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The World Wars, Revolution and the Collapse of the Colonial System in India

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ABSTRACT
This article discusses some of the key contributions of the Bolshevik Revolution to the colonial nations such as India and puts them into historical context. It argues that the Bolshevik revolution and its leaders, especially V.I. Lenin should be recognised as making a major contribution to the anti-colonial struggle and the fight to achieve equality in the community of world of nations. This article then points out how Lenin has provided assistance to the struggle to achieve freedom and end to colonialism. He wrote in support of the people who were oppressed for centuries in the colonies and also invited them to Moscow and discussed with them about their situation. Colonialism produced economic backwardness in India and British colonial rule led to the huge change in the Indian economy to fit the interests of British ruling elites i.e. merchants and industrialists. The study concludes that the Bolshevik Revolution dealt a significant blow to the imperialist countries. Despite the collapse of Soviet Union, there is no doubt that the Bolshevik revolution had changed the world history. It made de-colonisation possible and contributed to the defeat of fascism.

KEYWORDS
Bolshevik revolution; India; anti-colonial struggle; exploitation; imperialism

Introduction
In 2017 it will be one hundred years since the Bolshevik Revolution took place in Russia. In the February Revolution, the masses overthrew the monarchy and the Czarist totalitarian regime, allowing the liberals who represented the capitalists and the nobility to form a provisional government. Later, the October Revolution occurred when the workers and soldiers realised that their democratic demands to take the country out of World War I, to renounce Russia’s imperialist war aims, and to implement radical agrarian reforms would not be met by the government.

The British were haunted by the spectre of revolution in India and by the fear of the military power of the Soviet Union and its potential international repercussions. Those living under colonial rule viewed the Bolshevik Revolution as a positive sign in their struggle for independence. In the colonies, political parties which did not claim to be socialist or did not look in some way to the Soviet model of economic development were rare in the 1930s and 1940s. In short, politics in South Asia has been viewed by the oppressed people in the colonies as the working out of the consequences of the Bolshevik Revolution and many believed that this revolution in the Soviet Union represented the future of world history.

According to Eric Hobsbawm, “The old world of global capitalism and bourgeois society in its liberal version collapsed in 1914 and for the next 40 years capitalism stumbled from one catastrophe to the next. Even intelligent conservatives would not take bets on its survival” (Hobsbawm 1990, 20). He added:

A simple list of the earthquakes that shook the world during this period is enough to make the point: two world wars, followed by two bouts of global revolution, leading to the wholesale collapse of old political regimes and the installments of communist power, first over one-sixth of the world’s surface and later over one-third of the world’s population; plus the dissolution of the vast colonial empires built up before and during the imperialist era. A world economic crisis brought even the strongest capitalist economies to their knees, while the USSR seemed to be immune to it. (Hobsbawm 1990, 20)

This article will examine the impact of the Bolshevik Revolution in the colonies. It will analyse the spread of radical ideas there, which was directly linked to the changes in Europe following the end of World War I and the revolution in the Soviet Union. V.I. Lenin, the leader of the revolution, exposed the class structure of imperialist countries and the exploitation of those in the colonies and semi-colonies. He put all his weight behind their struggle for independence and sovereignty, and proclaimed that the revolutionary Soviet government would stand shoulder-to-shoulder with them in their struggle for national freedom. Lenin highlighted that the rift between colonizers and colonies was deepening as a result of capitalist colonial
expansion, which was a typical feature of imperialism (Popov 1984). He criticised the Second International, who did not agree with him and, in his view, failed to understand the role of anti-colonial movements in the era of imperialism.

Lenin advocated the right of nations to self-determination, i.e. their right to secede and form an independent state, and believed that such possibilities should be applicable both to the oppressed peoples of Czarist Russia and to the people of Europe. Lenin openly supported the right to national self-determination in 1922, when the question of the integration of the Soviet Republics into a new federation was being discussed. He criticised some in the Bolshevik Party, who did not support the right of nations to self-determination. He argued that failing to support full self-determination would undermine any attempt to build up the confidence of small nations.

Apologists such as Niall Ferguson, who is still nostalgic for empire and who argues that violence employed by the oppressed people against the colonizers was worse and demonises any revolutionary attempts to reverse the occupation. As Azzara and Pegoraro (2016, 295) argue:

The French and Russian revolutions were accused of dismissed for being intrinsically violent and “totalitarian.” It is a dangerous operation insofar as it implies, on one hand, the demonisation of resistance and anticolonial revolutions that are more or less inspired by the French, and mostly the Russian, revolutionary traditions. On the other hand, by pointing out a phenomenon in communism that was far worse than Nazism-Fascism, the revisionist vulgate brings with it an unsettling rehabilitation or relativisation of the latter.

Liberal traditions in Europe, although being established by then, remained silent at the time of genocides of indigenous populations of Americas, in Australia and in colonies in Asia and Africa, which clearly reveals itself as complicit of imperialist practice of global domination and plunder. Of course liberals choose to ignore the perpetual imposition of racial slavery, violence and an unprecedented de-humanisation and commodification of slaves.

To expand influence in Central Asia, the British invaded Afghanistan several times in the 19th century as it was viewed as being ideally suited for promoting British commerce and trade in that region. In addition, the British saw Russia as a potential military threat in South Asia and thought that a pro-British government in Afghanistan would help it to achieve its strategic goals. It also believed that a weak and divided Afghanistan would better serve British interests and to that end, they decided to remove emir Dost Muhammad and install Shah Suja, who had been living in exile in India on a British pension. The British attacked Afghanistan in 1839, in what became known as the first Anglo-Afghan war. After ensuring cooperation from the tribal chiefs by using financial bribes, the British temporarily installed the puppet regime of Shah Suja who became the new emir of Afghanistan. However, the Afghan people objected to this open interference in their internal affairs that undermined their sovereignty and revolted. They killed all 4,500 British and Indian soldiers and also 12,000 camp followers, except one, who was deliberately kept alive to tell the tale (Chandra 2013). The British attacked again in 1842, suffered a major defeat and accepted Dost Muhammad as the sovereign ruler of Afghanistan.

