Stock Exchange and Colonisation

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Money capital being fettish and fast self-ex-panding, it increases its domain more over time. It fortifies its position more in the Stock Exchange, the grand cosmopolitan centre of high value purchase and sale of financial assets. As Engels added in supplementary notes in the *Capital*, volume-Three in 1894 : The position of the stock exchange in capitalist production in general is clear from vol.lll, part 5. But since 1865, when the book was written, a change has taken place which today assigns a considerably increased and constantly growing role to the stock exchange, and which as it develops, tends to concentrate all production, industrial as well as agricultural, and all commerce, the means of communication as well as functions of exchange, in the hands of stock exchange operators, so that the stock exchange becomes the most prominent representative of capitalist production itself.

‘Now all foreign investments in the form of shares. To mention England alone; American railways, North and South (consult the stock exchange list), Goldberger etc.

"Then colonisation. Today this is purely a subsidiary of the stock exchange, in whose interests the European powers divided Africa a few years ago, and the french conquered Tunis and Tonkin. Africa leased directly to companies (Nigar, South Africa, German south-west and German East Africa), and Mashonaland and Natal seized by Rhodes for the stock exchange’’.

Historically. thus, there has grown the automatic and consummate relationship and identity of the liberalisation, privatisation, globalisation with the stock exchange and colonisation in the present times. They are all inter-connected / enmeshed which have been transmitted through the developments of history. These material factors necessarily interact in existing state of the world economy and undoubtedly shape the present world contradiction. International stock exchanges are but abodes of the masters of modern colonialism and imperialism. The Chieftains of old Raisine Hill’s South Block in New Delhi mediate with them, wearing Indian national constume and thereby undermine the sovereignty of the country and dupeits people.

A recent publication entitled "From the colonial to the post-colonial; India and Pakistan in Transition" edited by Andrew Sartoni and others elaborates the practices, politics and sociology from colonial to post colonial India and Pakistan. Significantly, the authors have found nothing new or exceptional in an "independent" set-up of the sub-continert except the facade of independence only and show how the practices of the colonial era came to be accepted easily by the inhabitants of the land. In its chapter on Indian constitutionalism, Uday Mehta shows objectively how the tyranny of British rule has been continued by the ruling classes and the Indian Government after independence which proves the assertion of the eminent scientist, Homi Bhaba, that India's independence turned to become "a sly continuance of the ideologies and practices of the Empire". State power encroaching upon the liberty of the individual citizen of free India made a mockery of justice as under the British rule. Another volume, "Capture and Exclude Developing Economies and the Poor in Global Finance", edited by Amiya Kumar Bagchi and Garry A Dymski gives essence in the fact that the facade of free enterprise and world trade presented in the guise of complex financial contracts, is ultimately an instrument for "surplus extraction" by the rich from the poor. It points out that economic theory tells little about the link between the performance of the second hand (secondary) stock market and real investment behaviour. It questions whether the recent years did really help the corporate sector raise resources from the market.

India hosted a record 20.13 billion foreign direct investment (FDI) in April-February 2007-2008, the highest in any year. The FDI has gone up by 70 percent from $11.88 billion that flowed a year ago, according to official data released on 4 April. FDI inflows in February 2008 grew; by a whopping 712 percent over a year ago to $5.67 billion, surpassing the inflows received in any single year since 1991 barring 2006-2007; the official statement said. Merger and acquisition data of the Indian economy show that its value increased from $16.3 billion in 2005 to $20.3 billion in 2006 and $51.1 billion in 2007. Inbound merger and collaboration of the foreign companies with the Indian companies increased more than three-fold, from $5.1 billion in 2005 to $15.5 billion in 2007. The Indian companies by floating shares and bonds and by availing of huge bank loans abroad acquired business from $4.2 billion in 2005 to 32.7 billion in 2007 or an increase of 8 foId. They tied themselves more to the powerful foreign stock exchanges and very big international banks owned by the developed capitalist countries. On the other hand the value of the merger and acquisition among the domestic companies of India declined from $6.8 billion in 2005, to $4.9 billion in 2006 and $2.8 billion in 2007 or by 28 and 60 percent respectively in later two years. The number of inbound merger and collaboration of the foreign companies with the Indian companies rose from 56 in 2005 to 76 in 2006 and 112 in 2007. The number of outbound mergers and acquisitions of the Indian companies with the foreign companies abroad increased from 136 in 2005 to 190 in 2006 and 243 in 2007. The number of merger and acquisition among the domestic companies increased from 151 in 2005 to 214 in 2006 and 321 in 2007. In sum, the number of merger and acquisition increased from 343 in 2005 to 480 in 2006 and 676 in 2007. According to Harish H V partner (Corporate Advisory) at Grant Thornton, "unlike many companies here Indian companies buying abroad often retain the senior management team of the acquired entity. They do not want to downsize too much. But they prefer to post their own chief financial officer. It gives them a high degree of control, the reporting happens automatically and this person's external relationships are limited." The Indian companies however face problems to understand business environment and face stiff monopolistic competition in the global market, which, along with the stock exchange operation and huge bank loan always thwart to smother their surplus value generated in material production. The same spectre however at large haunts large foreign companies as well.

This shows continuous expansion, centralisation and concentration of capital and phenomenal growth and domination of finance capital operating at a much higher level and constantly growing volume of enormous money capital, in the global economy. Its strong, unidirectional and irreversible trend always gives rise to and fosters condition of colonisation. It is both a cause and effect of the latter. Special Economic Zone and grabbing peasants' land for this purpose is a direct product of the process of colonisation through the twenty-first century.

The astronomical amount of money capital and its constant growth make securities and commodity market insecure and keep them under severe and very surcharged condition. It is the fiefdom of money capital in the market economy that greatly impacts upon demand and supply, purchase and sale, and manipulates prices of commodities in the domestic economy in the long term period. The problem is much more compounded by international agreements and relations of trade and investment especially in the context of the operation of monopoly. The sensex driven growth of corporate India at the cost of Bharat has created a dangerous situation for ordinary people. This sensex madness is of no use to them. This is a vehicle to strengthen neo-colonial grip of America and Europe through multi-national companies that dominate Indian Stock Exchanges now. □□□