

## Chapter 6: Marxist Theory and Imperialist Super-Exploitation of the Semi-Colonial Countries

We have explained that the formation of monopolies is a result of the process of capitalist concentration and centralisation and that the monopolies try – by various means – to counteract the inherent capitalist law, the tendency of the rate of profit to fall. One of the most important ways to counteract – and the one to which we focus here given the context of the subject of our book – is the role of foreign markets in the capitalistically less developed countries for monopoly capital. These foreign markets provide monopoly capital with:

- i) Exploitation of cheaper labour force via export of capital*
- ii) Additional markets for their commodities*
- iii) Access to raw material*

The colonial and semi-colonial markets offer monopoly capital several methods in which it can obtain an extra profit. They are chiefly:

- 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*

In the following we will elaborate how the Marxist classics viewed these forms of obtaining an extra profit.

### Unequal Exchange

Marx referred, in Volume III of *Capital*, 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 (imperialist) more developed countries and the commodities of the (semi-colonial) less developed countries are exchanged at the world market, the law of value enables imperialist capital to gain an extra profit from an unequal exchange. Its' cheaper commodities beat the more expensive commodities from the semi-colonial countries, force the later to sell their commodities below its value etc. Therefore the stronger (imperialist) capital can sell its commodities *above* its production price and still remains cheaper on the world market than 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 value from the capitalistically less to the capitalistically more developed countries.

The reason for this development lies in the capitalist law of value itself. Let us look how prices are formed and the average rate of profit is constituted in a given industrial sector. In dealing with the process of equalisation of prices and rates of profits, Marx explained in *Capital* Vol. III that the individual commodities are not sold at their individual value. As one knows there are bigger and smaller, more productive and less productive capitals competing at the market. Via the process of equalisation of the values of commodities, prices of production are formed. These prices of production represent the cost price (i.e. the costs which the capitalist has to pay for wages, amortisation of the machinery, raw material etc.) plus the average rate of profit. In other words, the production price is formed only *after* an equalisation of the values has taken place. By the way, this is why Marx speaks about the “*amount of labour socially necessary, or the labour time socially necessary for its production*” which determines the magnitude of the value of any commodity and not the individual labour time which the workers John, Shakira, Laura and Mohammed etc. have invested in producing the given commodity.<sup>167</sup>

After replacing the respective capital-values used up in the various spheres of production a distribution of the entire surplus-value takes place. This surplus value is not distributed in proportion to the amount produced by the individual capitalist or in the individual spheres of production. It is rather distributed “*in proportion to the magnitude of advanced capitals. Only in this manner do average profit and price of production arise.*”<sup>168</sup>

So we see that the law of value itself creates a distortion between the price and the value. Of course the total sum of prices in the end must be equal to the total sum of values produced. However the way the values are distributed via the market price is related to the mass of invested capital, the productivity and the monopoly position of the different groups of capital. As we will see later, there are huge distortions of prices which are important to understand the degree of imperialist super-exploitation of the semi-colonies.

Of course there is an important difference between the price formation in a given industrial sector or in a national market on one hand and the world market on the other hand. Capitalism has developed historically as a national

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<sup>167</sup> Karl Marx: *Das Kapital*, Band I, MEW 23, p. 54; in English: Karl Marx: *Capital*, Vol. I, Chapter 1 (our emphasis)

<sup>168</sup> Karl Marx: *Das Kapital*, Band III, MEW 25, p. 769; in English: Karl Marx: *Capital*, Vol. III; Chapter 45

formation. Hence the market prices and the average rate of profit are first and foremost formed on a national market. Marx explained that the transformation of value into production prices and finally market prices have as a precondition the possibility of equalization and values and profit rates between the sectors. This necessitates that capital can move from one sector to another and form by this the basis for such an equalization.

*“It has been said that competition levels the rates of profit of the different spheres of production into an average rate of profit and thereby turns the values of the products of these different spheres into prices of production. This occurs through the continual transfer of capital from one sphere to another, in which, for the moment, the profit happens to lie above average. The fluctuations of profit caused by the cycle of fat and lean years succeeding one another in any given branch of industry within given periods must, however, receive due consideration. This incessant outflow and inflow of capital between the different spheres of production creates trends of rise and fall in the rate of profit, which equalise one another more or less and thus have a tendency to reduce the rate of profit everywhere to the same common and general level. This movement of capitals is primarily caused by the level of market-prices, which lift profits above the general average in one place and depress them below it in another.”*<sup>169</sup>

The same idea is expressed in another chapter of *Capital* Vol. III:

*“What competition, first in a single sphere, achieves is a single market-value and market-price derived from the various individual values of commodities. And it is competition of capitals in different spheres, which first brings out the price of production equalizing the rates of profit in the different spheres. The latter process requires a higher development of capitalist production than the previous one.”*<sup>170</sup>

However while such conditions exist on the national market, they do not exist in the same way at the world market. The national formation of the markets creates numerous barriers for the entry of foreign capital. For that reason there are not common world-wide production prices and market prices but there are nationally different production prices and market prices. For the same reasons there is not a common world-wide average rate of profit but various, different nationally average rates of profit.<sup>171</sup>

<sup>169</sup> Karl Marx: *Das Kapital*, Band III, MEW 25, p. 218; in English: Karl Marx: *Capital*, Vol. III; Chapter 12

<sup>170</sup> Karl Marx: *Das Kapital*, Band III, MEW 25, p. 190; in English: Karl Marx: *Capital*, Vol. III; Chapter 10

<sup>171</sup> As a side note, we remark here that such a process of overcoming national markets into a supra-national market is indeed possible on a regional level in exceptional circumstances. The European Union respectively the Euro-Zone is an example for such a possibility albeit this is still a process in development. We have defended the possibility of the formation of such an imperialist supra-state against those centrists who deny such a possibility in principle (like the Ted Grant/Peter Taaffe/Alan Woods CWI/IMT tradition). However, as we have also pointed out, this is impossible to happen on a world scale – this would be a utopian kind of Kautskyian world cartel and state. A European united market and state would be rather a tool of the strongest imperialist powers and monopolies in Europe to better compete against their rivals (USA, China, Japan) on the world market. We have elaborated on this question more detailed in Michael Pröbsting: *Die Frage der Vereinigung Europas im Lichte der marxistischen Theorie. Zur Frage eines supranationalen Staatsapparates des EU-Imperialismus und der marxistischen Staatstheorie. Die Diskussion zur Losung der Vereinigten Sozialistischen Staaten von Europa bei Lenin und Trotzki und ihre Anwendung unter den heutigen Bedingungen des Klassenkampfes*; in:

As a result the equalization of values which leads to the formation of production prices and the average rates of profits takes place before the commodities enter the sphere of circulation. On the world market the commodities are exchanged after production prices and average profit rates have been formed. Here the commodities are exchanged representing more or less “*intense national labour*” or more or less “*socially necessary labor time*” as Marx said. In other words, what we see here is an unequal exchange between commodities which embody less and commodities which embodies more intense labor.

