

## **A Contribution to Critical Globalization Studies**

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### **Abstract**

In recent years, the concepts of imperialism, global capitalism, and capitalist empire have become increasingly relevant to critical globalization studies. Within the context of this discourse, this paper explores whether contemporary society can be characterized as a new form of the Marxist notion of imperialism and as informational/media imperialism. In an attempt to answer this question, I employ Vladimir Lenin's analysis of imperialism as it relates to contemporary capitalism. Paying particular attention to the relevance of media and information, I test Lenin's theory against macroeconomic statistical analysis of existing data. My analysis is structured according to Lenin's five characteristics of imperialism: 1) the role of economic concentration; 2) the dominance of finance capital; 3) the importance of capital export; 4) the spatial stratification of the world as result of corporate dominance; 5) the political dimension of the spatial stratification of the world. The results demonstrate that Lenin's theories continue to provide value to the discussion of contemporary imperialism, and that they should be retooled and "reloaded" for critical globalization studies and contemporary media, information and communication studies.

### **Keywords:**

new imperialism, globalization, Lenin, media, communication

### **1. Introduction**

Globalization has been one of the most discussed topics of the past decade. It has for example been defined as: "an increasing number of social processes that are indifferent to national boundaries" (Beck 2000, 80); the "capacity to work as a unit on a planetary scale in real time or chosen time" (Castells 2000, 10); the "intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa" (Giddens 1990, 64); the "widening, deepening and speeding up of worldwide interconnectedness in all aspects of contemporary social life, (...) the growing extensity, intensity and velocity of global interactions" (Held et al. 1999, 2, 15; see also Held and McGrew 2007, 2f); "the compression of the world as a whole" (Robertson 1995, 40); "circumstances where territorial space is substantially transcended" (Scholte 1999, 12); and "the rapid developing and ever-densening network of interconnections and interdependencies

that characterize modern life” (Tomlinson 1999, 2).

These definitions not only have in common that they stress increasing quantity, scale, and speed of social interactions, but also that they characterize globalization as a general phenomenon. If one, for example, considers world religions, the Roman empire, the empire of Han China, the British Empire, the world market, colonialism, migration flows that resulted from the Irish potato plight, the system of submarine cables established in the middle of the nineteenth century that formed the first global system of communication, or the Internet, then it becomes clear that globalization indeed seems to have general aspects. However, general definitions pose the threat of constructing mythologies that only see positive sides of globalization and ignore the negative consequences of contemporary globalization processes. This can create the impression that society does not need change and cannot be altered by collective political action.

It is therefore no wonder that some of the abovementioned authors are fairly optimistic about the effects of contemporary globalization. They speak of globalization resulting in the acceleration of the “consciousness of the global whole in the twentieth century” (Robertson 1992, 8), “the intensification of consciousness of the world as a whole” (Robertson 1992, 8), “emergent forms of world interdependence and planetary consciousness” (Giddens 1990, 175), the creation of “a growing collective awareness or consciousness of the world as a shared social space” (Held and McGrew 2007, 3), or argue that “human beings assume obligations towards the world as a whole” (Albrow 1997, 83). Such formulations imply that as contemporary globalization is bringing about increasing freedom and equality, despite that we live in a world of global inequality. One compelling example is the ratio of the average salary of Chief Executive Officers (CEOs) of large United States (US) corporations to that of an average US worker, which currently stands at 245 to 1 (Sutcliffe 2007).

The developed world accounts for approximately 25% of the world’s population, but has accounted for almost more than 70% of the world’s wealth on a continuous basis since 1970 (Fuchs 2008a). The least developed countries’ share of wealth has dropped from above 3% to just over 1% since 1980 (Fuchs 2008a). In 2008, the total sales of the top 10 best-selling worldwide companies (United States dollars [\$US] 2533.51 billion) were 2.3 times as large as the total gross domestic product (GDP) of the 22 least developed countries (\$US 1081.8 billion purchasing power parity [PPP]) (Fuchs 2008a). These data indicate that we live in a world of persisting inequality that is a global phenomenon and that therefore people are not moving closer together, but tend to be more separated. Class divisions have been deepening, not closing. Wealth and its distribution are objective foundations of global consciousness. If there are widening class divisions, then focusing on positive concepts such as global consciousness for describing the contemporary world turns into an ideology. One can therefore conclude that uncritical optimism regarding globalization can easily turn into mythologizing. To refer to and to reload Lenin for explaining contemporary globalization is a demythologizing move that wants to work against the globalization optimism advanced by bourgeois thinkers. It furthermore serves the political task of advancing to repeat “in the present global conditions, the ‘Leninian’ gesture of reinventing the revolutionary project in the conditions of imperialism, colonialism, and world war” (Budgen, Kouvelakis and Žižek 2007, 3).

Dialectical critical globalization studies pose alternatives to globalization optimism (as well as to globalization scepticism). William Robinson (2005) argues that a critical globalization studies deconstructs dominant mythologies of our age, exposes their ideological contents, attempts to elucidate the actual inner workings of global capitalism, contributes to the

construction of an alternative future, and is holistic, inter- and transdisciplinary, and dialectical. James Mittelman (2005) argues that reflexivity, historicism, decentring of Western knowledge, disciplinary crossovers, and building counter-hegemonic political power in the study of globalization are characteristic for critical globalization studies.

Leslie Sklair's approach is an exemplar of dialectical critical globalization theory. He defines globalization as "way of organizing social life across existing state borders" (Sklair 2002, 8), maintains that capitalist globalization is the most important global force, and that socialist globalization (characterized by participatory democracy, the globalization of human rights, and producer-consumer co-operatives) poses a viable alternative. Darren O'Byrne considers Sklaire's account as a dialectical theory of globalization, in which "one form of globalization can be countered by another" (O'Byrne 2005, 79).

In recent years, the notions of imperialism and capitalist empire have gained importance in critical globalization studies. This discourse forms the background and context for this paper. In the twentieth century, the notion of imperialism has been primarily advanced by Marxist theories, such as the classical theories of imperialism (Nikolai Bukharin, Karl Kautsky, Vladimir Lenin, Rosa Luxemburg, etc.), dependency theory (Samir Amin, Paul Baran, Fernando Henrique Cardoso, Andre Gunder Frank, etc.), world system theory (Giovanni Arrighi, Fernand Braudel, Christopher Chase-Dunn, Immanuel Wallerstein, etc.), Marxist and post-Marxist colonial studies (Homi Bhaba, Dipesh Chakrabarty, Frantz Fanon, Edward Said, Gayatri Chakravorty Spivak, etc.), or liberation theology (Hugo Assman, Enrique Dussel, Gustavo Gutiérrez, etc.). As a consequence, newly emerging theories exist within a longstanding tradition of theorizing imperialism. Therefore, it is important to keep in mind classical concepts, such as those of Vladimir Lenin, when discussing contemporary concepts of imperialism.

Within this context, this paper deals with the questions: Is contemporary capitalism a kind of imperialism? Is the new imperialism an informational imperialism? My goal is to make a contribution to the new imperialism debate from an information-, media-, and communication-studies perspective. The notion of imperialism employed is Lenin's classical one, so the task becomes to analyze the role of the media in a contemporary reactualization of Lenin's notion of imperialism. In order to effectively frame this analysis, I first discuss the notions of imperialism that are employed in theories of new imperialism and capitalist empire. The question if contemporary capitalism is a form of imperialism in Lenin's understanding of the term is then discussed. The contemporary role of the information sector in imperialism is analyzed. The two main sections of the paper are structured according to the sequence of the five characteristics of imperialism employed by Lenin (1917). Each of these sections discusses the question if a specific quality of imperialism is topical. First, these characteristics are discussed in general, then they are analyzed in relation to information and media. In the final section, some conclusions are drawn. The interest in Lenin's theory is analytical and grounded in the recently emerging academic debate on the role of Lenin's theory today (compare for example: Budgen, Kouvelakis and Žižek 2007, Lih 2005, Žižek 2004a).

Why is research on the connection between information and the new imperialism important? If one defines information as cognitive and communicative process (Fuchs 2008b), then one can see the information sector of the economy as being comprised of the generation, distribution, and consumption of informational goods and services (affective labour, production of information technologies, communication equipment, media infrastructure, media content, research, education, recreation, culture, entertainment). The United Nations

(UN) International Standard Industrial Classification of All Economic Activities (ISIC Rev 3.1) distinguishes various economic activities that can be mapped to four economic sectors: the primary (agriculture and mining); the secondary (traditional manufacturing); the tertiary (non-informational services); and the quaternary (informational goods and services) sector (see Fuchs 2008b, 194ff).

The information economy constitutes the quaternary sector. Statistical analysis (based on data from the Organisation for Economic Co-operation and Development [OECD] Database for Structural Analysis [STAN]) allows analysis of how value added and employees are distributed within various countries across these four sectors. Tables 1 and 2 show the results for a number of countries. The selected advanced countries display uniform structural patterns: the informational economy is the dominant employment sector in all selected countries (Italy excepted). The secondary sector is the dominant locus of value production in all selected countries. In all of the selected countries, the informational sector is the second largest locus of value production. These statistics allow analyzing the role of information in national economies. Structural analysis shows that information is important in the economies of some of the dominant countries, although it is only dominant in the employment structure and not in value production. What is the role of information in transnational economic relationships? Does it play an important or a rather minor role in foreign investments, transnational business operations, and world trade? It is one of the tasks of this paper to answer these questions by treating the topic of the information economy within the context of the debate on the new imperialism and global capitalism.

*Table 1* Distribution of Employees in Four Economic Sectors (2006 Data, Total Employment)

<b>Economic Sector</b>	<b>US</b>	<b>Germany</b>	<b>Norway</b>	<b>France</b>	<b>Austria</b>	<b>Finland</b>	<b>Italy</b>
<b>1<sup>st</sup></b>	2.0%	2.3%	4.8%	3.5%	12.0%	5.3%	4.3%
<b>2<sup>nd</sup></b>	15.9%	23.7%	17.5%	19.2%	20.7%	22.8%	27.1%
<b>3<sup>rd</sup></b>	34.2%	32.2%	29.2%	28.7%	31.8%	26.0%	34.4%
<b>4<sup>th</sup></b>	47.9%	41.7%	48.5%	48.7%	35.4%	46.0%	34.1%

Source: Author's calculations based on data from OECD Database for Structural Analysis

*Table 2:* Distribution of Value Added in Four Economic Sectors (2006 Data, Value Added at Current Prices)

<b>Economic Sector</b>	<b>US</b>	<b>Germany</b>	<b>Norway</b>	<b>France</b>	<b>Austria</b>	<b>Finland</b>	<b>Italy</b>
<b>1<sup>st</sup></b>	3.0%	1.1%	29.3%	2.1%	2.2%	2.9%	2.5%
<b>2<sup>nd</sup></b>	40.5%	42.9%	32.8%	38.2%	51.3%	44.6%	46.8%
<b>3<sup>rd</sup></b>	25.2%	27.8%	14.7%	28.7%	20.4%	19.6%	24.0%
<b>4<sup>th</sup></b>	31.2%	28.3%	23.2%	31.0%	26.1%	33.0%	26.8%

Source: Author's calculations based on data from OECD Database for Structural Analysis

In existing works, the relationship of media, information, and imperialism have been primarily treated by the concepts of media and cultural imperialism (see, for example: Boyd-Barrett 1977, 1998; Mattelart 1979, 57-70; Said 1993; Schiller 1969/1992, 1976, 1989, 1991/2006; for overview discussions see: Golding and Harris 1996, Roach 1997, Sparks 2007, 81-104; Tomlinson 1991). Cultural imperialism is a concept that describes mechanisms of how Western ideas and lifestyles become dominant in developing countries or other parts or regions, shape the values of individuals and groups in these countries, and gain definitional power. In terms of the effect of cultural imperialism, the focus is on the spread of dominant ideas and their influence on consciousness. One of several important points of criticism is that the concept conflates "economic power and cultural effects" (Golding and Harris 1996, 5). A related concept is media imperialism (Boyd-Barrett 1977), which can be said to be a sub-

category of cultural imperialism (see Sparks 2007, 96). The task of this paper is not to analyze the extent to which the media are imperialistic (causal direction of arguments: imperialism => media), but how and to what extent media and information shape imperialism (causal direction of arguments: media, information => imperialism). So one of the focuses of this paper is not cultural imperialism or media imperialism, but the role of media and information in the new imperialism.

## **2. Theories of New Imperialism and Global Capitalism**

Contemporary theories of imperialism, empire, and global capitalism can be categorized on a continuum that describes the degree of novelty of imperialism. On the one end of the continuum there are authors who argue that imperialism no longer exists today and that a post-imperialistic empire has emerged. On the other end of the continuum there are authors who argue that nothing has changed, and that contemporary capitalism is as imperialistic as a century ago. A middle ground is the assumption that imperialism has reemerged and been qualitatively transformed; through capitalist development and crisis, new qualities of capitalism have emerged and others been preserved, and that the new structures on the one hand constitute a return to capitalist imperialism, but that on the other hand there are aspects of imperialism today that are different from the imperialism that Lenin, Luxemburg, Kautsky, and Bukharin described 100 years ago. Some of the most important theories of new imperialism, empire, and global capitalism will now be discussed and it will be analyzed which concept of imperialism underlies these theories and which role Lenin's theory of imperialism plays in this context.