In the latter part of the 19th century, Anglo-Russian rivalry intensified and the British again made plans to control Afghanistan, launching a second Afghan war in 1878. Shortly after the British enforced another treaty compromising Afghanistan’s sovereignty, the Afghans rebelled. The Indian colonial government paid a heavy price for all these Afghan misadventures in terms of material, and lost 20,000 men (Chandra 2013). The Indian army was also deployed in the Far East and many other regions to defend the British Empire, costs that were borne by the Indian colonial government.

Lenin was very sympathetic towards nationalist movements in Asia, stating, “Everywhere in Asia a mighty democratic movement is growing, spreading and gaining in strength. The bourgeoisie there is as yet siding with the people against reaction” (Lenin 1975a, 99–100). In a letter to King Amanullah of Afghanistan in May 1919 Lenin offered friendly relations with Soviet Russia and looked towards building an alliance with Afghanistan, even though it was a feudal, religious state, as long as it was ready to fight against imperialism.

He argued that imperialism expands the capitalist market, thus turning the world into a single organism. Imperialism imposes archaic social structures, making them part of this global capitalism. Economic relations between colonizers and their colonies are biased against the latter, meaning that the prosperity of developed nations has been achieved at the expense of their underdeveloped counterparts (Popov 1984).

This raises the question: how did Lenin’s writings influence political discourse in the developing countries? He held discussions with émigrés from the colonies and semi-colonies and, in his theoretical writings about parasitism and the exploitation of poorer nations by the imperialist powers, he provided analysis of imperialist economies and their political and economic interests in the colonies. Lenin argued that capitalism brought instability and uneven development and exploitation of poor countries by their rich and powerful counterparts. By the mid-19th century a more obvious world division was being created that suited the requirements of the centre to build and strengthen their modern industry, while converting their colonies and semi-colonies to primary-based production. David Ricardo’s theory of comparative advantage was used to perpetuate this international division of labour, creating growing productivity differences between centre and periphery.
This paper is organised as follows: it begins by examining the economic situation in the colonies, particularly from the 19th to the first half of the 20th century. Then, it discusses the growing conflict among the people and the spread of radical political ideas in India (present i.e. Bangladesh, India and Pakistan). The latter part of this paper focuses on Lenin’s work, including his theory of imperialism and his writings about the colonies. The concluding remarks reflect on the longer term influence of the events of 1917.

The Economic Situation in the Colonies

Before discussing the impact of the Bolshevik Revolution on the colonies, by way of historical contextualisation, it is useful to consider the state of the Indian economy under British colonial rule. It has been argued that colonisation not only hindered development but was also largely responsible for the creation of mass poverty and famines (Baran 1957; Bagchi 2010), and that the developed countries bear responsibility for the material backwardness of their developing counterparts. Gunnar Myrdal, a western economist known for his moderate views, has acknowledged that,

From one point of view, the most important effect of colonialism was related to the negative fact that the dependent nation was deprived of effective nationhood and had no government of its own which could feel the urge to take protective and fomenting measures in order to promote the balanced growth of the national economy. Lack of political independence meant the absence of a unifying and integrating purpose for the collectivity […] The political independence they have won for themselves, or are now winning, is their most precious asset: the national state (Myrdal cited in Bauer 1969, 59).

According to Myrdal, colonial regimes failed to pursue active economic development and thereby raise the living conditions of those they had colonised, since the state must take the lead on comprehensive planning of economic activity to shift from a low productivity primary sector into the high value-added manufacturing sector (Stiglitz 1989). Moreover, the colonial regimes failed to assist in fomenting domestic industrialisation by using tariffs and other forms of subsidies to support certain specific sectors (especially manufacturing), or diversifying the economy (Bauer 1969).

To gain a fuller picture, it is necessary to briefly examine the pre-colonial economy. Economic historians have agreed that during the pre-colonial period India and China were leading economies. In 1750, prior to colonisation, India’s share of the world economy was 23% of total global output. After nearly two centuries of British rule, India’s share to the worlds’ GDP had dropped to just 4% by 1947 (Maddison 2004). Bairoch’s (1993) study indicates that in 1750, per capita income levels in the North (i.e., Europe) were slightly lower than those of the South (i.e., former colonies), while others have suggested that at that time levels of development and per capita income in Europe and Asia were broadly similar (Bagchi 2010). Looking beyond per capita income to broader social indicators, the available evidence on life expectancy and birth rates were similar in Europe and Asia in 1750. By 1820, however, life expectancy for Europeans had risen to 36 years, and rose further to 46 in 1900. In the South, by comparison this remained lower, being 24 in 1820 and 26 in 1900 (Bairoch 1993).

Pre-colonial India had extensive shipping and handicraft industries that exported their products to foreign markets. As Bipan Chandra notes:

Indian artisans still enjoyed a reputation the [entire] world over for their skills. India was still a large-scale manufacturer of cotton and silk fabrics, sugar, jute, dye-stuffs, mineral and metallic products like arms, metal ware and saltpetre and oils. The important centres of the textile industry were Dacca and Murshidabad in Bengal, Patna in Bihar, Surat in Ahmedabad [. . . ]; and Coimbatore and Madurai in Tamil Nadu. Kashmir was the centre of woollen manufacturers. Ship building industry flourished in Maharashtra, Andhra [Pradesh] and Bengal (Chandra 2013, 43).

A British observer noted that “in ship-building they [the Indians] probably taught the English far more than they learnt from them” (Cited in Chandra 2013, 43–44). Education was widespread in India, although among the Hindus it was mostly confined to the upper castes. At the start of colonisation, the average literacy rate in Bengal was similar to the European average. Warren Hastings referred to Indian population having “superior endowments in reading, writing and arithmetic than the common people of any nation in Europe” (cited in Chandra 2013, 45).

