

Chapter 1: Lenin's Theory of Imperialism

In this chapter we will elaborate Lenin's understanding of imperialism and Trotsky's assessment of it. We will also explain Lenin's and Trotsky's view of the relationship of semi-colonial countries and the imperialist powers.

"...as precise and full a Definition of Imperialism as possible"

In his most comprehensive definition of imperialism, Lenin summarised its key aspects in 1916 in the following way:

*"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."*⁶

He goes on to explain the monopolist essence 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

⁶ V. I. Lenin: Imperialism and the split in socialism (1916); in: LCW Vol. 23, p. 105 (emphasis in original). The following quotes in this sub-chapter are from this article. In his "Notebooks on imperialism" (See Volume 39) he gives a similar summary of the definition of imperialism (V. I. Lenin: *Imperialism and the Attitude towards it*; in: LCW 39, p. 758):

Definition	{economic {political	{reaction {national oppression {annexations
Imperialism = capitalism		
a) monopolist	{1. cartels {2. big banks {3. financial oligarchy (more than 100,000 million of share capital) {4. colonies and export of capital [division of the world]	
b) parasitic	{1. export of capital {2. 100,000 million of share capital	
c) moribund capitalism ("in transition")		

territorial-political partition of the world; (5) the territorial partition of the world (colonies) is completed."

Lenin then concretises the turn to the 20th century as the years when the transition of capitalism into its final stage occurred:

"Imperialism, as the highest stage of capitalism in America and Europe, and later in Asia, took final shape in the period 1898–1914. The Spanish-American War (1898), the Anglo-Boer War (1899–1902), the Russo-Japanese War (1904–05) and the economic crisis in Europe in 1900 are the chief historical landmarks in the new era of world history."

He continues by elaborating the second essential feature of imperialism – its parasitic and decaying character:

"The fact that imperialism is parasitic or decaying capitalism is manifested first of all in the tendency to decay, which is characteristic of every monopoly under the system of private ownership of the means of production. The difference between the democratic-republican and the reactionary-monarchist imperialist bourgeoisie is obliterated precisely because they are both rotting alive (which by no means precludes an extraordinarily rapid development of capitalism in individual branches of industry, in individual countries, and in individual periods). Secondly, the decay of capitalism is manifested in the creation of a huge stratum of rentiers, capitalists who live by "clipping coupons". In each of the four leading imperialist countries – England, U.S.A., France and Germany – capital in securities amounts to 100,000 or 150,000 million francs, from which each country derives an annual income of no less than five to eight thousand million. Thirdly, export of capital is parasitism raised to a high pitch. Fourthly, "finance capital strives for domination, not freedom". Political reaction all along the line is a characteristic feature of imperialism. Corruption, bribery on a huge scale and all kinds of fraud. Fifthly, the exploitation of oppressed nations – which is inseparably connected with annexations – and especially the exploitation of colonies by a handful of "Great" Powers, increasingly transforms the "civilised" world into a parasite on the body of hundreds of millions in the uncivilised nations."

In this context Lenin points out the importance of the labor aristocracy as the upper strata of the working class which is bribed by monopoly capital and which therefore is the social basis for reformism:

"The Roman proletarian lived at the expense of society. Modern society lives at the expense of the modern proletarian. Marx specially stressed this profound observation of Sismondi. Imperialism somewhat changes the situation. A privileged upper stratum of the proletariat in the imperialist countries lives partly at the expense of hundreds of millions in the uncivilised nations."

Finally Lenin explains the third feature of imperialism as moribund capitalism:

"It is clear why imperialism is moribund capitalism, capitalism in transition to socialism: monopoly, which grows out of capitalism, is already dying capitalism, the beginning of its transition to socialism. The tremendous socialisation of labour by imperialism (what its apologists-the bourgeois economists-call "interlocking") produces the same result."

Lenin's theory of imperialism became one of the most important theoretical fundaments of the Bolshevik Party and the Communist International. It also served as the basis for the communist programme and the revolutionary strategy in the (semi-)colonial world and later Trotsky's theory of permanent revolution.

