

IMPERIALISM AND THE EXPANSION OF CAPITALIST EXPLOITATION: A CLASSICAL MARXIST APPRAISAL

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Introduction:

In Marxist theory the term “Imperialism” does not simply refer to the conquest of foreign land, rather it has more precise sense to describe the change which occurred in the political, economic and social activity of the advanced of capitalist countries in the last quarter of nineteenth century. This change is closely associated with in bourgeois basic structure. The term “Imperialism” is not a special Marxist jargon. Marxist scholars borrowed this from the common usage of British bourgeois politicians such as liberal imperialist Rosebery and anti-imperialist Hobson. These British bourgeois politicians used the term “Imperialism” as a new aggressive colonial and world economic policy of big powers, and they tried to uncover its economic root with the rise of high finance. On the contrary, Marxist theory of imperialism begins with the nature of capitalist mode of production in its state of expansion and expression of the working out of its laws of motion discovered by Karl Marx. Therefore, in a technical sense the term “imperialism” has to be carefully differentiated from other meaning associated it with historical economical understanding. In a historical and economical sense, imperialism is exclusively a relationship between advanced capitalism and its colonial and semi-colonial areas fall within its formal and informal empire. But in Marxist theory the term “extension” is used to describe the epoch of capitalist expansion of mode of production into international market. According to Marxist scholars, the distinguishing feature of this stage is that the capitalist mode of production has turned into a dominant power and became stresses to other country in the epoch of imperialism. Marxists scholars by the term “Imperialism” mean a particular stage of exploitative capitalist development. It is a stage of capitalist exploitative monopoly which arise within capitalism in the course of history. As Lenin says: “If it were necessary to give the briefest possible definition of imperialism we should have to say that imperialism is the monopoly stage of capitalism” [Anthony Brewer 1990; 11].

Marx and Engels on Imperialism:

The transformation in the political, economical and social activity in the last quarter of nineteenth century with the advanced of capitalism creates a peculiar combination between modern wage system and primitive authority in the colonial countries. This historical transformation was analyzed by Karl Marx in his writings, but he perceived only the preliminary signs. Nevertheless, we can find some profound remarks in his writings which turn into a starting point for later Marxist scholar to develop the theory of imperialism.

Marx foresaw the existing structure of capitalist of exploitation was the ultimate phrase of capitalism which is the result of extreme centralization of capital. Lenin and Hilferdind and most of the Marxist scholars have taken this point as the beginning of their theory of imperialism. Engels, on the other hand, gives a detailed account on Marx's idea of imperialism. Engels especially in his introduction to "*The Condition of the Working class in England (1892)*" emphasized that from the beginning of industrial revolution to 1870's, England practically exercised industrial monopoly over world market. This structural phenomenon has a great importance to the Marxist imperialist theoreticians. In the second half of the nineteenth century, this industrial monopoly gives some concentration to a particular working class (i.e. crafts union). But towards the end of nineteenth century the strong competition among with the other countries (e.g. German, France and America) attacked this monopoly which induced a period of sharp class struggle in England. Engels also emphasized that for capitalism it is very difficult to find a new basis for its expansion after the advancement of world market. It is difficult because within the world market competition between capitalist countries is limited by cartels, trust and external protection. According to Engels all these issues represent as "the preparation for a general industrial war for the domination of the world market" [Paul Costello, *World Imperialism and Marxist Theory: On the International Line of the Communist Movement*, <https://www.marxist.org>].

The analysis Marx made in his "Capital" in three volumes about capitalist mode of production is the starting point of Marxist theory of imperialism. In his "Capital-I", Marx postulates that the capitalist system of production is governed not to satisfy the human needs, rather it is governed to extract the surplus value wage labor class. The theory of imperialism deals with this phenomena from which this process takes at a particular epoch in the development of capitalist mode of production. Marx made a distinction between industrial

capital and merchant capital. According to him, a merchant accumulates capital through the exploitation of difference scale price of a product; while on the other hand, an industrialist accumulates capital through appropriation of surplus value created by worker. Therefore, a merchant is always depending upon on the realm of circulation for accumulating capital. But industrial capital is always depending upon on production. As long as a commodity is being sold or consumed by the merchant, it cannot be said as industrial product. For Marx, it is the merchant capital which was engaged in primitive accumulation in the early history. When an industrial commodity is sold by the merchant it creates some additional surplus value to a product. This creates a systematic contradiction within the capitalist society itself [Anthony Brewer 1990; 25-42].