Britain occupied Bengal following their victory at Plassey in 1757, leading to the occupation and rule of this province by the British East India Company which was owned by exclusively British merchants and politicians. Having been awarded a royal charter by Queen Elizabeth I for trade with Asia, it became one of the most powerful trading companies in the world by maintaining its monopoly of the importation of spices, cotton, silk, indigo, and saltpetre from India (Siddiqui 2014). Bengal province was the richest and most fertile region of India with highly developed handicraft industries and commerce. The Company secured export and import
rights from the Mughal emperor, allowing them to move goods in and out of Bengal without paying taxes. The victory at Plassey was of immense historical importance both for Britain and India since as Chandra (2013) explains:

The rich revenues of Bengal enabled them [the British] to organise a strong army and meet the cost of the conquest of the rest of the country. Control over Bengal played a decisive role in Anglo-French struggle. Lastly, the victory of Plassey enabled the Company and its servants to amass untold wealth at cost of helpless people in Bengal. (Chandra 2013, 67)

As British historians Thompson and Garrett observed:

To engineer a revolution had been revealed as the most paying game in the world. A gold lust unequalled since the hysteria that took hold of the Spaniards of Cortes’ and Pizarro’s age filled the English mind. Bengal in particular was not to know peace again until it had been bled white (cited in Chandra 2013, 68).

After taking over Bengal, Mir Jafar was installed by Clive as Nawab of Bengal. His treasury was quickly emptied by the increasing demands of the Company’s officials (including Clive himself) for presents and bribes. Colonel Malleson, an official in the Company, commented on their intention “to grab all they could; to use Mir Jafar as a golden sack into which they could dip their hands at pleasure” (cited in Chandra 2013, 68).

Britain’s victory over France for control of South Asia was important precisely because India had played a major role in world history and its riches were used to finance Britain’s imperialist ambitions. As Bagchi (2010, XXVI) noted:

The tribute extracted from India played a critical part in sustaining the British war against the French and in facilitating the building up of the overseas settlements of the Europeans through the process of European migration and British foreign investment from the 1870s to the First World War. Moreover, the migration of indentured Indian labourers to European controlled plantations stretching from the Caribbean to Malaysia provided sugar, tea, and other plantation products much needed by the global capitalist economy.

Colonial policy led to the decline of indigenous industries, which were not replaced by modern industries, leading to the de-industrialisation of India during British colonial rule. In addition, high land rents and the drain of wealth from India created extreme poverty. Occurrences of famine became frequent. Bengal suffered one of its worst famines in 1770, when an estimated one-third of its population died. The first famine in the United Province took place in 1860–61, soon after occupation by the British, and famines also occurred in Madras in 1876–78. The British academic, William Digby, has estimated that in total over 28 million people died in British India during the famines that occurred between 1854 and 1901. The last famine under British rule took place in Bengal in 1944, killing over four million people (Chandra 2013; Habib 2007).

The decline of local handicraft industries led to a sharp decline in India’s urban population, meaning that the proportion of those relying on agriculture for their livelihood rose sharply. At the same time, there was hardly any rise in investment from either public or private sources, which increased levels of poverty in colonial India. With the occupation of Oudh in 1856, the destruction of its handicrafts led to a sharp population decline in its major city, Lucknow, from 530,670 inhabitants in 1857, to 357,712 in 1869 and 261,303 in 1881. In less than twenty-five years, the population of Lucknow, which was then a major industrial and administrative town of India, was halved (Siddiqui 1990).

Moreover, under the Gold Standard system, Britain focused on “sound finance,” i.e., balancing the budget, meaning that the government had no freedom to use fiscal policy to increase investment levels and economic activity due to fear of upsetting the balance of payments. Ironically, Britain’s domestic markets were opened up to other rival powers in the name of “free trade” between 1870 and 1913, while the markets in their colonies were reliant on exclusively British manufacturers. During this period Britain had persistent current account and trade deficits, but this did not cause a balance of payments crisis, largely because it used British colonies’ trade surplus with Europe and US to pay off its own deficits. This trade surplus arose due to increased European and American demands for raw materials from India and Malaysia (Siddiqui 2012). Britain promoted its textile exports to India, displacing the colony’s own handicraft industries. These developments led to the expansion of raw materials in the colonies and the colonial administration ensured these colonies maintained an export surplus with the rest of the world. In fact, Britain extracted surplus from these colonies which was used to settle its trade deficits and also to finance its capital exports (Siddiqui 2016a).

Figure 1: India’s per capita GDP from 1820 to 2015.
Karl Marx argued that the East India Company had extracted a tribute like earlier rulers and spent this on wars; however, unlike earlier governments, it had spent very little on public works and local communities. The British relied on land revenue as their major source of state revenue. Increasing crisis and demands for greater revenue to fund imperial wars led to the transfer of tribute and surplus overseas (Popov 1984). At the same time, virtually nothing was being ploughed back into the local economy, leading to economic stagnation and a slight fall in the real incomes of the population. (See Figure 1) The senior civil administration and judges were replaced by British citizens with very high salaries, which added to the costs for the colonial government (Habib 2007). Moreover, nationality-based recruitment meant that official avenues of advancement for Indians were blocked. Bagchi (2010, XXVI) concluded that:

The process of colonisation of the Indian economy involved the extraction of a tribute from the economy at an unprecedented rate. That extraction, in turn, required the structural adjustment of the economy in the sense that the domestic absorption of the commodities produced by India had to be continually squeezed so as to yield an exportable surplus that would be remitted to the ruling country. That structural adjustment involved the severe depression of investment in both agriculture and industry and also required radical alteration of the modes of extraction of the tribute. De-industrialisation in India was accompanied not by reallocation of normally growing resources to agriculture but depression of growth rates in both industry and agriculture.

However, World War I created optimism among Indian industrialists that local industries would lead to favourable policies towards local producers (Pavlov 1964) because during the war they benefitted from the decline in imports which boosted their profits. However, soon after the war, they saw a reversal in these policies. Indian industrialists and manufacturers wanted protectionist policies together with high tariff duties and cheap credit and subsidies from the government. As Chandra (2013, 276) noted:

The nationalists were expecting major political gains after the war; and they were willing to fight back if their expectations were thwarted. The economic situation in the post-War years had taken a turn for the worse. There was first a rise in prices and then a depression in economic activity. Indian industries, which had prospered during the War because foreign imports of manufactured goods had ceased, now faced losses and closure.

