an economic power is also reflected in the turnaround in the ratio of its reserves and external debt. While the ratio of Russia’s reserves to external debt stocks expressed as a percent stood at 16.6% in 2000, by 2011 it reached 83.6%.

Capital Export of Russian Monopolies

Earlier, we mentioned that, since 2000, Russia has been able to substantially increase its outward foreign investments. We have also shown that a substantial portion of this foreign investment is “round-tripping” capital which is repatriated and invested in Russia. Nevertheless, Russian monopoly capitalists have substantially strengthened their position in the world market. Russia’s share of global FDI outflows increased from 1% in 2000, to 1.5% in 2005, and reached 4% in 2011. For example, in 2010 Russian companies invested \$US 9 billion for cross-border mergers and acquisitions, up from \$US 6 billion in 2005.⁴¹

The following two tables demonstrate that Russia is increasingly becoming a major foreign investor. Considering that it has become an imperialist power only relatively recently, Russia’s accumulated stock of capital export still

Table 4 Geographical Distribution of Russian Outward FDI (34)

Regions and countries	Russian FDI accumulated to the beginning of 2012	
	Million \$US	%
Countries in total	361.738	100
Wider Europe as whole	282.684	78.1
Former USSR (without Baltic states)	15.516	4.3
Belarus	4.633	1.3
Ukraine	4.395	1.2
Kazakhstan	2.514	0.7
Armenia	1.417	0.4
Uzbekistan	947	0.3
Tajikistan	626	0.2
EU countries	232.110	64.2
Cyprus	121.596	33.6
Netherlands	57.291	15.8
Luxembourg	11.599	3.2
United Kingdom	10.662	2.9
Germany	6.692	1.8
Austria	4.229	1.2
Spain	3.535	1.0
Bulgaria	2.748	0.8
France	1.989	0.5
Ireland	1.849	0.5
Lithuania	1.464	0.4
Czech Republic	1.463	0.4
Italy	1.435	0.4
Sweden	1.414	0.4
Finland	1.038	0.3
Latvia	750	0.2
Other European countries	35.058	9.7
Switzerland	12.679	3.5
Jersey Isle (British)	7.035	1.9
Gibraltar (British)	5.701	1.6
Turkey	3.654	1.0
Maine Isle (British)	1.546	0.4
Serbia	1.496	0.4
Montenegro	1.072	0.3
Monaco	626	0.2
Other regions	79.054	21.9
Virgin (British) Islands	46.137	12.8
U.S.	9.501	2.6
Bahamas	5.481	1.5
Saint Vincent and the Grenadines	4.421	1.2
St. Kitts and Nevis	2.681	0.7
Bermuda (British)	2.497	0.7
Belize	1.211	0.3
Vietnam	1.078	0.3
India	982	0.3
Canada	850	0.2

lags behind that of more senior imperialist powers. Nevertheless its share of 1.7% in the global accumulated stock of foreign investment is not very much behind that of the cumulative stock of other G7 powers like Italy (see Table 5). Russia's race to catch up with the more senior major imperialist powers becomes even clearer if we compare the development of capital export during the last six years. Here Russia (and China) have already overtaken Italy and are in the same league with Germany (see Table 6).

These foreign investments have made Russia's largest corporations globally active multinational corporations: According to a group of economists: "Russian private and state-owned companies were expanding abroad extensively, often buying stakes in large foreign companies. A survey of Russian multinational enterprises (MNEs) showed a dramatic internationalization of Russian firms. The top 25 Russian companies held \$59 billion in assets abroad (...) Russian companies had nearly \$200 billion in foreign sales and employed 130,000 people abroad. Foreign assets, sales, and employment each had

more than doubled since 2004." 44

We should note in this context that Russian foreign investment is underestimated because it is often undertaken by means of a third country. This means that Russian capitalists invest via an enterprise which is located in one of their traditional offshore countries and hence does not appear as a Russian foreign investment but rather as – let us say – a Cypriot investment. Kalman Kalotay, one of the leading experts on Russia's foreign investments, writes:

"So far the inflows of FDI in the former Soviet periphery have been attracted from various parts of the world, including the EU, North America and to some degree Asia. An especially important role has been played by Russian firms which are often taking advantage of historical and cultural links. The importance of these links goes beyond what the numbers would suggest – in any case, an important part of Russian investment is indirect FDI, i.e., registered as projects from third countries such as Cyprus – as Russian investors often follow very long-term strategic objectives going beyond short-term profit considerations. One

Figure 3 Russia's Total Reserves, 2001-2013 (39)

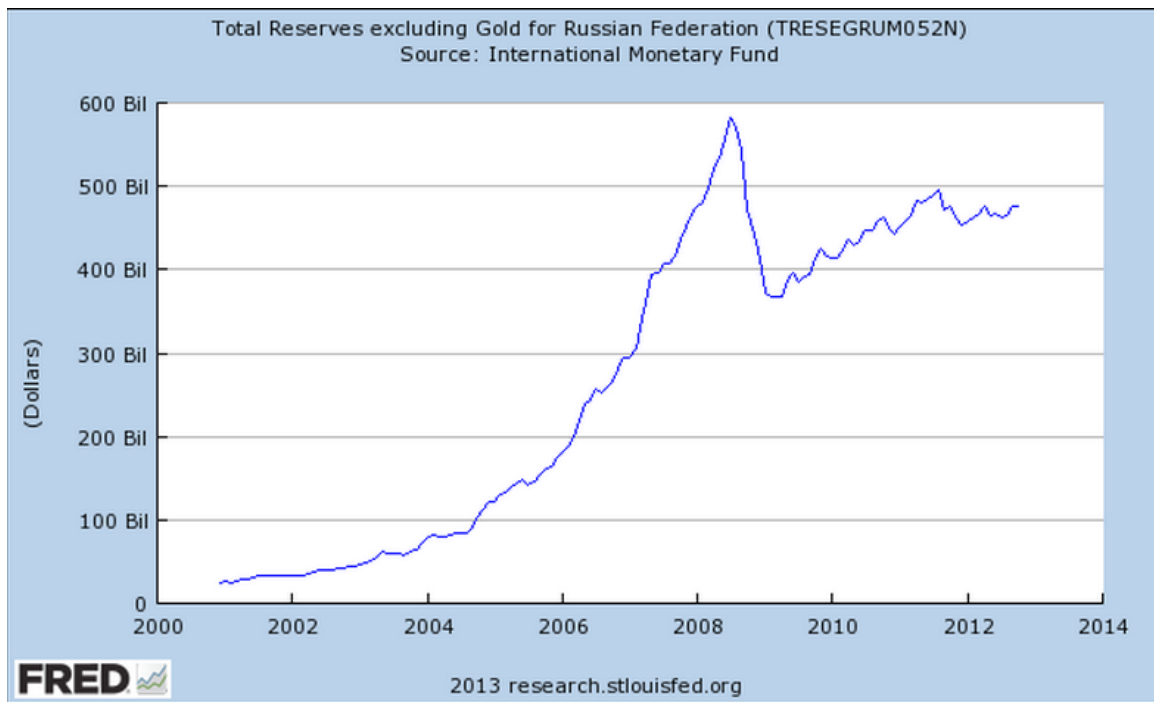


Figure 4 Russian Foreign Reserves as a Percentage of GDP, 2000-2012 (40)

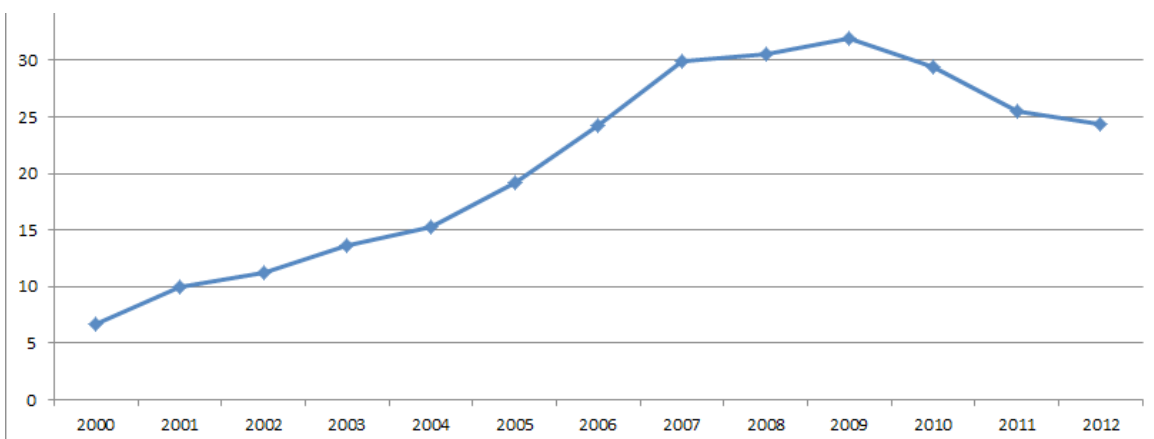


Table 5 FDI Outward Stock by Country, 2011
(share of global FDI Stock) (42)

Country	Share (in %)	Country	Share (in %)
World	100	Japan	4.5
US	21.1	Canada	3.1
Britain	8.1	Italy	2.4
Germany	6.8	China	1.7
France	6.4	Russia	1.7

Table 7 Geographical Distribution of Russian Outward FDI (47)

Regions and countries	Russian FDI accumulated to the beginning of 2012	
	Million \$US	%
Countries in total	86.096	100
Wider Europe as whole	54.784	63.6
Former USSR (without Baltic states)	15,516	18%
Belarus	4,633	
Ukraine	4,395	
Kazakhstan	2,514	
Armenia	1,417	
Uzbekistan	947	
Tajikistan	626	
Western European EU countries	32,843	38.1
United Kingdom	10,662	
Germany	6,692	
Austria	4,229	
Spain	3,535	
France	1,989	
Ireland	1,849	
Italy	1,435	
Sweden	1,414	
Finland	1,038	
Eastern European EU countries	6,425	7,5
Bulgaria	2,748	
Lithuania	1,464	
Czech Republic	1,463	
Latvia	750	
Other Europe	18,901	21,9
Switzerland	12,679	
Turkey	3,654	
Serbia	1,496	
Montenegro	1,072	
Other regions	12,411	14.4
U.S.	9,501	
Vietnam	1,078	
India	982	
Canada	850	

Table 8 The biggest Russian Multinational Corporations, 2009 (51)

Company	Revenue (in Million Euro)	Rank among the biggest 500 European companies
Gazprom	67.806	12
Lukoil	49.654	23
Rosneft	25.325	57
TNK-BP	24.124	61
Gazpromneft	14.758	106
Surgutneftegaz	13.584	114
Sistema	13.015	118
Severstal	9.529	164
IDGC	9.299	168
Tatneft	8.629	177
Norilsk Nickel	7.302	197
MTS	7.064	203
Evraz	6.783	210
Transneft	6.478	224
X 5 Retail	6.363	227
Vimpelcom	6.353	228
Rusal	5.871	245
AvtoVAZ	4.525	284
Novolipetsk Steel	4.482	288
Mechel	4.138	306
GAZ Avto	4.015	312
Magnit	3.908	317
Magnitogorsk Steel	3.709	327
Bashneft	2.872	394
Aeroflot	2.718	416
Rushydro	2.621	431
Mosenergo	2.590	441
Salavat-nefteorgsintez	2.471	457
Slavneft	2.460	461
TMK	2.402	474

Table 6 Foreign Direct Investment Outflows of various Countries, 2007-2012 (Millions of US-Dollar) (43)

Countries	2007	2008	2009	2010	2011	2012
Russia	45.916	55.594	43.665	52.523	67.283	51.058
China	22.469	52.150	56.530	68.811	65.117	84.220
Germany	170.617	72.758	75.391	109.321	54.368	66.926
Japan	73.548	128.019	74.699	56.263	114.353	122.551
Italy	96.231	67.000	21.275	32.655	47.210	30.397

recent case is Russian firms' long-term involvement in the development of hydroelectric power in Kyrgyzstan." 45

Alexey V. Kuznetsov, another expert on Russian foreign investments, also states: "The final destination of these types FDI flows are usually the CIS, Central European countries or the Russian Federation itself" 46

Where do Russian capitalists invest abroad? To illustrate this we have taken Table 4 "Geographical Distribution of Russian Outward FDI" displayed above and removed from it all countries which serve Russia as off-shore centers. The results are presented in Table 7 which demonstrates that Russian monopolies exported about 38.1% to Western European EU countries. The US and Switzerland were also important destinations. However, the Russians also invested about 25.5% of their capital in former USSR countries and Eastern Europe. An additional 4.1% of their FDI went to other former Stalinist states like Serbia, Montenegro, and Vietnam. If we add other semi-colonies like Turkey and Ireland, we see that Russian monopolies invested about 36% of their FDI in semi-colonial countries.

One important form of capital "export" which does not appear in official statistics is the debt for equity deals. After Putin came to power, Moscow restructured a significant portion of the debt owed it by semi-colonies. In exchange for Russia canceling part of their debt, nearly all countries of the former Soviet Union handed over enterprises and former property of the Soviet Union. Russia forced its semi-colonies to transfer to her part of their means of

production— similar to the notorious IMF debt-to-equity agreements with so-called Third World countries. 48

Which are Russia's largest multi-national monopolies? The most important and largest ones of them are involved in the extraction and processing of natural resources (Gazprom, Lukoil, Norilsk Nickel, United Company of Rusal, etc.). In 2007, the twenty-five largest Russian TNCs ranked by foreign assets, there were three oil and gas firms, six iron and steel companies, two mining companies, and one metal company. Natural-resource-based firms accounted for four-fifths of the foreign assets of the Top twenty-five. 49

Given the importance of oil and gas for Russia's entire economy, this predominance of natural-resource-based corporations is not at all surprising. According to one estimate, the total oil and gas rent for 2008 (when the price of oil peaked) constituted about 30% of Russia's GDP. 50 Below we reproduce a list of Russia's thirty largest multi-national corporations, also ranked among Europe's largest 500 companies (see Table 8).