Trotsky's View of Lenin's Theory of Imperialism

How did Trotsky view Lenin's theoretical definition of imperialism? This is of interest not at the least because the founder of the Fourth International outlived the central leader of the Bolshevik Party for more than 16 years and was thus able to compare later developments of monopoly capitalism with Lenin's theory.

Trotsky repeatedly expressed explicitly his agreement with Lenin's theory of imperialism. In his balance sheet of the developments since Marx and Engels wrote their *Communist Manifesto*, Trotsky assessed in 1937 Lenin's theoretical achievement as the basis for a scientific understanding of the epoch:

*"It was Lenin who gave a scientific characterisation of monopoly capitalism in his 'Imperialism'."*⁷

He also stated his agreement with Lenin's theory in various writings. For example Trotsky's famous Thesis on the Imperialist War in 1934 began with the paragraph emphasising the confirmation of Lenin's understanding of the imperialist epoch:

*"The catastrophic commercial, industrial, agrarian and financial crisis, the break in international economic ties, the decline of the productive forces of humanity, the unbearable sharpening of class and international contradictions mark the twilight of capitalism and fully confirm the Leninist characterization of our epoch as one of wars and revolutions."*⁸

Such an appraisal of Lenin's theory was repeated by Trotsky on numerous occasions. See for example his article "*Lenin on Imperialism*" published in 1939 to which the editors of the Fourth International Journal – the theoretical mouthpiece of the leading Trotskyist section, the *Socialist Workers Party* in the USA – wrote in an introduction:

*"Lenin reached his maturity in the period of the First World War. His analysis of the imperialist wars and the conclusions he drew from this analysis are among the greatest triumphs of Marxism. It was the Leninist program against imperialism that paved the way for the victory of the Russian masses in October 1917."*⁹

⁷ Leon Trotsky: *Ninety Years of the Communist Manifesto* (1937); in: *Writings of Leon Trotsky 1937-38*, p. 23

⁸ Leon Trotsky: *War and the Fourth International* (1934); in: *Writings of Leon Trotsky 1933-34*, p. 299 (emphasis in original)

⁹ Socialist Workers Party (USA): Introduction to "*Lenin on Imperialism*"; in: *Fourth International, Vol. III, No. 1* (January 1942), p. 19

The Division of the World into Oppressing and Oppressed Nations

As we have shown the communist analysis starts from the understanding that around the turn to the 20th century capitalism transformed into monopoly capitalism. A small number of monopolies dominate the world economy and a few imperialist powers – usually the home countries of these monopolies – dominate world politics.

From this follows an essential feature of Lenin's and Trotsky's analysis of imperialism: the characterization of the relationship between the imperialist nations and the huge majority of the people living in the capitalistically less developed countries as a *relationship of oppression*. In fact Lenin, and following him Trotsky too, came to the conclusion that this division of the world's nations into oppressor and oppressing nations is one of the most important characteristics of the imperialist epoch:

*"The programme of Social-Democracy (this is how the Marxists called themselves at that time, MP), as a counter-balance to this petty-bourgeois, opportunist utopia, must postulate the division of nations into oppressor and oppressed as basic, significant and inevitable under imperialism."*¹⁰

In another article Lenin repeats this idea which later became a fundamental pillar of the Communist International's program:

"Imperialism means the progressively mounting oppression of the nations of the world by a handful of Great Powers (...)"

*That is why the focal point in the Social-Democratic programme must be that division of nations into oppressor and oppressed which forms the essence of imperialism, and is deceitfully evaded by the social-chauvinists and Kautsky. This division is not significant from the angle of bourgeois pacifism or the philistine Utopia of peaceful competition among independent nations under capitalism, but it is most significant from the angle of the revolutionary struggle against imperialism."*¹¹

The economic basis of this is what Lenin called the *super-exploitation* of these oppressed nations by the imperialist monopolies. Because of this super-exploitation, monopoly capital can acquire – in addition to the average profit rate – an extra profit. These extra-profits are important additions to the profits which monopoly capital already extracts from the workers in the rich countries. They are an essential source to bribe the upper, aristocratic sectors of the working class and in particular the labour bureaucracy in the imperialist countries and this helps to strengthen the rule of monopoly capital. Lenin wrote on this in 1915:

"Because monopoly yields superprofits, i.e., a surplus of profits over and above the

¹⁰ V. I. Lenin: The Socialist Revolution and the Right of Nations to Self-Determination (1916); in: LCW 22, p. 147

¹¹ V. I. Lenin: The revolutionary Proletariat and the Right of Nations to Self-Determination (1915); in: LCW 21, p. 409

capitalist profits that are normal and customary all over the world. The capitalists can devote a part (and not a small one, at that!) of these superprofits to bribe their own workers, to create something like an alliance (recall the celebrated "alliances" described by the Webbs of English trade unions and employers) between the workers of the given nation and their capitalists against the other countries."¹²

The same thought was defended in the program of the Bolshevik Party, adopted at its Eight Congress in 1919:

*"This trend (opportunism and social-chauvinism, MP) was created by the fact that in the progressive capitalist countries the bourgeoisie by robbing the colonial and weak nations were able, out of the surplus profits obtained by this robbery to place the upper strata of the proletariat in their countries in a privileged position, to bribe them, to secure for them in peace time tolerable, petty-bourgeois conditions of life, and to take into its service the leaders of that stratum."*¹³

Similarly the Communist International emphasized the importance of imperialist extra-profits in one of its main resolutions of its Second Congress in 1920:

*"One of the chief causes hampering the revolutionary working-class movement in the developed capitalist countries is the fact that because of their colonial possessions and the super-profits gained by finance capital, etc., the capitalists of these countries have been able to create a relatively larger and more stable labour aristocracy, a section which comprises a small minority of the working class."*¹⁴

The Semi-Colonial Countries: a modified Form of Imperialist Subjugation or Independent Capitalist States?

As we will see later one of the main arguments of the centrists against the actuality of Lenin's theory of imperialism is the claim that it was designed for the pre-WWII world in which imperialist countries occupied and exploited colonies directly. This theory – so the critics – is not relevant for a world where hardly any colonies exist and where most poor countries are formally independent states.

What these centrists ignore is the fact that while the question of formal sovereignty is, of course, an important one, in essence both colonial and semi-colonial (i.e. formally independent) countries share the fate of being nationally oppressed and super-exploited by the imperialist monopolies and powers.

This was definitely the view of Lenin and Trotsky. In no way did they limit

¹² V. I. Lenin: Imperialism and the Split in Socialism (1916); in: LCW Vol. 23, pp.114-115

¹³ Programm der Kommunistischen Partei Rußlands (Bolschewiki) (1919); in: Boris Meissner: Das Parteiprogramm der KPdSU 1906-1961, Köln 1962, p. 124. In English: Program of the Russian Communist Party (Bolsheviks) (1919)

¹⁴ Communist International: Theses on the Basic Tasks of the Communist International (1920). Resolution of the Second Congress of the Communist International; in: John Riddell (Editor): Workers of the World and Oppressed People, Unite! Proceedings and Documents of the Second Congress, 1920, New York 1991, p. 755

the imperialist oppression and super-exploitation to colonies only. Quite the opposite: They often spoke about both the colonial and semi-colonial countries together when they referred to the oppressed nations. Why? Because in both types of countries the tasks of national liberation, of completing the bourgeois-democratic revolution, *were not accomplished*, i.e. their fulfilment lies still ahead. *Both* types of countries are suffering under the dominance of world politics and the world market by the imperialist monopolies and powers. As a result they have *in essence* much more in common than what separates them.

Thus Lenin wrote in a document in 1916 – published as official thesis of the Bolshevik’s central organ Editorial Board – about the semi-colonial countries:

*“Thirdly, the semi-colonial countries, like China, Persia, Turkey, and all the colonies, which have a combined population amounting to a billion. In these countries the bourgeois-democratic movements have either hardly begun, or are far from having been completed. Socialists must not only demand the unconditional and immediate liberation of the colonies without compensation—and this demand in its political expression signifies nothing more nor less than the recognition of the right to self-determination—but must render determined support to the more revolutionary elements in the bourgeois-democratic movements for national liberation in these countries and assist their rebellion—and if need be, their revolutionary war—against the imperialist powers that oppress them.”*¹⁵