During World War I, in order to win support from their colonies, the imperialist powers including Britain, France, Japan and the United States promised them more freedom, democracy and the right to self-determination. However, after the War, these pre-war promises were ignored. They proved unwilling to end their colonial domination and even tried to increase this by increasing the levels of economic subordination and
capital investment in their colonies (Siddiqui 2015a). These intentions became clear at the Paris Peace Conference, as did their desires to take possession of new territories, which had been the colonial possessions of the defeated powers.

Some academics have focused on limited growth in modern industry or expansion of trade in colonised nations as a sign of modernisation and progress (Morris 1983) while ignoring other crucial factors such as the agricultural sector, rent increases to pay for imperial wars and expansion overseas, rural indebtedness, the destruction of handicrafts, falling real incomes, and the occurrence of famine (Siddiqui 2015b). These views were challenged earlier by nationalists such as R. C. Dutt (1960). The pressure of rising competition among traders, merchants and capitalists led to further attacks to control new territories and markets. Profits from its slave trade and plantations, combined with its superiority at sea and arms, gave Britain the edge over its other European rivals in the struggle for global dominance. Despite some limited attempts to develop modern industry, the colonial regime in India failed to eliminate feudalism and its socio-economic power and institutions which had been a pre-condition for the creation in Western Europe of a modern state, democracy, the bourgeoisie, social mobility, and civil society. The French Revolution, Napoleonic wars and other revolutions in Europe in the 19th century all contributed towards the weakening and destruction of the power of the old elite (Habib 2007). This did not happen in India where, rather than attacking feudal elites, new puppet Maharajas were created to suit the empire. For example, the East India Company used forced labour on its plantations and restricted the freedom of the weavers who worked for it, using the coercive provisions of the Masters and Servants Act to undermine workers’ rights (Bagchi 2010).

**Growing Conflict in India?**

The British strategy of “divide and rule” in late 19th century India meant that sepoys were recruited to the military by the colonial rulers not for their personal qualities but as members of specific communities. The “divide and rule” also created religious divisions among the religious communities of Hindus and Muslims. During military service, religious and community spirit was promoted which, as Amar Farooqui (2015, 49) has noted:

> Encouraged tendencies of separateness, and fostered hostile attitudes [...]. The specious assertions of military “ethnographers,” skilled manufacturers of colonial stereotypes, had significant social implications.

Soon after the 1857 Mutiny had been suppressed, the colonial government set up a Royal Commission tasked with identifying social groups and regions from which “loyal” soldiers could be recruited for the Indian army. As a result, army recruitment from Bengal virtually ceased with the Punjab becoming the most favoured province for military recruits. By 1890, over half of Indian army recruits came from the Punjab. Recruitment was also stepped up from Dogras, Gurkhas, Sikhs, Punjabi Muslims and Pathans and sharply reduced from the south i.e. Tamil and Maharatas. The British divided India’s communities into “martial” and “non-martial” races, placing less than 10% of the population into the former category (Farooqui 2015).

Bagchi (2010, XXI) has argued that increased oppression in the late 19th century led to religious revivalism:

> There were two different paths to Muslim revivalism taken in Uttar Pradesh and Bengal. In Uttar Pradesh, while Sir Sayyid Ahmed Khan of the Aligarh movement wanted the Muslims to follow Western education and gain equality in the sphere with the Hindus, the founder of the Deoband school wanted Islam to be purged of its supposedly impure accretions from local practices, and thereby resist the cultural onslaught of colonialism [...]. Both cases were ashraf initiatives, but they were able to convince many poorer Muslims of the need to forge a separate Muslim identity. [...]. Faced with the rise of a Congress-led nationalism under mostly Hindu leadership, the colonial rulers began to favour Muslim separatist tendencies [...]. In the case of Bengal, the background of later success of the movement for partition of the country owed much to the discontent of the impoverished Muslim peasantry who saw mostly Hindu zamindars as their main enemy.

The issue of cow protection was often raised by Hindu landlords and merchants to undermine demands for better land rights from poor peasants and tenants from the Muslim community (Siddiqui 2016b).

**The Spread of Radical Ideas**

Prior to discussing the spread of Karl Marx ideas in the colonies, it will be interesting to briefly discuss his opinion on oppressed nationalities. Marx and Engels emphasised on the “emancipation of the working class,” which was to be achieved through “the abolition of all class rule” (Marx and Engels 1975, 110). Moreover, for them the struggle for independence of oppressed nations was no less important than the struggle for the emancipation of the proletariat. Marx called India as “the Ireland of the East.” Marx suggested:
The Indians will not reap the fruits of the new elements of society scattered among them by the British bourgeoisie, till in Great Britain itself the new ruling classes shall have been supplanted by the industrial proletariat, or till the Hindoos themselves shall have grown strong enough to throw off the English yoke altogether. (Marx cited in Losurdo 2016, 9–10)

Marx also warned: those who “cannot understand how one nation can grow rich at the expense of another were even less equipped to understand how in the same country one class can enrich itself at the expense of another.” (Marx cited in Losurdo 2016, 12) Further commenting on British rule in India Marx reiterated:

The profound hypocrisy and inherent barbarism of bourgeoisie civilisation lies unveiled before our eyes, turning from its home, where it assumes respectable forms, to the colonies, where it goes naked (Marx cited in Losurdo 2016, 13).

In the late 19th century, some Indian intellectuals began to take an interest in socialism and specifically in Karl Marx. The General Council of the First International discussed a letter from Calcutta asking to set up an Indian section, and books and literature on socialism were circulating underground by 1900. Lala Hardayal became acquainted with Marxist ideas while studying at Oxford University (1905–07) and regarded the First International organised by Marx as a move towards the unity of working people in different countries. He published local language translations of Marx’s critique of capitalism in India in 1900, creating significant interest in radical left-wing views on colonial issues (Hardayal and Pillai 1976). Marxist ideas were popularised within India and in 1924, Muzaffar Ahmed, S. A. Dange and others were arrested on charges of spreading communist ideas and were tried in the Kanpur Conspiracy Case. The Communist Party of India was formed in 1925 and began to operate underground.