Imperialism and the Capitalist Exploitation:

This new trend, imperialism, made capitalism more open in the world market. The growth of world market and the improvement of communication and transport made the capitalist system more exploitative. Capitalism developed unevenly on world scale with the tendency of unevenness to increase wealth and compound itself. For example, some countries became only the sites for modern infrastructure, headquarters of multinational companies etc. and while the other countries remain with few primary-product industries operated by the low wage labor. Capitalism in its every essence is a system of ruthless competition where the rich and the strong exploit the poor and weak. Lenin realized that imperialism is not just a foreign policy to prevail other country in world market; rather it is a particular stage of history in the capitalist mode of production. An elucidate understanding of imperialism is necessary to grasp the mode of production of capitalist dynamism. This dynamism has twofold tendency which expands the capitalist system in the international market. There is a tendency to create a national market by reproducing capitalist relation of production and forces of production, because a nation is one of the best geographical frameworks of capitalist mode of production. As Lenin considered that the rise of nation and capitalism is both a parallel process. This social formation which constituted with the help of economy, politics and ideologies turns into a site of class struggle. On the other hand, the dynamism of capitalist mode of production has the tendency to transcend its wings over national boundaries by relation of production and productive forces in a world scale. The second tendency is also reproduce class struggle on a world scale. This world imperialism creates an inter-related international hierarchy between national entities because of

the unevenly development. This international hierarchy is dominated by a hegemonic power. The countries whose economic, political and ideological power and influences are stronger dominate and control the system of whole world market [Charles A. Barone 2003; 108- 115].

Imperialism is a system in which each nation plays a definite role in accordance with its economic, political and ideological characteristics. The hierarchy of imperialism accelerated the development of productive forces of the developed capitalist countries retarding the development of those countries whose productive forces are less developed. The developed imperialist countries took advantages of unequal development produced by capitalism on a world scale which benefits them not only from exploitation of their own worker, but also from the exploitation of other workers in the world.

The system of imperialism is prepared the way of capitalism more open to peaceful and piecemeal development. Industrial cartels give capitalism more conscious control over the world market. Through these cartels multinational companies can avoid over production and can improve in communication, transport, political relations and also can make system of imperialism more flexible. But, according to Karl Kautsky, the idea of peaceful and free trade is an illusion. Kautsky claimed that imperialism and colonialism is inseparable from militarism. As the colonial people were despoiling for the benefits of king of finance who dominates the country directly through business cartels or trust and subject all production to their power. The king of finance need not afraid of strong governmental power because they can governed directly as bond holders or as personal or by social influence. Therefore, war and public debts are directly involved with financial militarism [E. Germain, *The Marxist Theory of Imperialism and its Critics*, [https://www, marxists.org](https://www.marxists.org)].

The system of imperialism is also a parasitic. In the kingdom of imperialism the glut of overproduction occurred due to unevenness income. The working class could not consume much as their wages are low. But, on the other hand, the bourgeois could not spend their huge income on luxuries and other things; consequently they invest their amount in share market. Karl Kautsky saw a same permanent glut in case of imperialism: “if the capitalist mode of production raises the mass production of good to the outmost, it also limits to a minimum the mass consumption of the workers who produce these goods, and produce an ever greater surplus of goods for personal consumption” [Martin Thomas, *Marxism and imperialism*,

<http://www.academia.edu>]. According to Kautsky, this capitalist glut can be resolved by the collapse of capitalism and socialist revolution, rather than social reforms.