Michael Hardt and Antonio Negri (2000, 221-234) explicitly acknowledge the works on imperialism by Luxemburg and Lenin. The authors say that Lenin moved the critique of imperialism from theory to practice (231). But they criticize Lenin's, Luxemburg's, and other classical theorists' predilection to "stop at the threshold of the analysis of subjectivity and concentrate rather on the contradictions of capital's own development" (235). "The subjectivity of class struggle transforms imperialism into Empire". (235) Hardt's and Negri's assessment of Lenin is inconsistent: On the one hand they stress his focus on political subjectivity, on the other hand they complain that he was focusing on capital's contradictions. Immaterial labour, the control of human subjectivity in production, and new forms of co-operation are central for what Hardt and Negri term Empire. However, they overstress subjectivity (Callinicos 2003b; Panitch and Gindin 2003) and neglect ideologies that can limit and manipulate subjectivity (Fuchs and Zimmermann 2009). The rise of the empire is for them only the result of labour revolts, not also of objective contradictions of capital (Fuchs and Zimmermann 2009). For Hardt and Negri, empire is a system of global capitalist rule that is "altogether different" from imperialism:

Imperialism was really an extension of the sovereignty of the European nation-states beyond their own boundaries. (...) in contrast to imperialism, Empire establishes no territorial center of power and does not rely on fixed boundaries or barriers. It is a decentered and deterritorializing apparatus of rule that progressively incorporates the entire global realm within its open, expanding frontiers. (...) First and foremost, then, the concept of Empire posits a regime that effectively encompasses the spatial totality, or really that rules over the entire 'civilized' world. (Hardt and Negri 2000, xii, xiv)

Although some critics suggest that Hardt and Negri ignore that economic globalization is grounded in nation states (see, for example, Buchanan and Pahuja 2004; Callinicos 2007, 345;

Laffey and Weldes 2004, Wood 2003a, Žižek 2004b)<sup>i</sup>, the concept of the empire for Hardt and Negri does not mean the end of the nation state, but rather the rise of a networked form of sovereignty. This system is dominated by the United States, which sees itself as possessing a global right of military intervention and as the world's most powerful actor. Further actors in this network are international organizations, such as World Trade Organization (WTO), International Monetary Fund (IMF), the United Nations, Group of Eight (G8), transnational corporations, nation-states, and civil society organizations (Hardt and Negri 2000, 309-324).

For David Harvey, capitalist imperialism is a dialectic of political actors that command a territory (logic of territory) and capital accumulation in space and time (logic of capital) (Harvey 2005, 26-36). Harvey bases his understanding not on Lenin's, but Luxemburg's and Arendt's theories of imperialism. Luxemburg argued that primitive accumulation is a continuous process that is necessary for the existence of capitalism. She wrote: "capitalism needs non-capitalist social organisations as the setting for its development, that it proceeds by assimilating the very conditions which alone can ensure its own existence" (Luxemburg 1913/2003, 346). As a result, "capital must go all out to obtain ascendancy over (...) territories and social organizations" (Luxemburg 1913/2003, 346). Harvey argues that various forms of continuous primitive accumulation based on colonizing spaces are needed for overcoming capitalist crises of overaccumulation. This takes on the form of spatio-temporal fixes, that is, "temporal deferral and geographical expansion" (Harvey 2005, 115). Overaccumulation produces capital surpluses that cannot be invested within existing boundaries; as a result, "profitable ways must be found to absorb the capital surpluses" (Harvey 2005, 88) by "temporal displacement through investment in long-term capital projects or social expenditures (such as education and research that defer the re-entry of capital values into circulation into the future" and/or "spatial displacements through opening up new markets, new production capacities, and new resource, social and labour possibilities elsewhere" (Harvey 2005, 109). Capital accumulation, therefore, in search of profitable spheres, produces spaces and thereby creates uneven geographical development. New imperialism is for Harvey a specific form of primitive accumulation that developed after 1970: neo-liberal imperialism (Harvey 2005, 184, 188, 190), or "imperialism as accumulation by dispossession" (Harvey 2005, 137-182).

Accumulation by dispossession employs four strategies for turning assets into profitable use, that is, the commodification of everything (Harvey 2005, 165ff): the privatization and commodification of public assets and institutions, social welfare, knowledge, nature, cultural forms, histories, and intellectual creativity (the enclosure of the commons); financialization that allows the overtaking of assets by speculation, fraud, predation, and thievery; the creation, management, and manipulation of crises (for example the creation of debt crises that allow the intervention of the IMF with structural adjustment programs so that new investment opportunities, deregulations, liberalizations, and privatizations emerge); and state redistributions which favour capital at the expense of labour (Harvey 2005, 160-165; Harvey 2006, 44-50). For Harvey, new imperialism is a revisiting of the old, robbery-based imperialism of the nineteenth century in a different place and time (Harvey 2005, 182).

For Harvey, the main goal of the US war against Iraq is the transformation of Iraq into a neo-liberal capitalist economy (Harvey 2005, 214f). This allows the US to have geopolitical influence in the Middle East so that it can control the global oil spigot, which is necessary for controlling the global economy (Harvey 2005, 19). "What the US evidently seeks to impose by main force on Iraq is a full-fledged neo-liberal state apparatus whose fundamental mission is to facilitate conditions for profitable capital accumulation" (Harvey 2006, 11). For Harvey, the seizure of Iraq is a form of military-enforced accumulation by dispossession. Opening up

new spaces could either be achieved by military force and commercial pressure or voluntary opening (Harvey 2006, 108). 9/11 was used as opportunity for mobilizing patriotism and creating an American nationalism that tolerates and supports imperialist expansion (Harvey 2005, 15, 193). Iraq should also serve as powerful geostrategic position for the US in Eurasia (Harvey 2005, 85).

In line with Harvey's thesis, Christian Zeller (2004a) argues that the new imperialism is based on a global economy of dispossession. Methods of dispossession for him are war, privatization, mergers and acquisitions, subcontracting and alliances, and the commodification of nature and knowledge with the help of patents and intellectual property rights. New imperialism is, in this context, permanent primitive accumulation. Another feature is the emergence of an accumulation regime dominated by finance capital (Zeller 2004b, 82ff).

Ellen Meiksins Wood uses the term 'imperialism' in the sense of the military creation of a global economic and political hegemony of the US. For her, globalization means the "opening of subordinate economies and their vulnerability to imperial capital, while the imperial economy remains sheltered as much as possible from the obverse effects" (Wood 2003b: 134). Worldwide US militarism shows that globalization does not bring about an end of the nation-state, but that "the state continues to play its essential role in creating and maintaining the conditions of capital accumulation" (Wood 2003b, 139). Imperialism today depends more than ever on a system of multiple nation-states, dominated by the US.

The new imperialism we call globalization, precisely because it depends on a wide-ranging economic hegemony that reaches far beyond any state's territorial boundaries or political domination, is a form of imperialism more dependent than any other on a system of multiple states (Wood 2003b, 154).

Characteristics of the new imperialism that Wood mentions are: war without temporal ends, geographic limits, and specific aims; pre-emptive military strikes, and universal capitalism. She argues that the new imperialism has been created after World War II (Wood 2003b, 131, 151). The primary motivation for the war against Iraq is for Wood not oil supply, but securing the global hegemony of the US. For Wood, new imperialism means the global unilateral rule of the US, "unilateral world domination" (Wood 2003b, 164). "In all cases, the overriding objective is to demonstrate and consolidate US domination over the system of multiple states" (Wood 2003b, 167).

William I. Robinson (2007) argues that Wood's account lacks empirical evidence and suggests that contemporary capitalism can best be characterized as global capitalism that is based on a transnational capitalist class, a transnational state apparatus, and transnational capital that diffuses the whole Marxian circuit of capital Money-Commodity..Production-Commodity'-Money' (M-C..P..C'-M') all over the globe. In this circuit, money is invested for buying the commodities labour power and means of production. In the production process, labour transforms the means of production and creates a new commodity that contains surplus labour. This transformed commodity is sold on the market so that surplus value is realized in the form of profit that is controlled by capitalists. In the early twentieth century, according to Robinson, only the selling of commodities has taken place at a transnational level (see also Robinson 2004). Imperialism is for Robinson not a recent re-emerging phenomenon, but means "the relentless pressures for outward expansion of capitalism and the distinct political, military and cultural mechanisms that facilitate that expansion and the appropriation of surpluses it generates" (Robinson 2007, 90). For Robinson, global capitalism is a phase of

capitalist development that is characterized by “a transition from the nation-state phase of world capitalism (...) to a transnational phase” (Robinson 2004, 5). The incorporation of all countries and all people into capitalism, total commodification and marketization, the global mobility of capital, transnational corporate investment, and the rise of globalized circuits of production and accumulation characterize this phase. “Transnational capital has become the dominant, or hegemonic, fraction of capital on a world scale” (Robinson 2004, 21). Robinson is interested in new qualities of global capitalism, such as information and communication technologies (ICTs) that allow capital to go global, global mobility of capital, the global outsourcing of production, subcontracting, or new management philosophies.

Leslie Sklair (2002) employs the notions of global capitalism and capitalist globalization in a manner that is comparable to Robinson. Sklair conceptualizes globalization with the concept of transnational practices, by which he means “acting within specific institutional contexts that cross state borders” (Sklair 2002, 84) in economy, polity, and culture-ideology. The global system would work in three spheres, the economic, the political, and the culture-ideology sphere.

In order to work properly the dominant institutions in each of the three spheres have to take control of key resources. Under the conditions of capitalist globalization, the transnational corporations strive to control global capital and material resources, the transnational capitalist class strives to control global power, and the transnational agents and institutions of the culture-ideology of consumerism strive to control the realm of ideas. (Sklair 2002, 115)

The transnational capitalist class would consist of executives of transnational corporations (TNC); bureaucrats, politicians, professionals, merchants, and consumerist elites that have global perspectives and lifestyles and identifies with “the interest of the capitalist global system” (Sklair 2002, 9; see also 98-105, Robinson 2004, 36).

Many contemporary critical international relation (IR) theories either ignore Lenin’s notion of imperialism or engage in “Lenin bashing”. Harvey (2005, 127) argues with Arendt against Lenin that imperialism was not the last stage, but the first state of global capitalist rule. Harvey’s notion of imperialism is based on Luxemburg and Arendt, not on Lenin. Castree (2006) argues that Harvey’s notion of imperialism is imprecise; Brenner (2006) says that Harvey’s definition remains unexplained. Also Ellen Meiksins Wood (2003b, 126) criticizes that Lenin assumed that imperialism was the last stage of capitalism. Robinson suggests that global capitalism is not a resurgence of old imperialism because theories of imperialism by people like Lenin would have stressed national-state control over peripheral regions, and would thus be unable to explain transnationalism (Robinson 2007, 44f, 137). Sklair (2002, 30f) argues that classical theories of imperialism, with the exception of the one by Rosa Luxemburg, “are shackled by their state-centrism”. Wood, Robinson, and Sklair do not engage in detail with Lenin’s writings on imperialism, nor do they cite Lenin. If one takes a closer look at Lenin’s works, then, as will be shown in this paper, one sees that his theory of imperialism is not confined to the nation-state. Also Hardt and Negri (2000) argue that theories of imperialism were founded on nation-states, whereas in their opinion today a global empire has emerged. Although Negri has published thoughts about Lenin’s works (Negri 1977, 2007), his joint work with Hardt gives an imprecise notion of imperialism that does not carefully explain why the authors think that Lenin limited his concept of imperialism to the extension of national sovereignty over foreign territory (Hardt and Negri 2000, xii; Hardt and Negri 2004, xii). The nation-state-centeredness of their own narrow definition of imperialism as “the expansive process of the power of the nation-state through policies of export of

capital, export of labour power and constitution-occupation of areas of influence” (Negri 2008, 34) bears little resemblance to Lenin’s definition.

For Hardt and Negri, contemporary capitalism is entirely different from imperialism. They argue that imperialism is over. For Wood and Harvey, there is a new imperialism. Wood dates the emergence of this new-old form to the end of World War II, Harvey to the 1970s. Robinson argues that there is no new imperialism, but that capitalism is always imperialistic. This shows that in the current imperialism debate there is a continuum that ranges from the assumption that imperialism is over to the idea that imperialism is perennially associated with capitalism. Most of these theories are based on rather arbitrary definitions of imperialism that are not grounded in classical theories and are only partial readings of Lenin. The concept of the new imperialism only makes sense if it is grounded in a thorough notion of imperialism, not in arbitrary definitions. This requires returning to Lenin in order to go with Lenin beyond Lenin.

Contemporary theories of imperialism, empire, and global capitalism can be categorized on a continuum that describes the degree of novelty of imperialism. On the one end of the continuum there are authors who argue that imperialism no longer exists today and that a post-imperialistic empire has emerged. The stress is on discontinuity (for example: Panitch and Gindin 2004, 2005; Robinson 2004, 2007; Hardt and Negri 2000, 2004; Negri 2008; for a discussion of Hardt and Negri see for example: Buchanan and Pahuja 2004, Callinicos 2007, 345; Laffey and Weldes 2004, Žižek 2004b). On the other end of the continuum there are authors who argue that that contemporary capitalism is just as or again as imperialistic as 100 years ago and that there is a new imperialism. The stress is on continuity (for example: Callinicos 2003, 2005, 2007; Harvey 2003, 2005, 2006, 2007; Wood 2003a, 2003b; Zeller 2004a, b). A middle ground is the assumption that imperialism has reemerged and been qualitatively transformed, that through capitalist development and crisis new qualities of capitalism have emerged and others been preserved, and that the new qualities on the one hand constitute a return to capitalist imperialism, but that on the other hand there are aspects of imperialism today that are different from the imperialism that Lenin, Luxemburg, Kautsky, and Bukharin described 100 years ago (for example: Sklair 2002, O’Byrne 2005). Some of the most important theories of new imperialism, empire, and global capitalism will now be discussed and it will be analyzed which concept of imperialism underlies these theories and which role Lenin’s theory of imperialism plays in this context.

Theories of new imperialism, empire, and global capitalism have brought about a new discussion about the economic and political strategies of capitalism and their limits. They therefore have an important public and political function. But nonetheless in many cases the employed notions of imperialism remain rather imprecise (Castree 2006) or remain unexplained (Brenner 2006). This might be related to a lack of grounding in classical theories. The discussion of Lenin’s notion of imperialism remains rather superficial. We find it therefore feasible and important to discuss if this concept can be applied today.