Mahatma Gandhi’s struggle in India against British rule certainly received strength with the changing international situation i.e. with World War I and the October Revolution. As Losurdo (2015a) explains the two events contributed to the development of the awareness of Indian people, namely that one is:

The October Revolution, and the spread of communist agitation in the colonies and Britain itself, which represented a formidable blow to the ideology of the racial pyramid and made aspirations to co-option into the white or Aryan race. The other was the Amritsar massacre in the spring of 1919 which, as well as resulting in numerous innocent victims, involved a terrible national and racial humiliation, with the inhabitants of the rebel city being obliged to crawl on all fours to return home or to go out. (Losurdo 2015a, 71)

The influence of the Bolshevik Revolution could be clearly seen when under mass pressure; the Congress Party leadership spoke about agrarian reforms including reduction in land rents, rural debts and secured tenancy rights, workers’ right to form trade unions and to strike. They also demanded National Planning to foment large-scale basic industries under the public sector (Gopal 1976). The Congress Party also took a keen interest in foreign affairs and supported demands to end colonial occupation in Asia and Africa. Nehru attended the Congress of Oppressed Nationalities in Brussels in 1927, which had been organised by exiled nationalists from Asia, Africa and Latin America to discuss strategies to liberate those under colonial rule, and to put an end to foreign exploitation. The Congress Party took the initiative to form broad alliances to fight for independence and equality among nations. Speaking at Brussels, Nehru stated:

We realise that there is much in common in the struggle which various subject and semi-subject and oppressed peoples are carrying on today. Their opponents are often the same, although they sometimes appear in different guises and the means employed for their subjection are often similar. (Nehru cited in Chandra 2013, 315)

The Legacy of Lenin’s Theory of Imperialism

Certainly, it was Lenin who broke with social democracy. After the 1917 October Revolution, Lenin openly appealed to the working class in Europe to transform the imperialist massacre which was then taking place into a “revolutionary civil war.” As Losurdo points out that Lenin, “meticulously highlighted the major clauses of exclusion from liberal freedom applying to ‘coloured races,’ as well as immigrants from the more backward countries” (Losurdo 2015b, 291).

The October Revolution was an emancipatory wave even for the Europe, where power was still held by the feudal ruling classes and women were not allowed to vote and mass politics, civil rights were still a long way off. As Losurdo emphasises, “overcoming the three major forms of discrimination (racial, censitary, sexual) that were still alive and well on the eve of October 1917” (Losurdo 2015b, 298). Losurdo further says that Lenin’s call to oppressed nations to revolt, which was certainly a major break from other European major powers but also constituted then a beginning of a huge process of equality of nations and “preformed an extraordinary
pedagogical role, as well as a political one, and not only in the colonies, but also in the advanced capitalist countries” (Losurdo 2015b, 294).

Lenin believed that World War I had laid the foundation for a new revolutionary era and pointed to the inevitability of war under capitalism. These predictions proved to be correct, as World War I was soon followed by the Great Depression, the rise of fascism, World War II, and the US invasion of Korea, Vietnam and many other developing countries.

Karl Marx had already noted that the centralisation of capital is accompanied by the fusion of banks into larger entities, which is seen as a key tendency of capitalism. When large firms begin to dominate industry, they collude to eliminate price competition (Magdoff 1975). In his seminal work on imperialism, Lenin emphasised that in the financial sector, a few large banks control immense finance and exercise a decisive influence on state policy in the era of “monopoly capital”; this leads to further concentration of capital. Lenin stressed that under monopoly capitalism, competition is not eliminated but moves to international level as states support their large corporations in their struggle to expand their markets and control territories for raw materials and export of capital (Brewer 1990).

Rudolf Hilferding defined finance capital as the transformation of bank capital into industrial capital and saw the emergence of huge reserves of liquid capital, which is associated with the centralisation and concentration of production. Hilferding observed these developments in Germany in the early 20th century which intensified rivalries among global companies and countries, and accelerated the export of capital. In his opinion, once this concentration is removed, such rivalries would end (Hilferding 1981). Lenin viewed things differently, arguing that capitalism exacerbates uneven development. He emphasised that:

Finance capital and trusts have not diminished but increased the differences in the rate of growth of the various parts of the world economy. Once the relations of forces are changed, what other solutions to the contradiction can be found under capitalism other than that of force? (Lenin 1970, 93)

According to Lenin, imperialism has five characteristics: banks have merged with industrial capital to create an oligarchy of finance capital; the concentration of production and finance has reached such a high level that it has created monopolies which play a decisive role; the export of capital has acquired exceptional importance; international monopolists have formed associations to share the world among themselves; and the world has been divided among the major imperialist powers.

During World War I the West European Social Democratic parties did not support the independence movements in the European colonies (D’Mello 2016). On the left political spectrum, Karl Kautsky argued that the expansion of capital at the international level will lead to peaceful cooperation and partition of the world for mutual benefits, referring to this stage as “ultra-imperialism.” He believed that the dominant characteristics of capital expansion and overseas investment would lead to integration and peaceful co-existence, not war. Kautsky pointed out that nation-based financial capital would transform into international finance, leading to peaceful competition. Lenin emphasised that uneven development is an important feature of capitalism, leading to rivalry, division, crisis and conflicts. Lenin argued that monopoly capitalism gave workers in the west a clear choice between joining the war and killing their fellow workers in other countries, or putting an end to the imperialist system. Lenin relied on J.A. Hobson’s findings, which pointed towards the tendency of capitalism to move from free competition to monopoly.

Others such as Keynes also acknowledged that competitive struggle for markets by the big powers had led to tension and wars, noting that:

Dictators and others such, to whom war offers […] pleasurable excitement, find it easy to work on the natural bellicosity of their peoples. But over and above this […] are the economic causes of war, namely the pressure of population and the competitive struggle for markets. (Keynes 1949, 381–82)

Keynes believed that wars by Great Powers to control foreign territories and to exploit their resources would be an important feature of such regimes but he failed to consider many other factors.

