

IS RUSSIA AN IMPERIALIST NATION?

This vital question has perplexed many leading Marxist thinkers and hobbled the anti-war movement because they have concluded that Russia is indeed an imperialist country. In drawing this conclusion many have shredded our dynamic understanding of what constitutes an imperialist country.

The nation state is both the maternity ward for capitalism and its mausoleum. In its youth the unification of the nation state created a national market sufficient to nurture capitalism and absorb the output of its new industries. Economically, the newly constituted national market abolished regionalism, created a unified language, homogenous time zones, a common currency, a standard set of measurements, a uniform credit system and a national legislature. It did not substitute for international trade but gave this trade new impetus as it drew in more inputs into its growing market as well as adding to their variety.

For all these reasons, it was to be expected that the USA would triumph as the most successful nation state because its national market was the only true transcontinental market. The only other possible competitor was Russia, but it emerged too late only to be crushed by war. By being transcontinental in size, the USA found the national market less restrictive than its main competitors in Europe, whose continent was split into numerous nation-states often at war with each other. (It is also worth adding that the USA did not oppose the emergence of the European Union after the war because this benefited its monopolies which had become continental in scale by this time.)

The study of imperialism on a grand scale is therefore the study of the innate drive of capital to create a unified world market which tends to outgrow the nation state, but how, because capitalism is a crises ridden mode of production, it is thrown back repeatedly onto relying on the nation state for its survival and for its advances. This said, we should be quite aware how close imperialism came to emptying the nation state of its political content during the period of globalisation. This was quite clear from the secret negotiations around the *Transatlantic Trade and Investment Partnership (TTIP)*. These negotiations began in earnest in 2013 and had they been concluded, would have embraced 60% of global GDP, 33% of world trade in goods and 42% of world trade in services.

The intention of this agreement solely serving the interests of the multinationals and the global banks, would have minimized the barriers to the free movement of goods and of workers between the USA and Europe. It would have meant a big step towards a single market that spanned the Atlantic. But most importantly it would have politically neutered the nation states both in Europe and North America. Its clauses proposed that the promulgation of laws should be made extraterritorially and enforced extraterritorially. Governments would no longer be allowed to legislate on key matters which infringed the rights of the multinationals to exploit and produce as they saw fit, and if a government had the temerity to regulate in opposition to these off-shored laws, it could be sued from a legal jurisdiction that could be situated in a tax haven or even the moon. In effect what it proposed was a European Commission without the European Parliament and housed in say the Cayman Islands.

TTIP was still-born. The reason for this was twofold. The less important aspect was the issue of democracy. For better or for worse democracy continues to be exercised via national assemblies, parliaments or congresses. The critics and opponents of TTIP in all the affected countries correctly recognised that they were being legally disenfranchised, that universal suffrage was being rendered inconsequential due to the transfer of law making from their parliaments to unelected locations without any checks or balances.

However, the more important reason, the reason which gave rise to Trump and Brexit, was that capitalism's global drive to maximise profits and thereby its accumulation always creates winners and losers. Because capitalism is a crisis ridden mode of production it cannot systematically uplift humanity and provide sufficient numbers of good permanent jobs. If it did the nation state would be but a memory. The reason being the contradiction at the heart of this mode of production whereby the drive to raise productivity also sets in motion the tendency for the rate of profit to fall.

To understand imperialism this needs to be fully understood. All dynamic economies, and capitalism is a dynamic economic, depends on the economizing of labour time. The revolutionizing of the techniques of production, has only one purpose, to raise productivity in order to reduce labour time. The capitalists understand this instinctively because for them - time is money. But capitalists will only invest in the economy of labour time should this produce sufficient profit to justify their investment. If it does not, they will not invest, despite the fact that the technical means for doing so exists. Their drive to raise productivity, by reducing aggregate labour time also reduces the stream of money returned in the form of profit, because in the end it is not time which is money but labour time.

A communist society, no longer in thrall to profits, no longer concerned in the least with rates of return, is therefore unshackled and is free to reduce labour time for its own sake so that society may enjoy lower prices. For this very reason, in all its simplicity, it is free of crises. But this is not the case with capitalism. Everything is subordinated to increasing the stream of money claimed by the capitalist class in their different guises. As a result workers need to be exploited more so that less money is diverted into their pockets. Government spending must be reduced so that taxes eat up less of this stream. Any loss making corporation must be pillaged lest they reduce the potential of the stream. This then is the brutish nature of capitalism addicted as it is to the rate of return – that roguish calculation focused on how much is received back for every Pound or Dollar invested

Which brings us back to the second point mentioned above. The winners and the losers. The restructuring of the world economy began by costing hundreds of millions of better paid jobs in the advanced economies as factories were culled in the 1980s because the stream of money they produced was no longer sufficient to keep them open. In turn, new factories employing cheaper labour began to be opened in foreign countries particularly in the Pacific Rim.