In his famous book on imperialism Lenin referred explicitly to the semi-colonial countries as *“formally independent, but in fact, are enmeshed in the net of financial and diplomatic dependence.”*:

*“As to the “semi-colonial” states, they provide an example of the transitional forms which are to be found in all spheres of nature and society. Finance capital is such a great, such a decisive, you might say, force in all economic and in all international relations, that it is capable of subjecting, and actually does subject, to itself even states enjoying the fullest political independence; we shall shortly see examples of this. Of course, finance capital finds most “convenient”, and derives the greatest profit from, a form of subjection which involves the loss of the political independence of the subjected countries and peoples. In this respect, the semi-colonial countries provide a typical example of the “middle stage”. It is natural that the struggle for these semi-dependent countries should have become particularly bitter in the epoch of finance capital, when the rest of the world has already been divided up.”*¹⁶

And he continued a few pages later:

“Since we are speaking of colonial policy in the epoch of capitalist imperialism, it must be observed that finance capital and its foreign policy, which is the struggle of the great powers for the economic and political division of the world, give rise to a number of transitional forms of state dependence. Not only are the two main groups of countries, those owning colonies, and the colonies themselves, but also the diverse

¹⁵ V. I. Lenin: *The Socialist Revolution and the Right of Nations to Self-Determination* (1916); in: LCW Vol. 22, pp. 151-152

¹⁶ V. I. Lenin: *Imperialism. The Highest Stage of Capitalism* (1916); in: LCW Vol. 22, pp. 259-260

*forms of dependent countries which, politically, are formally independent, but in fact, are enmeshed in the net of financial and diplomatic dependence, typical of this epoch. We have already referred to one form of dependence — the semi-colony. An example of another is provided by Argentina.”*¹⁷

The same view was defended later by Trotsky and the Fourth International. They too understood that the semi-colonial countries – while recognising the different form compared with the colonies – share essentially a similar oppression by imperialism. Hence they have basically the same task: to fight for national liberation, together with the other tasks of the democratic revolution (agrarian revolution, abolishing of all forms of dictatorship etc.) and combine them with the perspective of the socialist revolution and the dictatorship of the proletariat.

In an article on Lenin's theory of imperialism and war, Trotsky was clear in including semi-colonial countries in the system of imperialist oppression and hence in the anti-imperialist perspective:

*“The world, however, still remains very heterogeneous. The coercive imperialism of advanced nations is able to exist only because backward nations, oppressed nationalities, colonial and semi-colonial countries, remain on our planet. The struggle of the oppressed peoples for national unification and national independence is doubly progressive because, on the one side, this prepares more favorable conditions for their own development, while, on the other side, this deals blows to imperialism. That, in particular, is the reason why, in the struggle between a civilized, imperialist, democratic republic and a backward, barbaric monarchy in a colonial country, the socialists are completely on the side of the oppressed country notwithstanding its monarchy and against the oppressor country notwithstanding its ‘democracy.’”*¹⁸

Trotsky repeated this idea in his introduction to Otto Rühle's popular summary of Marx's “Das Kapital”:

“While destroying democracy in the old mother countries of capital, imperialism at the same time hinders the rise of democracy in the backward countries. The fact that in the new epoch not a single one of the colonies or semi-colonies has consummated its democratic revolution -- above all in the field of agrarian relations -- is entirely due to imperialism, which has become the chief brake on economic and political progress. Plundering the natural wealth of the backward countries and deliberately restraining their independent industrial development, the monopolistic magnates and their governments simultaneously grant financial, political and military support to the most reactionary, parasitic, semi-feudal groups of native exploiters. Artificially preserved agrarian barbarism is today the most sinister plague of contemporary world economy. The fight of the colonial peoples for their liberation, passing over the intervening stages, transforms itself of necessity into a fight against imperialism, and thus aligns itself with the struggle of the proletariat in the mother countries, Colonial uprisings and wars in

¹⁷ V. I. Lenin: Imperialism. The Highest Stage of Capitalism (1916) ; in: LCW Vol. 22, p. 263 (emphasis in original)

¹⁸ Leon Trotsky: Lenin and Imperialist War (1938); in: Writings of Leon Trotsky 1938-39, p. 165