Alain Lipietz (1987, 48f) argues that for Luxemburg and Lenin the creation of sales markets and foreign direct investments in areas outside of capitalism that also were reservoirs of raw materials and labour power, were important aspects of imperialism. Lipietz says that in Fordist capitalism the main source of surplus value was not the plunder of the Third World, but the usage of Taylorism inside the capitalist centres. He therefore argues that Fordist capitalism was not imperialistic, but an auto-centred system (Lipietz 1987, 46, 56). Lipietz writes that Fordist capitalism was an intensive regime of accumulation and the imperialist capitalism that preceded Fordism an extensive regime (Lipietz 1987, 46). If it can be shown

that contemporary capitalism is among many changes shaped by a rise of global capital investments, global trade, and the global outsourcing of labour, then there are reasons to assume that auto-centred Fordist capitalism has transformed into a more extensive system with transnational economic relations that are among many features of this system important for accumulation. It is this system that we term new imperialism.

For Lenin, there were five characteristics of imperialism:

- 1) The concentration of production and capital developed to such a stage that it creates monopolies which play a decisive role in economic life.
- 2) The merging of bank capital with industrial capital, and the creation, on the basis of “finance capital”, of a financial oligarchy.
- 3) The export of capital, which has become extremely important, as distinguished from the export of commodities.
- 4) The formation of international capitalist monopolies which share the world among themselves.
- 5) The territorial division of the whole world among the greatest capitalist powers is completed. (Lenin 1917, 237)

Lenin defined imperialism as

capitalism in that stage of development in which the domination of monopolies and finance capital has established itself; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun: in which the division of all the territories of the globe among the biggest capitalist powers has been completed (Lenin 1917, 237).

Bukharin and Preobrazhensky (1920/2007, 119) gave the following definition of imperialism: “The policy of conquest which financial capital pursues in the struggle for markets for the sources of raw material, and for places in which capital can be invested, is known as imperialism”. Bukharin, a contemporary of Lenin and editor of Pravda from 1917-1929, implicitly saw Lenin’s five characteristics as constitutive for imperialism:

- 1) “The two most important processes of capitalist development are concentration and centralisation of capital” (Bukharin 1917, 116).
- 2) Imperialism “subjugates the world to the domination of finance capital” (Bukharin 1917, 114).
- 3) “Under the dominion of financial capital, the export of capital attains gigantic proportions” (Bukharin and Preobrazhensky 1920/2007, 119).
- 4) Financial capital struggles for the control of raw materials and spaces of capital investment (Bukharin 1917, 119).
- 5) Imperialism is the “policy of conquest of finance capital” (Bukharin 1917, 115). Bukharin sees a growth in the expenditure on armaments as a specific characteristic.

However, there are two important differences between Lenin and Bukharin: First, Bukharin overestimated structures and necessity and therefore argued in a deterministic way that the “ruin of the bourgeoisie is inevitable” (Bukharin and Preobrazhensky 1920/2007, 143). Second, Bukharin’s theory of imperialism is state-centred and therefore not suited for explaining the rise of global corporations as important actors in contemporary imperialism. For him, imperialism is necessarily a form of state capitalism, which cannot explain a neoliberal form of imperialism based on worldwide corporate domination. “Countries are state capitalist trusts that engage in world wars for centralizing and concentrating capital in

their hands” (Bukharin 1917, 120f). Imperialism is “the expression of competition between state capitalist trusts” (185) and a form of “state capitalism” (Bukharin and Preobrazhensky 1920/2007, 127). Bukharin’s definition is mainly suited for explaining the imperialism of the time of the First World War. The programme of the Communist Party of Russia that was adopted in 1919 and that was influenced by both Lenin and Bukharin gave a definition of imperialism that is ambivalent in this respect. On the one hand it says that in imperialism “capitalist Powers” partition the world, which is a fairly general statement, on the other hand it speaks of the “struggle of capitalist States” as characteristic of the epoch of imperialism (Bukharin and Preobrazhensky 1920/2007, 5f).

Bukharin assumed that imperialism is necessarily based on the war between nation states, whereas Lenin sees conflict between rival powers as important characteristic. “Finance capital strives to seize the largest possible amount of land of all kinds and in any place it can” (Lenin 1917, 233). This does not mean that there is necessarily an inter-imperialist military rivalry between countries. Both economic rivalry and military conflicts are indicative for what Lenin described as conflicts for hegemony between great powers (which must not necessarily be nation-states because “great powers” are powerful actors, which can also be corporations, not only nation-states) that constitute “an essential feature of imperialism”: “rivalry between a number of great powers in the striving for hegemony, i.e., for the conquest of territory, not so much directly for themselves, as to weaken the adversary and undermine *his* hegemony” (Lenin 1917, 239). Although Bukharin and Lenin shared basic concepts of imperialism, Lenin’s notion is more suitable for explaining contemporary imperialism because his notion of imperialistic conflict is general enough for explaining corporate-led colonization and state-led warfare as mechanisms of imperialism.

Lenin’s *Imperialism: The Highest Stage of Capitalism*, is not, as suggested by some authors, only a very rough definition (Zeller 2004b, 88, 111) and not “pamphleteering” instead of theorizing (Harvey 2007, 59). In the first six chapters, he gave a detailed empirical account of economic developments that he then summarized in the well-known definition that was given in Chapter VII: “Imperialism as a Special Stage of Capitalism”. It is therefore an interesting task to observe which empirical indicators for the existence of imperialism Lenin used. Bob Sutcliffe (2006, 74) describes the works by Hardt and Negri, Harvey, and Wood on new imperialism as rather “empirico-phobic”. In contrast, Lenin gave close attention to the empirical data that was available at his time. He undertook “enormous preparatory work” (Labica 2007, 223) for his work on imperialism, documented in his 21 *Notebooks on Imperialism* (Lenin 1912-1916) and which contain notes on 150 books and 240 articles. Any current attempt re-engage with Lenin’s theory of imperialism should therefore be an examination and update of his theoretical arguments and the support of these arguments by data employing the same empirical rigor that Lenin demonstrated in his work. Updating Lenin can be undertaken by substituting “for the data he presented what we have available today” (Labica 2007, 232). To repeat and, as Budgen, Kouvelakis, and Žižek say, “reload” Lenin today means “to retrieve the same impulse in today’s constellation” (Žižek 2004a, 11; see also Budgen, Kouvelakis and Žižek 2007, 1-4). A necessary aspect of this project is to situate Lenin, both theoretically and methodologically, within contemporary critical globalization studies.

In the next section, the validity of each of the characteristics that Lenin mentioned for contemporary capitalism will be assessed.

### 3. An Empirical Analysis of the New Imperialism

#### 3.1. The Concentration of Capital

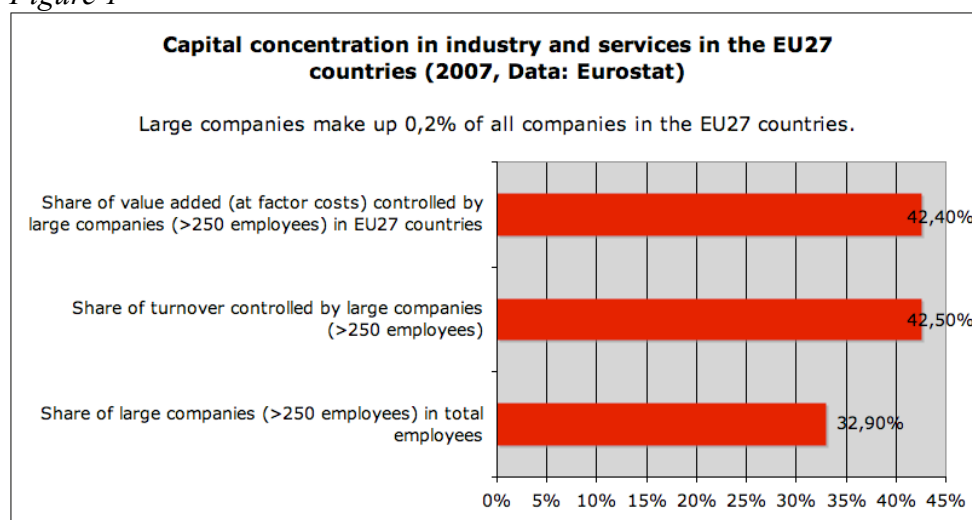
“The enormous growth of industry and the remarkably rapid process of concentration of production in ever-larger enterprises represent one of the most characteristic features of capitalism” (Lenin 1917, 178). Lenin identified an antagonism between competition and monopoly as an immanent feature of capitalism (Lenin 1917, 180, 185, 236, 260f). The formation of monopolies and the concentration of capital are for Lenin not an exception from the rule of competition, but a necessary outcome of capitalist competition.

Concentration indicators that Lenin used included: the development of the number of large enterprises, the share of workers in the economy that are employed by large enterprises, and the share of output in an industry that is produced by large enterprises.

In order to assess if there is a new imperialism, one has to find out if capital concentration is a feature of contemporary capitalism. Within such a framework, one can analyze the concentration of information sectors. Concentration generally means that a small amount of enterprises controls a large amount of assets (such as capital, workers, infrastructure).

Figure 1 shows that large companies (> 250 employees) in the European Union 27 (EU27) countries account for a small share of the number of overall companies in the EU27 (0.2%).

*Figure 1*



Source: Author's calculations based on Eurostat

Large companies in the EU27 countries account for only 0.2% of the total number of enterprises, but for 32.9% of all employees, 42.5% of total turnover, and 42.4% of total value added (see figure 1).

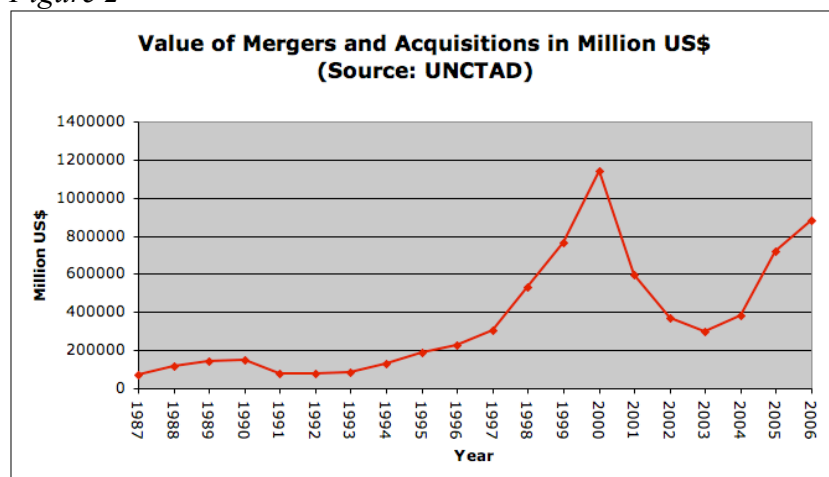
Industries have become more concentrated through mergers and acquisitions (M&A). So a sharp rise in the total number mergers and value of mergers and acquisitions is likely to indicate increasing concentration. The total value of annual worldwide mergers and acquisitions has sharply increased from 74.5 billion \$US in 1987 to 880.5 billion \$US in 2006 (table 3, figure 2).

*Table 3* value of mergers and acquisitions in billion \$US

1987	74,5085
1988	115,6232
1989	140,3885
1990	150,5761
1991	80,7131
1992	79,2803
1993	83,0643
1994	127,1099
1995	186,5929
1996	227,0227
1997	304,8476
1998	531,6484
1999	766,044
2000	1143,816
2001	593,960031
2002	369,788589
2003	296,98763
2004	380,598264
2005	716,30166
2006	880,456727

data source: UNCTAD

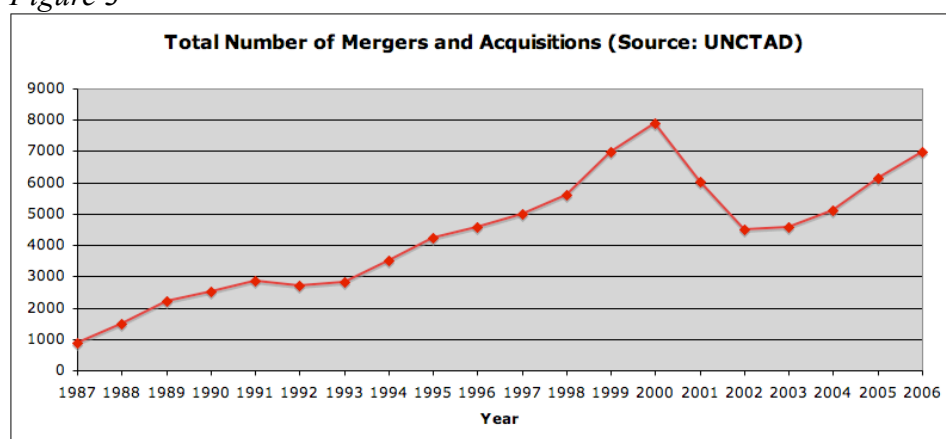
Figure 2



Source: Author's figure based on UNCTAD data

In total numbers of M&A this means an increase from 863 annual M&A in 1987 to 6974 in 2008 (figure 3).