These lower paid workers, notably in China, grew vastly in number swelling the stream of money claimed by the imperialists. It became a time of abundance for capital. And for the first time, an integrated global economy emerged, made possible technically by the internet, and politically by the agency of a single hegemonic or uni-global power, the U.S. of A.

The international division of labour had become global. Supply chains emerged which crisscrossed continents. No good was made nationally, but because of this socialization, it contained parts made in dozens of countries, causing the distances the parts covered before final assembly to be measured not in hundreds of miles but in thousands of miles. The dance of labour was now choreographed globally, its tempo governed by just-in-time production. A real advance on the road to socialism.

It also gave rise to new and larger metropolitan areas around the world, all with one feature in common, they were integrated into the new global economy. They were more closely connected to each other economically, financially and culturally than they were to their national hinterlands. The metropole children studied abroad, their parents worked in multiple countries often for the same company, they

enjoyed common luxury goods and brand names and they saw themselves as jet-setters vacationing and shopping all over the world. They were the people of the airport not the bus station.

Of course not everyone living in these metropolitan areas were well off. In fact the globe trotters were only a minority and the poverty gap was at its highest in these areas according to the [Brookings analysis of US metropolises](#) mainly because of the proportion of higher earners. However, the median standard of living found in these metropolitan areas which were mainly located in coastal areas exceeded that found in the more rural areas. The data for these metropolises has been compiled by the [Brookings Institute](#) in a Report published in 2018 which also marked the turning point for globalisation. In these 300 metropolises, a quarter of the world's workforce produced half of global GDP. Economic activity also grew much faster in these metropolises compared to the national growth rates of the countries in which they were situated.

Here then was a hint, a tease, that capitalism could swerve across national boundaries. But it was not to be. The collapse of the political condition that sustained this globalisation, a uni-polar world dominated by the USA had come to an end with the rise of China. This fragmenting of globalization will in turn reverse the process that gave rise to these metropolises.

But what became politically decisive, was the political fall-out from globalisation particularly in the hinterlands. As always the losers outweighed the winners. The loss of traditional jobs, the decay of communities, the lagging in living standards, the dearth of investment, the collapse in government support, contributed to growing disillusionment and resentment by those discarded by globalisation. This is what Brexit and Trump fed on, the promise of national renewal, the promise to reverse globalisation.

But here *Make America Great* and *Break Britannia* part company. *Make America Great* was code for repressing the growth of China. It had a logic to it. But with Brexit there was no logic which is why the British economy is in free fall. The breakup of the unipolar world will result in two and half blocks. That around China, that around the USA and the half, well that is the EU unable to negotiate a path between the two dominant blocks, nor play them off against each other. But as for Britain, the pre-eminent Empire prior to 1939, it is sinking into the cold seas which surround it unless the British working class wakes up to their historical responsibilities.

Defining Imperialism.

It is not my intention to provide a history of imperialism, but to look concretely at the two great episodes of imperialism post World War 2 and how they came to shape out current world.

But first let us begin with the definitions or characterizations that mark out imperialism, most of which hark back to Lenin and his famous pamphlet *Imperialism the Highest Stage of Capitalism*. In this pamphlet Lenin provided 5 tests.

“(1) the concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life;

(2) the merging of bank capital with industrial capital, and the creation, on the basis of this ‘finance capital’, of a financial oligarchy;

(3) the export of capital as distinguished from the export of commodities acquires exceptional importance;

(4) the formation of international monopolist capitalist associations which share the world among themselves, and

(5) the territorial division of the world among the biggest capitalist powers is completed.”

The issue of monopolies. The trend towards the centralisation of capital (monopolies) is not straightforward. Granted there is a tendency, but as in the tendency of the rate of profit to fall, there are [countervailing factors at work](#), what Marx called centrifugal forces. For Marx and Engels the arrow of history was never straight, it was more of a corkscrew due to all the forces at work, or what is the same thing, the interaction between the underlying force and the subsidiary forces pulling in tangential directions.

Thus while there is a general trend towards monopolies, these monopolies are themselves not in a fixed state but in a plastic state. They come and go, or to use the jargon, they are in a state of *churn*. Corporations which dominated 40 years ago tend not to dominate today. The biggest plasticizing agent being technology. Today's dominant monopolies, consisting of the tech companies with the exception of IBM (itself now a minnow), were in their infancy 40 years ago. I have written about this issue a number of times analyzing the churn rate of the companies that comprise the Dow Jones and S&P 500 indexes.