At the Second Congress of the Communist International in 1920, Lenin claimed that the world was divided between oppressors and oppressed nations. His anti-imperialist writings on colonial issues and the domination of colonies and semi-colonies became increasingly popular. Following independence, Lenin’s analysis of imperialism had a profound political and intellectual impact on how these countries understood international political economy and economic relations between former colonies and the West. The impact of Lenin’s writing can also be seen in conceptual developments such as dependency theory, monopoly capitalism and neo-colonialism. Later, many academics have applied aspects of Lenin’s work to the contemporary situation including Andre Gunnar Frank, Paul Sweezy, Harry Magdoff, Hamza Alavi, A.K. Bagchi, Irfan Habib, Prabhat Patnaik, and Samir Amin, to name but a few.

Lenin viewed development in the early 20th century in more political terms, as exploitation of nations by imperialists. His analysis was far more developed than Hobson’s theory that imperialists would face crisis in the
absence of colonial markets. Lenin linked imperialism with the monopoly capitalism, arguing that competition under monopoly capitalism turns into rivalry over “economic territory.” As Patnaik (2014, 37) explains:

Capitalism had developed into imperialism and hence had entered into an era of wars where the proletariat would become the cannon-fodder inter-imperialist conflicts had ipso fact brought socialist revolution on the agenda […] The era of imperialism in short brought onto the historical agenda not just proletariat revolutions in the advanced countries, but a world revolution that also encompassed anti-imperialist democratic revolutions in colonies and semi-colonies.

**Lenin’s Writings and Support for Colonial Countries**

In his writings, Lenin clearly stated that capital export leads to further imperial domination of the colonies, subordination and uneven development which, in turn, tends to intensify conflicts and wars. The impact of the Bolshevik Revolution was seen in a series of uprisings in the colonies and semi-colonies, for instance, in the May Fourth Movement in China (1919), Anti-Rowlett Act agitation in India (1919) and revolt in Iraq (1920). The outbreak of World War I shortly followed by the Russian Revolution in 1917 created a new situation in South Asia. The changing international situation led to further tension in Anglo-Afghan relations. Earlier, under British pressure, the Afghan ruler Abdur Rahman had agreed not to have diplomatic relations with any country except Britain. His successor in 1901, Habibullah, continued the same policy. Following his assassination in 1919, Amanullah became emir and soon showed his intentions to make radical changes by implementing an independent foreign policy. Developments in Russia forced Britain to sign a new peace treaty with Afghanistan in 1921, which acknowledged the country’s independence in foreign affairs.

The Great Powers suffered a major setback when the Bolshevik Revolution overthrew the Czarist regime and its leader, Lenin, declared the formation of a socialist state. Lenin unilaterally renounced Russia’s imperialist rights in China and other parts of Central Asia. He also granted former colonies the right to self-determination, granting them equal status with all those nationalities which had been oppressed for centuries within its borders. The Bolshevik Revolution gave new hope to oppressed nations elsewhere, including those who were living under colonial subjugation, and provided them with renewed hope. The nationalist movement in India and other parts of Asia saw the new socialist state as their natural allies in their fight for freedom and independence (D’Mello 2016).

Soon after the Bolshevik Revolution, a movement for national independence and freedom arose and anti-colonial organisations began to be formed with the key aim of achieving freedom and putting an end to foreign occupation. In the late 1920s, Marxist ideas not only influenced the formation of radical left-wing parties, but also the mainstream bourgeois nationalist parties such as the Congress Party and Socialist Party in India. Several of the leaders of the Congress Party, including Jawaharlal Nehru and Subhas Chandra Bose, openly discussed Marxist ideas and thought they represented a useful means of understanding the nature of imperialism and exploitation in the colonies (Gopal 1976). In his presidential address in 1936 at Lucknow, Nehru, then President of the Congress Party, declared that socialist ideas and policies of equality would be adopted to improve the living conditions of the peasantry and working classes, stating:

I am convinced that the only key to the solution of the world’s problems and of India’s problem lies in socialism, and, when I use this word, I do so not in a vague humanitarian way but in scientific economic sense […] That involves vast revolutionary change in our political and social structure, the ending of vested interests in the land and industry, as well as the feudal and autocratic Indian states system. (Nehru cited in Chandra 2013, 312)

In China, too, Sun Yat-sen proposed radical policies in agriculture such as fixed rents and prices for land. Lenin argued that such policies would initiate the development of capitalism in agriculture and would undermine feudalism, which was seen as the chief exploiter of the Chinese people. Lenin supported these democratic steps to ameliorate the suffering of the peasantry and commented on Sun Yat-sen’s policies: “It amounts to the transfer of rent to the state, i.e., land nationalisation, by some sort of single tax along Henry George lines” (Lenin 1975b, 167–68).

Lenin attracted international attention by exposing the exploitation by the imperialist power of their colonies, thus giving new energy to independent movements in their fights to overthrow imperialism. He presented his “Theses on National and Colonial Questions” at the Second Congress in 1920, arguing that imperialism would not spread the same economic and social development in the colonies and semi-colonies as had developed in England under the capitalist mode of production. He emphasised that imperialism blocked social development by hindering the implementation of bourgeois socio-economic programmes. The Second Congress also noted that the imperialist countries had been weakened due to World War I and the increased rivalry between them had facilitated some local capitalist development in the colonies and semi-colonies. The Comintern also stressed that imperialist countries were allied with the feudal and reactionary forces in the colonies. Lenin emphasised that foreign imperialists convert the feudal and the feudal-bourgeois upper classes
of native society in underdeveloped countries into agents of their domination, who are only interested in securing the greatest profits with the least expenditure of capital. Imperialism strives to maintain this usurious feudal form of exploiting labour (Lenin 1975c). The Comintern also raised a number of significant points: Firstly, despite some capitalist development in the colonies, colonial forms of exploitation transfer surplus value to the metropolitan centre and thus hinder the development of productive forces. In addition, new crops were cultivated to expand the supply of raw material and the production of these cash crops did not put an end to the pre-capitalist features of the local rural economy. Moreover, manufacturing in the colonies had not lead to real industrialisation and, in particular, there had not been the same rapid development of engineering and related institutions witnessed in Britain during the Industrial Revolution. Finally, mass poverty continued to hinder the expansion of domestic markets for manufactured goods.