Henryk Grossmann, in his book on the breakdown tendency of capitalism, referred to the transfer of surplus value from the less developed to the advanced capitalist countries:

“*In a conceptually isolated capitalism entrepreneurs with an above average technology make a surplus profit (a rate of profit above the average) when they sell their commodities at socially average prices. Likewise on the world market, the technologically advanced countries make a surplus profit at the cost of the technologically less developed ones.*”<sup>172</sup>

However, this must not be understood in a schematic way. Inside a multinational corporation in the production chain we have only to a limited degree a commodity exchange after their prices have been formed (for example when the intermediate products are bought from other producers). At the same time there exists also a separate *international production sphere* inside the multinational corporations where international values are produced.

In fact the formation of such international values as a result of the increasing role of multinational corporations is one of the most important features of globalization. It is a central result from the essence of the formula we stated before: “*Globalization = Monopolization + Internationalization*”. Let us remind ourselves to the figures mentioned above that one quarter of the world economic activity takes place within the transnational corporations.<sup>173</sup> From this it becomes obvious that the *internationalized monopolistic sector*, where international values and production prices are created and an international equalization of profit rates takes place, is of central importance for today’s capitalism.

In the end the differences between national prices and profit rates reflect different levels of development of productive forces which is again a result of the law of uneven and combined development. The relationship between the national market and the world market can only be understood in a dialectical

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Unter der Fahne der Revolution Nr. 2-3 (2008); Michael Pröbsting: *Amerikanisierung oder Niedergang? Widersprüche und Herausforderungen für das imperialistische Projekt der europäischen Vereinigung*; <http://www.arbeitermacht.de/rm/rm35/amerikanisierung.htm>; Martin Suchanek/Michael Pröbsting: *EU in der Krise. Soziales oder sozialistisches Europa?*; <http://www.arbeitermacht.de/rm/rm35/europa.htm>; both in: *Revolutionärer Marxismus* Nr. 35 (2005). Michael Pröbsting: *Americanise or bust. The challenges facing Europe*, in: *Fifth International* No. 2 (2004)

<sup>172</sup> Henryk Grossmann. *Das Akkumulations- und Zusammenbruchsgesetz des kapitalistischen Systems (Zugleich eine Krisentheorie)*, Leipzig, 1929, p. 433; in English: *Law of the Accumulation and Breakdown*, <http://www.marxists.org/archive/grossman/1929/breakdown/index.htm>

<sup>173</sup> UNCTAD: *World Investment Report* 2011, p. 24

way. The fully developed national market is subordinated to and dependent of the world market. The world market on the other hand is no abstraction but based on the relationship between and the interdependence of the national markets.

The world market represents first and foremost generalized commodity circulation, as Mandel pointed out correctly. There is however also a strong tendency towards the internationalization of production and the creation of an *internationalized monopolistic sector* – as reflected in the growing role of the multinational corporations and their international production chains. But this is a *tendency* – to a certain degree like the tendency of monopolization which also does not remove competition.

In *Capital Volume III*, Marx observed that the tendency towards equalization of the rates of profit and hence the formation of production prizes speeds up the more a given economy is dominated by the capitalist mode of production.

*“Now, if the commodities are sold at their values, then, as we have shown, very different rates of profit arise in the various spheres of production, depending on the different organic composition of the masses of capital invested in them. But capital withdraws from a sphere with a low rate of profit and invades others, which yield a higher profit. Through this incessant outflow and influx, or, briefly, through its distribution among the various spheres, which depends on how the rate of profit falls here and rises there, it creates such a ratio of supply to demand that the average profit in the various spheres of production becomes the same, end values are, therefore, converted into prices of production. Capital succeeds in this equalisation, to a greater or lesser degree, depending on the extent of capitalist development in the given nation; i.e., on the extent the conditions in the country in question are adapted for the capitalist mode of production. With the progress of capitalist production, it also develops its own conditions and subordinates to its specific character and its immanent laws all the social prerequisites on which the production process is based.”*<sup>174</sup>

The more the world economy is dominated by the capitalist mode of production the more we can see a global outflow and influx of capital and hence a *tendency* towards international equalization of profit rates. However there remain important factors to keep very different rates of profits: first the nation state with its domestic market; secondly, the huge differences in the value of the only commodity which creates new value – the labor force. It is exactly this commodity where there is no unrestricted world market. Quite the opposite, the imperialist states regulate the world labor market with the brute force of its state apparatus. Even liberal imperialist ideologues like the former World Bank economist Lant Pritchett have to admit, that the system we are living in *“resembles apartheid on a global scale.”*<sup>175</sup>

<sup>174</sup> Karl Marx: *Das Kapital*, Band III, MEW 25, pp. 205-206; in English: Karl Marx: *Capital*, Vol. III, Chapter 10, *Equalisation of the General Rate of Profit Through Competition. Market-Prices and Market-Values. Surplus-Profit*

<sup>175</sup> Lant Pritchett: *Let Their People Come: Breaking the Gridlock on Global Labor Mobility*, Center for Global Development, 2006, p. 103

The imperialist dominance over the semi-colonies on one hand is the expression of the different levels of labour productivity – i.e. different level of development of the productive forces – and hence the different states of capitalist development. On the other hand these differences in national labour productivity are reinforced, increased and this gap widened by the rule of the monopolies and the great power which super-exploit the semi-colonies.

Because of the uneven and combined development, the huge gaps in labour productivity and the rule of the monopolies (and the Great Powers), the world market is a *unity of opposites* and not a homogenous unity. It is this contradictory unity of opposites which forms the basis for imperialism.