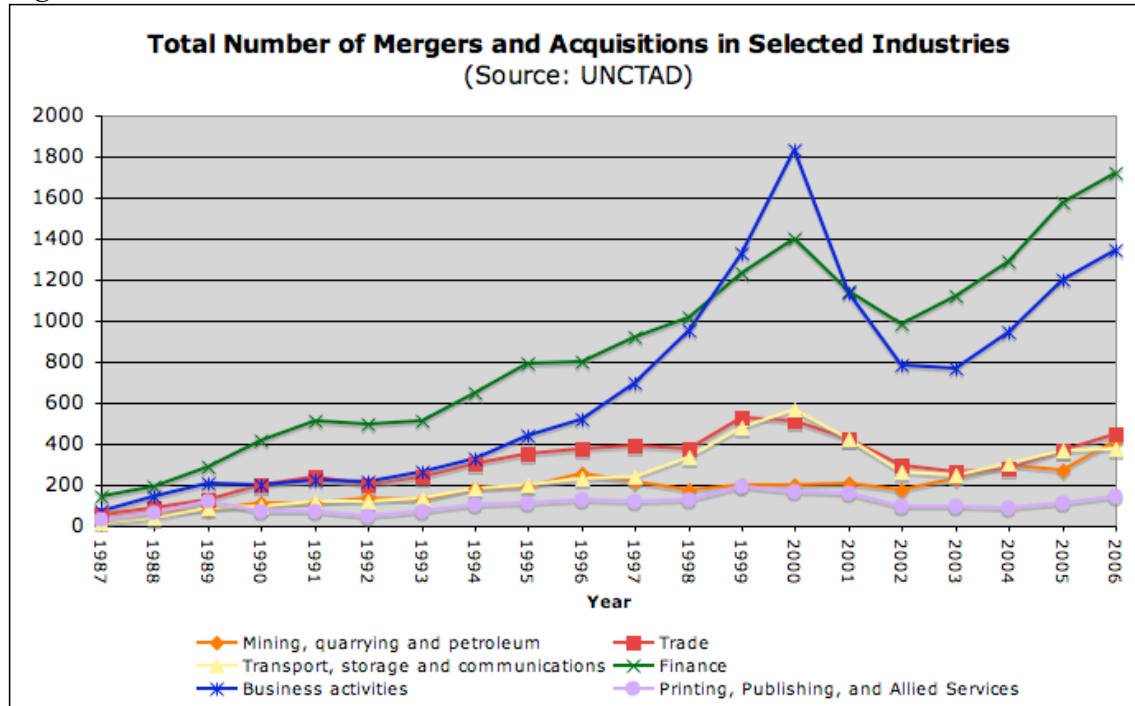
Figure 3



Source: Author's figure based on UNCTAD data

Figure 4 shows that the finance sector accounted for the largest share of these M&A in 2006:<sup>ii</sup> 24.6% (1717) of all M&A, whereas the transport, storage and communication sector accounted for 5.4% (379) of all M&A and the printing and publishing industries accounted for 2.0% (142). All of these sectors have experienced dramatic rises in the number of M&A, but the largest and most rapid increase is in finance, which is an indication that finance is the most heavily concentrated sector (finance is excluded from the data sources that were used for figure 1).

Figure 4



Source: Author's figure based on UNCTAD data

The data presented in this section suggest that the first characteristic of Lenin's definition of imperialism, capital concentration, is valid today. Industry, services, and finance are highly concentrated industries.

### 3.2. The Dominance of Finance Capital

Finance capital "is the bank capital of the few big monopolist banks, merged with the capital of the monopolist combines of manufacturers" (Lenin 1917, 237). Under imperialism, finance capital commands "almost the whole of the money capital of all the capitalists and small businessmen and also a large part of the means of production and of the sources of raw materials of the given country and of a number of countries" (Lenin 1917, 190). The banks' control of the flow of investment money that is used for operating corporations gives them huge economic power for controlling the capitalist economy (Lenin 1917, 194). Lenin mentioned that banks are influential in accelerating technical progress (Lenin 1917, 202). Capital concentration and the formation of finance capital are connected developments (Lenin 1917, 203). Finance capital aims at generating extraordinarily high rates of profit (Lenin 1917, 210). A finance oligarchy consisting of rentiers would emerge in imperialism (Lenin 1917, 213).

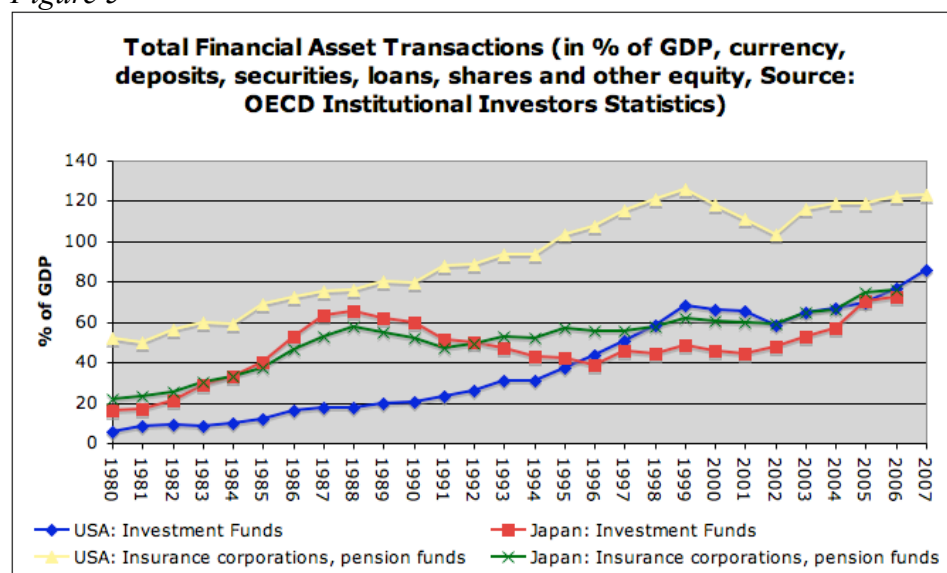
Harvey (1982/1999, 288-292, 442f) argues that Lenin was struggling with whether finance capital is national or international. However, Lenin's comments on finance capital were so general that they can be applied to both the national and the international context. Lenin's theory of imperialism is neither incompatible with national nor with international finance capital, but allows to see finance capital as historically developing, so that its degrees of national and international orientation are not once and for all fixed, but change with the overall development of capitalism.

The indicators that Lenin used for verifying the second characteristic of imperialism, included: development of the percentage of total deposits controlled by banks of a certain size

(measured by total controlled capital); development of the number of holdings and establishments of certain banks; development of the number of letters received and dispatched by certain banks; development of the amount of capital held by certain banks; development of the capital invested by certain banks in a country; development of the profit rate of certain banks; and development of the total securities issued by certain banks.

Figure 5 shows the growth of financial asset transactions by investment funds, insurance corporations, and pension funds for two selected countries, the US and Japan. The value of financial transactions by US insurance corporations and pension funds increased from 51.7% of the US GDP in 1980 to 122.92% of GDP in 2007, the value of financial transactions by US investment funds from 5.3% of GDP in 1980 to 85.9% of GDP in 2007. In Japan, insurance and pensions corporations and pension funds increased the value of their financial transactions from 21.6% of GDP in 1980 to 75.6% of GDP in 2006, investment funds from 16.0% to 72.7% of GDP.

Figure 5



Source: Author's figure based on data from OECD Institutional Investors Statistics

The perception that speculative finance capital dominates contemporary economies has in recent years resulted in the emergence of concepts such as finance market capitalism (Bischoff 2006, Huffschild 2002) or financial accumulation regime (Aglietta 2000, Chesnais 2004, Zeller 2004b) for describing contemporary society.

Statistical data confirm that today the second criterion of Lenin's definition of imperialism is valid. Finance capital has grown tremendously in the past thirty years and commands "almost the whole of the money capital" (Lenin 1917, 190) Its assets are so large that it has the power to influence all other economic sectors. Since the beginning of the 1980s, finance capital has increased its influence, importance, and concentration after it was subsumed under industrial capital in the 60 years preceding 1980. The emergence of liberalized global financial markets has enabled these developments. There are new qualities of finance capital today that were not present at the time of Lenin.

Today, the financial market is more than stocks and bonds: there is the powerful influence of insurance companies, pension funds, investment funds, and there are new financial instruments such as finance derivatives (exchange-traded futures, exchange-traded options, over-the-counter swap, over-the-counter forward, over-the-counter options), insurance

markets, foreign exchange markets. These mechanisms have increased short-term financial profits, but simultaneously advanced the gap between financial values (what Marx termed fictitious capital) and actually accumulated values (between finance and economic commodity production) so that finance markets have become highly volatile. Excellent examples are subprime lending and mortgage-backed securities, high-risk financial mechanisms that have been at the heart of the financial crisis that originated in the financialization of the US housing market and hit the world economy in 2008.

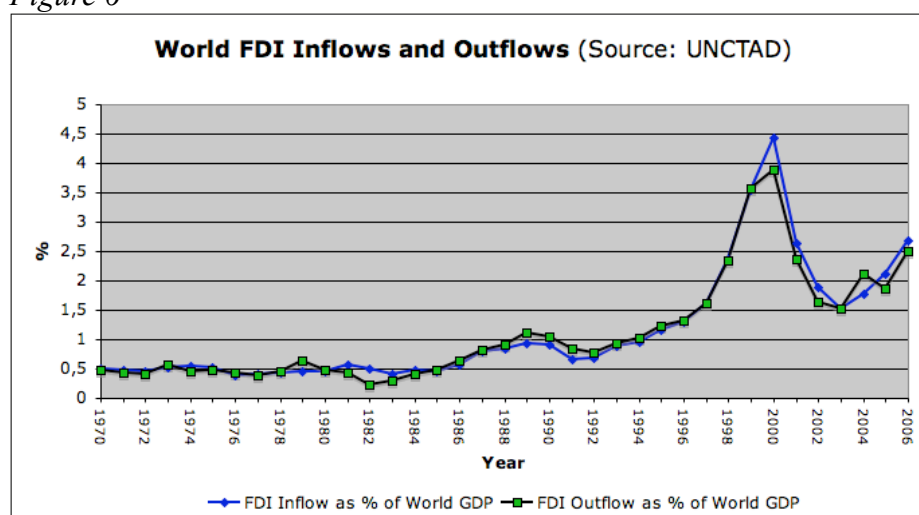
Finance capital is the dominant fraction of capital, which shows that an important characteristic of imperialistic capitalism is present today.

### 3.3. The Importance of Capital Export

“Under modern capitalism, when monopolies prevail, the export of capital has become the typical feature” (Lenin 1917, 215). The goal would be to achieve high profits by exporting capital to countries, in which “capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap” (Lenin 1917, 216). Indicators that Lenin used for verifying the third characteristic of imperialism included: the absolute amount of capital invested abroad by certain nations and the geographical distribution of foreign direct investment.

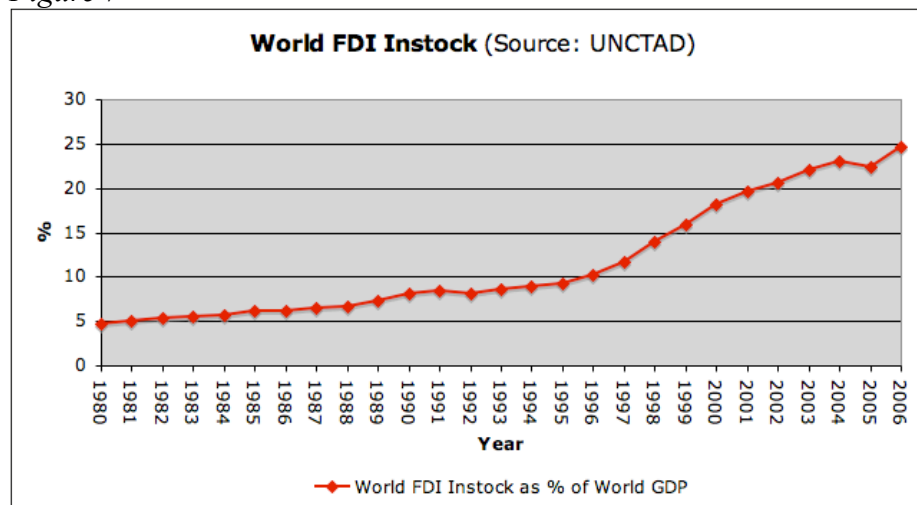
Foreign direct investment (FDI) as an indicator for capital export represents only a fraction of total investment in overseas production (Held et al. 1999, 237; Held and McGrew 2007, 91 mention a share of 25%). Hirst and Thompson (1999: 77, 79, 87) argue that FDI measures only what companies invest in their foreign affiliates, but not what they invest in their home countries. Although FDI might not be fully reliable as the only indicator, it nonetheless gives an indication for the level of global activities of corporations. Figures 6 and 7 show that FDI flows have increased from approximately 0.5% of world GDP at the beginning of the 1970s to a share between 2% and 4.5% since the end of the millennium. FDI stocks have increased from a level of about 5% of world GDP at the beginning of the 1980s to 25% of world GDP in 2006. This does not prove that capital accumulation is global, but it is an indication that in comparison to the phase of Fordist capitalism (Aglietta 1979, Boyer and Saillard 2002, Jessop 2002, Lipietz 1987), capital export through global outsourcing of production in order to reduce labour costs and fixed costs has become more important. The economy has become more global in the past 30 years in comparison to the years 1945-1975.

Figure 6



Source: Author's figure based on UNCTAD

Figure 7



Source: Author's figure based on UNCTAD

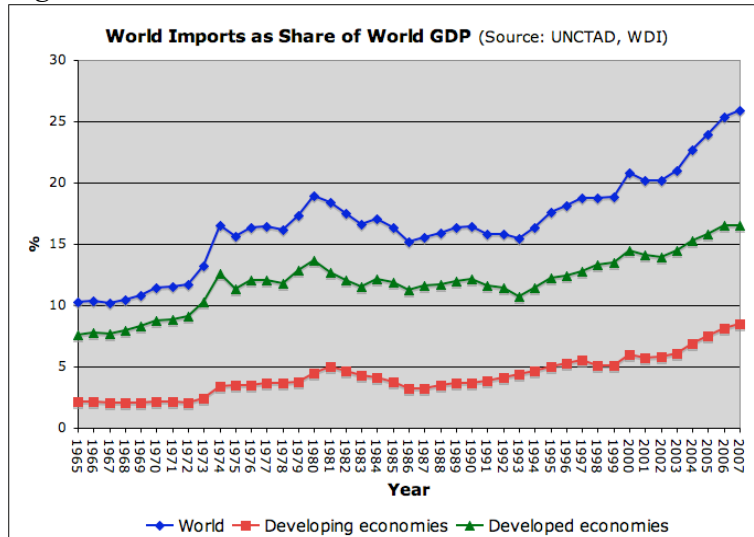
The transnationality index provided by the United Nations Commission on Trade and Development (UNCTAD) is calculated as the average of four shares: FDI inflows into a country as a percentage of gross fixed capital formation for the past three years; FDI inward stocks as a percentage of GDP; value added of foreign affiliates as a percentage of GDP; and employment of foreign affiliates as a percentage of total employment in 2005. The simple average for developed countries for the year 2005 is 24.4%, for developing countries 21.8%, and for transition countries 19.6% (World Investment Report (WIR) 2008, data tables). These data seem to confirm calculations by Hirst and Thompson (1999, 79-87) that show that “between 65 and 70 per cent of MNC value-added continues to be produced on the home territory” (Hirst and Thompson 1999, 95). In the EU27 countries, 16% of the companies engage in international sourcing, 4% plan to engage in it, and 80% do not engage and do not plan to engage in it (Eurostat). In 2006, the top 100 transnational corporations (TNCs) listed in the World Investment Report had an average transnationality index (a composite index that measures the degree to which asset, sales, employees are operating outside the home base of a TNC) of 61.6% (WIR 2008, 28), which shows that large multi- and transnationals indeed do have transnational value-sources.