As we already indicated, Russian monopolies are closely linked with the state. Therefore, it is not surprising that the state capitalist sector also plays a prominent role in Russia's capital export. All in all, state-owned enterprises have a 26% share of the total foreign assets owned by Russian multinational corporations. 52

Above, we have shown the countries in which Russia is investing abroad. In Table 9, we detail the geographical

Table 9 Russia: The Top 20 Multinationals: Regional Distribution of Foreign Assets, 2011
(Ranked by foreign total assets in 2011) (53)

Rank	Company	Middle East & North Africa	Sub-Saharan Africa	East Asia & The Pacific	South Asia	Developed Asia-Pacific	Eastern Europe & Central Asia	Other Europe & the Caribbean	Latin America	North America
1	LUKOIL	4	2	0	0	0	37	50	0	7
2	Gazprom	0	0	0	0	0	33	67	0	0
3	Evrax	0	10	0	0	0	13	8	0	70
4	Mechel	0	0	0	0	0	40	8	0	52
5	Sovcomflot	0	20	20	0	0	0	60	0	0
6	Sistema	5	0	0	21	0	66	8	0	0
7	Severstal	0	8	0	0	0	2	4	0	86
8	UC RUSAL	0	18	0	0	0	9	66	7	0
9	NLMK	0	0	0	0	0	0	67	0	33
10	Atomredmetzoloto	0	14	0	0	1	73	0	0	12
11	TNK-BP	0	0	35	0	0	23	0	42	0
12	TMK	0	0	0	0	0	1	17	0	82
13	MMK	100	0	0	0	0	0	0	0	0
14	Norilsk Nickel	0	38	0	0	40	0	22	0	0
15	Zarubezhneft	0	0	72	0	0	0	25	3	0
16	NordGold	0	77	0	0	0	23	0	0	0
17	INTER RAO UES	0	0	0	0	0	95	5	0	0
18	Rosneft	10	0	0	0	0	19	71	0	0
19	FESCO	0	0	47	0	3	0	47	0	3
20	Acron	0	0	70	0	0	0	25	0	6
	Average	3	6	4	1	1	28	39	1	17

regions in which Russia’s twenty largest multi-national corporations are investing. The table shows, yet again, that Russia’s monopolies are investing in mostly semi-colonial Central Asia and Eastern Europe, as well as in Western imperialist Europe and in the semi-colonial Balkans. From these figures we can conclude that Russian monopolies derive significant extra-profit from their foreign investments in the semi-colonial countries in Eastern Europe, the Balkans, and Central Asia. Lenin’s definition of an imperialist power is also applicable when it comes to Russia’s capital export.

Russia as a Great Political and Military Power

Until now, we have demonstrated that Russia is an emerging economic power. However, its relative power is even greater on the political level. Russia has a permanent seat in the UN Security Council and is a member state of the G8. Russia demonstrated her hegemonial role during the war in Georgia in 2008 when she annexed South-Ossetia and Abkhazia against the will of the Western imperialist powers which supported the Saakashvili regime in Georgia. Similarly, Russia is the primary power behind the Assad regime in Syria. In the autumn of 2013, the Putin regime was able to force the Obama administration to back

down from its military plans and to agree to a new round of negotiations in Geneva. In the spring of 2014, Russia is once again demonstrating its role as a great power in the context of the Ukrainian crisis as Russia faces off against the EU and US for influence in the Ukraine. These are practical examples which serve to emphasize the extent to which Russia is a great power challenging the influence of the senior Western imperialist powers.

Russia’s status as a great power on a political level goes hand in hand with its status as a military great power. According to the *Stockholm International Peace Research Institute* (SIPRI) Russia today has the worlds’ largest biggest military budget, surpassed only the US and China (see Table 10).

In addition to this, Russia is the world’s second largest nuclear power after the US.⁵⁵ It is also home to large arms manufacturers. As we can see in Table 11, SIPRI names the Russian arms monopolies as the second biggest competitors in the global armaments market.

Another manifestation of Russia’s status as a great power is the number of military bases which it possesses abroad. As we can see in Table 12, Russia runs military bases in nine CIS countries.⁵⁷ In addition to them, Russia also has a naval base in Tartus (Syria).

Table 10 The 5 largest military spender, 2011 (in \$US billions) (54)

Country	\$US billions spent
1. US	711
2. China	143
3. Russia	71.9
4. UK	62.7
5. France	62.5

Table 11 The 10 largest Exporter of Major Arms, 2010 (share of global Market) (56)

Country	Global Share (in %)
1. US	30
2. Russia	24
3. Germany	9
4. France	8
5. UK	4
6. China	4

Table 12 Russia: Russian military bases in the CIS (58)

Host Country	Type of Military Presence	Approximate Number of Russian Servicemen
Ukraine	A naval base including a radar station at Sevastopol and the Black Sea Fleet (lease extended in 2010 until 2042).	13,000
Armenia	An air base in Yerevan, an army base in Gyumri (originally leased until 2020; in 2010 the lease was extended until to 2044)	4,000
Azerbaijan	A radar station at Qabala (lease expired in 2013)	900
Belarus	Radar station at Baranovichi, naval communications centre in Vileyka	2,000
Georgia (opposed by government)	Military base in Abkhazia and South Ossetia	7,000–9,000
Kazakhstan	Radar station in Balkhash, Baikonur station	Unknown
Kyrgyzstan	Airbase in Kant, naval training and research center at Issyk-Kul	500–700
Moldova (opposed by government)	Transnistria “operational group”	1,500 (including 500 peacekeepers, 2003 deadline for withdrawal missed)
Tajikistan	Military base (motorized rifle regiments in Hanbe, Kulyab, Kurgan-Tyube and helicopter drone in Aini)	5,500

III. Rebuilding the Empire: Putin's Drive to Expand the Grip of Russian Imperialism

Until now, we have demonstrated that Russia has emerged as an imperialist power by following the rise of its monopoly capital, economic strength, and capital export as well as its political and military power. Lenin showed how great imperialist powers also strive to exploit other countries and to subjugate them to their sphere of influence. Naturally, rivalry always exists between imperialist powers which compete against one other for hegemony in other countries.

Russia's Internal Colonies

Russia oppresses and exploits other nations both inside and outside its state. Nearly one fifth of Russia's population, 19.1%, belong to ethnic and national minorities. The most important ones are the Tatars (3.9%), Ukrainians (1.2%), Bashkirs (1.1%), Chuvashes (1.1%), Chechens (1%), the Armenians (0.9%) and other, smaller peoples. All told, there are over 185 ethnic groups living in Russia.

As the following figures show, a substantial share of Russia's raw materials – of which oil and gas are the most prominent but are by no means the only ones – are located in regions with a significant proportion of national minorities (see Figures 5, 6 and 7).

Naturally, Russia's ruling class fears that national minorities may demand more rights and a larger share of the wealth of their own natural resources. Even more so, the Putin regime fears that these nationalities, which were brutally brought under Moscow's control in the 18th and 19th centuries, may strive for fuller autonomy or even independence. This is the primary reason that first under Yeltsin (in 1994) and later under Putin (in 2000), Russia's regime waged a genocidal war against the Chechen people when they dared to strive for independence.

The RCIT's position in the Chechen wars and in all similar conflicts is to unconditionally defend the right of national self-determination for oppressed nationalities. If a national or ethnic group wishes to separate and form its own states, socialists must support this desire and defend them against any repression by the oppressor state. At the same time, socialists must explain that bourgeois nationalism is a cul-de-sac for oppressed people. The only way forward is a workers' republic as part of a voluntary socialist federation, where all people are united on an equal basis.

There exists extreme inequality between the different regions of Russia. This is a legacy of the Tsarist Empire which was never really overcome by the Stalinist USSR. In Figure 8 we can see that the average monthly income in Moscow is about six times as high as in Kalmykiya.

Poverty is particularly widespread in the regions with sizeable national minority populations. Relative poverty varies from 40% in Amur Oblast and the Republic of Buryatia to 30% in Moscow. Absolute poverty is 36% in Buryatia and 21% in Lipetsk Oblast. Samara and Tatarstan show very similar patterns, with relative poverty rates of 37% and 35%, respectively, and absolute poverty rates of 28% and 25%.⁶³

As we can see, regions with a high proportion of national

minorities are relatively poor. Similarly, unemployment and poverty vary extremely between the regions. According to a recently published study, it is in the regions of national minorities where unemployment is in particular above average levels. In 2010, areas with levels of unemployment of 10% or more included the Republic of Komi (10.3%), Kaliningrad (10.6%), Kalmykiya (15%), Dagestan (12.8%), Ingushetia (49.7%), Kabardino-Balkaria (12.7%), Karachaevo-Cherkassia (10.3%), Chechnya (43.1%), Mari El (10.5%), Kurgan (12.2%), Altay (12.3%), Buryatiya (10.4%), Tyva (22%), Zabaykalski kray (11.4%), and Irkutsk (10.2%).⁶⁴

The author of this study correctly observes: "These figures lead one to suppose that the social costs of transformation were carried disproportionately by the non-European republics and areas of the Russian Federation and many of these had high concentrations of non-Russian ethnic groups. By 2010, there were no regions with an unemployment rate of 10% or over in the central federal okrug, but there were two in the southern federal okrug, five in the North Caucasus, one in the Privolzhsky federal okrug, one in the Urals; Siberia had five, and the Far East region, none."⁶⁵

As we will see below, these regions – and their indigenous national minorities – also suffer over-proportionally from decreases in the size of labor force due to migration to the richer centers of the country where migrants are super-exploited as unskilled workers.

Putin's Eurasian Union: An Imperialist Attempt to Subjugate Central Asian and Eastern European Semi-Colonies

Since the 1990s, Russia's ruling class has undertaken a number of initiatives all of which have the goal of creating a political and economic sphere of influence under Russian leadership. However, the first attempt, the *Commonwealth of Independent States*, failed due to Russia's economic collapse in the 1990s. Subsequently, other projects followed. For example Russia initiated the *Collective Security Treaty Organization* which is a military alliance that includes Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan.

Shortly after coming to power, Putin created the *Eurasian Economic Community* in October 2000. For several years, the Putin regime has undertaken serious steps to drive forward a closer economic and political bloc under Russian hegemony. A so-called *Customs Union* was already established in 2007, its current members being Belarus, Kazakhstan, and Russia. A number of semi-colonial states are presently considering joining the Customs Union: Armenia, Georgia, Kyrgyzstan, Gagauzia (the separatist republic in Moldavia), and Tajikistan.

Under Yanukovych, the Ukrainian government also expressed interest in joining, but the Maidan coup and the takeover of pro-EU right-wing forces makes this unlikely in the short term.⁶⁶ On the other hand, Crimea may shortly split from the Ukraine and join Russia. Given the present political crisis in the country, the future of the eastern parts of the Ukraine is uncertain.

Finally, the Vietnamese government has also expressed interest in joining the *Customs Union*.

Meanwhile, the Putin regime has moved ahead and introduced steps to form the *Eurasian Union*.⁶⁷ This develop-

ment would create a common market of goods, capital, and labor, and ensure the operation of common macro-economic, competitive, financial, and other regulations, including the harmonization of policies such as energy and transport. In November 2011, the heads of Russia, Kazakhstan, and Belarus announced that a *Single Economic Space* would be launched as of 1 January 2012. The *Eurasian Union*, which will be similar to the European Union, is to be launched by 1 January 2015. While Russia, Kazakhstan, and Belarus are members, other countries currently have candidate status (Armenia, Kyrgyzstan, and Tajikistan).⁶⁸ Countries who resist these Russian plans are exposed to increasing pressure from Moscow.⁶⁹ Table 13 gives an overview of the cumulative economic power of Russia, Kazakhstan, and Belarus.

Russian imperialism already dominates or at least plays a central role in oppressing a number of Central Asian and Eastern European semi-colonies. The goal of the *Eurasian Union* is to consolidate and deepen this Russian imperialistic hegemony.

The epoch of imperialism is an epoch of rivalry between imperialist powers in which each power and its monopolies try to increase their influence and their profits at the expense of their rivals. This struggle for supremacy includes the attempts of different powers to expand their respective sphere of influence in the semi-colonial countries. This struggle is also manifest in Central Asia and Eastern Europe where different imperialist powers – the US, China, the EU, and Japan – and their monopolies continually attempt to increase their presence in these countries. The current political crisis in the Ukraine is only the latest example in which EU and Russian imperialism are clashing due to their mutual desire to integrate the semi-colonial Ukraine fully in their own sphere of influence, at the expense of the rival imperialist camp.

Given its geographical position and its historical links with these regions, Russia is naturally in an advantageous position to influence and exploit the wealth of the peoples of Central Asia and Eastern Europe. As we have shown above in Table 9, Russian monopolies export a significant part of their capital to Eastern Europe and Central Asia and are therefore one of the most important foreign investors in this region.⁷¹

Recall too the debt for equity deals mentioned above whereby the semi-colonies of the former Soviet Union transferred part of their means of production to Russian monopoly capital in exchange for debt relief.

In addition Russia is – beside the European Union – the most important trading partner for the Central Asian and Eastern European countries. In absolute terms, the trade volumes between the Central Asian Republics and Russia increased during 1995-2011 by almost 1,100% (see Figure 9).

In Table 14 we see that Russia is one of the top three trading partners for Eastern European countries outside the EU. Note that that the 27 member states of the EU are treated, in this table as well as in other statistics, as a single bloc. However, as it is well known, the EU is not a homogeneous bloc but contains various, diverging interests of the different national capitalist classes. Hence, the EU's political weight is smaller than its numerical economic numbers suggest.