*their turn rock the foundations of the capitalist world more than ever and render the miracle of its regeneration less than ever possible.”*¹⁹

In an interview he gave in 1938, Trotsky spoke about the anti-imperialist struggle in particular of the Latin American countries which were already formally independent, semi-colonies for more than 100 years:

*“In the first period of war the position of the weak countries can prove very difficult. But the imperialist camps will become weaker and weaker with each passing month. Their mortal struggle with each other will permit the colonial and semicolonial countries to raise their heads. This refers, of course, also to the Latin American countries; they will be able to achieve their full liberation, if at the head of the masses stand truly revolutionary, anti-imperialist parties and trade unions.”*²⁰

This understanding of the semi-colonial countries as, essentially, oppressed countries similar to the colonial nations was repeated in the two most important programmatic documents the Fourth International adopted in Trotsky’s lifetime – the *Transitional Program* in 1938 and *Manifesto on the Imperialist War* in 1940. First we give a few quotes from the *Transitional Program*:

*“But not all countries of the world are imperialist countries. On the contrary, the majority are victims of imperialism. Some of the colonial or semi colonial countries will undoubtedly attempt to utilize the war in order to east off the yoke of slavery. Their war will be not imperialist but liberating. It will be the duty of the international proletariat to aid the oppressed countries in their war against oppressors. The same duty applies in regard to aiding the USSR, or whatever other workers’ government might arise before the war or during the war. The defeat of every imperialist government in the struggle with the workers’ state or with a colonial country is the lesser evil.”*²¹

*“Colonial and semi-colonial countries are backward countries by their very essence. But backward countries are part of a world dominated by imperialism.”*²²

*“The central task of the colonial and semi-colonial countries is the agrarian revolution, i.e., liquidation of feudal heritages, and national independence, i.e., the overthrow of the imperialist yoke. Both tasks are closely linked with each other.”*²³

*“The banner on which is emblazoned the struggle for the liberation of the colonial and semi colonial peoples, i.e., a good half of mankind, has definitely passed into the hands of the Fourth International.”*²⁴

This understanding was repeated two years later at the Emergency Conference of the Fourth International, where the Manifesto referred both to colonies but also to semi-colonies like China or Turkey.

¹⁹ Leo Trotzki: *Marxismus in unserer Zeit* (1939), Wien 1987, p. 20; in English: Leon Trotsky: *Marxism In Our Time*, <http://www.marxists.org/archive/trotsky/1939/04/marxism.htm>

²⁰ Leon Trotsky: *Anti-Imperialist Struggle is Key to Liberation. An Interview with Mateo Fossa* (1938); in: *Writings of Leon Trotsky 1938-39*, p. 35

²¹ Leon Trotsky: *The Death Agony of Capitalism and the Tasks of the Fourth International. The Transitional Program* (1938); in: *Documents of the Fourth International*, New York 1973, pp. 199-200 (emphasis in original)

²² Leon Trotsky: *The Death Agony of Capitalism ...*, p. 205

²³ Leon Trotsky: *The Death Agony of Capitalism ...*, p. 205 (emphasis in original)

²⁴ Leon Trotsky: *The Death Agony of Capitalism ...*, pp. 206-207

"In the colonial and semi-colonial countries the struggle for an independent national state, and consequently the "defense of the fatherland," is different in principle from that of the imperialist countries. The revolutionary proletariat of the whole world gives unconditional support to the struggle of China or India for national independence, for this struggle, by "tearing the backward peoples from Asiaticism, sectionalism, and foreign bondage, . . . strike(s) powerful blows at the imperialist states."