In addition, the form these monopolies take has changed. In Lenin's day these monopolies, what would today be called conglomerates, have fallen out of favour with investors. The breakup of General Electric is illustrative. Most conglomerates have been broken up into independent divisions listed separately on stock markets in order to 'sharpen' their focus. Nor have the management practices prevalent in Lenin's time survived, namely top down centralized methods of control (command management). In the 1970s the advance of Japanese industry led to a revolution in management practices in the USA and the EU which saw the evolution of parameter defined decentralization granting local decision making autonomy.

The creation of finance capital. Again this concept has to be questioned. While it is true that there were pockets of true finance capital after the war, for example the *Keiretsu* system in Japan from the 1970s in which a group of industrial companies with cross holdings orbited a specific bank, and for example currently today in China, it is not the normal model. Since Lenin's day new forms of finance have emerged particularly the wholesale money markets allowing the larger corporations to bypass the banks. The only modern form which approximates finance capital today is Private Equity with \$3.4 trillion in liquidity.

Indeed the financial crash of 2008 cannot be understood were we to cling to the outdated concept of finance capital. In terms of Marx's phasing of the industrial cycle, the period of globalisation which began in the mid-1990s was a period of prosperity, a period where rising profits provided sufficient internal funds to minimize the need for external loans. The phasing of the business cycle always sets the demand and supply for loanable funds and therefore interest rates. Here we are referring specifically to the multi-nationals and large importers, the beneficiaries of this period of plenty. As a result the banks lost their primary customers. The large corporations had become depositors not borrowers. It forced the banks into what is called the retail market, that is the consumer market for loans. This is the market for residential mortgages, car loans, credit cards, student loans and so on. It created the propensity to over lend. The result was the financial crisis of 2008 which paralyzed the global financial system interrupting the period of plenty but not ending it. In short, the global 2000 multi-nationals are not fused to the international banking system, and one indication of this has been the level of speculation caused by these surplus funds.

The export of capital becomes exceptionally important. This remains valid. To this we can add a modern aspect, the export of capital sits alongside the imports of manufactured goods. We shall look at this more closely in defining the two periods of imperialism after the War. Here the transfer of surplus value from the dominated economies in combination with the cheapening of imports becomes distinctive. It allows for expanded consumption in the imperialist nations and nowhere else. Those who suggest China decreases investment and increases consumption fail to understand this gift is only open to those countries which exploit other countries. The enhanced consumption in the USA is only made possible by the transfer of value from the exploited countries. It also renders the trade deficit found there irrelevant.

Points 4 and 5, the division and redivision of the world economy will be discussed in the next section. In conclusion dialectics throws up new forms and modifies the old. Clearly capitalism does not move in a linear fashion. It does not develop in a schematic fashion by first monopolising the national economy then monopolising the global economy while fusing industrial, commercial and finance capital. On the contrary it renews itself convulsively, with each consecutive renewal being more convulsive than the previous one, creating the heightened potential for a political backlash from workers forced to protect themselves from the consequences of these deeper and more protracted convulsions.

The two dominant imperialist periods after 1945.

The first period lasted from 1945 to 1990/1 ending with the collapse of the USSR as well as the opening up of China to imperialist exploitation. The second period ran from the early 1990s to 2018 when globalisation in its modern form began to fracture.

Period 1. The USA emerged victorious from the Second world War having physically smashed Japan and Germany and having bankrupted Britain ensuring dollar dominance. It set out to restructure the global capitalist economy in its own image and contain the USSR and later China.

The process of decolonization was not intended to give full independence to these countries but to shape their independence. The wars fought by the French, the British and the USA were designed to crush the more militant wings of the anti-colonial struggles in order to cultivate the opportunist wings. Where this failed as in Vietnam and Korea, full-scale wars erupted resulting in the defeat of the imperialist powers themselves. In this way, because these wars were shaping wars, a compliant local bourgeoisie was encouraged to emerge. Of course when these newly installed leaders overstepped the mark, the USA did not hesitate to intervene through its secret police (CIA) or through its military or through economic blackmail to effect regime change.

The US set to work establishing its hegemony over the entire world capitalist economy. This resulted in the US State Department becoming the first worldwide government whose reach became global. (The employees at the State Department increased eight-fold over this period.) This hegemony was enforced financially by Bretton Woods which elevated the Dollar to the role of the primary reserve currency and which introduced the World Bank and the IMF to govern regional economies through controlling the spigot of finance. The US, having become the dominant imperialist nation, always had the last word on what was allowed or not internationally as the subordinated European imperialisms learnt to their cost in 1956 when they tried to seize back the Suez Canal. And we can say the same for the U.N. which in its early years was really the U.N. of A., the *United Nations of America*.