In the Ukraine, the EU and Russia are the major powers

which compete for market share and influence. Before the beginning of the Great Recession in 2008, the EU monopolies were able to continually increase their trade share. However since the recession the situation has reversed itself. Between 2000 and 2010 the Ukraine's exports to the EU fell by 7.7% (to 25.4%) and the share of imports from the EU by 5.3% (to 31.4%). At the same time the Customs Union (Russia, Belarus, and Kazakhstan) were able to increase their trade with the Ukraine: exports to and imports from these countries increased by 5.9% (32.3%) and 9% (42%) respectively.⁷⁴

When we examine the Central Asian semi-colonies, we note an even more hegemonial position for Russian imperialism. Central Asia is highly dependent on Russian imports (mostly energy products and manufactured products). While the EU comes as the second largest import source, China's share has dramatically increased in the last decade and is now the third largest source of imports (see Table 15).

The EU, Russia and China are also the main export partners of the Central Asian countries. The EU and China managed to increase their market share between 2000 and 2010. During this same decade, Russia's share declined but it remained the second largest export destination for Central Asia (see Table 16).

These figures demonstrate how China is indeed becoming a major imperialist rival in Central Asia. Beijing strengthened its ties with various Central Asian republics, for example via the construction of several oil and gas pipelines, such as the Turkmenistan-Uzbekistan-Kazakhstan-China pipeline inaugurated in December 2009. China has already surpassed Russia as Kazakhstan's top economic partner, despite the latter's participation in the Customs Union with Moscow. A bourgeois analyst comments: "*Russia remains deeply suspicious of China's growing influence in Central Asia, despite both countries' strong economic ties and frequently shared political interests (throughout the so-called Arab Spring, Moscow and Beijing firmly stood together in defending the "status quo" against a domino-like string of upheavals in the Middle East and North Africa).*"⁷⁷

In Figure 10 and Table 17 we see a more detailed breakdown of the developments in trade between Russia and various Central Asian and Eastern European countries. They demonstrate Russia's hegemonial role, particularly if one takes into account the underestimation of Russia's share in the official statistics as exemplified in Table 17.

While Russia's monopolies are focusing their activities on Central Asia, Eastern Europe, Western Europe, and the Balkans, in the last few years they have also started expanding their activities with other continents. Trade with Africa increased from \$US 1 billion in 2000 to \$US 10 billion in 2012. This is, however, still a small share of total Russian trade, constituting less than 2%. Russia's investments in Africa amount to USD 10 billion US-Dollars. Eighteen large Russian companies are active in thirteen African countries. Their activities include diamond extraction in Angola (Alrosa), nickel extraction in Botswana (Nor Nickel), development of oil deposits in the coastal zone of Cote d'Ivoire and Ghana (LUKoil), extraction of manganese and vanadium deposits in South Africa (Renova, Evraz), and oil extraction in Equatorial Guinea (Gaspromneftegas).⁸⁰

To summarize, we can conclude that Russian imperialism has and is increasingly successful in subjugating a number

Figure 5 Russia's Ethnic and National Minorities (59)

Russia's Ethnic Republics



Figure 6 Autonomous Areas in Russia with Ethnic and National Minorities (60)

Autonomous Areas in Russia



of semi-colonial countries in Eastern Europe and Central Asia. Thus, Lenin's definition of an imperialist power is no less applicable to Russia than to other great powers who oppress and super-exploit other nations.

Migration and Super-Exploitation

As an imperialist power Russia also profits from migration. In their vast majority, Russian capitalists profiteer at the expense of migrants who originate from two different sources: On one hand, millions of migrants from Russia's oppressed national minorities relocate to the country's richer metropolises; on the other hand, millions of migrants from Russia's peripheral semi-colonies enter the country. ⁸¹

The population in the poorer regions in Russia – such as the Far East District, Siberia, the Urals or Privolzhje – is being systematically diminished due to emigration. David Lane, a bourgeois expert on Russia, reports: *"National ethnic minorities figured disproportionately in population movement. These areas were ones which had a continuous export of people."* ⁸²

Migration from the Central Asian republics has increased dramatically in the last decade. According to official statistics approximately 12.3 million legal migrants currently reside inside Russia. In addition, another 5-8 million migrants have illegally entered the country in order to work there. Estimates of the percent of foreign migrants among

all employed in Russia is about 8-10 %, which is close to levels in some European countries such as Germany and Austria. However, this appears to be an underestimation. ⁸³ In addition, this figure does *not* include the migrants from oppressed nations within Russia.

Such massive migration is driven by the extreme inequality of wages that exists between Russia and her semi-colonial periphery. For example, at the close of the first decade of the 2000s, the average wage in Tajikistan was just 10 % of the average Russian wage, while those in Kyrgyzstan and Uzbekistan were just slightly above 20 %. Average Russian wages were 3 times as high as those in Moldova and 2.5 times higher than those in Armenia. ⁸⁴

Also contributing to migration from the poor semi-colonial countries is surplus population unable to find employment. The majority of Russia's migrants come from Uzbekistan, Tajikistan, and Kyrgyzstan. By the end of 2010, migrants from these three countries accounted for 55 % of the total legal foreign workforce in Russia.

Migration constitutes a massive drain on the human capital of the semi-colonial countries and hence reduces their ability to increase their own national wealth. Between 620,000 and 1,000,000 Kyrgyz migrants are estimated to work abroad currently (most of them in Russia). ⁸⁵ Migrants account for 17 % of the economically active population of Kyrgyzstan, for almost 37 % from Tajikistan, and for 15 % of the employed population from Uzbekistan.

As is usually the case in imperialist countries, migrants in

Figure 7 Natural Resources in Russia (61)



Table 13 Macroeconomic Indicators of the Eurasian Customers Union, 2011 (70)

<i>Criterion</i>	<i>Eurasian Customers Union</i>
Number of consumers	165 million
Total GDP/GDP per capita	\$US 2.74 trillion / \$US 14.866
Foreign trade volumes	\$US 1.021 trillion
Annual domestic investment	\$US 603 billion (22% GDP)
Home credits	\$US 854 billion
Annual R&D	\$US 15.3 billion
Foreign Direct Investment	\$US 435.38 billion

Table 14 Trade Patterns of Eastern European Countries, 2010 (in percent) (73)

<i>Country</i>	<i>EU 27's Share of Trade</i>	<i>Russia's Share of Trade-</i>	<i>Turkey's Share of Trade</i>
Armenia	32.1 (1st place)	20.8 (2nd)	4.4 (6th)
Azerbaijan	46.9 (1st)	7.4 (3rd)	8.2 (2nd)
Belarus	25.1 (2nd)	48.2 (1st)	0.6 (10th)
Georgia	31.7 (1st)	4.4 (7th)	15.6 (2nd)
Moldova	52.3 (1st)	12.3 (3rd)	4.8 (4th)

Table 15 Imports of Central Asian countries to key markets outside the region (75)

<i>Country</i>	<i>2000</i>		<i>2010</i>	
	<i>\$US billions</i>	<i>%</i>	<i>\$US billions</i>	<i>%</i>
Russia	3.1	27.2	17.2	27.3
European Union	2.2	19.0	11.1	17.5
China	0.28	2.4	6.8	10.7
US	0.59	5.1	4.1	6.6
Turkey	0.53	4.6	2.5	4.0
Korea, Republic of	0.44	3.8	2.2	3.5
Pakistan	0.15	1.3	1.9	3.1
Iran	0.23	2.0	1.8	2.8
Japan	0.34	3.0	0.88	1.4
India	0.99	0.9	0.84	1.3

Table 16 Exports of Central Asian countries to key markets outside the region (76)

<i>Country</i>	<i>2000</i>		<i>2010</i>	
	<i>\$US billions</i>	<i>%</i>	<i>\$US billions</i>	<i>%</i>
European Union	3.7	23.8	31.9	37.7
Russia	3.6	23.3	13.8	16.4
China	0.7	4.8	12.4	14.6
Iran	0.5	3.3	4.0	4.8
Turkey	0.4	2.5	2.7	3.1
Switzerland	0.6	4.1	1.7	2.0
US	0.2	1.5	1.1	1.3
Japan	0.08	0.5	0.56	0.7
Korea, Republic of	0.14	0.9	0.38	0.4
India	0.06	0.4	0.26	0.3
Pakistan	0.04	0.3	0.20	0.2

Figure 8 Average Monthly Income Selected Regions (2011) (62)

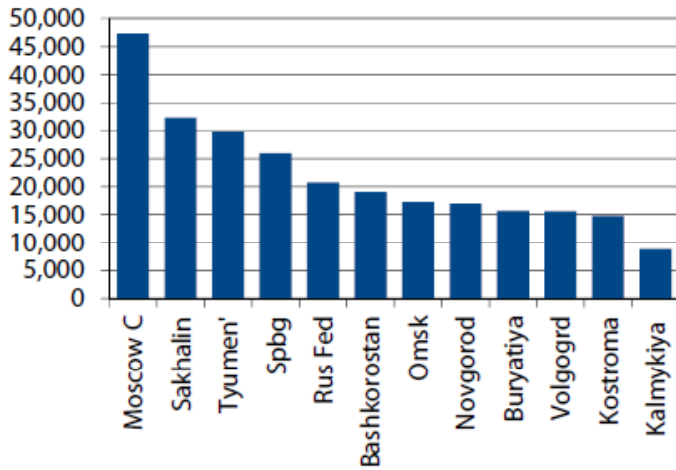


Figure 9 Trade between Central Asian Republics and Russia from 1995 to 2011 (in Billion US-Dollars) (72)

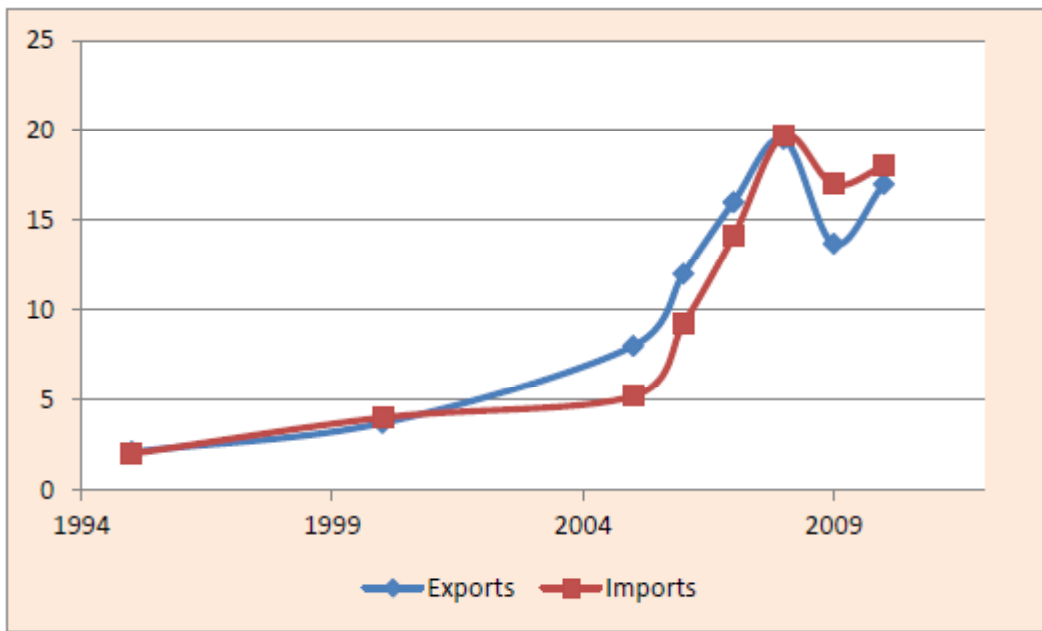
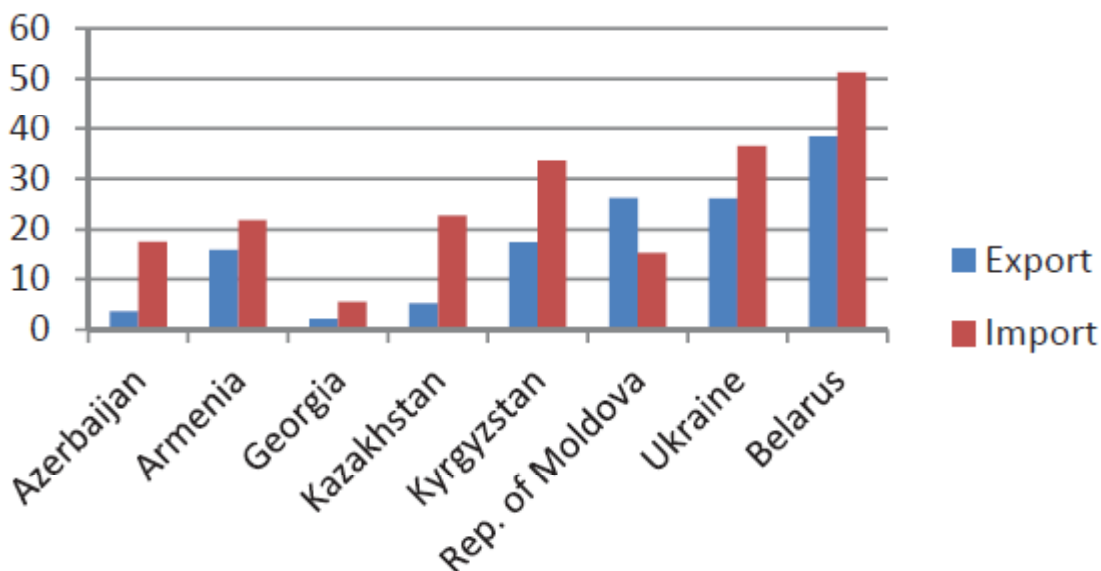


Figure 10 Russia's Share in Trade of selected Central Asian and Eastern European countries (in %) (78)



Russia work mostly in sectors characterized by low-paid jobs. Thus, we see that more than one third of migrants in Russia are employed in construction. (See Table 18)

To summarize, nearly all migrants in Russia originate among the oppressed nationalities living inside Russia or from the poor semi-colonial countries in Central Asia which are under the hegemony of Russian imperialism. These migrants constitute a sizeable minority among the working class in Russia. As non-Russian workers, they are both nationally oppressed and super-exploited by Russian capitalists. Their lower wages provide an important source for extra-profits from Russia's monopoly capital.