Marx dealt with the subject of unequal exchange on the world market and extra-profits on several occasions. In his major preparation work for *Capital*, the *Grundrisse*, Marx recognised the importance of the appropriation of value by one nation of the other:

*“From the possibility that profit may be less than surplus value, hence that capital [may] exchange profitably without realizing itself in the strict sense, it follows that not only individual capitalists, but also nations may continually exchange with one another, may even continually repeat the exchange on an ever-expanding scale, without for that reason necessarily gaining in equal degrees. One of the nations may continually appropriate for itself a part of the surplus labour of the other, giving back nothing for it in the exchange, except that the measure here [is] not as in the exchange between capitalist and worker.”*<sup>176</sup>

In *Capital* Volume III, Marx elaborated this idea further:

*“Capitals invested in foreign trade can yield a higher rate of profit, because, in the first place, there is competition with commodities produced in other countries with inferior production facilities, so that the more advanced country sells its goods above their value even though cheaper than the competing countries. In so far as the labour of the more advanced country is here realised as labour of a higher specific weight, the rate of profit rises, because labour which has not been paid as being of a higher quality is sold as such. The same may obtain in relation to the country, to which commodities are exported and to that from which commodities are imported; namely, the latter may offer more materialised labour in kind than it receives, and yet thereby receive commodities cheaper than it could produce them. Just as a manufacturer who employs a new invention before it becomes generally used, undersells his competitors and yet sells his commodity above its individual value, that is, realises the specifically higher productiveness of the labour he employs as surplus-labour. He thus secures a surplus-profit. As concerns capitals invested in colonies, etc., on the other hand, they may yield higher rates of profit for the simple reason that the rate of profit is higher there due to backward development, and likewise the exploitation of labour, because of the use of slaves, coolies, etc. Why should not these higher rates of profit, realised by capitals invested in certain lines and sent home by them, enter into the equalisation of the general rate of profit and thus tend, pro*

<sup>176</sup> Karl Marx: *Grundrisse der Kritik der politischen Ökonomie*; in: MEW 42, p. 758.; in English: Karl Marx: *Grundrisse. A Contribution to the Critique of Political Economy*, Chapter „Interest and profit. Carey“

*tanto, to raise it, unless it is the monopolies that stand in the way. There is so much less reason for it, since these spheres of investment of capital are subject to the laws of free competition. What Ricardo fancies is mainly this: with the higher prices realised abroad commodities are bought there in return and sent home. These commodities are thus sold on the home market, which fact can at best be but a temporary extra disadvantage of these favoured spheres of production over others. This illusion falls away as soon as it is divested of its money-form. The favoured country recovers more labour in exchange for less labour, although this difference, this excess is pocketed, as in any exchange between labour and capital, by a certain class.”*<sup>177</sup>

Later in *Capital* Volume III, Marx explains the different values of the commodities of the different capitalistically developed countries more in detail:

*“That which appears in these fluctuations of wages within a single country as a series of varying combinations, may appear in different countries as contemporaneous difference of national wages. In the comparison of the wages in different nations, we must therefore take into account all the factors that determine changes in the amount of the value of labour-power; the price and the extent of the prime necessities of life as naturally and historically developed, the cost of training the labourers, the part played by the labour of women and children, the productiveness of labour, its extensive and intensive magnitude. Even the most superficial comparison requires the reduction first of the average day-wage for the same trades, in different countries, to a uniform working day. After this reduction to the same terms of the day-wages, time-wage must again be translated into piece-wage, as the latter only can be a measure both of the productivity and the intensity of labour.*

*In every country there is a certain average intensity of labour below which the labour for the production of a commodity requires more than the socially necessary time, and therefore does not reckon as labour of normal quality. Only a degree of intensity above the national average affects, in a given country, the measure of value by the mere duration of the working-time. This is not the case on the universal market, whose integral parts are the individual countries. The average intensity of labour changes from country to country; here it is greater, there less. These national averages form a scale, whose unit of measure is the average unit of universal labour. The more intense national labour, therefore, as compared with the less intense, produces in the same time more value, which expresses itself in more money.*

*But the law of value in its international application is yet more modified by the fact that on the world-market the more productive national labour reckons also as the more intense, so long as the more productive nation is not compelled by competition to lower the selling price of its commodities to the level of their value.*

*In proportion as capitalist production is developed in a country, in the same proportion do the national intensity and productivity of labour there rise above the international level. The different quantities of commodities of the same kind, produced in different*

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<sup>177</sup> Karl Marx: *Das Kapital*, Band III, MEW 25, pp. 247-248; in English: Karl Marx: *Capital*, Vol. III, Chapter 14, *Counteracting Influences*

countries in the same working-time, have, therefore, unequal international values, which are expressed in different prices, i.e., in sums of money varying according to international values. The relative value of money will, therefore, be less in the nation with more developed capitalist mode of production than in the nation with less developed. It follows, then, that the nominal wages, the equivalent of labour-power expressed in money, will also be higher in the first nation than in the second,; which does not at all prove that this holds also for the real wages, i.e., for the means of subsistence placed at the disposal of the labourer.

But even apart from these relative differences of the value of money in different countries, it will be found, frequently, that the daily or weekly, etc., wage in the first nation is higher than in the second, whilst the relative price of labour, i.e., the price of labour as compared both with surplus value and with the value of the product, stands higher in the second than in the first.“<sup>178</sup>

Similarly in his *Theories of Surplus-Value* Marx explicitly wrote about unequal exchange where “the richer country exploits the poorer one”:

“Say, in his notes to Ricardo’s book translated by Constancio, makes only one correct remark about foreign trade. Profit can also be made by cheating, one person gaining what the other loses. Loss and gain within a single country cancel each other out. But not so with trade between different countries. And even according to Ricardo’s theory, three days of labour of one country can be exchanged against one of another country—a point not noted by Say. Here the law of value undergoes essential modification. The relationship between labour days of different countries may be similar to that existing between skilled, complex labour and unskilled, simple labour within a country. In this case, the richer country exploits the poorer one, even where the latter gains by the exchange, as John Stuart Mill explains in his *Some Unsettled Questions*.“<sup>179</sup>

While this phenomena already played an important role in the time of Marx, in the epoch of monopoly capitalism (i.e. after the death of Marx and Engels) this increased qualitatively. The German Marxist economist Henryk Grossmann picked up this thought from Marx and referred to the role of unequal exchange in the economic relations between the advanced capitalist and the less developed capitalist countries:

“International trade is not based on an exchange of equivalents because, as on the national market, there is a tendency for rates of profit to be equalised. The commodities of the advanced capitalist country with the higher organic composition will therefore be sold at prices of production higher than value; those of the backward country at prices of production lower than value. (...) In this way circulation on the world market involves transfers of surplus value from the less developed to the more developed capitalist countries because the distribution of surplus value is determined not by the number of workers employed in each country but by the size of the functioning capital.“<sup>180</sup>

<sup>178</sup> Karl Marx: *Das Kapital*, Band I, MEW 23, pp. 583-584; in English: Karl Marx: *Capital*, Vol. I, Chapter 22: *Counteracting Influences*

<sup>179</sup> Karl Marx: *Theorien über den Mehrwert*, III. Teil, MEW 26.3, p. 101; in English: Karl Marx: *Theories of Surplus-Value*, Vol. III, Chapter 20

<sup>180</sup> Henryk Grossmann. *Das Akkumulations- und Zusammenbruchsgesetz des kapitalistischen*

As we will see later unequal exchange has become a major source for the super-exploitation of the semi-colonial world by imperialist capital.

## Capital Export

The poorer countries are of importance for imperialist capital not only as market for its commodities or as source for raw material. Given the massive reservoir of labour forces and the cheap conditions for their exploitation on one hand and the tendency of the profit rate to fall in their home countries on the other hand, imperialist capital has a strong incentive to export capital to these poorer countries. These foreign markets do not and cannot replace the domestic market for monopoly capital. But they can provide an important source for extra profit which is possible given the higher average rate of profit in these countries.

These capital exports enable the monopolies to combine their modern machinery and technology with substantially cheaper labour forces. In this way they reduce the cost price for their commodities. When they sell their commodities they can sell below the market price. This is both the case at the semi-colonial and at the imperialist market. At the semi-colonial market they can sell below the market price because the low-waged workers produced the commodities in a more effective, productive way given the more modern machinery which the monopolies deploy compared with their semi-colonial capitalist rivals. At the imperialist market they can sell below the market price because they had to pay much less for the wages of the workers in the semi-colonies than their rivals in the imperialist market have to pay.

Which kind of capital export takes place? On one hand imperialist capital tends to export capital as productive investment, i.e. they build new enterprises respectively buy and expand already existing enterprises in the capitalistically less developed countries. Since imperialist capital employs usually more modern technology than most of the semi-colonial domestic competitors they can achieve an even stronger, more monopolistic position on these markets than in the imperialist countries. Hence they make an extra profit far above the average and while a portion of this might be reinvested, a significant proportion will be returned to the owners in the imperialist countries.

Another form of capital export – which gained enormous importance particularly since the early 1970s – is export of money capital as loans. In this case banks and other financial institutions give the semi-colonial countries loans for which they have to pay huge interest rates.

The importance of capital export for the imperialist monopoly bourgeoisie was already emphasised by Lenin in his famous book on imperialism:

*“As long as capitalism remains what it is, surplus capital will be utilised not for the*

*purpose of raising the standard of living of the masses in a given country, for this would mean a decline in profits for the capitalists, but for the purpose of increasing profits by exporting capital abroad to the backward countries. In these backward countries profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap. The export of capital is made possible by a number of backward countries having already been drawn into world capitalist intercourse; main railways have either been or are being built in those countries, elementary conditions for industrial development have been created, etc. The need to export capital arises from the fact that in a few countries capitalism has become "overripe" and (owing to the backward state of agriculture and the poverty of the masses) capital cannot find a field for "profitable" investment."*<sup>181</sup>

## Migration and Super-Exploitation

Finally we have to mention the increasing importance of migration. Since the beginning of the era of imperialism migration takes place from poor, mostly colonial or semi-colonial countries towards the rich imperialist countries. Especially in recent decades - since the beginning of the crisis-ridden development of capitalism in the early 1970s and then particularly with the onset of globalization - migration has increased substantially.

In our German-language study on the development and nature of migration ("*Marxismus, Migration und revolutionäre Integration*") we have shown that migration is an essential part of the super-exploitation of the semi-colonial world by imperialist monopoly capital.<sup>182</sup> Just as the monopoly capital extracts surplus profits from the semi-colonial world, there is also an appropriation of extra profits through migration. Imperialist capital draws profit by paying the migrant workers *below the value of their labour force* in several ways:

i) The capitalists can exploit the migrants often with no or only limited costs for their education since the migrants are often educated in their home country. The value of a commodity is – as the Soviet Marxist economist Issac I. Rubin pointed out – not only the product of the labor which directly enter it "*but also of that labor which is necessary for the training of the laborer in the given profession.*"<sup>183</sup> Therefore, the capitalist appropriates a share of the commodity value without costs.

ii) The 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

<sup>181</sup> V. I. Lenin: Imperialism. The Highest Stage of Capitalism (1916); in: LCW Vol. 22, p. 241f.

<sup>182</sup> Michael Pröbsting: *Marxismus, Migration und revolutionäre Integration* (2010); in: *Der Weg des Revolutionären Kommunismus*, Nr. 7, <http://www.thecommunists.net/publications/werk-7>. We have published a summary of this study in English-language: Michael Pröbsting: *Marxism, Migration and revolutionary Integration*, in: *Revolutionary Communism*, No. 1 (English-language Journal of the RCIT), p. 42, <http://www.thecommunists.net/oppressed/revolutionary-integration/>

<sup>183</sup> See Isaak I. Rubin: *Studien zur Marx'schen Werttheorie* (1928), p. 131; in English: I. I. Rubin: *Essays on Marx's Theory of Value*, Montreal 1990

social service and when they get old they often go back to their home country.

iii) The capitalists usually pay the migrants a wage which is substantially lower than the wage for the workers from the ruling nation. The capitalists can exploit them as a cheaper (compared to domestic) labour force because of their social position which is characterised by national oppression. This can be the case because of their lack of rights if they are not citizens of the imperialist country. It can be the case because the migrant's mother language is not treated as equal and hence there are highly disadvantaged in their jobs, schools and all other areas of life in the imperialist society. Or they are oppressed via various forms of social discrimination. These forms of oppression are not only valid for first generation migrants but also for migrants of the second and third generation.

Migrants are nationally oppressed. Migrants do not belong to the dominant state nation and therefore experience discrimination concerning the language in all public areas such as public authorities, the media and schools, have less democratic rights as foreign citizens, including their dependency of a work permit, etc. As a consequence, the vast majority of migrants have a specific position in the social hierarchy of the capitalist system: in its large majority migrants belong to the lower layers of the working class and that small part of them, which belongs to the petty bourgeoisie, is usually part of the poorest sectors of the petty bourgeoisie.