Lenin's theory of imperialism primarily deals with the change in socio-economic structure of the exploitative capitalist powers. To Lenin, imperialism means domination of finance capital. According to him, the synthesis of merchant capital and industrial capital is represented by the finance capital because of the rise of monopolies in industry. This financial capital is required not only for the privileged access to capital market, but also required to create fix prices of the product and consolidating over the world economy among themselves. Here the consolidating domination over world economy means export of capital rather than exporting industrial commodities. Therefore, the development of international trade and the system of imperialism increased the capitalist exploitation horribly. A new social class emerged within capitalism in its competitive stage with the fundamental changes in economic realities. A new bourgeois oligarchy emerged within finance capital which regulates as the highest commanding of their respective economics. On the other hand, there developed a new group of aristocracy labor within the working class who started supporting imperial policies. Lenin claimed that those of the socialist democratic leaders who supported their respective government's effort in the first world war, their political and social basis belong to these strata of working class. This historic infidelity with the interest of proletariat class made them particular target of attack during and after Bolshevik war [Charles A. Barone 2003; 18-27].

The system of imperialism and export of capital in colonial and semi-colonial countries create a division within the bourgeois class- the group those who were beholder of imperial interest and the group those who were in favor of more autonomous economic development and opposed to financial capitalist system. Lenin argues that in the colonial and semi-colonial countries the revolutionary struggle first of all have to carry with bourgeois democratic revolution before moving towards any socialist revolution. But this idea is criticised by Manabendra Nath Roy. He argues that in Asia the working class and peasants were the only consequential revolutionary force and they need not to align with the bourgeois nationalist movement [Wikipedia, Theory of imperialism, <https://en.wikipedia.org>].

Colonialism and the Advance of Capitalism:

The most disputable phenomenon in the last half of nineteenth century is that a series of wars, expeditions and expansion of colonial empire. For example, we can say of French

expedition to Vietnam, Tunisia and Morocco, British expansion to India, Egypt, Sudan and East and South Africa, German and Italian expansion to Africa etc. According to Marxist theory of imperialism, the division of world is due to economic necessity. The industrialization of continental Europe made colonies as the field of their investment of surplus capital and assured source of raw material for their industry. Colonies were deliberately accrued to fulfill these needs. The most important fact is that some of the colonies were include as the result of a deliberate assessment of their economic potential by the imperial power. Therefore, to Marxist scholar's imperialism became a question of colonial policy because of its rapid expansion in colonial empire. The colonial expansion is sharpened by the Marxists to interpret the development of capitalist system. Karl Koutsky, Rosa Luxemburg and Lenin had demonstrated the root of colonial expansion in the logic of capitalist exploitation in the colonies [Anthony Brewer 1990; 48-53].

In this context, the German social democratic leader Karl Koutsky's remarks is that the rise of capitalist concentration in the form of cartels, trust and the expansion of capitalism to the colonial and semi-colonial countries of the world is the result of low wages paid to European and American workers. Kautsky in his "*Socialism and Colonial Policy*" (1907) argues that the reason of the low wages of the worker is the limited of consumer market of goods. According to him, the rapid growth of capitalism required the impression of monopolies pricing policies, and a new form of super-exploitation in the colonial world. Karl Kautsky emphasized the commercial reasons for the expansion of imperialism. According to Karl Kautsky, it is impossible to an industrial capital to sell their whole products within an industrialized country. In order to increase the surplus value, it must provide a market made up of non-industrialized countries, especially agricultural countries. This was the purpose of colonial wars, according to Kautsky, of expansion and the reason for the creation of colonial empires. In the settler colonies or work colonies, the European settler became a new working class by exploiting the local work force. Colonization has in fact led everywhere to the repression and often to the complete destruction of the natives [Paul Costello, World Imperialism and Marxist Theory: On the International Line of the Communist Movement, <https://www.marxist.org>].

Kautsky in his pamphlet "*Socialism and Colonial Policy*" gives more comprehensive statement of classical Marxist imperialism. In this pamphlet Kautsky restated his idea of imperialism as a stage of capitalist decay. He differentiates three sorts of colonies. According to

him, in settler or working colonies (e.g. US, Canada, Australia) European settler became a new working class rather than exploiting the local work force. Their social policy is accommodated in such a way which can assure the right and interest of the natives. Colonization has in fact led everywhere to the repression and often to the complete destruction of the natives. Reforming colonies, on the other hand, is quite different from other colonies where monopolies exploits local work force with the support of privileged colonial settlers. In the old system of exploited colonies (e.g. India in certain stage of colonial rule), the colonial power profit through crude plunder. But in the new system of exploited colonies capital is exported to other country which brings their economic development. Colonialism is inseparable from brutal force. In the new exploitative colonial system (i.e. export of capital) increase the taxation for building railways and military establishment and so on. The burdens of heavy taxation pauperize the peasantry and disrupt agriculture. As a result of it, there is a continuous increase in famine and misery in India for example [Martin Thomas, Marxism and imperialism, <http://www.academia.edu>].