IV. The Distinguishing Characteristics of Russia as an Imperialist Power

We now will address the distinguishing characteristics of Russia as an imperialist power. As every country, Russia has its own unique history, society, and resulting contradictions. While it is beyond the scope of this essay to dwell on the details of Russian history, we should briefly indicate that Russia is one of the world's oldest imperialist powers. Its history as an aggressive, expansive, and thoroughly reactionary Great Power extends from the 18th century onwards. Marx and Engels considered 19th century Tsarist Russia as the main enemy of the European working

class and oppressed peoples.

Russia's current imperialistic oppression and super-exploitation of a number of Eastern European and Central Asian countries today is founded on the historic roots of Tsarism. As Russian Marxists have emphasized many times, Tsarism was a relentless oppressor and exploiter of numerous nationalities which were forcefully incorporated into the Russian empire. After Stalinism destroyed the revolutionary dictatorship of the working class which liberated the oppressed people in the 1920s, the Soviet bureaucracy transformed the USSR into a prison house for non-Russian peoples. True, the proletarian, post-capitalist property relations inherent to the Soviet Union enabled the state to make important progress in terms of industrialization, the dissemination of education, etc. But Stalinism as a counter-revolutionary force advanced the degeneration of the USSR as a workers' state and intensified the oppression of the workers and the non-Russian peoples. In the end, the Soviet regime so thoroughly alienated the working class from "real socialism" that hardly anyone rallied to the defense of the proletarian, post-capitalist property relations which it had established during the political revolution of 1989–91, when the people rose up against the Stalinist tyranny. 87

Thus, Stalinism left a contradictory legacy for Russia as a Great Power. On one hand, it bequeathed a legacy of industrialization and modernization, including legions of scientists and technicians, a modern military arsenal, etc.

Table 17 Significance of Russia as a trading partner for Central Asian countries, 1995-2010 (%) (79)

<i>Russia's Share in Exports</i>	1995	2000	2005	2008	2010
Afghanistan	7.5	3.7	1.7	2.8	5.7
Kazakhstan (According to official data)	45.1	19.9	10.5	8.7	9.6
Estimate	-	11.2	10.6	13.7	13.4
Kyrgyzstan	22.8	16.5	22.2	11.1	14.7
Tajikistan	12.7	33.0	9.1	8.8	8.5
Turkmenistan (According to official data)	6.4	34.1	1.5	1.1	2.2
Estimate	-	-	9.3	38.0	23.5
Uzbekistan (According to official data)	-	32.0	27.9	20.2	27.1
Estimate	-	-	31.8	36.0	42.1
 <i>Russia's Share in Imports</i>	 1995	 2000	 2005	 2008	 2010
Afghanistan	5.0	1.9	3.5	5.7	10.7
Kazakhstan	49.9	48.4	38.0	36.3	33.6
Kyrgyzstan	21.9	23.9	34.2	36.6	33.6
Tajikistan	17.3	15.6	19.2	32.0	32.3
Turkmenistan	9.6	13.5	10.0	15.9	9.3
Uzbekistan	-	14.1	26.3	22.4	24.5

Table 18 Distribution of foreign workers legally employed in Russia by major economic sectors, 2005-2010 (%) (86)

<i>Economic Sector</i>	2005	2010
Construction	38.7	36.3
Agriculture	4.8	9.1
Manufacturing industries	6.9	13.5
Wholesale and retail trade	30.5	16.6
Transport and communications	4.7	4.3
Other activities	14.4	20.3

On the other hand, Stalinism paved the way for the implosion of the state apparatus and the economy after 1991. Furthermore, it so alienated the non-Russian people that nearly every nation wanted to become independent after 1991.

Russia once again became an imperialist power at the turn of the millennium (see the *Appendix: Political and Economic problems of Capitalist Restoration in Russia*). But because of Russia's long historic period as a workers' state (albeit degenerated after the 1920s) from 1917-1991, its imperialism had unique features. Naturally, post-Soviet Russia's accumulation of capital, the formation of capitalist monopolies and its resurgence as an imperialist power could only commence after the restoration of capitalism, i.e., slightly more than two decades ago. For this reason, its capitalist development is characteristically belated, highly contradictory, and uneven.

Since Russia's monopolies are based on a telescoped accumulation of capital which was far more rapid than that of their Western counterparts, they are comparatively weaker. As we have shown above, these monopolies are catching up with the world market, but are still weaker than their US or EU rivals.

Also, due to its historically belated character, its relative weakness, and its social contradictions in the extreme, Russian imperialism cannot afford to nurture a bourgeois democracy like that of the stronger Western and Japanese rival imperialist powers. Russia's ruling class needs a bonapartist regime, like Putin's, both to centralize and direct the country's resources for the needs of the monopolies, and to suppress the popular masses.

Another characteristic of Russian imperialism today is its uneven nature as a political, economic, and military power. While it is economically weaker than its Western rivals, its military might is greater than that of any other state (with, of course, the exception of the US). This military power enhances the political weight of Russian imperialism in world politics, as was demonstrated following the 2008 war with Georgia, since 2011 in Syria, and most currently in the Ukraine.

It is worth pointing out, of course, that Russian imperialism is not the only one possessing such an uneven nature.

Let us leave aside here Chinese imperialism, which shares some similarities with Russia's. However, even the old imperialist powers have distinctly uneven features. Japan for example is economically strong, but as a military power it is relatively weak and would be helpless without its US imperialist ally. The same is true for Germany.

It is therefore a chief task for Marxists to analyze each capitalist country in its totality, taking into account its economic, political, as well as military features. One has to view the "concrete totality as the unity of the general and the particular" – to quote Abraham Deborin, the leading Soviet philosopher in the 1920s.⁸⁸ Hence, we repeat what we wrote at the beginning of this essay: that it is essential to view a state in relation to other states and nations. For this, one must take into account its economic, political, as well as military characteristics and analyze whether the given state and its capital have developed into such a hegemonic position that it has achieved a condition in which it has become an oppressor and exploiter of other peoples and is not being oppressed and exploited by other powers.

Naturally, such an approach recognizes that some imperialistic powers may have reached this status later than others, some may be economically weaker than others but, nevertheless, are in a position to offset this by other (e.g., military) means. This was the approach used by Lenin and the Bolsheviks. Recognizing such differences between the different imperialist powers at his time, Lenin wrote in 1916:

*"The last third of the nineteenth century saw the transition to the new, imperialist era. Finance capital not of one, but of several, though very few, Great Powers enjoys a monopoly. (In Japan and Russia the monopoly of military power, vast territories, or special facilities for robbing minority nationalities, China, etc., partly supplements, partly takes the place of, the monopoly of modern, up-to-date finance capital.)"*⁸⁹

For all these reasons, we can conclude that, based on the comprehensive and scientific analysis given here, Russia is without doubt an imperialist oppressor state, and as such is a center of monopoly capital which exploits not only its own working class, but the peoples of its own internal colonies and the semi-colonies in Eastern Europe and Central Asia as well.

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V. The Arguments of Our Critics

Let us now address the arguments of our critics. In this chapter we will discuss and refute the arguments of groups which have recently published polemics against our analysis of Russian imperialism and its role in the Ukraine crisis. One such group is the *Workers International Vanguard Party* (WIVP) of South Africa, which claims that Russia is a semi-colony of German imperialism. Another critic is the *Liaison Committee for the Fourth International* (LCFI) led by Gerry Downing. Comrade Downing, who previously characterized China as an imperialist state as early as three years ago, today maintains that both Russia and China are only “pre-imperialist” states, and as such should be integrated in an “anti-imperialist united front” against the Western great powers.

WIVP (South Africa): Russia is a Semi-Colony of German Imperialism

The comrades of the WIVP in South Africa have criticized our position on the crisis in the Ukraine. They have written: “*But what the RCIT and others who promoted the ‘sit-on-the-fence’ approach did, was to disarm workers politically and physically. This follows from their labelling of the Russian regime as imperialist, whereas it is a semi-colonial regime under the thumb of German imperialism.*”⁹⁰ The WIVP emphasizes in their thesis that Russia is a semi-colony of German imperialism: “*German imperialism, through its control over Gazprom and Russian banks, are the indirect controllers of the Russian regime*”⁹¹

Unfortunately the comrades fail to provide any evidence for their thesis. As an aside we remind readers that similarly— as is the case with their former comrades of the FLTI — the comrades at the WIVP have never succeeded in proving their contention that China is a semi-colony of US imperialism. However, let us return to Russia. We have shown above that Russia’s economy is definitely not controlled by foreign corporations. The state-capitalist sector controls more than 50% of banks, 73% of the transportation industry, 45% of the oil industry, and about 80% of the gas industry. The rest is mostly dominated by private Russian monopolies.

It is indeed true that, given Russia’s much shorter tenure as a capitalist country during the past 100 years in comparison with that of Germany, the monopolies of the latter are still stronger than Russia’s. However, this does not mean that Germany dominates Russia. As we will show below, there has never been parity between imperialist powers. There have always been huge differences in the relative state of development, size, and strength among the various imperialist states and monopolies. In addition, as we have demonstrated above, Russian imperialism is catching up with Germany in terms of capital exports.

Given the relatively low and declining level of Russian foreign debts, it is similarly not possible that Russia is currently dominated by German banks. Beyond this, as we have demonstrated above, Russia itself has a huge economy which, in terms of output, is the same size as Germany’s.

Finally, we must insist that imperialism — as capitalism in general — is a totality of the economic, political, and military sphere. Thus, while Germany is relatively strong

economically, it is weaker than Russia on a political and military level.

Furthermore, the argument of the WIVP comrades clashes with the reality that has developed during the past few months. If Russia were indeed a semi-colony of Germany, how is it possible that Russia and Germany are currently competing against each other for hegemony in the Ukraine?! Why is Russia sending its army to the Crimea, at the same time that its alleged master (i.e., Germany) is taking over in Kiev?! And if what our WIVP comrades maintain is correct and Germany is indeed the imperialist master of the Putin regime, why can’t Berlin simply order Moscow to accept the new realities in the Ukraine?!

No, the position of the WIVP makes absolutely no sense at all — neither in the field of dialectical or formal logic, nor in the field of practical experience of world politics.

LCFI: From “Imperialist” to “Pre-Imperialist” China and Russia

The comrades of the LCFI are desperately looking for a theoretical hook on which to hang their open support for one of the imperialist camps in the present conflict in the Ukraine — namely Russia. To justify their position, they must first negate what they have written in the past. Three years ago, Socialist Fight — the central group in the LCFI — published a long document with the title “*China: deformed workers state or rising world imperialist power?*”⁹² In this document Socialist Fight criticized those who still believe that China is a deformed workers state and correctly put forth the position that China is a rising world imperialist power. In another article, Socialist Fight explicitly stated: “*And imperialist China is also preparing for war.*”⁹³

However, it appears that this was a long time ago. At that time, Socialist Fight and comrade Downing also reckoned themselves as a section sympathizing with the *Permanent Revolution Collective* (CoReP) in Britain. CoReP distinguishes itself by claiming that Trotskyists must reject the *Anti-Imperialist United Front Tactic* developed by the Communist International under the leadership of Lenin and Trotsky. This tactic basically means that revolutionaries should support unity of action with petty-bourgeois and bourgeois forces in any struggle against imperialist attacks, *without giving these allied forces any political support.*⁹⁴ Today, in the context of recent developments in the Ukraine, Socialist Fight has forgotten its sympathy for the opponents of the Anti-Imperialist United Front Tactic. In a word, it has turned about face and now peddles the most enthusiastic defense of the Anti-Imperialist United Front Tactic — so much so that Socialist Fight supports anyone denounced in the Western bourgeois media: Assad, Gaddafi, and now Putin. But in the present essay we will not deal with Socialist Fight’s caricature of the Anti-Imperialist United Front Tactic, because we have already done so in a previous document.⁹⁵ Suffice it to say, that our Socialist Fight comrades neither understood the Anti-Imperialist United Front Tactic three years ago, nor do they understand it today.

LCFI’s main argument for its support of Moscow in the Ukraine is that they reject our characterization of Russia as an imperialist power. For them, Russia as well as China (and may be even Germany, as we will see) are somewhat different, less dangerous than full-fledged imperialist

powers or, to be more precise, these states are potential allies of the working class.

Let us now present the arguments of the LCFI comrades in their own words.