Of course the forms of national oppression and super-exploitation are not the same for all migrants. Second generation migrants do not experience the same conditions as those of the first generation, foreign citizens do not experience the same conditions as migrants with citizenship, highly skilled migrant workers do not experience the same conditions as those who are employed as unskilled workers, etc. Migrants have different national origins, which is why we cannot speak of a common national identity. We rather speak of a joint *negative national identity* (namely, that they are "Non-Germans", "Non-British" etc. with roots in - in relation to the country of immigration - poorer countries). But ultimately all these different parts of the migrants have much more in common than what divides them - namely, the social position as a layer, who in their vast majority experience in one form or another national oppression and super-exploitation.

One has to differentiate between migrants from rich, imperialist countries and those from poor, semi-colonial countries. Migrants from rich, imperialist countries are on average not super exploited and they often take a relatively high place in the social hierarchy of the capitalist order. We consider this group of immigrants from rich, imperialist countries, therefore only as a secondary group of migrants or as a layer that is less exposed to the typical ways of discrimination and exploitation. However, they form only a minority amongst migrants. By far the largest group of immigrants are those with roots in the poorer, semi-colonial countries.

Migrant women and youth experience an additional suppression. Migrant

women are – even more than their male colleagues – employed as very low-paid unskilled work force. Because of their oppression as migrants, the patriarchal structures are more pronounced. Migrant youth are also oppressed in the patriarchal family and due to the social and language discrimination, their education level is significantly lower than that of their domestic colleagues.

The oppression of migrants is justified and maintained by the various forms of racist ideologies. There are different forms of racism, seeking to justify the suppression of the migrants with various lies: i) biological and genetic inferiority, ii) other, with the nation-state incompatible cultural values (the “clash of civilizations”), iii) so-called backward, aggressive religion (e.g. different forms of Islamophobia). These reactionary justifications can and are in practice often mixed together. Also racism operates at different levels - laws, populist politics, popular prejudices, etc.

To summarize, for all these reasons the RCIT defines in its program and in their *Theses on Migration* migrants as “*a nationally oppressed layer of super-exploited labour force.*”<sup>184</sup>

This super-exploitation of migrant labour is an important source of imperialist extra-profits. Thus it is also an important source for strengthening the power of the imperialist ruling class.

These extra-profits are also the basis for the division of the working class in the imperialist countries propelled by monopoly capital. They split the proletariat between the broad mass of the lower and middle strata of the workers and a small, but highly influential (in the trade unions, parties etc.) upper layers of the working class - the labour aristocracy. The basis of this division is the corruption of the labour aristocracy by monopoly capital who spend a part of the extra-profits for bribing this top layer of the working class. (more on this in Chapter 9) Such bribery can take the form of relatively high wages, ownership of shares of the corporation, non-monetary privileges, etc.

Karl Marx already recognized the important consequences of migration for the divisions in the working class. Observing the miserable situation of the Irish migrants in Britain and the reactionary prejudices of many English workers, Marx commented:

*“Every industrial and commercial centre in England now possesses a working class divided into two hostile camps, English proletarians and Irish proletarians. The ordinary English worker hates the Irish worker as a competitor who lowers his standard of life. In relation to the Irish worker he regards himself as a member of the ruling nation and consequently he becomes a tool of the English aristocrats and capitalists against Ireland, thus strengthening their domination over himself. He cherishes religious, social, and*

<sup>184</sup> See Michael Pröbsting: Marxismus, Migration und revolutionäre Integration, <http://www.thecommunists.net/publications/werk-7>. in English: Michael Pröbsting: Marxism, Migration and revolutionary Integration, in: Revolutionary Communism, No. 1 (English-language Journal of the RCIT), p. 42, <http://www.thecommunists.net/oppressed/revolutionary-integration/>; RCIT: The Revolutionary Communist Manifesto (2012), p. 51, <http://www.thecommunists.net/rcit-manifesto/fight-against-oppression-of-migrants>

*national prejudices against the Irish worker. His attitude towards him is much the same as that of the "poor whites" to the Negroes in the former slave states of the U.S.A.. The Irishman pays him back with interest in his own money. He sees in the English worker both the accomplice and the stupid tool of the English rulers in Ireland.*

*This antagonism is artificially kept alive and intensified by the press, the pulpit, the comic papers, in short, by all the means at the disposal of the ruling classes. This antagonism is the secret of the impotence of the English working class, despite its organisation. It is the secret by which the capitalist class maintains its power. And the latter is quite aware of this.*

*But the evil does not stop here. It continues across the ocean. The antagonism between Englishmen and Irishmen is the hidden basis of the conflict between the United States and England. It makes any honest and serious co-operation between the working classes of the two countries impossible. It enables the governments of both countries, whenever they think fit, to break the edge off the social conflict by their mutual bullying, and, in case of need, by war between the two countries.*

*England, the metropolis of capital, the power which has up to now ruled the world market, is at present the most important country for the workers' revolution, and moreover the only country in which the material conditions for this revolution have reached a certain degree of maturity. It is consequently the most important object of the International Working Men's Association to hasten the social revolution in England. The sole means of hastening it is to make Ireland independent. Hence it is the task of the International everywhere to put the conflict between England and Ireland in the foreground, and everywhere to side openly with Ireland. It is the special task of the Central Council in London to make the English workers realise that for them the national emancipation of Ireland is not a question of abstract justice or humanitarian sentiment but the first condition of their own social emancipation."<sup>185</sup>*

While migration has accelerated dramatically in the last decades, Lenin in his time was already aware of the importance of migration for imperialism. In a polemic against another Bolshevik, Georgy Pyatakov, who ignored the importance of the national question, Lenin emphasised the role of super-exploitation of workers from oppressed nations – both in their home countries as in their role as migrants:

*"Is the actual condition of the workers in the oppressor and in the oppressed nations the same, from the standpoint of the national question?*

*No, it is not the same.*

*(1) Economically, the difference is that sections of the working class in the oppressor nations receive crumbs from the superprofits the bourgeoisie of these nations obtains by extra exploitation of the workers of the oppressed nations. Besides, economic statistics show that here a larger percentage of the workers become "straw bosses" than is the case in the oppressed nations, a larger percentage rise to the labour aristocracy. (Note*

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<sup>185</sup> Karl Marx: Brief an Sigrid Meyer und August Vogt (9. April 1870); in: MEW 32, pp. 668-669; in English. Karl Marx: Letter to Sigfrid Meyer and August Vogt (9 April 1870) (Emphasis in the original)

from Lenin: See, for instance, Hourwich's book on immigration and the condition of the working class in America, *Immigration and Labour*.) That is a fact. To a certain degree the workers of the oppressor nations are partners of their own bourgeoisie in plundering the workers (and the mass of the population) of the oppressed nations.