The biggest 2000 TNCs had sales of 1414.95 billion \$US in 2007 (calculation based on Forbes 2000, 2008). In 2007, the world GDP was 54,347,037,614,014 current \$US. Worldwide company revenues made up 27% of the world GDP, which is approximately 14673 billion \$US (World Development Indicators [WDI]). So the biggest 2000 TNCs accounted for 9.6% of the worldwide revenues in 2007. These data show that we do not fully live in a globalized economy, but that transnational corporations have become very important economic actors that manage to centralize a significant share of worldwide value that they let produce to a large degree not in their home economies, but at the transnational level. Transnationalization is an important tendency in the contemporary capitalist economy. The most important reason for international sourcing for European companies is the reduction of labour costs: 45% of EU27 companies with sourcing activities say that this is a very important motivational factor, 28.5% say it is an important one, and only 9.9% say it is an unimportant factor (Eurostat). The two other most important reasons mentioned are reduction of other costs than labour costs and access to new markets. This confirms that transnational sourcing should be conceptualized within a theory of imperialistic capitalism.

World trade is another important issue in global capital accumulation. Figures 8 and 9 show

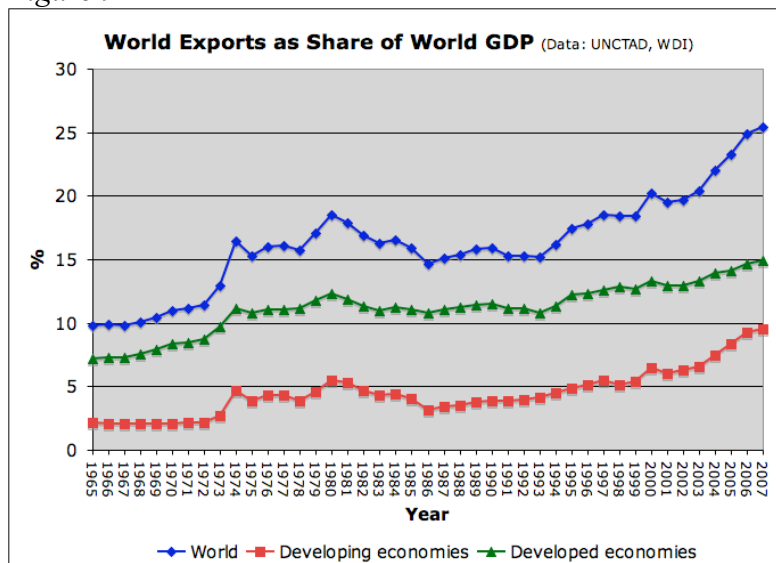
that world exports and world imports have increased from approximately 10% of world GDP in 1965 to more than 25% in 2007. This is an indication that world trade has been transformed from a regime that was relatively contained by national tariffs during the time of Fordist capitalism into a rather liberalized and deregulated trade regime that overall advances the level of world trade.

Figure 8



Source: Author's figure based on data by UNCTAD, WDI

Figure 9



Source: Author's figure based on data by UNCTAD, WDI

Foreign direct investments and world trade have significantly increased in the past 30 years, production and trade have both become more global. The world economy is still significantly rooted in national economies, but transnational corporations engage in global outsourcing of labour in order to save labour costs and other costs and to increase profits. By transnational production and investment activities, they have managed to centralize a significant share of worldwide economic value. Capital export, the third characteristic of imperialism mentioned by Lenin, has in comparison to the period 1945-1975 become far more important, transnational corporations are a new characteristic of the world economy that resulted from a turn from quantity into quality.

The growth of FDI inflows and outflows shows that the economy has become more global in the past 30 years in comparison to the years 1945-1975. The largest TNCs in the world have operations that are predominantly global, i.e. located outside the home bases of these firms. This applies for sales, assets, and employees of these companies. Large multi- and transnationals indeed have to a certain extent transnational value-sources. World trade has been transformed from a regime that was relatively contained by national tariffs during the time of Fordist capitalism into a rather liberalized and deregulated trade regime that overall advances the level of world trade. The data confirm the presence of Lenin's third characteristic of imperialism today.

### **3.4. The Economic Division of the World among Big Corporations**

Lenin argued that under imperialism, big companies dominate the economy. They would divide among themselves spheres of influence and markets and would make use of cartels, syndicates, and trusts. Finance capital struggles “for the sources of raw materials, for the export of capital, for ‘spheres of influence,’ i.e., for spheres of good business, concessions, monopolist profits, and so on; in fine, for economic territory in general” (Lenin 1917, 266).

Lenin used the following indicators for the fourth characteristic: the number of sub-companies of certain corporations, the development of turnover, number of employees, and net profits of specific big companies. Whereas the third characteristic focuses more on economic activities that cross nation-state borders and the economic benefits that are derived from it, the fourth characteristic covers the spatial dimension of these activities. This distinction is indicated by the term “division of the world among capitalist combines” (characteristic four) in contrast to the term “the export of capital” (characteristic three). The two characteristics are nonetheless certainly closely linked.

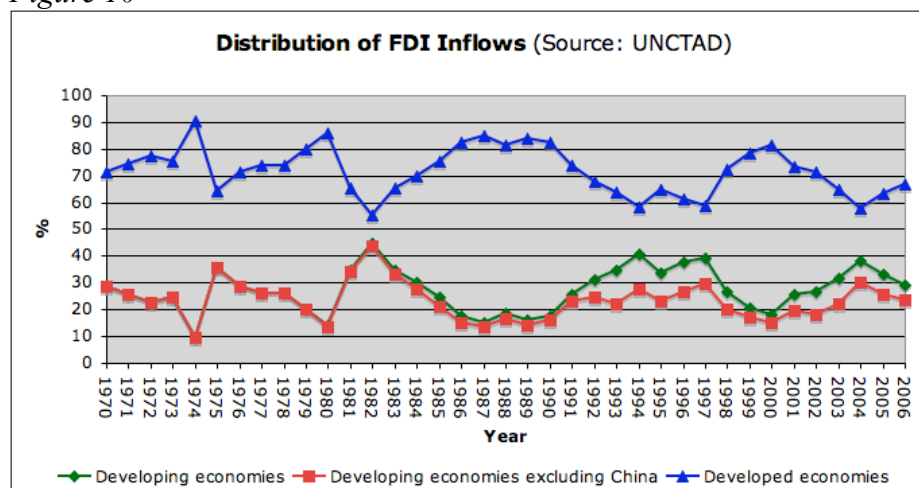
The data that will be presented in this chapter focus on flows of capital and trade. In presenting these data, the following aggregated spatial categories are compared:

- \* Developing countries, developed countries
- \* Developed regions in Asia, Europe, North America
- \* Developing regions in Africa, Latin America, Asia, East Asia, Oceania (+ country data for China)
- \* Eastern Asia, Southern Asia, South-Eastern Asia, Western Asia (+ country data for China)

This type of presentation that focuses on a regional spatial economic geography is not separate from the activities of corporations. Each region's data is an aggregation of the economic activities of all companies in these regions. It allows us therefore to draw conclusions which regions and countries are dominant. Within North America, the United States are the dominant economic nation, within Europe Germany, the United Kingdom, and France are the three dominant economic actors, and within Asia China is the dominant economic nation. Therefore presenting regional data allows also to draw conclusions for the nation state level.

Figure 10 shows that the share of developed countries in total FDI inflows has fluctuated between 55% and 90% and the share of developing countries between 10% and 45%. Overall, capital export has remained an unequal affair. The vast majority of transnational investments stay within developed countries. Developing countries remain marginalized, although there are times when they achieve significant increases.

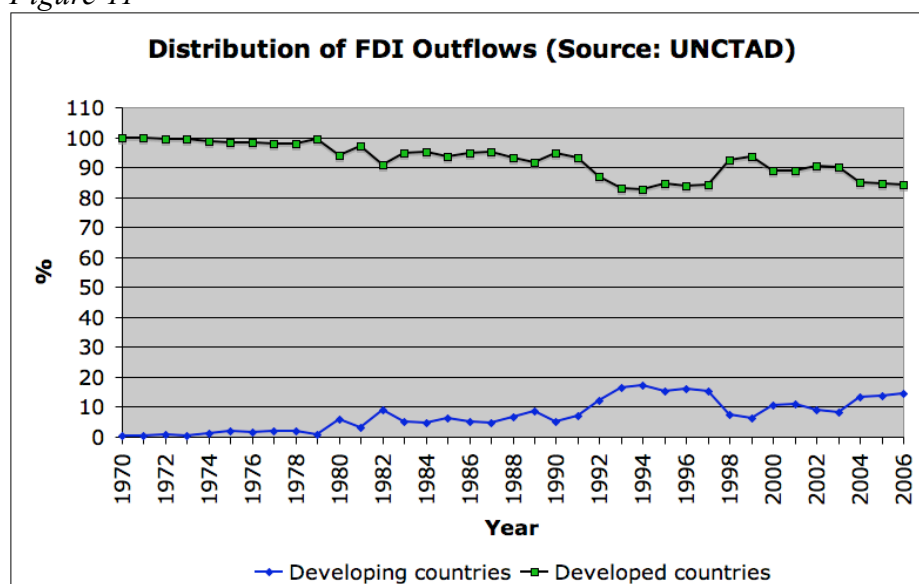
Figure 10



Source: Author's figure based on data by UNCTAD

In 1970, the developing economies accounted for 28.7% of FDI inflows, in 2006 for 29.0%. So overall, there has not been much change. FDI outflows have continuously been very unequal since the 1970s (figure 11). The vast majority of investment comes from developed countries. The developed countries' share in FDI outflows has dropped from 99.6% in 1970 to 84.1% in 2006. There is a more significant change in FDI outflows than in inflows. Lenin (1917, 217) cited a statistic that displays the distribution of the total foreign direct investments of Great Britain, France, and Germany in 1910: 32.1% were invested in Europe, 36.4% in America, and 31.4% in Asia, Africa, Australia. This shows that capital export was at the beginning of the twentieth century just like at the beginning of the twenty-first century shaped by global inequality.

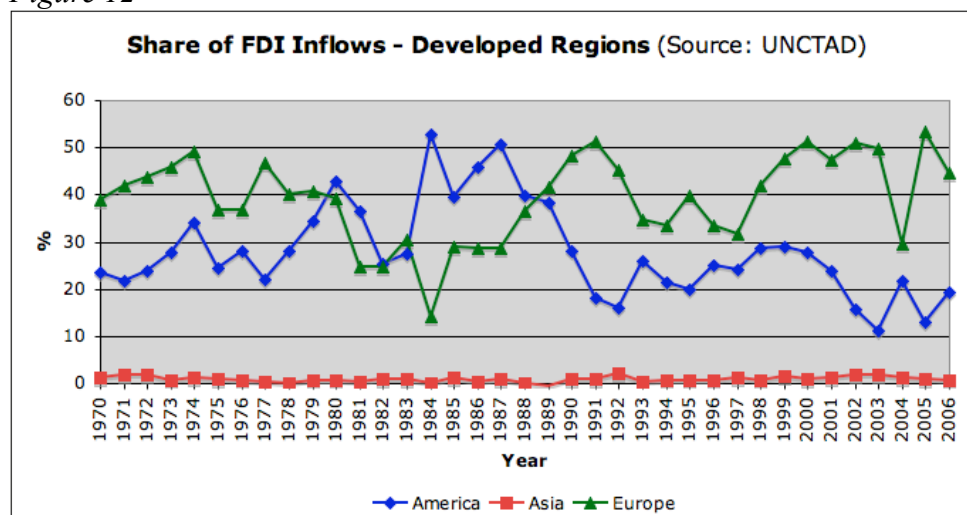
Figure 11



Source: Author's figure based on data by UNCTAD

Figure 12 shows that Europe is the most important receiver of FDI. In 2006, it accounted for 44% of all FDI inflows, North America for 19.2%.