*"They are not imperialist in the Marxist sense of the word, only in the sloppy sense of wanting to expand their sphere of influence, as Trotsky explains below. We are not facing two imperialist blocs, the U.S. and EU, on one side, and Eurasian bloc, Russia and China on the other. They are not imperialist nations in the sense that the west is. Russia is an immense bourgeois nation with military independence against Western imperialism, responsible for providing 30% of the gas to Europe, but the export of capital does not predominate over the export of goods (gas, weapons) in the Russian economy."*⁹⁶

*"Today London continues to top the list of the world's leading financial centres, with New York close behind in second-place. (...) Moscow is nowhere and its "imperialism" is so far from that of the US that there is just no comparison."*⁹⁷

*"There is a major difference between the finance capital-dominated economies of the US and GB and their allies (as seen in the UN vote to attack Libya) and the industrial capitalist economies of Germany, Russia and China who abstained in that vote. However this conflict is not between finance capital and industrial capital or between neo-liberal laissez-faire capitalism and Keynesian, 'big state, social democratic' capitalism. All capitalist production is dominated by finance capital; it is the method of extraction of the surplus from the wage-labour of the workers. Rather it is a conflict between two forms of capitalist exploitation, the one in which fictitious capital and the dollar as world trading currency was able to extract value from the rest of the capitalist world and the other where advanced technology and in particular heavy industry in Germany benefiting from the low exchange value of the Euro was able to dominate in both Germany and China with Russia benefiting from both."*⁹⁸

And concerning its tactical consequences, Socialist Fight comes to the following conclusions:

"The LCFI advocates an anti Imperialist united front with President Viktor Yanukovich and defends his alliance with Putin to

*save the Ukrainian economy from devastation. Workers Power/ LFI and the RCIT take a "no sides" line and wheel out the old Max Shachtman formulations: "Neither Brussels nor Moscow! For an independent Workers' Republic!" headlined the RCIT on 18/12/13."*⁹⁹

*"If Russia invades to seize the east of the Ukraine, thereby smashing the fascist there the working class should form a united front with them, knowing that on the morrow they would have to fight their former allies and whatever government the Russians might install in the east as representatives of the oligarchs there who would then form a new alliance with western Imperialism."*¹⁰⁰

*"Whilst we recognise that any Russian military invasion would be primarily aimed at securing the privileges of the Russian bourgeoisie, nevertheless it would be in opposition to the main enemy, Western Imperialist finance capital and their Nazi-front government. The working class should fight side by side with the Russian troops and their supporters in the East against the Nazi led government in order to defeat them and all the better to prepare the overthrow of their temporary allies on the morrow just as Lenin did in September 1917."*¹⁰¹

"In this battle and the civil war that temporarily ebbed but that accentuate in the coming months, the Liaison Committee for the Fourth International (LCFI) believes that the only option for Ukraine is the struggle which combines the tactics of the Anti-Imperialist Front (AIUF) and the strategy of Permanent Revolution. So, join the methods and goals of permanent revolution in the struggle for national independence, i.e. Ukrainian self-determination against the European Union. This fight is not about to align itself with the lesser of two evils, in the case with the Russian bourgeoisie, but to fight the greater evil, hegemonic imperialism across the globe. Therefore, tactically we're with the proletariat of Eastern Ukrainian in a Anti-imperialist Front with the Yanukovich Government against the EU and its mercenaries and fascist agents."

*"Decline that is leveraged by the rise of new block of pre-imperialist bourgeois in Russia and China, a kind of late imperialism which must be taken advantage of by the world proletariat in its favour against the whole world bourgeoisie."*¹⁰²

Table 19 Stock market capitalization, 2012 (105)

Rank	Country	2012	% of World Market Capitalization
1	United States	\$18668.33	40%
2	China	\$3697.38	8%
3	Japan	\$3680.98	8%
4	United Kingdom	\$3019.47	6%
5	Canada	\$2016.12	4%
6	France	\$1823.34	4%
7	Germany	\$1486.31	3%
8	Australia	\$1286.44	3%
9	India	\$1263.34	3%
10	Brazil	\$1229.85	3%
11	South Korea	\$1180.47	3%
12	Hong Kong, China	\$1108.13	2%
13	Switzerland	\$1079.02	2%
14	Spain	\$995.09	2%
15	Russia	\$874.66	2%
16	Netherlands	\$651	1%
17	South Africa	\$612.31	1%
18	Sweden	\$560.53	1%
19	Mexico	\$525.06	1%
20	Italy	\$480.45	1%

"In this battle and the civil war that temporarily ebbed but that accentuate in the coming months, the Liaison Committee for the Fourth International (LCFI) believes that the only option for Ukraine is the struggle which combines the tactics of the Anti-Imperialist Front (AIUF) and the strategy of Permanent Revolution. So, join the methods and goals of permanent revolution in the struggle for national independence, i.e. Ukrainian self-determination against the European Union. This fight is not about to align itself with the lesser of two evils, in the case with the Russian bourgeoisie, but to fight the greater evil, hegemonic imperialism across the globe. Therefore, tactically we're with the proletariat of Eastern Ukrainian in a Anti-imperialist Front with the Yanukovych Government against the EU and its mercenaries and fascist agents."

The LCFI Schematic: An A-historic and Un-dialectical Understanding of Imperialism

Thus, we see that the LCFI uses the following arguments in its attempt to justify its characterization of Russia as a "pre-imperialist" power with whom the international working class should ally itself against the Western imperialists:

- i) *"the export of capital does not predominate over the export of goods (gas, weapons) in the Russian economy"*
- ii) Russia has no leading financial centers
- iii) *"There is a major difference between the finance capital-dominated economies of the US and GB and their allies (as seen in the UN vote to attack Libya) and the industrial capitalist economies of Germany, Russia and China". This difference is supposedly based on "a conflict between two forms of capitalist exploitation"*

The fundamental error in LCFI's approach is that it betrays a completely schematic, a-historic, and un-dialectical understanding of imperialism – the US/UK model – and states that all other capitalist powers which are not similar to them are not imperialist.

Let us first clarify one myth. It is obvious that the LCFI comrades have not carefully thought out their own arguments. They claim that Russia cannot be imperialist because, for Russia, capital export allegedly plays a minor role. However, we have demonstrated above and elsewhere that, during the past decade, both Russia and China have become major exporters of capital on levels similar to that of Germany. How else could China have risen to the second in rank (after the US) as the center of the largest multinational corporations of the world? How else could

Table 20 Stock market capitalization (% of GDP, 2005–10 average) (106)

Country	Stock market capitalization
China	81.7
Russia	68.7
Germany	45.7
Japan	87.7
US	122.7
United Kingdom	123.9

30 of Europe's top 500 corporations be Russian?

The LCFI claims that Russia cannot be imperialist because its stock market is allegedly irrelevant. To prove their point they refer to the so-called *Global Financial Centres Index* in which the Moscow stock market is ranked in the 69th position. 103 However, our LCFI comrades would have done themselves a favor if they had actually read the document they quoted from. This index does not purport to deal with the size or importance of a given stock market, but rather assesses its so-called competitiveness, as one can readily read on the first page.¹⁰⁴ For this reason, for example, the Index they quote ranks the stock market of Vienna (20) before that of Paris (29) and Rome (35). However, only an imbecile would claim that Austria has a more important stock market than France or Italy!

In Table 19 we present the actual size – in terms of market capitalization – and ranking between the world's largest stock markets.

From this table we can see that Russia does indeed have a weaker stock market than a number of other imperialist countries. However, first of all, it would be obtuse to conclude from this that Russia is not imperialistic. Is Italy, for example, not an imperialistic state simply because it has an even smaller stock market than Russia's? Secondly, the difference in volume between the stock markets of Russia and, let us say, Germany is certainly not so large that one might say that here there is a qualitative difference. Thirdly, if the LCFI comrades would have seriously thought through their own argument, they would have had to immediately publish a sharp self-criticism, since China's stock market is ranked second, before both Japan's and Britain's. How, based on their own logic, can the LCFI comrades maintain their claim that China is not an imperialist power but only a "pre-imperialist" country?!

In Table 20 we show that the financialization of Russian and Chinese capitalism is not nearly as "backward" (from a capitalist point of view) as the LCFI claims. This table presents the relation between stock market capitalization and the annual output of the given country. As we can see Russia's stock market capitalization is more advanced than Germany's while that of China is on a similar level with Japan's.

Finally, in Figure 11, we show that, during the past decade, Russian financial markets have impressively caught up to those of its rivals. In fact, for the period covered in the figure, Russia's financial markets have experienced the fastest growth of any throughout the entire world. It is particularly important to recognize this phenomenal growth, but our LCFI comrades have completely ignored these changes, precisely during the period when Russia and China have emerged as new imperialist powers. Admittedly, Russia is still weaker than the strongest imperialist powers, but there are many other imperialist countries which are also weaker than the US and, undeniably, during the last decade Russia has crossed the Rubicon and significantly caught up with its imperialist rivals.

Finally we are flabbergasted by the LCFI's differentiation between the *"finance capital-dominated economies of the US and GB and the industrial capitalist economies of Germany, Russia and China"* which are supposed to represent *"two forms of capitalist exploitation."* Undeniably, there are differences between capitalist countries both in the degree and the concrete formation and combination of financial capi-

tal and industrial capital into imperialist finance capital. But are such differences based on two different types of exploitation? No! They are all imperialist economies dominated by monopoly capital on the basis of finance capitalism. They all thrive on the super-exploitation of semi-colonial countries and migrants, from whom they appropriate extra profits. If the authors of the LCFI documents were consistent with their own arguments, they would have to conclude that not only Russia and China but also Germany has to be considered a “pre-imperialist” country with which the international working class should form an anti-imperialist united front against the US and Britain. This schematic and erroneous differentiation between predominantly financial capital-orientated Anglo-Saxon capitalism and the more industrial-orientated German, Russian, and Chinese counterparts alarmingly resembles the similar distinction made by reformist Keynesians (to say nothing about the fascist myth of the “money-grubbing” and the “creation” of capital).

The Great Imperialist Powers before 1914

From our research, we conclude that the authors of the LCFI documents are simply ignorant of contemporary capitalist developments and Russia’s role in them. Unfortunately, they are also ignorant regarding Lenin’s theory of imperialism. As we have already indicated, they schematically take the US and Britain as models of imperialist countries and deduce from this that any country with an economy having a different physiognomy cannot, by definition, be imperialistic. What they completely ignore is what Lenin and Trotsky considered the most important laws of historic materialism the *law of uneven development* (Lenin) and respectively – as it was further developed by Trotsky – the *law of uneven and combined development*. It is an historic impossibility that all imperialist powers have the same configuration. Some develop earlier, others later. Some are defeated in wars and face setbacks, while others are victorious and reap the benefits of their victory. In the cases of Russia and China, we have two countries in

Figure 11 Increase in domestic stock market capitalization, 2002–2009 (107)

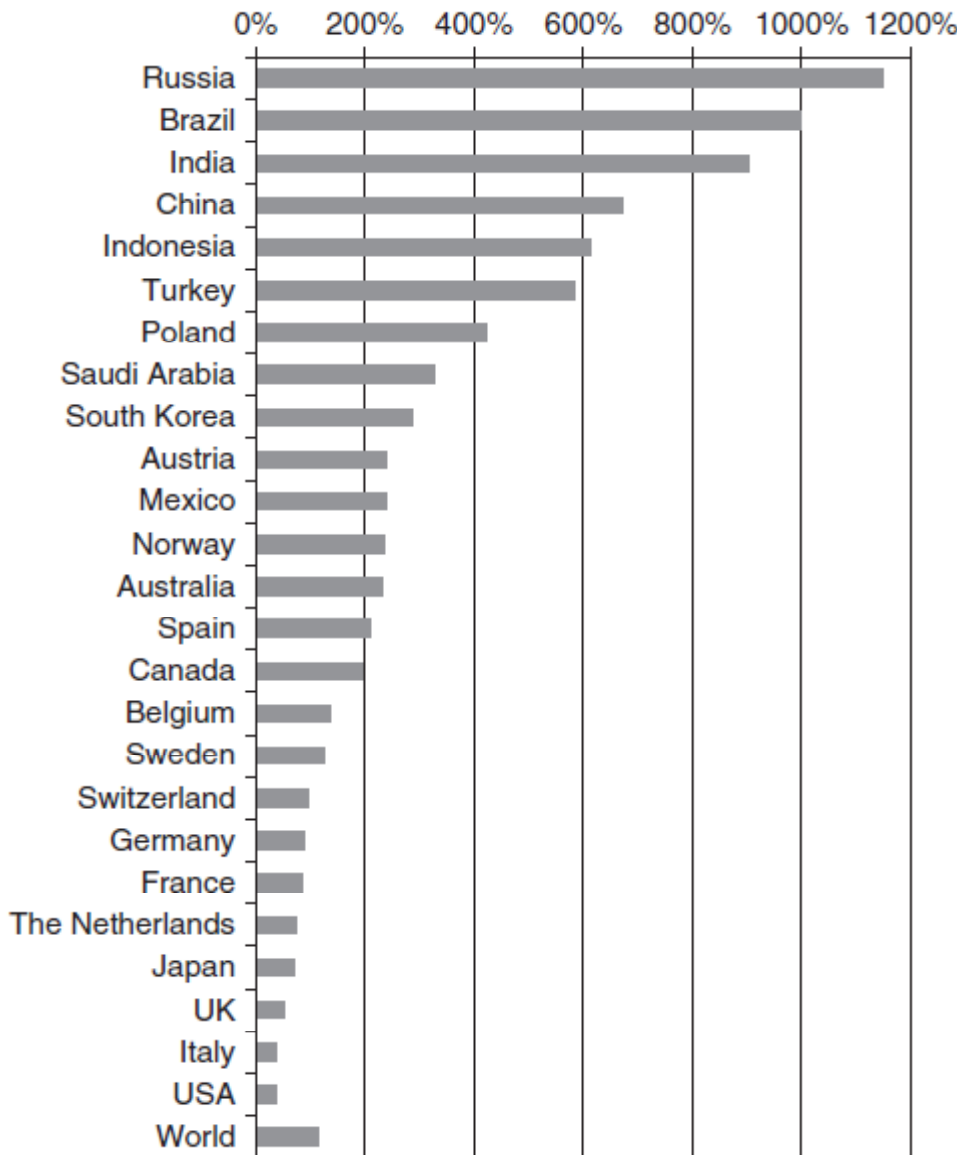


Table 22 World Industrial Production, Share of Imperialist Countries, 1913 and 1929 (in %) (109)

<i>Country</i>	<i>Share in 1913</i>	<i>Share in 1929</i>
United Kingdom	14	12
US	36	44
Germany	16	12
France	6	6
Russia	6	-
Japan	1	4

Table 23 Gross Nominal Value of Capital Invested Abroad in 1914 (\$ million at current exchange rates) (110)

<i>Country</i>	<i>Capital Invested Abroad</i>
United Kingdom	18,311
France	8,647
Germany	5,598
Others (Belgium, Netherlands, Portugal, Russia, Sweden, Switzerland and Japan)	7,700
United States	3,514
Total	43,770

Table 24 World Foreign Investment, Share of Imperialist Countries in 1914 and 1929 (in Percent) (111)

<i>Country</i>	<i>Share in 1914</i>	<i>Share in 1929</i>
United Kingdom	40.9	36.6
France	20.5	7.0
Germany	13.2	2.2
United States	7.9	34.5
Other Countries	17.5	20.0

Table 21 National Income, Population and Per Capita Income of the Great Power in 1914 (108)

<i>Country</i>	<i>National Income (\$US billions)</i>	<i>Population (million)</i>	<i>Per Capita Income ((\$US)</i>
United States	37	98	377
United Kingdom	11	45	244
France	6	39	153
Japan	2	55	36
Germany	12	65	184
Italy	4	37	108
Russia	7	171	41
Austria-Hungary	3	52	57

which the capitalist law of value was suppressed until the early 1990s. It is only natural that, as they are in a process of catching up, the physiognomy of their capital is different from that of older imperialist powers. However, the decisive question is whether these countries are already exploiting monopoly capital and a state mechanism so as not to be oppressed by other powers while at the same time succeeding in oppressing other peoples.