(2) Politically, the difference is that, compared with the workers of the oppressed nations, they occupy a privileged position in many spheres of political life.

(3) Ideologically, or spiritually, the difference is that they are taught, at school and in life, disdain and contempt for the workers of the oppressed nations. This has been experienced, for example, by every Great Russian who has been brought up or who has lived among Great Russians."<sup>186</sup>

Lenin awareness of the importance of migration led him to propose its inclusion into programme of the Bolsheviks in 1917:

"The exploitation of worse paid labour from backward countries is particularly characteristic of imperialism. On this exploitation rests, to a certain degree, the parasitism of rich imperialist countries which bribe a part of their workers with higher wages while shamelessly and unrestrainedly exploiting the labour of "cheap" foreign workers. The words "worse paid" should be added and also the words "and frequently deprived of rights"; for the exploiters in "civilised" countries always take advantage of the fact that the imported foreign workers have no rights."<sup>187</sup>

In discussing the importance of migration for capitalism it is necessary to remember the role of the *industrial reserve army* in the capitalist accumulation process. The *industrial reserve army* or the *relative surplus population*, as Marx also called it, is the sector of the working class which is temporarily unemployed. It helps the capitalists to put pressure on the employed workers and lower the wages and by this to raise the share of surplus. In *Capital* Volume I Marx wrote that the industrial reserve army is growing in parallel with the progress of capitalist development and wealth creation. Today we can observe the validity of this prediction:

"The greater the social wealth, the functioning capital, the extent and energy of its growth, and, therefore, also the absolute mass of the proletariat and the productiveness of its labour, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, develop also the labour power at its disposal. The relative mass of the industrial reserve army increases therefore with the potential energy of wealth. But the greater this reserve army in proportion to the active labour army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to its torment of labour. The more extensive, finally, the Lazarus layers of the working class, and the industrial reserve army, the greater is official pauperism. This is the absolute general law of capitalist accumulation. Like all other laws it is modified in its working by many circumstances, the analysis of which does

<sup>186</sup> V. I. Lenin: *A Caricature of Marxism and Imperialist Economism* (1916); in: LCW Vol. 23, pp. 55-56 (Emphasis in the original)

<sup>187</sup> V. I. Lenin: *Revision of the Party Programme* (1917); in: LCW Vol. 26, p. 168 (Emphasis in the original)

not concern us here.“<sup>188</sup>

When in the 1950s and 1960s there was near full employment in the imperialist metropolises the capitalists desperately needed migrants to form an industrial reserve army. Today faced with declining profit rates they need even more migrants as cheaper workers.

There is also another reason why the capitalists increasingly need migration and which we pointed out in our *Thesis on Migration*. In the epoch of imperialism the capitalist system is less and less capable to re-integrate the whole industrial reserve army. There is a growing *lazarus layers*, i.e. a layer who completely and lastingly drops out of the capitalist labour process. This is what Evgenij Preobrazenskij called in his last book before he was silenced by Stalin's apparatus “*the immobilization of an ever-growing portion of society's labor power.*”<sup>189</sup> It is another expression of the fact that capitalism is in a period of decline. This immobilization of a growing part of the pauperized native unemployed encourages the capitalists to look for more mobile, less demoralized labour forces – the migrants.

It is therefore useful to pick up the differentiation which the socialist economist Fritz Sternberg introduced in the 1920. He differentiated between the *internal surplus population* and the *external surplus population*. The first are those who come as new labour forces from the countryside to the cities. The second are migrants coming from abroad. Sternberg correctly argues that while in the epoch of rising capitalism internal surplus population plays a bigger role, in the epoch of imperialism it is the external surplus population – i.e. the migrants.<sup>190</sup>

The capitalists use the migrants, the external surplus population, to lower the wages, i.e. to lower the price of labour power below its value. In this they play a similar role as the unemployed about whom Marx wrote in *Capital* Vol. I:

“*That portion of the working-class, thus by machinery rendered superfluous, i.e., no longer immediately necessary for the self-expansion of capital, either goes to the wall in the unequal contest of the old handicrafts and manufactures with machinery, or else floods all the more easily accessible branches of industry, swamps the labour-market, and sinks the price of labour-power below its value.*”<sup>191</sup>

<sup>188</sup> Karl Marx: *Das Kapital*, Band I, MEW 23, pp. 673-874; in English: *Capital*, Vol. I; Chapter 25

<sup>189</sup> Evgenij Preobrazenskij: *The Decline of Capitalism* (1931); Translation by Richard Day (1983), p. 9

<sup>190</sup> Fritz Sternberg: *Der Imperialismus* (1926), Reprint Frankfurt a.M. 1971, p. 46. This correct argument however can not remove the fact that Sternberg grossly erred in his support for Rosa Luxemburg's theory of imperialism who thought that the fate of capitalism is linked to the expansion to “non-capitalist areas”. This theory was by and large correctly criticized by Nikolai Bukharin in his book „*Der Imperialismus und die Akkumulation des Kapitals*“ (1924); in English: *Nikolai Bukharin: Imperialism and the Accumulation of Capital* (1924).

<sup>191</sup> Karl Marx: *Das Kapital*, Band I; in: MEW 23, p. 454; in English: *Karl Marx: Capital*, Vol. I, Chapter 15

## Centrist Objections

One of the main arguments of various centrists to reject the Leninist theory of imperialism is the following: The foreign market in the poorer countries only plays a minor role in the world market and capital export plays a minor role compared with the worldwide total accumulated capital.