*At the same time, the Fourth International knows in advance and openly warns the backward nations that their belated national states can no longer count upon an independent democratic development. Surrounded by decaying capitalism and enmeshed in the imperialist contradictions, the independence of a backward state inevitably will be semi fictitious, and its political regime, under the influence of internal class contradictions and external pressure, will unavoidably fall into dictatorship against the people—such is the regime of the "People's" party in Turkey, the Kuomintang in China; Gandhi's regime will be similar tomorrow in India. The struggle for the national independence of the colonies is, from the standpoint of the revolutionary proletariat, only a transitional stage on the road toward drawing the backward countries into the international socialist revolution."*²⁵

The Role of the Superstructure and its Relationship with the Economic Basis

At this stage it is useful to look closer to the Marxists' considerations *why* they did not see the semi-colonial countries as something qualitatively different from the colonies. The reason is that they viewed the state-form – colony or formally independent state – as a feature of the superstructure. As important as different characters of the superstructure are, they must be integrated and subordinated to an analysis of the class character of the underlying production relations. We must – to paraphrase a remark from Lenin's philosophical studies of Hegel – move from appearance to essence and from the less profound to the more profound essence.²⁶

As we know both the advanced as well as the less developed capitalist countries have seen various forms of political regimes in the history of the imperialist epoch. We have witnessed colonies and semi-colonies, more independent and more dependant semi-colonies, open dictatorships including fascism as well as relative democratic bourgeois regimes and also various transitional and combined forms in between. Obviously these political factors must be taken into account for concrete strategy and tactics. They however must not be viewed

²⁵ Fourth International: Imperialist War and the Proletarian World Revolution; Manifesto adopted by the Emergency Conference of the Fourth International in May 1940; in: Documents of the Fourth International. The Formative Years (1933-40), New York 1973, pp. 330-331; <http://www.marxists.org/history/etol/document/fi/1938-1949/emergconf/fi-emerg02.htm>

²⁶ V.I. Lenin: *Conspectus of Hegel's Book The Science Of Logic*. Section Three: The Idea (1914); in: LCW 38, p. 221

independently. They must be rather integrated into an analysis of the production relations which forms the fundament for the specific superstructure.

Marx has pointed out repeatedly that the form of extraction of surplus labor is essential for the character of the mode of production. He explained that under capitalism workers create exchange value which is appropriated by the capitalists. They get in exchange a wage to reproduce their labour force which is the equivalent of only a portion of the value which they produce. The other portion of this value produced is the surplus value appropriated by the capitalists. It forms the basis both for the unproductive consumption of the bourgeois class as well as for the reinvestment into the production cycle and – in the case of the later – forms thus the basis for the accumulation of capital.

Thus for Marx the capitalist mode of production with the law of value as its core constitutes the basis for the bourgeois social formation – independent of the specific form of the political regime (monarchy, democracy etc.).

He explained the relationship between the basis and the superstructure in Volume III of Capital:

*“The specific economic form, in which unpaid surplus-labour is pumped out of direct producers, determines the relationship of rulers and ruled, as it grows directly out of production itself and, in turn, reacts upon it as a determining element. Upon this, however, is founded the entire formation of the economic community which grows up out of the production relations themselves, thereby simultaneously its specific political form. It is always the direct relationship of the owners of the conditions of production to the direct producers -- a relation always naturally corresponding to a definite stage in the development of the methods of labour and thereby its social productivity -- which reveals the innermost secret, the hidden basis of the entire social structure and with it the political form of the relation of sovereignty and dependence, in short, the corresponding specific form of the state. This does not prevent the same economic basis -- the same from the standpoint of its main conditions -- due to innumerable different empirical circumstances, natural environment, racial relations, external historical influences, etc. from showing infinite variations and gradations in appearance, which can be ascertained only by analysis of the empirically given circumstances.”*²⁷

In his study about the emerging of the state and the family, Engels emphasized that the state usually is the state of the economically most powerful class. This is a very important remark since we will see that in the semi-colonial countries the imperialist bourgeoisie is the hegemonic class – beside, over and sometimes in temporary contradiction to the domestic capitalist class. Engels elaborates that regardless of whatever the exact form of the state is, the economically dominant class normally rules. This is also and in particularly true for the democratic republic despite the formal universal suffrage for all citizens – including the working class.

“Because the state arose from the need to hold class antagonisms in check, but because

²⁷ Karl Marx: Das Kapital, Dritter Band; in MEW, Bd. 25, pp. 799-800; In English: Karl Marx: Capital, Vol. III, Chapter 47.

it arose, at the same time, in the midst of the conflict of these classes, it is, as a rule, the state of the most powerful, economically dominant class, which, through the medium of the state, becomes also the politically dominant class, and thus acquires new means of holding down and exploiting the oppressed class. (...)