Figure 12



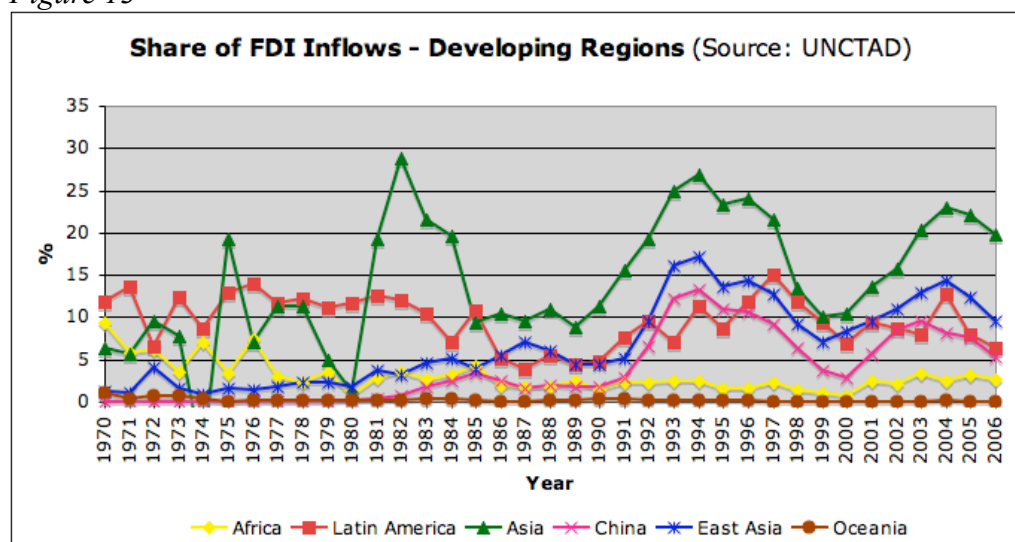
Source: Author's figure based on data by UNCTAD

The most important change in FDI since the 1970s has been the increase of FDI inflows in Asian developing economies (figure 13). The FDI inflow share of developing economies in Asia increased from 6.4% in 1970 to 19.9% in 2006, the inflow share of Latin America changed from 11.9% in 1970 to 12.7% in 2004 and 6.4% in 2006, the inflow share of Africa decreased from 9.4% in 1970 to 2.7% in 2006. Africa and large parts of Latin America are excluded from capital investment. Asia has attracted significant inflows. This is an important qualitative change of the landscape of capital export. China is the most important developing location for FDI inflows; it increased its share from 0.000187% in 1970 to 13.3% in 1994, which then again dropped to 9.5% in 2003 and 5.3% in 2006. Nonetheless the data show that China has become an important location for capital exports.

At the country level, a data comparison for the years 1980 and 2007 (table 4) shows important decreasing shares in worldwide capital inflows for the United States, the United Kingdom, and Canada and important increasing shares for China, France, and the Netherlands.

Another significant change in capital export has been the decline of the United States as leading investor and the rise of Europe as leading investing region.

Figure 13



Source: Author's figure based on data by UNCTAD

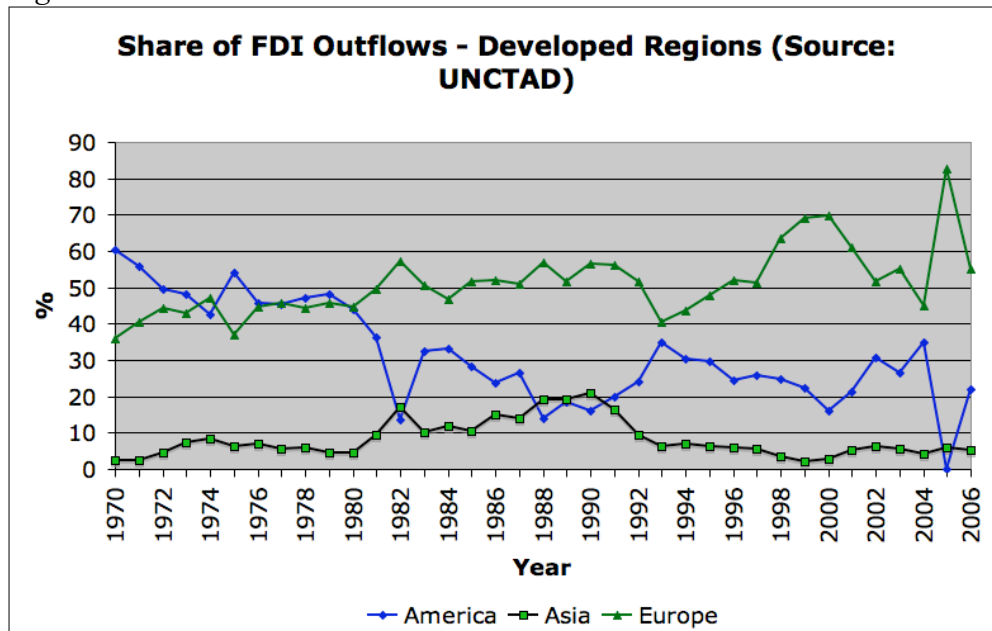
Table 4 Countries with the largest shares of FDI inflows

Country	1980	2007
Canada	10.7%	5.9%
China	0.1%	4.6%
France	6.1%	8.6%
Netherlands	3.7%	5.4%
United Kingdom	18.7%	12.2%
United States	31.3%	12.7%

data source: UNCTAD, listed are all countries that had a share of >4% in one of the displayed years

In 2006, Europe accounted for 55.0% of FDI outflows and North America for 21.9% (see figure 14). North America's leading position at the beginning of the 1970s has vanished; its capital exports have decreased by 40% from a 60% share to a 20% share.

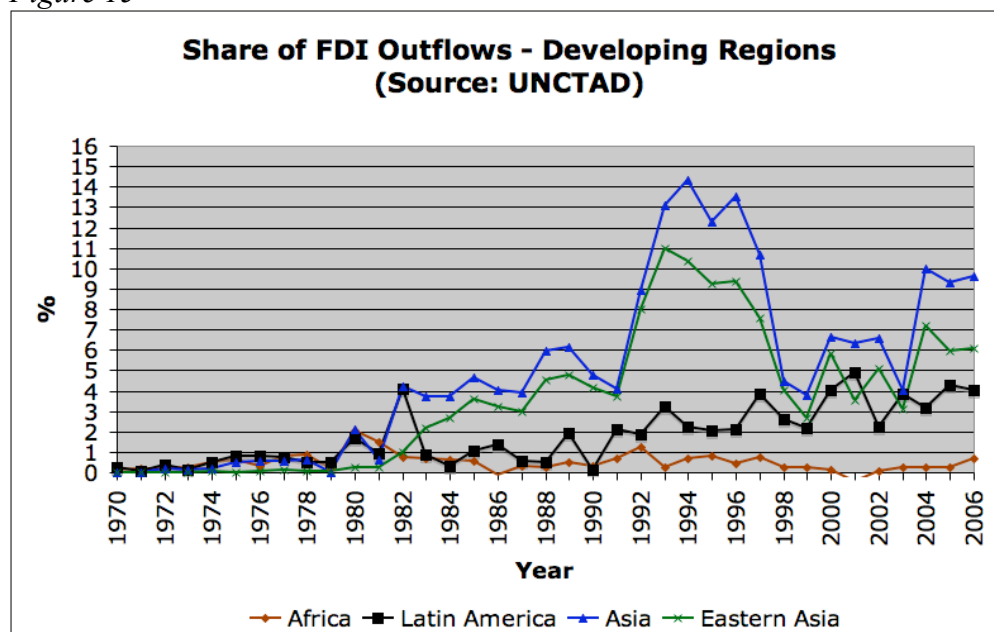
Figure 14



Source: Author's figure based on data by UNCTAD

Developing economies in Asia have become more important in capital export (figure 15): They accounted for only 0.007% of FDI outflows in 1970 and for 9.6% in 2006. China (including Hong Kong, Macao, and Taiwan) accounted for 5.6% of these 9.6% in 2006. The rise of China as important capital exporter and importer has been the most significant change in the past 30 years in the world economy. In terms of capital export, China is now more important than Japan, which accounted for 3.8% of capital exports in 2006. Latin America increased its share in world capital exports from 0.2% in 1970 to 4.0% in 2006, Africa's share changed from 0.21% to 0.7%. Africa is de-facto excluded from capital export and import.

Figure 15



Source: Author's figure based on data by UNCTAD

A country level comparison of the dominant economic actors in capital export for the years 1980 and 2007 (table 5) shows dramatic decreases for the United States, important decreases for Canada and the Netherlands, and important gains for France, Italy, and Spain. This confirms the analysis that Europe has become more important in capital export than the United States and is the dominant actor in this area in the early 21<sup>st</sup> century.

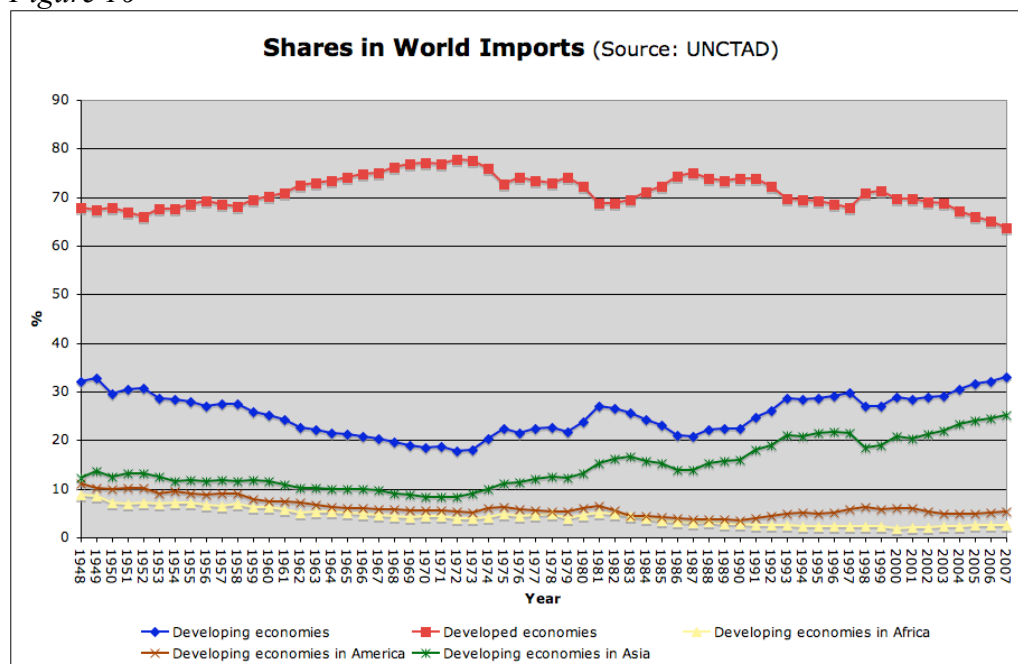
Table 5 Countries with the largest shares of FDI outflows

Country	1980	2007
Canada	7.9%	2.7%
France	6.1%	11.3%
Germany	9.1%	8.4%
Italy	1.4%	4.5%
Japan	4.6%	3.7%
Netherlands	7.5%	1.6%
Spain	0.6%	6.0%
United Kingdom	15.3%	13.3%
United States	37.3%	15.7%

Data source: UNCTAD, listed are all countries that had a share of >4% in one of the displayed years

World imports have remained rather constantly divided in a relationship of 65-70%: 30-35% between developed economies and developing economies in the years 1948-2007 (figure 16).

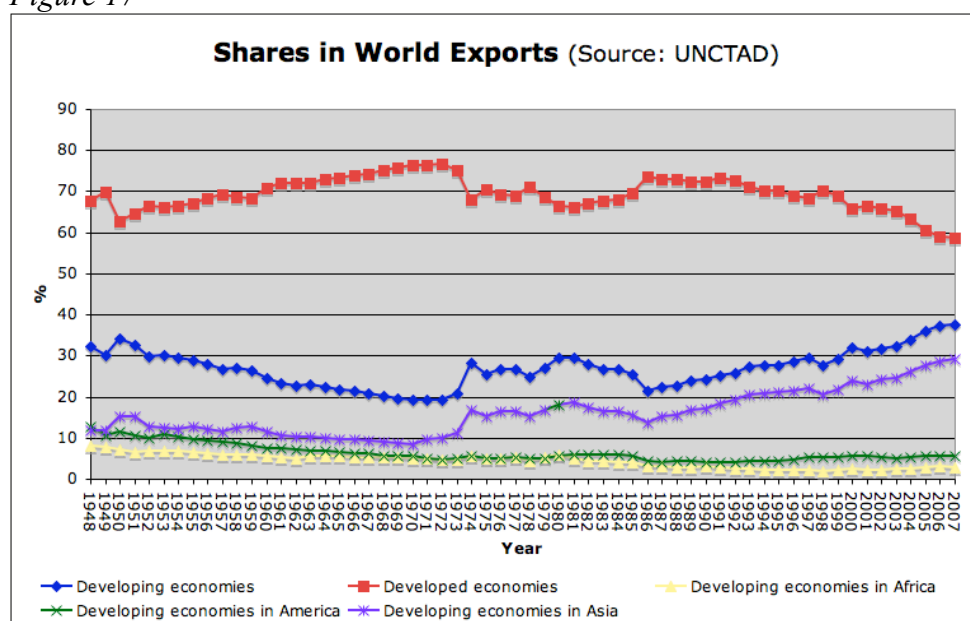
Figure 16



Source: Author's figure based on data by UNCTAD

The share of world exports of developed countries has dropped from 70% around 1945 to 58.6% in 2007 (figure 17).

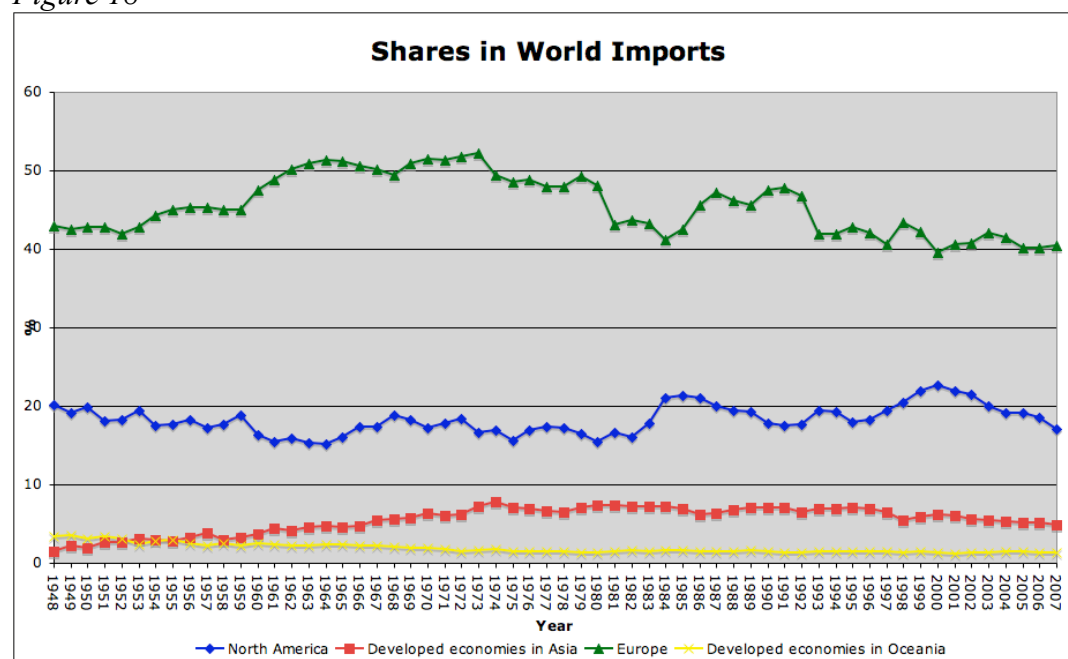
Figure 17



Source: Author's figure based on data by UNCTAD

Europe's share in world imports changed from 43.0% in 1948 to 40.4% in 2007 (figure 18), North America's share dropped from 20.1% to 17.1% (figure 18). Africa's import share dropped from 8.8% to 2.4% (figure 20), Latin America's share from 11.0% to 5.3% (figure 20), whereas the share of developing economies in Asia increased from 12.1% to 25.1% (figure 20).