For example the IST/SWP/Counterfire theoreticians or other critics of the Marxist theory of Imperialism claim that Lenin's analysis was already problematic at his time and completely wrong in the post-1945 world. IST leader Alex Callinicos wrote:

*"The picture which Lenin had painted of an imperialist system based on the export of capital to the colonies – even in his time, as we have seen, only a partial truth – was completely at odds with the reality of international capitalism after 1945."*<sup>192</sup>

This argument was repeated later by another IST-leader, the late Chris Harman:

*"But there was one major departure from the Hobson-Lenin picture. The flows were not from industrial to 'underdeveloped' countries. They were overwhelmingly to areas where industry already existed."*<sup>193</sup>

Harman generalised the IST revision of Lenin's theory even further, arguing that the imperialist states cannot be characterised as "parasitic" and "living from the former colonial world":

*"Such flows of investment are an indication of where capitalists think profits are to be made, and they suggest that it is overwhelmingly within the advanced countries, and a handful of 'newly industrialising' countries and regions (of which coastal China is now the most important). This means that, whatever may have been the case a century ago, it makes no sense to see the advanced countries as 'parasitic', living off the former colonial world. Nor does it make sense to see workers in the West gaining from 'super-exploitation' in the Third World. Those who run the system do not miss any opportunity to exploit workers anywhere, however poor they are. But the centers of exploitation, as indicated by the FDI figures, are where industry already exists."*<sup>194</sup>

The IST leader also claims that most semi-colonial countries are of no importance for the capitalist profits:

*"The fundamental fact that permitted decolonisation without economic disaster for the advanced capitalisms half a century ago remains unchanged. Most investment from advanced capitalist countries is directed to other advanced capitalist countries and the small minority of newly industrialised countries for the simple reason that that is where most profit is to be obtained. Most of the Third World, including nearly all of Africa and much of Latin America outside Brazil and Mexico, is of diminishing economic importance for the dynamic of the system as a whole. Profits and interest payments from*

<sup>192</sup> Alex Callinicos: *Marxism and Imperialism today*, in: A. Callinicos, J. Rees, C Harman & M. Haynes: *Marxism and the New Imperialism*, London 1994, p. 31

<sup>193</sup> Chris Harman (SWP): *Analysing Imperialism*, p. 39.

<sup>194</sup> Chris Harman (SWP): *Analysing Imperialism*, pp. 39-40

*such regions are the lettering on the icing on the cake for world capital, not even a slice of the cake itself.”*<sup>195</sup>

## The Role of the Foreign Market

These arguments betray a lack of understanding Marxist political economy in general and of imperialism in particular. First, they misunderstand the meaning of the foreign markets for monopoly capital. Its meaning is not to *replace* the importance of the domestic market and the capital already accumulated in the centuries-old heart lands of capitalism. That would be absurd since it would necessitate that the capitalistically backward countries stop being such countries and become instead the most advanced countries. Naturally Lenin and other Marxists didn't say nor mean what the IST theoreticians claim.

The importance of the backward countries is to offer monopoly capital the opportunity to obtain higher profit rates than at the domestic market. This is possible and indeed it is the case as we will show later. What is the reason for this? The main reason is that profit rates in the semi-colonial countries are higher because the organic composition of capital is lower and hence the share of variable capital (labor) – which is the only source of new surplus value – is higher.

Marx himself already dealt with this argument in *Capital* Volume III:

*“If capital is sent abroad, this is not done because it absolutely could not be applied at home, but because it can be employed at a higher rate of profit in a foreign country.”*<sup>196</sup>

In his book which deals with the weaknesses of Rosa Luxemburg theory of Imperialism, the Bolshevik theoretician Nikolai Bukharin correctly argued:

*“Rosa Luxemburg sharply raised the question of imperialism as the unavoidable ‘immanent appearance’ of capitalism at a certain stage of development. At any rate, she was not able to understand the problem theoretically as the specific problem of our time. She did not try to find the basis of imperialism in the hunt for larger monopoly profits and in the necessary movement of finance capital in that direction, but in the absolute impossibility of the existence of capitalism ‘without third persons’.”*<sup>197</sup>

Similarly, Evgenij Preobrazenskij dealt in his major study on capitalism's decline with the role of (semi-)colonial markets for the expanded reproduction of imperialist capital. He shows that they allow the capitalists to accelerate the expanded reproduction of capital:

*“New markets were important in the spheres of small-scale production that were newly drawn into the capitalist turnover, but in a different respect. They imparted greater elasticity to the capitalist system in terms of the dynamic of expanded reproduction*

<sup>195</sup> Chris Harman (SWP): *Analysing Imperialism*, p. 72

<sup>196</sup> Karl Marx: *Das Kapital*, Band III; in: MEW 25, p. 266; in English: *Capital*, Vol. III; Chapter 15

<sup>197</sup> Nikolai Bucharin: *Der Imperialismus und die Akkumulation des Kapitals* (1924), Wien 1926, p. 124; in English: Nikolai Bukharin: *Imperialism and the Accumulation of Capital* (1924)

primarily because they temporarily eased the disproportion arising within the capitalist segment of the world economy. By itself, and in terms of its absolute volume, trade with the colonies plays an incomparably more modest role than trade between the capitalist countries proper, a fact frequently demonstrated by world trade statistics. Rapid industrialization of the colonies could create for heavy industry in the capitalist countries such an enormous increase of demand for means of production as to mean that the economic reconstruction of the colonies would erase the whole of present-day world unemployment; it would probably create a shortage of working hands even in a country such as England. It is enough just to contemplate the prospect of rapid industrialization of such vast countries as India or China. But this problem cannot be solved by capitalism, only by a socialist regime, after the proletarian revolution: in their quest for today's profit and their instinctive fear of the prospect of rapid industrialization in colonies that would become their competitors, the pirates of monopolistic capitalism are barred, and in part bar themselves, from the path of resolving this problem in a capitalist manner. Thus they cannot break through to that higher level of reproduction that will be reached immediately by a socialist regime, a regime that will establish economic ties with all the backward countries on the basis of new principles, the principles of socialist cooperation. Private property in the means of production, given the monopolistic organization of production, creates an insurmountable structural barrier to this process.