In most of the historical states, the rights of citizens are, besides, apportioned according to their wealth, thus directly expressing the fact that the state is an organisation of the possessing class for its protection against the non-possessing class. (...)

Yet this political recognition of property distinctions is by no means essential. On the contrary, it marks a low stage of state development. The highest form of the state, the democratic republic, which under our modern conditions of society is more and more becoming an inevitable necessity, and is the form of state in which alone the last decisive struggle between proletariat and bourgeoisie can be fought out — the democratic republic officially knows nothing any more of property distinctions. In it wealth exercises its power indirectly, but all the more surely. On the one hand, in the form of the direct corruption of officials, of which America provides the classical example; on the other hand, in the form of an alliance between government and stock exchange, which becomes the easier to achieve the more the public debt increases and the more joint-stock companies concentrate in their hands not only transport but also production itself, using the stock exchange as their centre. The latest French republic as well as the United States is a striking example of this; and good old Switzerland has contributed its share in this field. But that a democratic republic is not essential for this fraternal alliance between government and stock exchange is proved by England and also by the new German Empire, where one cannot tell who was elevated more by universal suffrage, Bismarck or Bleichröder. And lastly, the possessing class rules directly through the medium of universal suffrage.”²⁸

In the age of imperialism – i.e. the epoch of monopoly capital – the grip of the ruling bourgeoisie over the state apparatus becomes even stronger, independent of the specific form of the state machinery. This state machinery is a powerful political force which, in its essence, is not altered by the specific form of the political superstructure:

“In general, political democracy is merely one of the possible forms of superstructure above capitalism (although it is theoretically the normal one for “pure” capitalism). The facts show that both capitalism and imperialism develop within the framework of any political form and subordinate them all.”²⁹

Similarly Lenin notes in his famous study on the Marxist theory of the State:

“Imperialism—the era of bank capital, the era of gigantic capitalist monopolies, of the development of monopoly capitalism into state-monopoly capitalism—has clearly shown an extraordinary strengthening of the “state machine” and an unprecedented

²⁸ Friedrich Engels *Der Ursprung der Familie, des Privateigentums und des Staats* (1884); in: MEW 21, pp. 166-168; In English: Frederick Engels: *The Origin of the Family, Private Property and the State*, Chippendale 2004, pp. 159-160

²⁹ V. I. Lenin: *The Discussion on Self-Determination summed up*; in: LCW Vol. 22, p.326 (Emphasis in original)

*growth in its bureaucratic and military apparatus in connection with the intensification of repressive measures against the proletariat both in the monarchical and in the freest, republican countries..”*³⁰

Imperialism and the Semi-Colonial State

Lenin’s observations of the relationship between the monopoly bourgeoisie and the state machinery are of major importance for our understanding of the state apparatus in the semi-colonial world. We must start with an economic analysis of the imperialist system. For this we must not start with the national economy but with the world as an entirety. Trotsky correctly stressed the importance of the world market. In order to correctly understand imperialism and the direction of its development, it is indispensable to view it as a political and economic *world* system. Why? Because the political and economic relations in each country can never, from a Marxist point of view, be derived simply from internal factors. Imperialism does not constitute a set of national states and economies which are strung together.³¹ It is rather the case that the world economy and world politics are the decisive driving forces. They act as a melting pot for national factors, forming an independent totality raised above and imposed upon the national states. The combined and uneven development of world capitalism concurs with the given local peculiarities of a country and fuses with the specific national dynamic of the political and economic relations of that state.

*“Marxism takes its point of departure from world economy, not as a sum of national parts but as a mighty and independent reality which has been created by the international division of labour and the world market, and which in our epoch imperiously dominates the national markets.”*³²

The imperialist world system is not a social formation consisting of equal national capitalist classes. We have rather a hand full of dominant monopolistic capitalists and powers. They rule the world economically, politically and militarily.