The development of capitalism in the colonial countries was further analysed by Rosa Luxemburg. In her book "*The Accumulation of Capital*", Rosa Luxemburg describe how the development of capitalist system in the undeveloped countries led the high powers to use the native forces, seizing colonies or using the local state as "a political machinery for exploiting the peasant economy for capitalist purpose – the real function, this, of all oriental states in the period of capitalist imperialism" [Rosa Luxemburg 2003; 83]. The capitalist imperialism in the colonies and semi-colonies introduced a peculiar combination between the modern wages system and primitive authority in the colonial countries.

Rosa Luxemburg criticized Kautsky's theory of under-consumption and argues that the central problem of imperialism is lay elsewhere. She gives a distinct view of how the capitalism developed continuously despite of internal contradiction between different types of capital (e.g. financial and industrial capital). According to Luxemburg, the period of development of capitalism and the capitalist accumulation surplus depend upon on the process of continual subordination of the new colonies of the world under capitalist domination [Encyclopedia of Western Colonialism Since 1405, Marxist theories of imperialism, <http://www.encyclopedia.com>].

According to Luxemburg, the origin and development of imperialism was inevitable due to compensate for inadequate market for capitalist industrialist. In her theory of imperialism she

gives more importance on the condition of crisis of surplus value and of accumulation of capital. Therefore, to compensate the inadequate market of capitalist production, it was necessary to expand the market from national to world consumers market. But this rapid expansion of capitalist production was impossible within a pure capitalist state. The expansion of capitalist production is only possible when the expansion of demand for consumer goods will go hand in hand. Without it capitalist system will become lame. Here Luxemburg says that, the adequate expansion of the demand of capitalist production is not possible with the expansion of purchasing power of working class; since the more capitalist system developed the more working class lose their power of consumption, i.e. because of the decrease of wage labor. Therefore, there necessarily to have a non-capitalist class whose income is outside from capitalist system and who has additional power of consuming of industrial product. The countries where industrial revolution occurred capitalist production expand and triumphed in a non-capitalist atmosphere and conquered the market of peasants. Luxemburg claimed that after conquering the non-capitalist market, capitalism expands itself into the other new non-capitalist sphere, i.e. the agricultural countries of Asia and Africa [E. Germain, The Marxist Theory of Imperialism and its Critics, [https://www, marxists.org](https://www.marxists.org)].

Conclusion:

According to Marxist theory, the dynamic of social activity and historical development lies in the root of production and reproduction of the means of existence. It is the material base from which the legal, cultural, political and social institutional system arises and significantly this material basis is continuously in a process of transforming as man established their power over nature. Although this superstructure can take possession of autonomy of its own and can react upon the material basis. Marxist theory postulates that the question of totality of human inter-relationship and the historical changes in their relationship can be traced out in the material basis, not in ideologies. Thus the Marxist theory of imperialism is constituted on the basis of materialist interpretation of history or the economic interpretation of history.

Imperialism is not a political or ideological phenomenon; rather it is the imperative necessities of advanced capitalism. Therefore, the Marxist explanation of imperialism as a power struggle and colonial expansion has to be sought in material condition of existence. The very nature of capitalism is that it is an inbuilt drive to enrich them by the domination, plunder, exploitation. The state or country where capitalist concentration is stronger, the great will be its

scope to pursue domination. But imperialism is neither a fixed system of exploitation which confronting other, nor it is a system which cannot change except to decay. The revolution against imperialism is a part of revolution against capitalist exploitation, not superseding and overriding it.

Classical Marxist theory of imperialism has developed primarily out of organized movement for social change. Many Marxist academician plays prominent role in this new theoretical era. This significant outlook of Marxist theories of imperialism was provides Marxism to precision focus on historical complexity, but has lost in political influence and relevance.

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