It follows that if the opening of new territories played a role in the process of realization for developed capitalism, it did so not by virtue of the absolute significance of these territories in capitalist trade, but rather because, in the final analysis, the expansion of markets in the colonies enabled the market for capitalism—located within capitalism itself—to expand to an incomparably greater extent. The transition of capitalism as a whole to the next level of expanded reproduction signified an increase of capitalist demand for the production of the capitalist countries themselves, and this expanded demand was tens of times larger than the additional demand originating in the newly opened markets. In order to clarify this thought I shall take the liberty of making a comparison. When a man is climbing up a steep ascent and carrying a heavy burden on his shoulders, it becomes important for his progress that he pause for a second, between levels, on some small landing. Although he will not tarry, but will move with both feet to the next level of the ascent, in the dynamic of his movement this small landing can play a significant, even if only a subordinate role. The same holds true of new markets in backward countries during the epoch of free competition. They were important not by virtue of their magnitude, but because they made it easier for capitalism to drag the accumulated productive forces to the next level of expanded reproduction, and thus they opened up an incomparably more powerful demand within Capitalism itself. In that manner they alleviated the basic structural contradiction of capitalism, enabling it to set new productive forces in motion with gracious permission from the average norm of profit.

In the period of monopolistic capitalism, on the contrary, the entire world is divided; all the colonies are distributed and all the spheres of influence secured, so that the enormous trusts can only snatch from one another existing markets and spheres for the

*export of capital. Their dumping of exports is but a convulsive attempt to pause for a moment upon that landing which in the last century was represented by the opening of new markets for capitalism. But dumping by capitalist countries within other capitalist countries, or within the spheres of influence of other capitalist countries, means that several feet are being needed onto the small landing at one and the same time. The result is that no-one can continue the ascent, and the entire burdensome productive apparatus of monopolistic capitalism falls back again to the level that it was intended to leave behind. Not only that, but even if genuinely new markets were now to be opened up, the negative influence of the monopolistic form of capitalism on expanded reproduction is itself so great that this weak palliative could not provide serious assistance.”*<sup>198</sup>

Preobrazenskij also explains the role of the (semi-)colonial market if monopoly capital needs to counteract against the effects of the crisis:

*“Insofar as we are dealing with the conditions of concrete capitalism during the epoch of free competition, assuming both its division into national economic units and the simultaneous existence of small-scale commodity production, we cannot ignore the influence of foreign trade upon the character of the capitalist cycle in this period.*

*Increased opportunities to sell abroad must have the effect of promoting absorption of the unrealized balances—800 means of production in Department I and more than 400 means of consumption in II— and of doing so without a crisis. The sale of even a part of these balances, even of only 25%, has enormous significance for the entire system. That is true not because of the absolute weight of the market, which is generally insignificant (2.7% of gross production), but because sales in the foreign market will make it possible, at a given moment, to halt the contraction of the production apparatus of both departments at a level higher than would be the case if this reserve of capitalist flexibility were not brought into play. Contrary to Rosa Luxemburg’s thinking, the external market is not important in and of itself, but only because it permits avoidance of a far greater contraction of that market which capitalism acquires internally. This internal market is incomparably more significant for capitalism, especially when the issue is to preserve, beyond the period of expansion, the growth which has occurred in both departments in response to a major order for fixed capital.*

*Such an order pulls the system to a higher level of expanded reproduction. Once the order is fulfilled, contraction of the production apparatus, in general terms, is inevitable. However, the contraction will be smaller if there are circumstances to mitigate the conditions of crisis, thereby affording capitalism a better prospect of preserving its own additional domestic market, created during the period of expansion. It is precisely here that one finds the principal economic sense of the struggle, during periods of crisis, for external markets whose absolute dimensions are completely insignificant and whose importance will decline still further during the next period of expansion. What we have in mind, of course, is the struggle for colonies only in response to the problem of realization; we are not discussing the struggle for spheres of capital investment, for*

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<sup>198</sup> Evgenij Preobrazenskij: *The Decline of Capitalism* (1931); Translation by Richard Day, London 1981, pp. 18-19

*sources of materials, for naval bases, etc.* " 199

Bukharin summarized the role of the foreign markets as follows:

*"Consequently: (1) if it is an occasional exchange trade capital gains a surplus profit, using all means, including deceit, violence and robbery; (2) if foreign exchange becomes a regular occurrence, the country with a higher structure inevitably gains a surplus profit; (3) if capital is exported, that too happens in order to gain additional profit."* 200

The German Marxist Henryk Grossmann emphasized that appropriating surplus value from foreign markets is a question "of life and death" for capital given its increasing tendency to crisis and breakdown.

*"Under these circumstances an injection of surplus value by means of foreign trade would raise the rate of profit and reduce the severity of the breakdown tendency. According to the conception I have developed and which, I believe, is also Marx's conception, the original surplus value expands by means of transfers from abroad. At advanced stages of accumulation, when it becomes more and more difficult to valorise the enormously accumulated capital, such transfers become a matter of life and death for capitalism. This explains the virulence of imperialist expansion in the late stage of capital accumulation. Because it is irrelevant whether the exploited countries are capitalist or non-capitalist — and because the latter can in turn exploit other less developed countries by means of foreign trade — accumulation of capital at a late stage entails intensified competition of all capitalist countries on the world market. The drive to neutralise the breakdown tendency through increased valorisation takes place at the cost of other capitalist states."* 201

So to summarize this overview of what Marxist thought on the importance of the role of oppressed people for imperialist capital, we can say – as we wrote some years ago – *"imperialism plunders and must plunder the semi-colonial world in order to counteract against its decline."* 202

<sup>199</sup> Evgenij Preobrazenskij: *The Decline of Capitalism*, pp. 89-90

<sup>200</sup> Nikolai Bukharin: *Der Imperialismus und die Akkumulation des Kapitals* (1924), Wien 1926, p. 100 (emphasis in the original); in English: Nikolai Bukharin: *Imperialism and the Accumulation of Capital* (1924). David Yaffe also stressed this point in his review of Bukharin's book: *"It is not merely a question of seeking higher rates of profit but of seeking additional surplus-value in order to capitalise investments already made. This means that capital must maintain its share of old markets and fight for a share of newly expanding markets, wherever these markets are."* (David Yaffe: Review Article of Bukharin's 'Imperialism and the Accumulation of Capital', 1972, <http://marxists.org/subject/economy/authors/yaffed/1972/impaccrev/impacckreview.htm>)

<sup>201</sup> Henryk Grossmann. *Das Akkumulations- und Zusammenbruchsgesetz des kapitalistischen Systems* (Zugleich eine Krisentheorie), Leipzig, 1929, pp. 437-438.; in English: *Law of the Accumulation and Breakdown*.

<sup>202</sup> See Michael Pröbsting: *Imperialismus, Globalisierung und die Ausbeutung der Halbkolonien* (2007), in: BEFREIUNG Nr. 154; <http://www.trend.infopartisan.net/trd1207/t261207.html>