The US drive to prevent major competitors emerging was a mixed bag. On the one hand the fear of the USSR led the US to rebuild Europe via the Marshall Plan while providing assistance to Japan. The importance of the Marshall Plan which amounted to only \$13 billion over 4 years has been overplayed. If we look at the three countries which were to emerge as major competitors to the USA – Germany, Japan and South Korea - what they all had in common was the presence of hundreds of thousands of US troops stationed on their soil.

Between 1948 and 1960 the US spent an average of 10% of its GDP on its military amounting to \$40 billion a year. Much of this was spent abroad, particularly in those countries. This military expenditure provided both dollars and a market for local industry to flourish in these countries. Thus indirectly, the need to contain the USSR elevated military expenditure and funneled it to previous competitors. It is often said that the arms race ruined the USSR, what tends to be overlooked is that it hurt the USA as well, owing to the resurrection of former competitors, namely Germany and Japan.

On the other hand, US imperialism sought to prevent new competitors from forming, particularly in the Middle East and Latin America. The State Department and the CIA worked overtime to prevent these areas combining their markets or forming currency unions. This led to numerous military interventions in both areas including the war over the Malvinas (Falklands) whose undisclosed aim was to prevent Latin American countries resolving their growing economic crises at the expense of imperialism.

But it was in the Middle East where the fist of US imperialism fell most often. The US was concerned by the prospect of the Arab countries securing their oil wealth and using it for regional industrial development, personified in Egyptian President Abdul Nasser's perspective of pan-Arab nationalism. The US sought to preserve the compliant rentier administrations in the region as a means of controlling oil prices while cultivating them as consumers of US goods. The US clearly understood the anti-imperialist potential of Nasser's perspective should it be realised, and so together with its proxy, Israel, the US fomented divisions between these countries while military intervening when necessary to crush any military threats. This continued into the 21st Century and it has cost millions of lives and ruined many Gulf countries.

Turning back to the imperialist nations. The major economies at this time were largely self-sufficient. Most of the commodities produced were produced within their national boundaries. Heavy industry and manufacturing was kept intact even at the expense of nationalizing the higher composition and loss making industries such as coal mining, steel making, power plants, railways and the like. This maintained the density of industrial workers with better wages protected by widespread unionization. Fear of the USSR and a relative high rate of profit until the end of the 1960s underpinned these concessions to workers reinforcing social democracy.

This was to end in the 1970s. Trapped by a fallen rate of profit, the capitalists turned on their workers seeking to crush their organisations. Unable to directly empty workers' pockets of wages they were forced to debase their currencies and thus empty pockets by stuffing them with increasingly worthless currency. By the early 1980s the strategic defeat of the working class, ably assisted by the parties claiming to represent workers, was more or less complete. Inflation subsided and the capitalists set about restructuring the global workforce.

This necessitated the opening up of China and the fall of the USSR. Nixon and Kissinger began the process by initiating talks between China and the USA, but it was not until December 1978 that both countries

resumed full diplomatic relations, with Deng Xiaoping visiting the USA the following year. Shortly thereafter Deng launched his economic opening up and reform (privatization) agenda.

Ten years later the USSR collapsed after the US had ratcheted up the arms race. Due to the much greater social weight of workers in the USSR privatization took the form of a big bang rather than the gradual process taken in China with its larger rural population. As far as the imperialists went, the big bang had two strategic advantages, it would concuss Russian workers who would wake to a fait accompli. and, it would open up Russia to the penetration by imperialist plunderers seeking to lay their hands Russian assets and resources on the cheap.

Thus the end of the first period of imperialism ends with the capitalist class increasing the oppression of its own workers while creating the possibilities of exploiting new layers of workers particularly in Asia. This is likely to have happened with or without the internet, though the technical developments certainly speeded up and smoothed this process. In fact, the ensuing restructuring of the international division of labour post 1990 is likely to have been the greatest such event in the history of capitalism at least on par or even exceeding the destruction wrought by the Second world War.

Globalisation 1992 – 2018, the era of unified international supply chains

One word sums up the period. A uni-polar world, completely dominated by the USA. This called for the greater subordination of the junior imperialisms found in Europe and in Japan. The Plaza Accord in September 1985 which wrecked the Japanese Yen and stalled the forward march of Japanese Industry was a foretaste of things to come.

On its own financial and military might was insufficient to maintain US hegemony. The US had to regain technical supremacy as the final guarantor of its power, a supremacy which had been eroded by Japanese manufacturing in the 1980s. The impetus for this came from the military. By 1980 the Defense Department's R&D budget of \$100 billion matched the combined R&D budgets spent by corporate America. Here DARPA, the Defense Department's cutting edge Research Institute played a leading role. Thus the arms race and the space race was shaped to become the breeding ground for the new technologies which cumulatively gave rise to the Information Age, and having been mastered first by the USA propelled the US to the lead role in the technology race once more. It was of course the irony of ironies that the pathway would turn out to be Federal pathway at a time when the neo-liberal economic policies under Reagan had gained supremacy including cutting down on state spending.