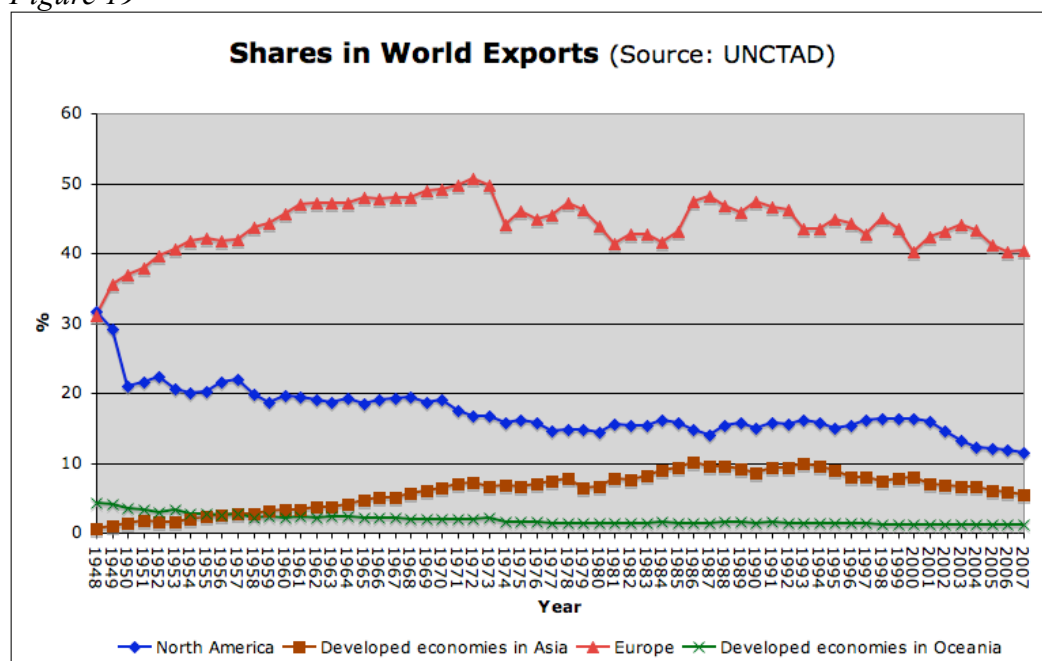
Figure 18



Source: Author's figure based on data by UNCTAD

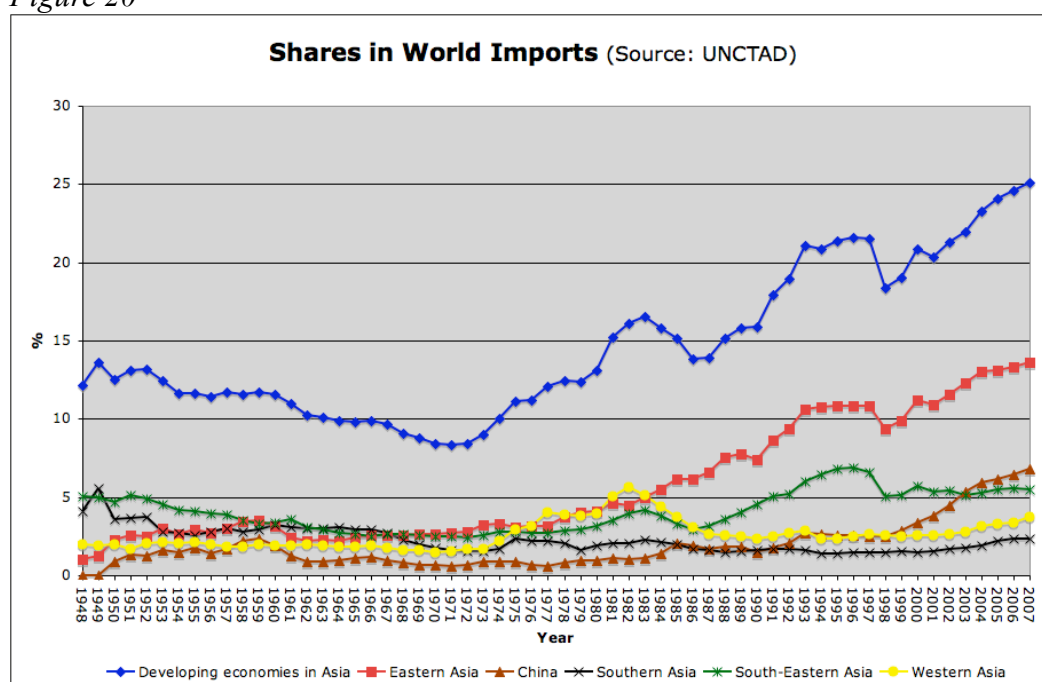
Very significant changes occurred in the structure of world exports: Europe increased its share from 31.0% in 1948 to 40.4% in 2007 (figure 19), in the same time North America's share dropped from 31.7% to 11.4% (figure 19), the share of developing economies in Asia increased from 11.7% to 29.0% (figure 21), Africa's share dropped from 8.0% to 2.9% (figure 21), and Latin America's share dropped from 12.6% to 5.5% (figure 21). The data show that the world trade structure has undergone significant qualitative changes in the past 50 years: Europe has remained the leading importing and exporting region. North America has remained the second largest import region, but has significantly lost (-20%) in exports, where it is now only the third largest region because Asian developing countries have become the second-largest export region (+17%). Africa is today almost entirely excluded from world trade. Latin America has lost in imports and exports and is now also rather marginalized in world trade. The two most important changes are the deterioration of exports by North America and the rise of Asia as second most important export region and as significant import region. In 2007, China accounted for 6.8% of the world's imports and for 8.8% of the world's exports. It has become the leading Asian import and export nation that is now more important in world trade than Japan and is the country that has most accounted for the significant changes of the world trade structure in the past 50 years.

Figure 19



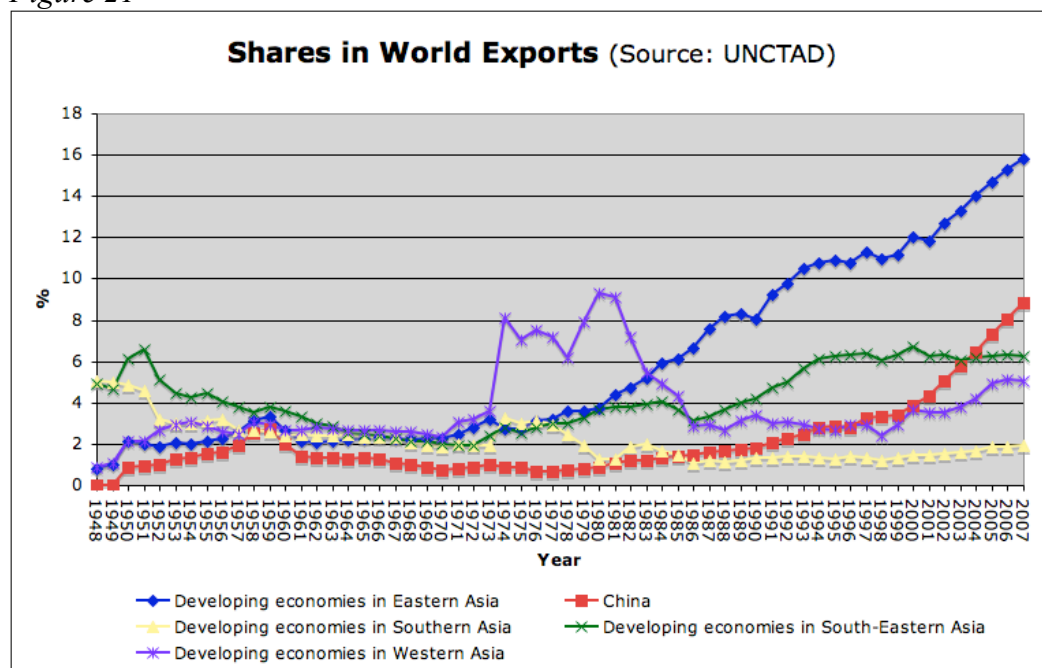
Source: Author's figure based on data by UNCTAD

Figure 20



Source: Author's figure based on data by UNCTAD

Figure 21



Source: Author's figure based on data by UNCTAD

A country level analysis of world imports for the years 1970, 1980, 2007 (table 6) shows that the most important change has been the rise of China, which was the third largest import country in 2007. A country level analysis of world exports for the years 1970, 1980, 2007 (table 7) shows important decreases for the US, which was the largest exporting country in 1970 and the third largest in 2007, and large increases for China, which was unimportant in world exports in 1970 and 1980, but was the second largest exporting nation (behind Germany) in 2007.

Table 6 Countries with the largest shares of world imports

Country	1970	1980	2007
Canada	4.3%	3.0%	2.8%
China	0.7%	1.0%	6.8%
France	6.0%	6.6%	4.3%
Germany	9.1%	9.1%	7.5%
Italy	4.5%	4.9%	3.6%
Japan	5.7%	6.8%	4.4%
Netherlands	4.8%	4.3%	3.5%
United Kingdom	6.6%	5.6%	4.4%
United States	12.9%	12.4%	14.4%

data source: UNCTAD, listed are all countries that had a share of >4% in one of the displayed years

*Table 7 Countries with the largest shares of world exports*

<b>Country</b>	<b>1970</b>	<b>1980</b>	<b>2007</b>
Canada	5.3%	3.3%	3.0%
China	0.7%	0.9%	8.8%
France	5.7%	5.7%	4.0%
Germany	10.8%	9.5%	9.5%
Italy	4.2%	3.8%	3.5%
Japan	6.1%	6.4%	5.1%
Netherlands	4.2%	4.2%	4.0%
Saudi Arabia	0.8%	5.0%	1.7%
United Kingdom	6.1%	5.4%	3.1%
United States	13.6%	11.1%	8.4%

data source: UNCTAD, listed are all countries that had a share of >4% in one of the displayed years

Table 8 shows the distribution of world GDP in selected years. It shows that Eastern countries like China and India dominated the early economic world history. In the late 19<sup>th</sup> and early 20<sup>th</sup> century, the classical age of imperialism, Europe became the economic geography's centre. The United Kingdom, France, and Germany were the dominant economic nations. After the Second World War, there was another shift: the United States became the dominant economic nation. In 2006, the USA still was the nation with the largest share of the world's GDP. But if one treats regions as collective economic actors (which is possible because there are free trade agreements that signify co-operative economic relations within regions), then East Asia is more important than North America and Europe. This is due to the fact that since 1990 China more than doubled its share of the world GDP and is now the second largest economic nation in terms of the share in world GDP. Since the 1950s, the US share has declined by more than 7%.

*Table 8 Percentage share of selected countries and regions in world GDP*

	<b>1</b>	<b>1000</b>	<b>1500</b>	<b>1600</b>	<b>1700</b>	<b>1820</b>	<b>1870</b>	<b>1900</b>	<b>1913</b>	<b>1950</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2006</b>
30 Western European countries	13,69	9,01	17,79	19,79	21,87	23,02	33,08	34,24	33,01	26,16	26,68	26,08	24,20	22,23	20,55	17,80
USA	0,26	0,43	0,32	0,18	0,14	1,81	8,85	15,83	18,93	27,28	24,27	22,38	21,11	21,39	21,89	19,61
Latin America	2,13	3,76	2,93	1,14	1,71	2,15	2,46	3,64	4,42	7,78	8,09	8,28	9,78	8,25	8,36	7,71
16 East Asian countries						55,66	35,09	25,37	22,39	15,88	17,55	19,66	21,77	27,79	33,01	38,17
China	25,45	22,68	24,88	28,96	22,30	32,92	17,08	11,05	8,83	4,59	5,24	4,63	5,20	7,83	11,77	16,78
India	32,02	27,84	24,36	22,40	24,44	16,04	12,14	8,64	7,47	4,16	3,88	3,41	3,18	4,05	5,18	6,11
Africa	7,62	11,32	7,76	7,04	6,92	4,49	4,07	3,35	2,91	3,80	3,57	3,55	3,61	3,33	3,20	3,28

data source: Agnus Maddison, statistics on world population, GDP, and per capita GDP, March 2009

The largest compounded labour productivity growth rate in OECD countries in the years 1970-1980 was in Iceland (5.2%), Ireland (4.8%), and Spain (4.8%). In the US, this rate was 1.8%. In the years 1995-2007, the largest OECD-wide growth rate was in the Slovak Republic (5.4%), Korea (4.6%), Poland (4.6%), and Ireland (4.1%). In the US, this rate was 2.1%. The highest growth of multi-factor productivity within the OECD in the years 1985-1990 was in Ireland (3.2%) and Japan (3.1%). It was 0.8% in the US. The highest growth in the years 1990-2000 was in Ireland (4.0%) and Finland (1.9%). It was 0.9% in the US. In the years 2001-2006, the highest growth was in Sweden (2.6%) and Ireland (2.3%) (US: 1.7%). (all data: OECD statistics). These data show that in the past 30 years productivity increases have been rather low in comparison to other OECD countries. Ireland was most successful in terms

of productivity growth.