Hence they are in the position to dominate poorer capitalist countries which are formally independent but don’t have the resources to avoid a subordinated role in the world system. Lenin pointed this out in his polemic against Pyatakov in 1916:

“Economically, imperialism is monopoly capitalism. To acquire full monopoly, all competition must be eliminated, and not only on the home market (of the given state), but also on foreign markets, in the whole world. Is it economically possible, “in the era

³⁰ V. I. Lenin: The State and Revolution. The Marxist Theory of the State and the Tasks of the Proletariat in the Revolution (1917); in: LCW Vol. 25, p.326

³¹ This false understanding was a feature of social democracy and later of Stalinism, on the basis of which the latter developed the theory of socialism in one country in 1924.

³² Leo Trotsky: Die permanente Revolution (1930), Frankfurt a. M. 1971, p. 7; in English: Leon Trotsky: The permanent revolution, Introduction to the German edition (1930)

*of finance capital", to eliminate competition even in a foreign state? Certainly it is. It is done through a rival's financial dependence and acquisition of his sources of raw materials and eventually of all his enterprises. "*³³

Today we can say that despite the fact that the domestic capitalist class is the formally ruling class in the semi-colonial countries, it is only partially, only to a certain degree, the dominant force. Thus it is not sufficient to state that this or that poorer country is capitalist. We must ask *which kind of capitalism* is it: did it have a sufficient strong development of its national capital so that it created a monopoly capital or did it arrive too late on the world market (or was pushed back) and therefore has only a weaker, semi-colonial capitalist class? In other words, Marxists must give a precise answer to the questions relating to the class character: has the respective country an imperialist-capitalist character or a semi-colonial (or colonial) capitalist character? Are we dealing with an imperialist bourgeoisie or a semi-colonial (or colonial) bourgeoisie, a petty-bourgeois force in an imperialist-capitalist country or a petty-bourgeois force in a semi-colonial (or colonial) capitalist country?

Trotsky considered such a class differentiation between the different types of states as essential for a correct orientation of the proletarian vanguard in the world political class struggle:

*"To teach the workers correctly to understand the class character of the state imperialist, colonial, workers'—and the reciprocal relations between them, as well as the inner contradictions in each of them, enables the workers to draw correct practical conclusions in situation."*³⁴

To clarify these questions is of utmost importance since the bourgeoisie of the semi-colonial country is only to a certain degree a ruling class. Given its dominant position on the world market, monopoly capital is able to appropriate an extra profit. This means nothing else than that the monopoly capitalists appropriate – in addition to the surplus value extracted from their "own" working class in the advanced countries – a share of the surplus value created by the working class in the semi-colonial countries and which under "normal" capitalist circumstances would move into the pockets of the semi-colonial national bourgeoisie. The semi-colonial national bourgeoisie therefore is only *to a certain degree* a ruling class. At the same time it is *to a certain degree* also an oppressed class. Trotsky pointed out this analysis already long ago:

"The internal regime in the colonial and semi-colonial countries has a predominantly bourgeois character. But the pressure of foreign imperialism so alters and distorts the economic and political structure of these countries that the national bourgeoisie (even in the politically independent countries of South America) only partly reaches the height of a ruling class. The pressure imperialism on backward countries does not, it is true, change their basic social character since the oppressor and oppressed represent only

³³ V. I. Lenin: A Caricature of Marxism and Imperialist Economism (1916); in: LCW Vol. 23, p.43 (Emphasis in original)

³⁴ Fourth International: Imperialist War and the Proletarian World Revolution, p. 327

different levels of development in one and the same bourgeois society. Nevertheless the difference between England and India, Japan and China, the United States and Mexico is so big that we strictly differentiate between oppressor and oppressed bourgeois countries and we consider it our duty to support the latter against the former. The bourgeoisie of colonial and semi-colonial countries is a semi-ruling, semi-oppressed class.”³⁵

To summarize: In order to characterize politically a specific country in the world, it is not sufficient to declare that it is capitalist and ruled by a capitalist class. Neither is it sufficient to describe the specific political regime of the given country (dictatorship, theocracy, bourgeois democracy, left-wing Bonapartism etc.). One must rather start with the *class characterization* and this includes its position in the imperialist world order.

³⁵ Leon Trotsky: Not a Workers' and Not a Bourgeois State? (1937); in: Writings of Leon Trotsky 1937-38, p. 70