The restructuring of the world economy revolved around the new technologies. In 2021 the single biggest export item was [integrated circuits/micro assemblies](#), bigger than oil and representing 5% of global exports. Taken together with finished electronic goods, these exports were over 10% of global trade amounting to \$2.191 trillion. Over time the US would establish a new international division of labour in the form of supply chains whose apex it would dominate and benefit from. Globally, this would deepen the division of mental from physical labour with Research & Development together with cutting edge engineering focused in the imperialist heartlands while the chores of assembly and component manufacture would be offshored to the dominated economies.

This was not new, only more accomplished because the growing sophistication of use values combined with the increase in automated production, raised the comparative weight of intellectual labour. For over a century imperialism had focused on raising the relative rate of exploitation in its own heartlands while

raising the absolute rate of exploitation in the dominated countries. The resulting rise in productivity in the heartlands allowed for concessions to be made to its own workforce and thereby rule by consent, whereas in the dominated countries ratcheting up the intensity of exploitation required low wages, long hours and thus tight political control.

But there is another aspect to this division between relative and absolute rates of exploitation. To raise productivity requires investment, and rising investment also raised the composition of capital faster and further in the imperialist heartland compared to the dominated countries. This aspect was not dealt with by Lenin but was first analyzed by Henryk Grossman in the pre-War period. This was later investigated by [Roberts and Carchedi](#) using modern data. (Note 1)

This differing compositions of capital, via the price mechanism or prices of production, ensures that surplus value moves from lower composition capitals (labour intensive) to higher composition capitals (capital intensive), or in this context, from the dominated economies which are labour intensive to the imperialist heartlands which are more capital intensive. This is a process of centralizing capital, not a process of concentration. The former involves the transfer of value or capital from one set of capitalists to another while the latter involves the transfer of value from the working class to the capitalist class as a whole through the process of exploitation.

This centralizing of capital has a debilitating effect on the capitalist class in the dominated countries because it decreases the amount of capital available to them for accumulation while increasing the amount of capital in the imperialist heartlands. It tends to reinforce the status quo unless these economies can ascend up the value ladder by raising their compositions of capital as China has done.

Russia.

After the extensive examination of the efforts of many Marxists to understand the Russian economy, only one conclusion can be drawn concerning their common effort; most of them try to shoehorn the Russian economy into Lenin's definition of an imperialist state. Does Russia pass the various thresholds they ask? In short, is there the fusion of banking and industrial capital, do the monopolies dominate, is there the export of capital and so on and so forth?

There is little attempt to locate Russia dynamically, that is its integration into the global economy, because the nature of imperialism can only be examined extra-nationally not internally. To begin. Russia came close to being colonized by US and German imperialism after the collapse of the Soviet Union. Most Eastern European economies were colonized and exist today as semi-colonies of the USA and Germany including through the military means of NATO. No sooner had assets been capitalized in Russia, than there began a huge flight of capital which was only matched by the flight of capital from South Africa following the collapse of Apartheid. This flight of capital, a vote of no-confidence, impoverished Russia for years to come and was one of the leading causes of the increase in mortality and the collapse of communities.

In the late 1990s Putin rescued Russian capitalism by stabilizing the economy and building on its strengths. His main priority was territorial integrity within which a national bourgeoisie could start accumulating capital. Given the nature of the previous Soviet Economy where duplication rather than innovation took place, enterprises had grown to a considerable size. Thus from inception Russia would inherit a centralized or monopolised economy. Many of them would be concentrated in the extractive industries and the heavy industries. While the Soviet economy produced very few world class manufactured goods, there was one

area it excelled at - the arms industry. As a result arms exports propelled Russia to second or third place behind the USA in terms of global arms sales.

Finally, the issue of finance capital. The main vehicle for privatization had been the '*free voucher scheme*' given to the population at large which could be converted into shares covering 15,000 enterprises. However, a desperate population saw these vouchers as potential cash and they were sold to members of the elite at below face value in order to put food on the table. Thus those who had access to roubles, often with funds supplied from abroad, were able to buy these vouchers on the cheap and the resulting arbitrage made fortunes for a minority, general the upper management of enterprises and connected political insiders. This process was completed by 1994. In 1995, a bankrupt Yeltsin government sought to raise funds through a programme of '*loans for shares*' whereby the leases of the remaining large state enterprises would be auctioned off to the banks. These auctions were predictably rigged and the state was ripped off just as the population before it had been. Once again arbitrage between the bid price and the market price became a huge source of capital for these banks and their owners.