At the Second Congress, the Comintern adopted “Supplementary Theses” describing the patterns of development in the colonies and semi-colonies:

Foreign imperialism, imposed on the eastern peoples, prevented them from developing socially and economically side by side with their fellows in Europe and America. Owing to the imperialist policy of preventing industrial development in the colonies, a proletarian class, in the strict sense of the word, could not come into existence here until recently. The indigenous craft industries were destroyed to make room for the products […] in the imperialistic countries—consequently a majority of the population was driven to the land to produce food grains and raw materials for exports to foreign lands. (Lenin 1975c, 145)

In his paper on “The Revolutionary Proletariat and the Right of Nations to Self-Determination,” Lenin emphasised that:

Imperialism means the progressively mounting oppression of the nations of the world by a handful of Great Powers; it means a period of wars between the latter to extend and consolidate the oppression of nations; it means a period in which the masses of the people are deceived by hypocritical social-patriots, i.e., individuals, who under […] “freedom of nations,” “the right of nations to self-determination,” and “defence of fatherland,” justify and defend the oppression of the majority of the world’s nations by the Great Powers. (Lenin 1968a, 409)

Lenin further stated that “it is […] impossible to fight for the socialist international revolution against imperialism unless the right of nations to self-determination is recognised” (Lenin 1968a, 317). Lenin believed that peasants in the East (Asia) would become an important strategic force against imperialism and argued:

The majority of the Eastern peoples […] are victims of medieval oppression […] You may adapt yourselves to specific conditions such as do not exist in the European countries; you must be able to apply that theory and practice to conditions in which the bulk of the population are peasants, and in which the task is to wage a struggle against medieval survivals and not against capitalism. (Lenin 1968b, 100, vol.19)

Debating the possibility of revolution in India with M. N. Roy, Lenin thought Roy’s proposal for the communists alone to start the revolution and free the country was the wrong strategy, calling it absurd leftist adventurism (Lenin 1968a). Lenin suggested that the socialist revolution was not the most urgent task since the communists were weak in the colonies and it was unrealistic for them to launch an anti-colonial struggle by themselves given the underdevelopment of capitalism and the weak working class. He advised them not to oppose the anti-imperialist movement led by the bourgeoisie but rather to see this as the only possibility in the circumstances of influencing the masses and campaigning for the defence of democratic rights. He urged the communists to keep their independence and criticise the bourgeoisie parties for their narrow class interests but to form part of a broad alliance against imperialism. At the Second Comintern Congress, Lenin emphasised that to achieve equality and sovereignty, progressive forces in the colonies and semi-colonies had to adopt a different strategy to the progressive forces of the West.

Initially, Lenin was very optimistic about the possibility of revolution in Germany to follow the Bolshevik Revolution, but when such hopes were not realised he looked towards the colonies and semi-colonies for the next revolution:

In the last analysis, the outcome of the struggle will be determined by the fact that Russia, India, China, etc. account for the overwhelming majority of the population of the globe. And during the past few years it is this majority that has been drawn into the struggle for emancipation with extraordinary rapidity, so that in this respect there cannot be the slightest doubt what the final outcome of the world struggle will be. (Lenin cited in Patnaik 2014, 40)

He continued:
At the same time, as a result of the last imperialist war, a number of countries of the East, India, China, etc. have been completely jolted out of their rut. Their development has definitely shifted to general European capitalist lines. The general European ferment has begun to affect them, and it is now clear to the whole world that they have been drawn into a process of development that must lead to a crisis in the whole of capitalism. (Lenin cited in Patnaik 2014, 40)

Lenin argued that colonialism had not led to capitalist modernisation in Asia. For instance, under colonialism, the Indian economy had a distinct colonial structure. This was not semi-capitalism, or backward capitalism; nor was it an amalgam of “traditional” pre-capitalist and “modern” capitalist features as Mukherjee (2008, 8) emphasised:

A colonial situation could witness, as it did in India, a high degree of commercialization (or general commodity production), rapid growth in transport and communications, close integration with the world market and a high degree of “potential investible surplus” raised from within the economy—all features associated with capitalist development. Yet in the colonial context all these developments led to capitalist development in the metropolis but further colonial structuring in the colony. It ended up to use Tilak’s expressive phrase, “decorating another’s wife,” and one may add, while disfiguring one’s own.

In the colonial economy, the circuit of commodity circulation was completed via the metropolis with Indian agriculture being linked to the British industry and the metropolitan capital goods industry. Under such circumstances, the multiplier effects of these exchanges were thus transmitted overseas. Similarly, the economic surplus generated in the Indian economy did not lead to extended reproduction through investment, which could have been a key factor in raising the organic composition of capital and productivity in the Indian economy to a much higher level. Agriculture, the largest sector in the Indian economy, (Siddiqui 2015c) was in deep crisis due to the lack of investment, high revenue demands and indebtedness of the peasantry. George Blyn argued that during the last fifty-five years of British colonial rule, Indian agriculture stagnated and food grain output had fallen behind moderate population growth. Even worse, average per capita incomes of the Indian people had slightly fallen over the same period (Siddiqui 2009). Per-capita agricultural output declined at the rate of 0.72% annually during 1911–41. Moreover, per-capita food grain output declined even more sharply by 1.14% annually, a 29% decline over the same period. Food grain yields fell by 0.18% between 1891 and 1920, but later, between 1921 and 1946, fell even more sharply by 0.44% per year (Mukherjee 2008).

Capitalism did not grow in agriculture dominated in plantations, jute, and tea, all businesses that were controlled by Europeans, where a large part of the investment was internally raised (Mukherjee 2008).