Actually, the LCFI uses a diametrically opposite approach to that of Lenin and Trotsky. For Lenin and Trotsky, when evaluating whether a country was imperialistic, it was not the volume of its stock market or of its capital exports that was decisive. Rather, they viewed the totality of the economic, political, and military relations between a given state and others. They fully took into account that imperialist states can manifest different concrete political and economic physiognomies due to their different historical development. What was decisive for Lenin and Trotsky was whether a given state and its capital have reached a stage of monopolistic development which enables it to oppress and exploit other peoples.

To prove this, let's examine the historical development of the imperialist powers. We will focus on the development of Britain, France, Germany, the US, Russia, Japan, Italy, and Austria-Hungary – all of which were considered imperialistic countries by Lenin and all Marxist theoreticians in the early 20th century.

In Table 21 we compare the different sizes of the populations and economies of the early 20th century imperialist powers, as well as the various degrees of development of their respective productive forces (expressed as per capita income) in 1914. From this comparison, it becomes obvious that there were tremendous differences between these powers. The US had a level of productivity 7 times as high as Italy's, 9 times as high as Russia's, and 11 times as high as Japan's.

The great differences in strength between the imperialist powers are also manifest when we examine their relative shares in world industrial production. Again, we see that, in 1913, US production was six times greater than that of France and Russia and thirty-six times greater than that of Japan. These huge differences remained in tact in 1929.

Table 25 Creditors and Debtors, July 1, 1914 (\$US billions) (114)

<i>Principal sources of capital</i>		<i>Principal recipients of capital</i>	
<i>Home country</i>	<i>Amount</i>	<i>Host country</i>	<i>Amount</i>
United Kingdom	18.0	United States	7.1
France	9.0	Russia	3.8
Germany	7.3	Canada	3.7
United States	3.5	Argentina	3.0
Netherlands	2.0	Austria-Hungary	2.5
Belgium	1.5	Spain	2.5
Switzerland	1.5	Brazil	2.2

Table 26 Foreign Investment in Russia in 1914 (117)

<i>Percentages of Main Types of Russian Securities Held by Foreigners</i>	<i>In Percent</i>
State and state-guaranteed bonds	48.7%
Shares of joint-stock companies	39.4%
Debentures of joint-stock companies	55.3%
Municipal bonds	74.0%
Mortgage debentures	5.0%
Aggregate: 7.8 billion rubles out of a total of 21.6 billion rubles invested in Russia in 1914	36.1%

Table 27 Expenditures of imperialist Great Powers for Army and Navy in 1908 (in Million Rouble) (118)

<i>Country</i>	<i>Millions of Rubels</i>
Russia	470
France	415
Germany	405
United Kingdom	280
Austria-Hungary	200
US	200
Italy	120
Japan	90

These differences are even more pronounced if we examine the relative capital exports of the imperialistic powers as presented in Tables 23 and 24. In these detail the huge amount of capital invested abroad by British imperialism in 1914. US imperialism, which at that time already generated more than twice the capitalist value of Britain, had less than a fifth of the latter's capital export. During this period in time, Britain constituted the older imperialism while the US was catching up. According to the criteria used by the LCFI, in 1914, Marxists could not have considered the US an imperialist country. Fortunately, Marxists at that time were not aware of the LCFI's "theory."

Note that Russia is not included in the two tables just presented. At the time, Russia had only a small amount of capital export. In light of the country's huge internal investments and loans in 1913, its net foreign investment at the time was negative: -2.9% of the national net product¹¹²

Not unlike the situation today, in 1913 Russia was also relatively weak and "backward" in terms of financial capital (from a capitalist point of view). According to an economist quoted by Lenin in his *Notebooks on Imperialism*, in the early 20th century only between 2.7% and 3.4% of all world-wide circulating shares were issued in Russia: "Out of a world total of 732,000 million francs in securities, such as: state and municipal loans, mortgage deeds, industrial shares and bonds, only 20,000-25,000 million francs are said to have been invested in Russia."¹¹³

This also becomes clear from Table 25 which details the huge differences between the old imperialist powers – in particular Britain, France, and Germany – and the newer or weaker powers like the US, Russia, or Austria-Hungary. The older powers were creditors while the newer or weaker powers were debtors.

Table 26 shows how Russia was, in fact, extremely dependent on foreign capital. More than one third of here investments were from foreign sources. According to another economic historian, as much as half of Russia's capital came from abroad.¹¹⁵ The chief source of foreign loans and investment for Russia was France, which held 80% of Russia's foreign debt and provided 35% of foreign capital invested in Russia.¹¹⁶

Let us now examine the comparative military strength of the great imperialist powers. Here we see that, while Russian imperialism was relatively weak economically, its military power was considerable. We have taken Table 27 from one of the major works of the Bolsheviks – *The ABC of Communism* – written in 1919 by Nikolai Bukharin and Evgenii Preobrazhensky. In this work they deal with, among other things, the development of imperialism and explain why Russia was one of the Great Powers.

Lenin, Trotsky and the Bolsheviks on Russia as an Imperialist Power

It is clear that applying LCFI's methodology to Russia before 1917, we must come to the conclusion that the Tsarist empire was a semi-colony or may be a "pre-imperialist" country, but by no means an imperialist power. Indeed, this was the conclusion which Stalinists drew for some time during the 1930s and 1940s. They later had to relinquish this idea as it was too obviously in contradiction with Lenin's and the Bolsheviks' analysis. However, today, var-

ious centrists like the CWI still like to toy with the notion that pre-revolutionary Russia was as a semi-colony.

This is what the central CWI leader, Peter Taaffe, wrote when retrospectively attempting to justify their refusal in 1982 to defend semi-colonial Argentina in its war against British imperialism, namely that Argentina was similar to Russia before 1917:

*"This was the programme advocated by us at the time of the Malvinas/Falklands conflict. This was not a classic conflict between an imperialist power and a 'colony' in which Marxists were called upon to 'critically' support the latter. Argentina was a relatively developed capitalist power. It was not a feudal or semi-feudal regime in which the bourgeois-democratic revolution needed to be completed (apart from freeing Argentina from the economic vice of US imperialism and the world market, which is a socialist task). It was itself 'imperialist' towards other countries in Latin America – exporting capital and exploiting them – as well as being 'exploited' by the major imperialist powers. Moreover, it had a more developed capitalist structure than pre-1917 Russia, for instance. The latter, according to Lenin and Trotsky, was both a 'semi-colony' of Anglo-French imperialism and, at the same time, an 'imperialist' oppressor of the 57% of the population of the Tsarist Empire who were non-Russians. Lenin and the Bolsheviks never supported Russia, a 'semi-colony', in the wars against Japan in 1905, for instance, or German imperialism in the First World War."*¹¹⁹

Lenin and the Bolsheviks completely rejected such an a-historic analysis. They did not point to, in isolation, an aspect of Tsarist Russia's economy (specifically, its underdeveloped financial capital) but, as we have shown in Lenin's arguments from 1916 quoted above, viewed Russia in its totality, as an economic, political, and military power. At the same time they fully recognized that the specific physiognomy of Russian imperialism was different from that of the Western powers, given the predominance of semi-feudal structures, the absolutist state apparatus of Tsarism, etc. In their famous pamphlet explaining the Bolshevik program against the imperialist world war, Lenin and Zinoviev stated in 1915: "In Russia, capitalist imperialism of the latest type has fully revealed itself in the policy of Tsarism towards Persia, Manchuria and Mongolia, but, in general, military and feudal imperialism is predominant in Russia. In no country in the world are the majority of the population oppressed so much as in Russia."¹²⁰

In another theoretical article, the Bolshevik leader Gregory Zinoviev explained that "the Russian imperialism differs from Western European imperialism in many aspects. It is not an imperialism of the latest stage of capitalist development. Russia is a country which imports capital, which is an object of capital exporting countries. The Russian imperialism is a feudal, militaristic imperialism. (...) There is no imperialism which is cruder, more barbaric, and bloodier than Russian imperialism."¹²¹

Trotsky later explicitly emphasized the difference between a semi-colonial bourgeoisie like the one in China and the imperialist bourgeoisie like the one in Russia before 1917: "The Russian bourgeoisie was the bourgeoisie of an imperialist oppressor state; the Chinese bourgeoisie, a bourgeoisie of an oppressed colonial country."¹²²

The outstanding Russian Marxist historian of the 1920s, M. Pokrowski, explained in his book on Russia's history the development of its financial capital. He elaborates that Russia's imperialist character is clear because of the rapid growth of its banking capital after the 1905 revolution, al-

beit its start from a low level. At the same time he calculates that about 40–60% of all shares were foreign owned. 123

As we showed above, Lenin was fully aware that there were differences in the physiognomy of the different great imperialist powers. For example, in his *Notebooks on Imperialism*, he considered the following differentiation between the Great Powers:

“Roughly:

I. Three chief (fully independent) countries: Great Britain, Germany, United States

II. Secondary (first class, but not fully independent): France, Russia, Japan

III. Italy, Austria-Hungary” 124

Such different categories however did not lead Lenin or any other revolutionary Marxist to deny the fundamental essence which all these states shared: that they were all great imperialist powers. None of these powers deserved any support of any kind whatsoever in an inner-imperialist conflict, and it was the fundamental obligation of socialists to fight against them, as summarized by Karl Liebknecht’s famous slogan: *The Main Enemy Is At Home!*

Gregory Zinoviev, who was, after Lenin, the most important leader of the Bolsheviks during World War I, analyzed in his book *The War and the Crisis in Socialism* the history of wars during the imperialist epoch. For example, he showed that the war between the US and Spain over Cuba in 1898 was an imperialist war for both sides: *“The answer is clear: Both parties, both the Spanish and the American imperialists, conducted the unjust war of two slaveholders for the possession of slaves. It would be ridiculous to examine which of them was aggressor and which defender. Only the third party conducted a just war of defense – the oppressed peoples of Cuba and the Philippines who fought for liberty and independence – against the Spanish and American slaveholders.”* For Zinoviev and the Bolsheviks it was clear that both sides – the US and Spain – were imperialist states, regardless of the fact that the US was a relatively young, modern, and rising power, while Spain was an old and declining power with hardly any financial capital. Similarly, in dealing with Italy’s colonial adventures, Zinoviev characterized this country as an imperialist state, despite its extreme backwardness (from a capitalist point of view) when compared with Britain, France, or Germany. Once again, this demonstrates how the Bolsheviks used a diametrically opposed methodology from that of the LCFI and other pro-Russian/Chinese supporters. Bolsheviks characterized capitalist states which oppressed and exploited other countries as imperialist regardless of whether they were strong and independent great powers, or comparatively weaker powers which nonetheless oppressed and exploited other countries. The Bolsheviks characterized all such states as imperialistic and opposed them equally in their wars.

In their resolution to an anti-war congress in 1936, the Fourth International stressed that any support for an imperialist power was impermissible – be it their “own” bourgeoisie or the bourgeoisie of another imperialist state: *“The struggle against war, properly understood and executed, presupposes the uncompromising hostility of the proletariat and its organizations, always and everywhere, toward its own and every other imperialist bourgeoisie.”* 125

To summarize, we have proven that imperialist powers have always had different physiognomies, due to their dif-

ferent and unequal historical developments coupled with the varying results produced by the relationships between them and the world market and world politics. Marxists, however, did not evaluate the different imperialist powers by means of a schematic model, but rather viewed the given states in their totality. The LCFI’s methodology has nothing to do with the dialectical Bolshevik approach. Rather, it reminds us of Stalin’s schematic method which gave a – by and large correct – categorization of nations, but incorrectly added that any specific nation cannot be considered as such if but a single one of these criteria’s was missing: *“It must be emphasised that none of the above characteristics taken separately is sufficient to define a nation. More than that, it is sufficient for a single one of these characteristics to be lacking and the nation ceases to be a nation.”* 126

Dogmatic schematism is always bad. It is particularly harmful in an historic period like the present one, where new imperialist powers are emerging and where the inner-imperialist rivalry is accelerating. In such a period, an undialectical and unscientific theory can lead a revolutionary group into the camp of counter-revolution. Unfortunately, this is indeed the case our comrades from the LCFI: our vociferous pioneers of the Anti-Imperialist United Front Tactic have become unashamed proponents of a pro-imperialist popular front with one of the two major imperialist camps in the world – Russia/China.

In effect, the LCFI is repeating the Stalinist justification for supporting “democratic” imperialism against Nazi Germany in the 1930s and during WWII. The Stalinists, too, denied the imperialist character of France, Britain, and the US, and declared that fighting fascism is the highest priority. Hence, the full support they gave when the Western Allies conquered and occupied Nazi-Germany in 1945. In the case of the LCFI, the situation is even worse because the Ukraine is not an imperialist country – as Germany, Japan, and Italy had been in WWII – but a semi-colonial country.