Thus the issues of monopolies and finance capital were baked into the privatization process itself shaped by the legacy of the USSR. On their own they do not make Russia imperialist. If they did then a piece of leather would be a shoe. In other words other processes need to be in play. In particular the primary issue of whether or not Russia is a recipient of surplus value or a provider of surplus value to the world economy.

One way of viewing this is to examine the nature of its exports and imports. In other words is it exporting high value goods and importing low value goods especially consumer goods. The answer is no, and no, not when we examine the top exports (below) during [2021](#) taken from the website *World's Top Exports*. 61% of its exports were basic commodities with only machinery and plastics at 3.5% considered a manufactured good. (Arms exports would have added a further 3%.) This was little different to [2019](#) where the share of fuel and metal exports amounted to 70% of total exports.

In addition Russia's share of services was only 15% the size of its goods exports in 2019 whereas in the [United States](#) services were over 53% the size of its goods exports. It is in the sphere of services that financial capital resides as it includes financial services, insurance, intellectual property receipts and so on. At least 1/3 of US service exports covers financial or ownership receipts claiming income from abroad.

Exports

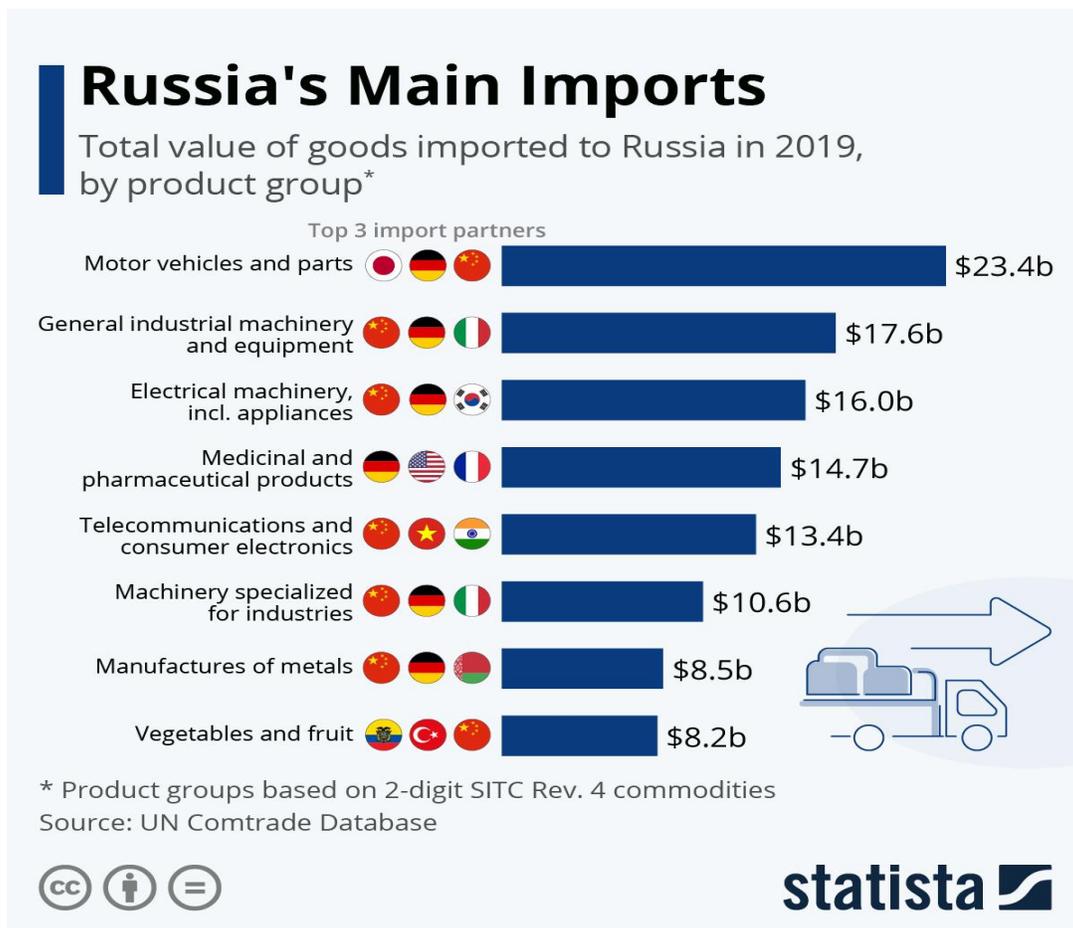
1. Mineral fuels including oil: US\$211.5 billion (43% of total exports)
2. Gems, precious metals: \$31.6 billion (6.4%)
3. Iron, steel: \$28.9 billion (5.9%)
4. Fertilizers: \$12.5 billion (2.5%)
5. Wood: \$11.7 billion (2.4%)
6. Machinery including computers: \$10.7 billion (2.2%)
7. Cereals: \$9.1 billion (1.9%)
8. Aluminum: \$8.8 billion (1.8%)
9. Ores, slag, ash: \$7.4 billion (1.5%)
10. Plastics, plastic articles: \$6.2 billion (1.3%)

With regard to imports into Russia, over half were capital goods of a technical nature. The importation of consumer goods was insignificant. On the other hand, the import of [consumer goods](#) was the largest category of imports into the United States at \$776 billion in 2021, equal to 25% of all goods imported.