The colonial nexus established during the colonial period persisted in the post-colonial period as Paul Baran (1957, 231–32) observed:

First [...] a group of merchants expanding and thriving within the orbit of foreign capital [...] secondly the native industrial metropolists [...] who entirely depend on the maintenance of the existing economic structure, and whose monopolistic status would be swept aside by the rise of industrial capitalism [...] The interests of these two groups run entirely parallel with those of the feudal landowners powerfully entrenched in the societies of the backward areas [...] What results is a political and social coalition of the wealthy compradors, powerful monopolists and large landowners dedicated to the defence of the existing feudal-mercantile order [...] this coalition has nothing to hope for from the rise of industrial capitalism which would dislodge it from its positions of privilege and power.

Neo-colonial relationships were maintained, even after the colonies formally became politically independent, as they were not economically free to take sovereign decision due to a range of factors. Prabhat Patnaik (2014, 44) argues that:

[Essential] commodities like cotton, tea, and coffee can be produced only on tropical land mass whose size is fixed; and several of them like oil which constitute exhaustible resources are simply located in the lands distant from the centres of world capitalism. With capital accumulation in the world economy the demand for such commodities [...] increases. But land augmenting technical progress or land augmenting investment, that could raise the output of these commodities despite the fixity of the size of tropical land mass, typically requires public expenditure which is constricted because of prevalence of the policy of “sound finance” and “austerity” in this era of hegemony of international finance capital [...] Any such increase in supply price however undermines the value of money in the advanced capitalist world and hence threatens to destabilise its entire financial system, a threat that becomes even more dangerous from the point of view of world capitalism as the size of financial superstructure increases relative to the rest of the world economy. Such income deflation was systematically
imposed under the colonial arrangement, and it continues to be imposed under the present regime of globalization. It has been always the cornerstone of imperialism.

Conclusion

Soviet Union challenged the West in the 1930s, when former’s economy was growing at higher rates, while later had severe economic crisis. During the Great Depression in the 1930s the very mechanism of the capitalist economy almost ceased to function. Keynes’ policy suggestion, then seen as radical, was intended to save liberal capitalism. His intention to deliberately break with free-market policies was not just meant to lower unemployment but also to stimulate aggregate domestic demand. Politically these policies relied on an intentional partnership between capital and labour under the benevolent auspices of the government. The government backed Keynesian demand management and increased military expenditure to boost overall demand in West Europe and United States, thus preventing the return to high-unemployment while the process of de-colonisation led to weakening the hegemony of the financial capital in the West.

The British rulers did not settle in India and they were only interested in transferring the wealth from India to support their own development of capitalism and industrialisation in Britain. Millions of Indian soldiers died to protect the British Empire with Indian money and materials. The most important question is what gave British state edge in the competition with other European powers, which helped the country to become a major industrial country. It was India, which not only provided British industries with vast markets for their finished products and raw materials, but also with money and soldiers. It was due to Indian soldiers that Britain was able to keep a large presence in the Pacific Ocean during World War II in the campaign against Japan.

The imperialists’ rule distorted the economies of the colonies in the past in a number of ways, inhibiting self-development. Despite their independence, the extraction of wealth from former colonies to support capital accumulation by the West continues today. Joan Robinson has highlighted the importance of the global expansion of capital and its advantages to the West, noting that: “few would deny that the expansion of capitalism into new territories was the mainspring of [...] ‘the vast secular boom’ of the last two hundred years” (Robinson 1951, 28).

Critics of European capitalist expansion argued that this had been driven by military force from the moment Europeans landed in the Americas and found an ocean route to Asia at the end of the 15th century, creating growing competition among Europe’s emerging powers such as Portugal, Spain, the Netherlands, France and Britain to colonise overseas territories. These countries sought gold and silver to pay for their imports from Asia. (Baran 1957; Bagchi 2010) The Dutch and Portuguese followed by the English and the French fought to control the major trading posts in Asia and maintain their monopoly on the spice trade from India and Indonesia.

The crucial point is that the expansion of capitalism to new territories creates warfare, and subjugates and subordinates the economies of the peripheries to the interests of the global corporations largely based in the West, allowing them to increase their wealth concentration while leaving countless millions in misery. There have been continuous wars in which the West has fought for domination in order to further open access to global markets. The driving force of capitalism is to accumulate which compels the metropolis to penetrate new markets and expand their domination and ability to accumulate. It is important to emphasise here that until the conquest of Bengal in 1757 and the Opium Wars with China, both countries were leading manufacturing nations (Siddiqui, 2009). According to estimates, in 1750 India accounted for a quarter of the world’s total manufactured products and China for a third of handicraft products (Siddiqui, 2015d). Colonial rule produced economic backwardness in India, creating massive changes in its economy to suit the interests of the British ruling elites i.e. merchants and industrialists, who plundered India to finance their other colonial adventures in Asia and Africa. The Indian economy was transformed to meet the demands of Britain’s emerging modern industries and to boost its imperial control. Indian agriculture suffered economic stagnation as revenue demands increased and the retained surplus was not re-invested locally but sent overseas. This led to extreme exploitation of the peasantry by money lenders, landlords and colonial officials, creating mass poverty and famine in India. Under British rule, India fell sharply on the Human Development Index, becoming a highly unequal society, with mass poverty, and very high rates of illiteracy, unemployment and mortality (Bagchi 2010).

The study concludes that the Bolshevik Revolution dealt a significant blow to the imperialist countries. Lenin not only wrote in support of those who had been oppressed for centuries in the colonies, but also invited them to Moscow to discuss their situation with them. People in the colonies not only received full moral and political support from Russia following the revolution, but also drew on Lenin’s analysis of the characteristics of imperialism and its exploitative relationship with the colonies. The grip of neo-liberal capitalism began to be shaken when the ruling elites were forced to negotiate and give concessions to labour, as a result of Keynesian policy in the major capitalist countries. Despite the collapse of Soviet Union, there is no doubt that the Bolshevik revolution had changed the world history. It made de-colonisation possible and contributed to the
defeat of fascism. All these developments in the post-Bolshevik revolution period are itself the great victory of the toiling masses of the world.

Notes on Contributor

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