An Ultra-Left Version of Kautskyianism

Finally, we want to point out that all those who deny the imperialist nature of Russia and China run the danger of falling into the trap of an ultra-left version of Kautskyianism. As is well known, Kautsky developed the theory that the historic development of modern capitalism tends towards closer cooperation between the Great Powers and not – as Lenin argued – towards more rivalry and conflicts. While the Bolsheviks stated that increasing competition and war between the imperialist powers is unavoidable, Kautsky explained that the historic tendency leads towards more cooperation between the imperialist powers and that ultimately a kind of “ultra-imperialism” – a unification of the great powers – might emerge.

By denying Russia’s and China’s imperialist character, our opponents reach the conclusion that there is *increasing cooperation and not rivalry* between the imperialist powers (the US, EU, and Japan). Hence, they are in the position to declare that, in a period of the intensification of the crisis of capitalism, a period which makes manifest capitalism’s decline and exhibits increasing conflicts and revolutionary and counterrevolutionary upheavals ... that in such a period the contradictions between the imperialist powers are not increasing but, quite the opposite, are decreasing

and tend towards more harmony.

The relationship between the Western imperialist powers (US, EU, and Japan) is indeed currently characterized by more cooperation (despite “Fuck the EU” sayings). But the reasons for such an increase in cooperation between the US, the EU, and Japan is the fact that there is an increasing rivalry between these old imperialist powers on one hand and the new, emerging imperialist powers Russia and China, on the other. It is only because of the existence of these alternative imperialist powers that the US, EU, and Japan are currently increasing their collaboration with one another.

Inverted Social-Imperialists

We have seen that, on a theoretical terrain, the pro-Russian/Chinese forces are inadvertently becoming Kautskyians. How shall we characterize them in the field of politics? Usually the pro-Russian/Chinese left in the West camouflages its support for the Eastern imperialist camp with blaring declarations of anti-imperialism. The LCFI is just one example for this. In fact, their support for the Russian/Chinese camp amounts to nothing more than social-imperialism, i.e., support for an imperialist ruling class beneath a fig leaf of socialism.

Surely, the pro-Russian/Chinese leftists will reject this analysis and will emphasize their opposition to their own (Western) imperialist rulers. But this only demonstrates that they are not ordinary social-imperialists, but *inverted social-imperialists*, i.e., social-imperialists who support the imperialist camp opposed to that of their own rulers.

In fact, such a phenomenon is nothing new. There is a long tradition in the reformist and centrist workers’ movement for such inverted social-imperialism. During World War I, a significant sector of the petty-bourgeois Jewish Bund in Russia supported the German imperialist camp, as they considered the Tsar to be the main enemy. In the 1930s and during World War II, the German, Austrian, and Italian social democrats, Stalinists, and most centrists like the SAP supported Western imperialism. They justified their support for French, British, and US imperialism by stating that their main enemy was the fascist ruling class at home.

Trotsky condemned these inverted social-imperialists equally merciless as he condemned the “normal” social-imperialists: *“The Italian, German, Austrian, and now the Spanish socialist parties too are not directly bound by the discipline of national imperialism which rejected their services with a kick. They were cast into an illegality counter to their traditions and their best intentions. Because of this, naturally, they have not in the slightest degree become revolutionary. They do not of course so much as think of preparing the socialist revolution. But their patriotism is temporarily turned inside out. They stubbornly dream that the armed force of the “democracies” will overthrow their national fascist regime and enable them to reestablish themselves in their former posts, editorial offices, parliaments, leading bodies of the trade unions and to reopen their bank accounts.”* 127

Trotsky also totally rejected the argument of those who justified support for an imperialist state with the argument of the need to fight fascism (as the LCFI does today). He replied to those who distorted his support for an intervention of the Red Army of the Soviet Union against

Hitler in 1933:

“But they are absolutely wrong in thinking that the proletariat can solve great historical tasks by means of wars that are led not by themselves but by their mortal enemies, the imperialist governments. One may construe the document as follows: during the crisis over Czechoslovakia our French or English comrades should have demanded the military intervention of their own bourgeoisie, and thereby assumed responsibility for the war — not for war in general, and of course not for a revolutionary war, but for the given imperialist war. The document cites Trotsky’s words to the effect that Moscow should have taken the initiative in crushing Hitler as far back as 1933, before he became a terrible danger (Biulleten Opozitsii, March 21, 1933). But these words merely mean that such should have been the behaviour of a real revolutionary government of a workers’ state. But is it permissible to issue the same demand to a government of an imperialist state?” 128

Today we are witness to similar phenomena among the so-called “Anti-Germans” or “Anti-Nationals” in Germany and Austria. This is a left-liberal current which is extremely pro-Zionist and pro-US, and which justifies their support for these reactionary forces with their opposition to chauvinism and the purportedly inherent “Anti-Semitism” of the German and Austrian people.

It goes without saying that Trotsky and the Fourth International resolutely denounced all such manifestations of inverted social-imperialism. Authentic Marxism is both consistently internationalist and anti-imperialist or it is not Marxism at all. The RCIT fights for the new, Fifth Workers International based on a program of genuine Trotskyism. The struggle for the new International includes unconditional opposition to all forms of social-imperialism.

VI. Appendix: Political and Economic Problems of Capitalist Restoration in Russia

By Michael Pröbsting, 29.3.2001

Introduction

We attach the following document which was written by Michael Pröbsting in March 2001. In this document he analyzed the development of capitalist restoration in Russia in the 1990s and explained that the country has transformed into an imperialist power. We reproduce it to document our analysis of Russia since the capitalist restoration and its formation as an imperialist power.

The document was a draft resolution for an international leadership meeting of the predecessor organisation of the RCIT – the *League for a Revolutionary Communist International* in April 2001. Comrade Pröbsting remained in a minority at the vote on this document at this leadership meeting. The majority wrongly believed that Russia has become a semi-colonial country.

However, at the next congress of the LRCI in April 2003, comrade Pröbsting put forward the following resolution for which he got a majority of the votes of the delegates:

“Why Russia is a junior/weak imperialist power

The birth of Russian capitalism went hand in hand with a period horrible destruction of the remnants of the planned property relations. However from a bourgeois point of view at the same time Russia underwent a successful period of initial capital accumulation. As a result Russian monopoly capital emerged in the mid-1990s (Gazprom, LUKOil, Yukos, UES, TNK, Sibneft...). The biggest 8 conglomerates now control approximately 85% of the private sector economy.

The successful formation of monopoly capital and the general upswing of Russian capitalism since 1998 led also to a re-emergence of the imperialistic features of Russia. Russia is an imperialist power - albeit weak and with a regional reach. We come to the conclusion taking the combined political and economic character of Russian capitalism into account.

Economically Russia's monopoly capital is holding a strong grip over the domestic economy and has a dominant position in the economy of the former Soviet Union countries (the so-called CIS). Russia's capital is also exported into other countries in Eastern Europe and the Middle East.

However Russia is a weak capitalist economy compared with other imperialist power given it's capital export is relatively small and it is often not competitive (except the oil and metal industry) against US, EU and Japanese capital.

Russian monopoly capital has also a rather peculiar character since it does not represent the fusion of banking and industrial capital in the traditional sense. The conglomerates rather integrate both industrial enterprises and special financial groups – a

bit similar like the South Korean Chaebols.

By characterising Russia as a weak imperialist power we also take into account it's position. Through it's nuclear arsenal, it's military position, it's reactionary, colonising war in Chechnya, it's membership in the UN Security Council and it's political role in world politics (as revealed by it's significant role in the diplomatic arena), it play's the role of a weak imperialist power. In short Russia is again – as it was before 1917 – an imperialist power.”

1. In the past decade and particularly some time since the August 1998 crisis capitalist restoration in the economic area made huge advances. This was not only expressed in the clear growth of Russia's GDP and industrial production but also in the massive intensification of the process of capital accumulation.

2. We can describe the first decade of capitalist restoration as the period of initial capital accumulation in which a class of owners of means of production (with the Oligarchs at the top, which are as gangster-like and corrupt as the Rockefellers&Co. were in the US in the 19th century). In this period this class accumulated capital through privatisation for cheap prices, stealing and bribing, and financial speculation (which was in fact a massive plundering of the social assets).

3. The period after the August 1998 crisis marked a decisive watershed point. It led to destruction of unprofitable banks and enterprises (which dropped from nearly 60% in 1998 to 21% in 2000) and a substantial monetarisation of the economy. In addition capital accumulation was enhanced by the de-valuation of the ruble and therefore massive cheapening of Russia's exports and the import-substituting effects which helped Russian enterprises gaining shares at the domestic market by replacing of foreign exports. Finally the oil boom and the rocketing of oil prices on the world market were also partly responsible for export growth.

Capitalism restoration has crossed the Rubicon in the economic sphere

4. Has capitalism been restored finally in the economic sphere? Albeit there are still serious obstacles for the full operation of the law of value the LRCI considers now that in the period 1999-2000 the Rubicon has been crossed and Russia has now become a country with a (even fragile) capitalist economy.

5. Despite the often confusing official data from Goskomstat there is a clear turn towards profit-orientated production visible. The proportion of loss-making enterprises is still high but declining (from 49.2% in 1998 down to 39.7%). While this statistic does not clarify which en-

Table 28 Russia's Economy, 1999-2001

	1999	2000	2001 (estimation)
GDP	+3.2%	+8.0%	+5.0%
Industrial production	+8.1%	+9.1%	+5.4%
Capital accumulation	+4.5%	+18.2%	+13.6%

terprises exactly are loss-making respective profit-making we know at least that the industrial and transport enterprises (i.e. the productive sector) has the best performance while the housing and communal sector the worst. Profits rose in Q1 2000 (compared with Q1 1999) by 220% in average. In the oil sector it was even 340% but also in the metal sector profits rose by 310%. There are also strong indications that particularly the bigger enterprises are becoming profitable. Already in 1999 the Top 200 enterprises operated with a profit which was not the case in the year before. Also individual reports about the Oligarchs and the increasing productive investment abroad by Russian monopolies suggest a changed picture. Finally the change of the situation is also reflected by the fact that not only barter dropped significantly but also enterprise subsidies of the Russian government declined from 16% of GDP in 1998 to 5% in 2000.

6. However we must not ignore the still huge challenges for capitalist restoration. First the bankruptcy process is definitely still in the early stages as the high figure of loss-making enterprises suggests. Second and combined with this there is still a high level of so called hidden employment, i.e. workers who do not create profit but are not sacked. Third it seems that the operation of law of value is less enhanced in the banking sector than in the industrial sector (which is reflected in the unusual low level of bank financing of enterprises and the high level of enterprise internal financing). The last point has some similarities with the path to capitalist restoration in Czech Republic where the financial sector was also restructured according to the law of value after capitalist restoration succeeded.

7. The consequences of all this are that we have to expect a massive corporate assault in the coming years against the working class with high unemployment and poverty as a result. This naturally implies significant dangers for the ruling class which is why they desperately need a strong bonapartist regime.

The Putin regime as a strong bonapartist-restorationist regime capable of pushing through capitalist restoration

8. The August 1998 crisis was also a watershed point in the sphere of the bourgeois restorationist state apparatus. After the short period of the Primakow government (October 1998 – May 1999) – a democratic-counterrevolutionary government which had the purpose of muddling through a pre-revolutionary crisis via the integration of the KPRF – Yeltsin successfully installed Putin as his successor.

9. This project by and large succeeded until now. The change of the political regime should not be underestimated. The weak semi-bonapartist regime of Yeltsin endangered the capitalist restoration because of the threatening collapse of the federal state and therefore could not provide the necessary strong power house to go beyond the anarchic initial phase of capital accumulation and to fully create a newly restored capitalism. The Putin regime is not a state capitalist regime but certainly a regime in which the state plays a much more important role not only in the political sphere but also a more etatist, regulatory role. This role will probably increase in the future since the massive necessary investments to renew the infrastructure

will have to be provided primarily by the state.

10. To a certain degree the huge majority of the ruling class – both in the state bureaucracy and the Oligarchs – understood the dangers of the weak and extremely unpopular Yeltsin-regime and the necessity to counteract decisively. They all therefore supported the Putin regime at the beginning and most still do.

11. To fully implement capitalism as a political and economic project the Putin regime had to and has to create a strong bonapartist state, a “patriotic”, i.e. Great Russian chauvinist ideology (for both the second Chechnya war was very important), a strengthening of the repression apparatus, a subordination of individual Oligarchs (in the political sphere) and the regional governors, removing the huge wage and payment arrears, the improvement of conditions for capitalist production (starting from tax reform to Land and Labour code reform) and the initiation of a huge investment offensive in the infrastructure.

12. So far the Putin regime has succeeded in several of these tasks while several others are still ahead (particularly concerning the regional governors and the improvement of conditions for capitalist production).

Russia as a weak imperialist power

13. Is Russia an imperialist state? Yes. Imperialism is a political and economic phenomena. Russia certainly can not become a global imperialist power but it is already a regional imperialist power with strong influence – politically and economically – in the Caucasus, Belorussia, Ukraine and Central Asia. In the past years Russian monopolies made sizeable foreign direct investments in Eastern Europe, Ukraine and also some Western countries. It is worth remembering that Russia was also an imperialist state before the October revolution in 1917 despite its economic weakness and dependency of foreign investment and loans. The LRCI therefore comes to the conclusion that Russia has become a weak regional imperialist power.

On the concept of restorationist Bonapartism

14. The Putin regime is an example of a specific phenomena of capitalist restoration. The process of capitalist restoration in the last decade gave birth to a new, specific form of Bonapartism – restorationist Bonapartism. Restorationist Bonapartism represents the rule of an alliance of the pro-capitalist bureaucracy and the newly emerging bourgeoisie against the background of an economy in a highly destructive and instable transition from planned property relations to capitalism.