Imports

11. Machinery including computers: US\$54.3 billion (18.5% of total imports)
12. Electrical machinery, equipment: \$36.8 billion (12.5%)
13. Vehicles: \$26.8 billion (9.1%)
14. Pharmaceuticals: \$13.8 billion (4.7%)
15. Plastics, plastic articles: \$12.6 billion (4.3%)
16. Optical, technical, medical apparatus: \$8.7 billion (3%)
17. Articles of iron or steel: \$6.4 billion (2.2%)
18. Iron, steel: \$5.9 billion (2%)
19. Organic chemicals: \$5.8 billion (2%)
20. Fruits, nuts: \$5.4 billion (1.8%)

It could be argued that the most recent data covering 2021 is anomalous given Covid and sanctions. If anything the data for 2019 is more negative as shown below. With the exception of motor vehicles including cars, the bulk of imports were capital goods. In short the bulk of imports were manufactured goods selling at prices above their value while the bulk of exports were basic goods tending to sell at prices below their value (except in exceptional circumstances such as the war in Ukraine). Thus because of negative terms of trade, Russia experiences a net loss in value which is not compensated for by income from abroad. This is not characteristic of an imperialist nation but a still uncompetitive nation.



Russia is a mixed bag due to the legacy of the Soviet Union. It is a world leader in aerospace, high temperature physics, metallurgy and other key areas but a laggard in most other manufacturing processes particularly electronic hardware. That said the sanctions regime over the years has forced Russia to broaden and deepen its manufacturing base to provide locally what was previously imported. It is also likely, given its successes on the battlefield in the Ukraine despite the abundance of NATO weaponry, that its military production is more or less self-sufficient, micro-chips aside. It certainly is no simple “gas station” as insulted by the late US Congressman McCain.

Those who pose the question as to whether Russia is an imperialist country pose the wrong question. The correct question is whether the country has been able to resist the intrigues of Imperialism especially the USA which sought to co-opt Russia into its world order? That really is the correct question.

Both Putin and the Communist Party of China have denied imperialism the spoils they felt entitled to following the collapse of ‘Communism’. Both have defended their sovereignty and brought into being an indigenous capitalist class that has been able to accumulate in the alleyways of imperialism. But worse for the USA and NATO, the combination of China and Russia makes possible a Eurasian Block that could in time create a multi-polar world, one no longer dominated exclusively by the USA, and towards which the countries of the world robbed by the USA, could gravitate. Resource rich Russia and workshop China could be a winning combination which will disrupt the global economy, stripping profits not only from US corporations, but German and Japanese corporations as well. Hence their willingness to block with the US against both Russia and China.

The Ukraine itself.

The events leading to the war were best analyzed and expressed by Jacques Baud, a former Colonel of the General Staff of the Swiss army and a former member of the Swiss Intelligence Service whose specialization was Eastern European affairs. His linked [Report](#) was titled the *Military Situation in the Ukraine*. He puts the blame for the war squarely on the shoulders of NATO and its puppet the Zelensky government which never wanted peace. This was later confirmed by ex-Chancellor Merkel who recently admitted that the Minsk negotiations were merely a ruse to buy time for Ukraine to re-arm. And finally the admission by that ganGreen German foreign minister, the foot in the mouth Annalena Baerbock in the Parliamentary Assembly of the Council of Europe, proclaiming “[we are fighting a war against Russia](#)”

The fact is that Putin (who is in a different league of smartness compared to western politicians) was drawn into the war very reluctantly because he was aware of the consequences. In the end NATO ensured he was unable to evade the ‘bait and trap’ policies it had forged and escalated over many years. Yes, the war was provoked, but by NATO which strategically sought to collapse Russia in order to complete the encirclement of China. The Russian ‘invasion’ in essence was a political response to a political provocation, there was no economic advantage at all to Russia, only immediate economic disadvantages through being further detached from the world economy.

Yes, Russia made mistakes, but they were not imperial mistakes but strategic mistakes. Russia should not have feinted towards Kyiv in the early days of the war. This may have made military sense as it was aimed at drawing Ukrainian troops away from the Donbass, but it was a political disaster because it obscured the aims of the war, because it handed a propaganda victory to the West, because it led to the cross-border exodus of people (women) from Western Ukraine and because it hardened attitudes against Moscow. Nor should Russia have engaged in the collective punishment of Ukrainians outside the Donbass

region by destroying infrastructure in urban areas particularly power generation and heating. That was an example of bullying which only ended up steeling the resolve of Ukrainian soldiers.

But other than that, right was not on the side of Ukraine, which is why criticizing Russia for violating Ukraine's right to self-determination is nothing but pious thinking. Ukraine lost that right when it started persecuting Russian speakers in the Ukraine after the coup in 2014, when it conducted relentless state terror against the Donbass costing 14,000 civilian lives since 2015, which in turn caused the majority of those living in the Donbass and in the Crimea to call for secession in order to become part of the Russian Federation in order to receive its protection.

The invasion of the Ukraine was not an imperialist nation extending its garden wall in order to occupy an orchard. It was a country disturbed by a belligerent and powerful neighbour barging up to its front door demanding the house be vacated. To fail to understand this not so subtle distinction, as do most of the anti-war leaderships in the West, makes them underserving and unfit to lead opposition to NATO's aggression.

Doubly so when we recognise the effect the war has had on the lives, not only of those inside Ukraine, but around the world. How unforgiving would the workers in the West be if it was brought to their attention that the war was provoked by their own warmongering bourgeoisie and not by the *demon* Putin. That it was their own capitalist classes acting through NATO who were responsible for the cost of living crisis, this unbearable burden foisted onto millions of shoulders by a few thousand rabid self-entitled neo-cons most of whom live in Washington pens. To thereby understand how callous and disrespectful of life these warmongers are. This then is the magnitude of the failure by those not able to stand against the imperialists therefore not able to stand up for the interests of the international working class.

Conclusion.

Scott Ritter, one of the few notable commentators who has been giving an honest account of the war and who has exposed the intentions behind the war, informed his viewers that sources in Russia had told him that Russia had slowed down its offensive in Ukraine to try and stall a direct clash with NATO. They are unlikely to succeed in this. To be clear, the Ukrainian army is being crushed and its capacity to wage war is being reduced. There appears to be a leaked memo from the Ukrainian General Staff to the Pentagon doing the rounds on social media, alleging that 232,000 Ukrainian soldiers may have been killed. This is a terrible number and a large proportion of the army.

The severity of these losses could explain the brazen press ganging of men into the army on city streets by the thugs of the regime. It could explain why troops are getting younger or older, why unqualified soldiers are being fast tracked to replenish the depleted ranks of the officer class. It could explain the turmoil in the ranks of the government with yet another round of sackings of senior officials allegedly over corruption. Hmmmm. These sackings are more likely to be fueled by growing dissent within the ranks of the government and army as defeats multiply and the failure of policies become more pronounced and public. It was always going to be the case that Zelensky's policies of pleasuring NATO through agreeing to prolong the war at whatever cost to Ukraine, would become unbearable. That Zelensky has come so far is a tribute to the cruel methods of his secret police reinforced by the CIA and MI5.

In fact we are currently in a race between a Ukraine no longer willing to sacrifice itself on the altar of NATO, and a NATO unwilling to accept this, therefore prepared to escalate the war at any cost, today with

tanks, tomorrow with planes and then, well we know what follows after that. The Ukrainian war is approaching its climax, placing the world on notice. A hegemonic power, especially a declining one such as the USA, never concedes defeat until it has exhausted all its options including the nuclear one.

Note 1. There are two pricing mechanisms which redistribute surplus value - prices of production operating between lower and higher compositions of capital and price discounts between producers and distributors. The former was clearly identified by Grossman and later by theorists such as Roberts and Carchedi as defining the relationship between imperialist economies and colonies (as in Grossman's time) with imperialist economies having a higher density of above-average composition production and dominated economies having below- average compositions of capital. This ensures the redistribution of surplus value is directed away from the dominated economies to the dominating economies, thereby impoverishing them and enriching the imperialist heartlands.

However, the issue of price discounts has been neglected. If we examine this issue in the USA itself in 2019, we find the total adjusted GVA or *value added* for wholesale and retail - the distribution sector – amounted to \$2.2 trillion (GDP-by-industry KLEMS tables) courtesy of the discounts they received, versus the \$1.75 trillion net surplus (undivided profit) for the whole of the non-financial corporate sector. A difference of 25% even when GVA has been taken at only 90%, and if this is true within the US economy then clearly it is true between the USA and the dominated economies. Chapter 9 and Chapter 16 in Volume 3 are not opposed but complimentary. Prices of production only form in the sphere of production after prices have first been discounted. Both price mechanisms operate to divert surplus value in the direction of the imperialist heartlands and both need to be taken in tandem, because together they are responsible for most of the surplus value that ends up in the pockets of the imperialists.

Brian Green, 28th January 2023.