15. Restorationist Bonapartism is a specific, ambivalent phenomena. On one hand it has a relatively weak social basis. The new bourgeois class is small and so are the middle layers. The bureaucracy itself is in a process of transition; it lacks popular trust and legitimacy and wants people make forget that it served the Stalinist rulers until recently. In the period of the counter-revolutionary transition there is also a basis for massive tensions and faction struggles inside the new ruling class which can result in coup d'états. Combined with this is the economic collapse which massively reduces the material resources to sustain the state apparatus. From this flows the weak, instable status of the restorationist state apparatus. (Examples for this

are the sudden collapse of the Albanian repression forces in the 1997 revolution, the retreat of the Romanian police during the January 1999 miners march and the pathetic performance of the Russian army in the Chechnya wars.)

16. On the other hand restorationist Bonapartism has an enormous strength: the atomisation, confusion and demoralisation of its main enemy – the working class which has suffered historic defeats by social counter-revolution.

17. Looking at the physiognomy of the restorationist state apparatus one can see a clear difference between the process in Eastern Europe and the countries of the former USSR. While in the majority of Eastern European countries capitalist restoration was (and is) carried through via a by and large bourgeois democratic restorationist regime (with certain bonapartist elements in form of an influential president), in the former USSR there are in all countries bonapartist restorationist regimes – sometimes combined with certain elements of bourgeois democracy or none.

18. What are the reasons for this difference? Naturally in some countries the enormous political contradictions arising from national wars and civil wars played an important role for the formation of authoritarian bourgeois regimes (on the Balkans, in the Caucasus). Also the influx of imperialist foreign direct investment played a significant role for the fast process of formation of a new capitalist class in Central European countries which again formed a basis for a more stable bourgeois democratic form of restoration.

19. But the most fundamental, general reason for this difference must be located in the different historic basis for capitalism. In Eastern Europe capitalism was abolished only for four decades before while in the former USSR it did not exist for more than seventy years. In countries like Poland, Hungary or Yugoslavia there existed even before 1989 a sizeable petty-bourgeoisie which provided the basis for a relatively fast formation of the new capitalist class. But even in Eastern European countries where no petty-bourgeoisie existed for most of the time (e.g. Czech Republic, Romania, Albania) there were nevertheless layers which had origins – either personally or via their parents – in bourgeois and petty-bourgeois classes (in case of Czech Republic there was even the legacy of an imperialist bourgeoisie). But in case of USSR the bourgeoisie and middle classes were annihilated for many decades. Combined with the dramatic economic decline in the period of restoration this provided the basis for the difference in the political restorationist regimes.

20. Restorationist Bonapartism emerged with the social counter-revolution, i.e. the victory of the restorationist forces in 1989/91. It can – and likely will – continue for the whole transition period of restructuring the economic and social basis of the society in a capitalist mode. By the end of this process it can transform into “normal” bourgeois forms of Bonapartism or it can be transformed to various combinations with bourgeois democracy – depending on the national (and international) relation of class forces.

August 1998: a pre-revolutionary crisis which ended in a counter-revolutionary defeat for the workers movement

21. So the August 1998 crisis was indeed a watershed point. The economic and political collapse erupted in a situation of the high point of class struggle (the rail war in

summer 1998 and the threatened mass strike for autumn). It clearly opened a pre-revolutionary crisis but because of the treason of the trade union bureaucracy and the KPU leadership which traded the sell out of the struggle for some governmental post it ended in a defeat. It opened the road to strong bonapartist Putin regime.

22. The workers movement clearly faced a decline after the highpoint of 1998 and some important occupation struggles which followed in 1999. Strike numbers have gone down drastically. But this was accompanied with a certain regroupment in the workers movement and the emergence of more left-wing, militant forces like Zashita, the dockers union and others which lead the struggle against the new Labour Code and also the Movement for a Workers Party on the political level. These forces are still small but they represent an enormous step forward compared with the dark 1990s.

23. What are prospects for the future of the workers movement? A successful capitalist restoration in Russia means a strengthened bourgeoisie on one hand. But it also means – at least in the longer term – the formation of a working class which produces value, which is not atomised by a moribund economy and feels impotent to strike because the enterprise is not producing anything anyway. It will therefore be in a better position to put more pressure on the bourgeoisie.

24. In this context the development of a militant, left wing inside the workers movement represents an important opportunities for the future. While a small force with some roots in the masses at the moment it could become a significant mass force in the coming uprising curve of the class struggle and the next pre-revolutionary situation. The tasks of Marxists in this situation is to help building a new, authentic workers party, i.e. a revolutionary workers party and presenting a programmatic basis for it.

Whiter Russia?

25. Despite all successes there are several dangers for the Putin regime. First it needs to create the conditions for further massive capital accumulation and through this to stop the ongoing massive capital flight. This is also very important because the infrastructure (starting from pipelines, electricity systems to machinery and military assets) needs many billions of dollar for renewal or better say to avoid a breakdown as the fire at Osinanko TV showed. Otherwise another economic crisis could emerge. Second it needs to succeed in fully unifying the federal state economically. Third it must solve the chronic crisis of the army, cut it down and create either a better equipped professional army or at least an enlarged professional part of the army. Fourth it must one way or another finish the Chechnya war (either by a negotiation deal – possible – or full military victory – highly unlikely).

26. It is not likely that the Putin regime will come into crisis because of a rising class struggle. The other way is much more likely: that it will come into crisis because of a world economic crisis, a defeat in Chechnya, a split in the ruling class, catastrophes because of the declining infrastructure or similar events. It is difficult to give exact predictions about the likelihood of such events. While a world economic crisis is certain in the near future the consequences for Russia are less clear. Will such a crisis lead

to a collapse of oil prices and therefore of Russian exports? Maybe but not necessarily as the developments on the oil market in the 1974-75 and 1980-82 recessions showed. And given the low level of foreign direct investment, Russia will also not be so much affected by this. The problems of the declining infrastructure are much more certain to predict. If the Russian bourgeoisie can not mobilise the necessary resources, the economy will simply collapse at some time in this decade.

27. While an upswing of class struggle before such a crisis is quiet possible we do not expect a massive class struggle wave in the near future respective before such events as mentioned before. This is because of the massive atomisation of the working class because of the impoverishment in the 1990s, the legacy of Stalinism and the today treason of the bureaucracy and the recent defeat after August 1998.

The democratic question and permanent revolution

28. From this fundamentally defensive position of the working class flows the importance of the democratic question. Marxists in Russia have to look very attentively to all opportunities where they can challenge and weaken the bonapartist regime (starting from Chechnya war to the Gusinskiy and Babitsky affair). In a period of counter-revolutionary defeats for the working class revolutionary Marxists understand that it is more likely that political frictions are more likely opened on democratic questions – involving rather petty-bourgeois or even bourgeois forces than proletarian – than on the enterprise level. In opposite to the sectarians the LRCI recognises that defending democratic rights is of major importance particularly in such periods. At the same time such democratic issues must be linked with economic issues and the goal of workers and peasant power – i.e. they must be integrated into the strategy of permanent revolution.

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have objected to our analysis of China as an (imperialist) capitalist country by arguing that the state sector still plays a central role in China's economy. Hence, our critics argue, China still remains a "socialist" or "degenerated workers state." However, as we have shown, the state sector plays a central role in Russia's economy too. It demonstrates the inconsistency of our critics, none of whom is prepared to claim that Russia in the past decade or two has been a "socialist" or "degenerated workers state."

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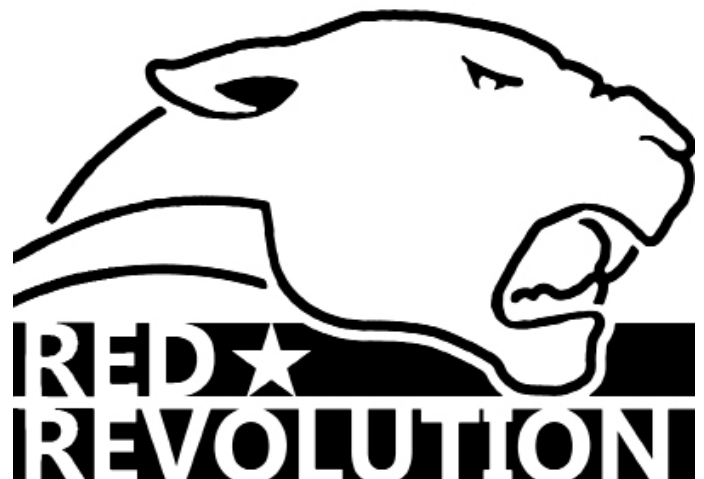
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New Books from the RCIT

Michael Pröbsting: The Great Robbery of the South

Continuity and Changes in the Super-Exploitation of the Semi-Colonial World by Monopoly Capital. Consequences for the Marxist Theory of Imperialism

The RCIT is proud to announce the publication of a new book. It's called *THE GREAT ROBBERY OF THE SOUTH*. The book's subtitle is: *Continuity and Changes in the Super-Exploitation of the Semi-Colonial World by Monopoly Capital. Consequences for the Marxist Theory of Imperialism*. The book is in English-language. It has 15 chapters, 448 pages and includes 139 Tables and Figures. The author of the book is Michael Pröbsting who is the *International Secretary* of the RCIT.

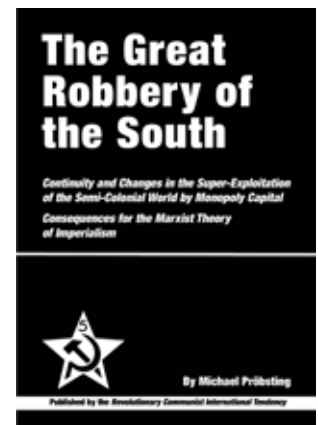
In *The Great Robbery of the South* Michael Pröbsting analyses the super-exploitation and oppression of the semi-colonial world (often referred to as the "Third World") by the imperialist powers and monopolies. He shows that the relationship between the small minority of rich capitalist countries and the huge majority of mankind living in the semi-colonial world forms one of the most important elements of the imperialist world system we are living in. The Great Robbery of the South shows that the past decades have been a complete confirmation of the validity of Lenin's theory of imperialism and its programmatic conclusions.

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The Author: Michael Pröbsting is a revolutionary activist since 30 years. He is the author of many articles and pamphlets in German and English language. He published books or contributed to books on *Rosa Luxemburg* (1999), on the *World Economy* (2008), on *Migration* (2010) and the *Arab Revolution* (2011). His latest book, *The Great Robbery of the South* (published in 2013), analyses the super-exploitation and oppression of the semi-colonial world (often referred to as the "Third World") by the imperialist powers and monopolies. He is the *International Secretary* of the *Revolutionary Communist International Tendency*.

Revolutionary Communist International Tendency:

What does the RCIT stand for?

The *Revolutionary Communist International Tendency* (RCIT) is a fighting organisation for the liberation of the working class and all oppressed. It has national sections in various countries. The working class is the class of all those (and their families) who are forced to sell their labour power as wage earners to the capitalists. The RCIT stands on the theory and practice of the revolutionary workers' movement associated with the names of Marx, Engels, Lenin and Trotsky.

Capitalism endangers our lives and the future of humanity. Unemployment, war, environmental disasters, hunger, exploitation, are part of everyday life under capitalism as are the national oppression of migrants and nations and the oppression of women, young people and homosexuals. Therefore, we want to eliminate capitalism.

The liberation of the working class and all oppressed is possible only in a classless society without exploitation and oppression. Such a society can only be established internationally.

Therefore, the RCIT is fighting for a socialist revolution at home and around the world.

This revolution must be carried out and lead by the working class, for she is the only class that has nothing to lose but their chains.

The revolution can not proceed peacefully because never before has a ruling class voluntarily surrendered their power. The road to liberation includes necessarily the armed rebellion and civil war against the capitalists.

The RCIT is fighting for the establishment of workers' and peasant republics, where the oppressed organize themselves in rank and file meetings in factories, neighbourhoods and schools – in councils. These councils elect and control the government and all other authorities and can always replace them.

Real socialism and communism has nothing to do with the so-called "real existing socialism" in the Soviet Union, China, Cuba or Eastern Europe. In these countries, a bureaucracy dominated and oppressed the proletariat.

The RCIT supports all efforts to improve the living conditions of workers and the oppressed. We combine this with a perspective of the overthrow of capitalism.

We work inside the trade unions and advocate class struggle, socialism and workers' democracy. But trade unions and social democracy are controlled by a bureaucracy. This bureaucracy is a layer which is connected with the state and capital via jobs and privileges. It is far from the interests and living circumstances of the members. This bureaucracy's basis rests mainly on the top, privileged layers of the working class - the workers' aristocracy. The struggle for the liberation of the working class must be based on the broad mass of the proletariat rather than their upper strata.

The RCIT strives for unity in action with other organizations. However, we are aware that the policy of social democracy and the pseudo-revolutionary groups is dangerous and they ultimately represent an obstacle to the

emancipation of the working class.

We fight for the expropriation of the big land owners as well as for the nationalisation of the land and its distribution to the poor and landless peasants. We fight for the independent organisation of the rural workers.

We support national liberation movements against oppression. We also support the anti-imperialist struggles of oppressed peoples against the great powers. Within these movements we advocate a revolutionary leadership as an alternative to nationalist or reformist forces.

In a war between imperialist states we take a revolutionary defeatist position, i.e. we don't support neither side and advocate the transformation of the war into a civil war against the ruling class. In a war between an imperialist power (or its stooge) and a semi-colonial country we stand for the defeat of the former and the victory of the oppressed country.

The struggle against national and social oppression (women, youth, sexual minorities etc.) must be lead by the working class. We fight for revolutionary movements of the oppressed (women, youth, migrants etc.) based on the working class. We oppose the leadership of petty-bourgeois forces (feminism, nationalism, Islamism etc.) and strive to replace them by a revolutionary communist leadership.

Only with a revolutionary party fighting as its leadership can the working class win. The construction of such a party and the conduct of a successful revolution as it was demonstrated by the Bolsheviks under Lenin and Trotsky in Russia are a model for the revolutionary parties and revolutions also in the 21 Century.

For new, revolutionary workers' parties in all countries!
For a 5th Workers International on a revolutionary basis!
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No revolution without a revolutionary party! ■*