The world economy has in the past 50 years remained a geographically strongly divided class system. World system theory's distinction between core, periphery, and semi-periphery (Wallerstein 1974) can still be applied to the world economy (see Arrighi 2005). "The core-periphery structure of the global political economy shows few signs of being superseded by other forms of stratification" (Arrighi 2005, 33). Lenin's fourth characteristic of imperialism, the asymmetric spatial division of the world economy, is valid today. However, some important qualitative changes have taken place, especially the rise of China as important actor in the world economy and the deterioration of North America's position that benefited both Europe and Asia. FDI inflows are stratified in a relation of 70 : 30 between developed and developing economies, world imports in a relation of 65 : 35, world exports in a relation of 60 : 40. Europe is the most important source and drain of FDI. Africa and large parts of Latin America are excluded from capital investment. Asia has attracted significant inflow growths. China is the most important developing location for FDI inflows. In 2006, developing Asia's share of FDI inflows was larger than the one of North America. North America's position as leading capital export region has since the 1945 deteriorated significantly (from a share of 60% to one of 20% in 2006), Europe accounted for more than 50% of world capital exports in 2006. Latin America and Africa are rather excluded from capital export, whereas Asia has due to the economic rise of China become important and accounts for now almost 10% of all capital exports. In the years 1980-2007, the US, the UK, and Canada saw important decreases in the capital import share, China, France and the Netherlands important increases. The decreases of the worldwide capital export share of the US decreased dramatically in the years 1980-2007, whereas there were important increases for France, Italy, and Spain.

In international commodity trade, Europe has remained the leading import region in the past 50 years, Asia has become a more important import region than North America, Latin America and Africa are both rather excluded from world trade (imports and exports). World exports is an area that has undergone very significant changes in the past 50 years: Europe became the most important export region, North America's position vastly deteriorated (decrease from a 30% share to one slightly above 10%), developing Asia became the second largest export region. China has become the most important developing and Asian trade nation and is in this respect now even more important than Japan.

The most significant changes of the spatial structure of the world economy in the past 50 years has been the deterioration of North America in the areas of capital exports and commodity exports and the rise of China as important location for FDI inflows and important trading country, especially in exports. Capitalist production and world trade are spatially stratified, although China is gaining importance, there is a continuous huge predominance of corporations from Western countries both in capital export and world trade. In the years 1970-2007, the US lost significantly in world imports and exports, whereas China saw huge increases and was the third largest import country in 2007 and the second largest export nation in 2007.

Giovanni Arrighi (2005) argues that there are two new elements of the capitalist world system, the divergence between military (US) and financial (China, East Asia) dominance, shift of the epicentre of the global economy to East Asia, especially China). Our data show that it is overdrawn to consider East Asia as epicentre of the world economy, but nonetheless it has become an import economic region with China as a powerful economic actor. "The fundamental point is that China is important for the OECD countries not only as a source of cheap, and potentially disruptive imports, but also as an increasingly important market for

exports” (Glyn 2007, 96). Andrew Glyn’s analysis is certainly right, but it should be added that China has itself become one of the leading export nations. David Harvey (2003, 2005) argues that investment of OECD countries in East Asia, especially China, is a spatio-temporal fix for the overaccumulation crisis of capitalism. This interpretation makes sense, but it should be added that China in addition has become an important export nation.

### **3.5. The Political Division of the World as Completed Process**

Lenin defined the fifth characteristic of imperialism as the “monopolistic possession of the territories of the world which have been completely divided up” (Lenin 1917, 237). Finance capital “strives to seize the largest possible amount of land of all kinds and in any place it can, and by any means” (Lenin 1917, 233). Each dominant state would exploit and draw super-profits from a part of the world (Lenin 1917, 253). “Each of them, by means of trusts, cartels, finance capital, and debtor and creditor relations, occupies a monopoly position on the world market” (Lenin 1917, 253). Lenin argues that under imperialism, all territories on the globe have come under the influence of capitalist countries. A re-division would be possible at any time, but not a new seizure. In imperialism, there are not just simply colonies and colony-owning countries, but also semi-colonies, which are politically independent countries “enmeshed in the net of financial and diplomatic dependence” (Lenin 1917, 234). Formal dependence would under imperialism “become a link in the chain of operations of world finance capital” (Lenin 1917, 235).

Indicators that Lenin uses for the fifth characteristic include: the development of the percentage of territories that belong to the European colonial powers, and the development of the area size and population number under the control of certain colonial powers.

Panitch and Gindin (2004, 2005) argue that the failure of classical theories of imperialism was their focus on inter-imperial rivalry and a reduction of state power to the economy (a similar critique of Lenin is given by Ahmad 2004). The central aspect of Panitch’s and Gindin’s concept of imperialism is the possibility of the predominance of one imperial state that structurally penetrates rivals. They argue that contemporary society is an American empire, an imperialism dominated by the US to such an extent that the US can contain geopolitical competition by other states. Since the end of the 1970s, the liberalization of finance would have strengthened global US power that installed a global neoliberal regime. The US would furthermore also be dominant in military terms. American Empire consists of “a global financial order with New York as its operational centre”, the “American imperial state as its political carapace”, and mutual reinforcements of finance and empire (Panitch and Gindin 2005, 47).

Lenin never spoke of an “inter-imperialist rivalry” as characteristic feature of imperialism, but said that the division of the world has come to an end under imperialism (Lenin 1917, 226f). This means that there is a global rule of capitalist structures. Whether one, two, or more countries dominate, whether they enter military conflict or economic conflict – these circumstances can all be explained as specific historical expressions of this characteristic. Lenin stresses the dynamic character of this division and therefore speaks of possible re-divisions (Lenin 1917, 227). The only time that Lenin mentioned rivalry in chapter VI of imperialism was when he said that capitalist corporations try to “make it impossible for their rivals to compete” (Lenin 1917: 232). He wrote that finance capital was the driving force of territorial conflicts: “Finance capital strives to seize the largest possible amount of land of all kinds and in any place it can” (Lenin 1917, 233) This does not mean that there is necessarily an inter-imperialist military rivalry between countries. But it is wrong to conclude that there is

no rivalry today. So for example the European Union sees the United States as its biggest economic competitor and has therefore set itself the goal to become “the most competitive and dynamic knowledge-based economy in the world” until 2010 (Lisbon Agenda). There certainly is economic rivalry, although no major military rivalries between the major countries are present today. However, military interventions such as in Afghanistan and Iraq on the one hand and global terrorism on the other hand show that today there is military rivalry between great powers about the influence on the world and in certain parts of the globe. Both economic rivalry and military conflicts are indicative for what Lenin described as conflicts for hegemony between great powers (which must not necessarily be nation-states because “great powers” are powerful actors, which can also be corporations, not only nation-states) that constitute “an essential feature of imperialism.” “rivalry between a number of great powers in the striving for hegemony, i.e., for the conquest of territory, not so much directly for themselves, as to weaken the adversary and undermine *his* hegemony” (Lenin 1917, 239).

The United States certainly is the dominant global military power today and has been successful in imposing its will by military means without much resistance by Europe, Russia, China, or other countries. The difference in military power can be observed for example by government expenditures. In 2006, the EU25 countries spent 79392.7 million € on defence (10.8% of total government expenditures), 95005.1 million € on education (12.9%), and 138144.5 million € on health (18.8%). In comparison, the US in 2008 spent 467063 million \$US on national defence (17.1% of the total expenditures), 87734 million \$US on education (3.2%), and 306585 million \$US on health (11.2%). That the US are a dominant global military power only means that the US has been successful in being hegemonic, which does not mean that it will never again be challenged by others with military means (which it still is, although not by Europe, Russia, China, or other important countries, but by groups like Al-Qaeda and countries like Iran, North Korea, or Venezuela that pose potential military threats for the US).

Callinicos (2005) argues that the dialectic of economic competition between capitals and geopolitical competition between states is a central feature of imperialism. Harvey says that there is an asymmetric relation between the US and other countries, but he holds against Panitch and Gindin that economic and geopolitical competition in imperialism must not necessarily “take the form of conflict, ultimately military, among a relatively small number of roughly equal Great Powers or coalitions of Great Powers – as it did in the lead-up to both the First and Second World Wars”. He adds that Chinese and other East Asian banks finance the US fiscal and trade deficit and that the war against Iraq would have served as warning to other states, which was also declared by the US government in its National Security Strategy 2002 that states: “Our forces will be strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equalling, the power of the United States” (cited in Callinicos 2005). Callinicos (2003a, 50-66) argues that uneven development, the domination by and concentration of economic power in the hands of large corporations, and economic-political conflicts are the three central aspects of classical theories of imperialism that one can still find today. Uneven development is attained by global neoliberalism, transnational corporations dominate the economy, and global conflicts take on the form of continuous attempts of the US to enforce its economic and political dominance that are challenged for example by the economic growth and increasing influence of China (compare also Callinicos 2007, 345).

Finance capital today is the dominant form of capital (figure 10). If there were really a fully American Empire, as Panitch and Gindin say, then finance capital would have to be fully

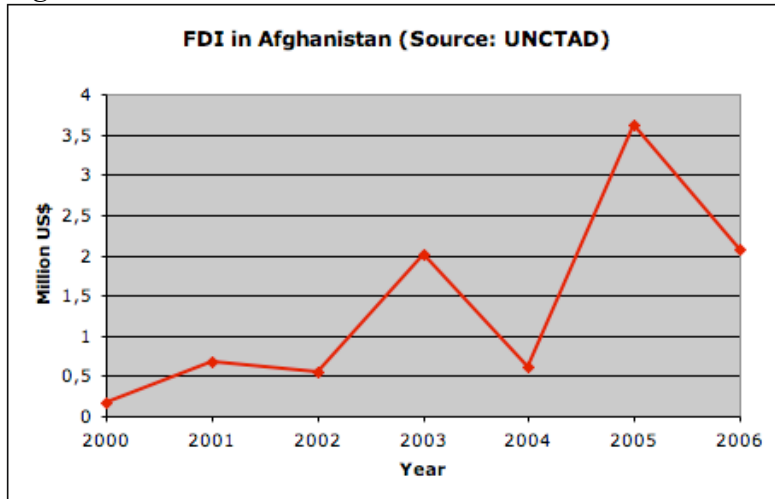
dominated by US institutions. However, of 495 companies that are listed under the categories banking and diversified financials in the Forbes 2000 list of the world's biggest companies in 2008, 100 (20.2%) are from the US, 114 from the European Union (23.0%), and 178 (36.0%) from countries in East Asia/Southeast Asia/South Asia (China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand). This shows that there is not an American finance empire, as claimed by Panitch and Gindin (2005), but that US capital stands in fierce competition with European and Asian capital.

There are several competing explanations for the US invasion of Afghanistan and Iraq (see Callinicos 2003a, 2005, 2007; Harvey 2005, 2006; Panitch and Gindin 2004, 2005; Wood 2003b): securing access to oil as economic resource, securing worldwide geopolitical hegemony, the expansion of US economic power in the face of the deterioration of US economic power in the exports of capital and commodities and the strong position of Europe and China, the conquest of strategic countries in the Middle East in order to be better equipped for limiting the influence of Islamic nations and groups that challenge the Western dominance of the world, or the struggle for the extension of neoliberal capitalism all over the world. It is imaginable that the causes of these wars are a combination of some or all of these elements.

No matter which factors one considers important, the war against Afghanistan and Iraq, global terrorism, and potential future wars against countries like Iran, Pakistan, Syria, Lebanon, Venezuela, or Bolivia, shows that war for securing geopolitical and economic influence and hegemony is an inherent feature of the new imperialism and of imperialism in general. Although investment, trade, concentration, transnationalization, neoliberalization, structural adjustment, and financialization are economic strategies of imperialism that do not resort to military means, it is likely that not all territories can be controlled by imperialist powers and that some resistance emerges. In order to contain these counter-movements, overcome crises, and secure economic influence for capital in the last instance warfare is the ultimate outcome, a continuation of imperialism with non-economic means in order to foster economic ends.

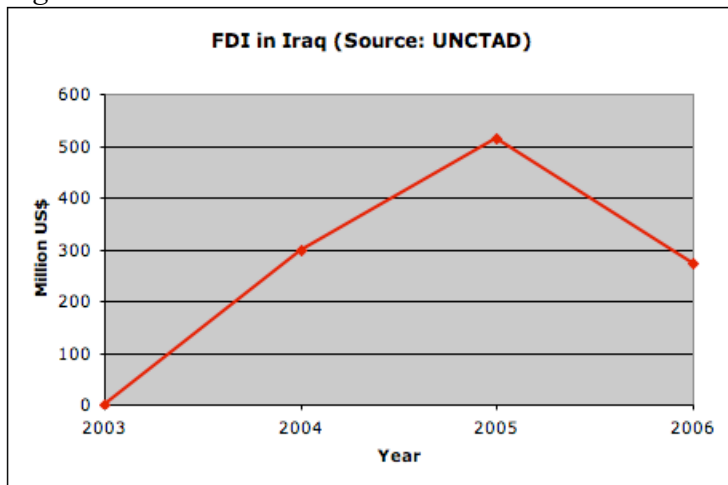
Statistical data show ex-post that economic ends could be important influencing factors for the wars in Iraq and Afghanistan. Figures 22 and 23 show that foreign investments have boomed in Afghanistan since 2002 and in Iraq since 2003. Oil is the main economic resource in Iraq. In 2002, 99.3% of all exports from Iraq were fuels. In 2006, this level remained at a high degree of 93.9% (data: UNCTAD). In 2006, the value of annual Iraq oil exports was 2.3 times the 2002 value.

Figure 22



Source: Author's figure based on data by UNCTAD

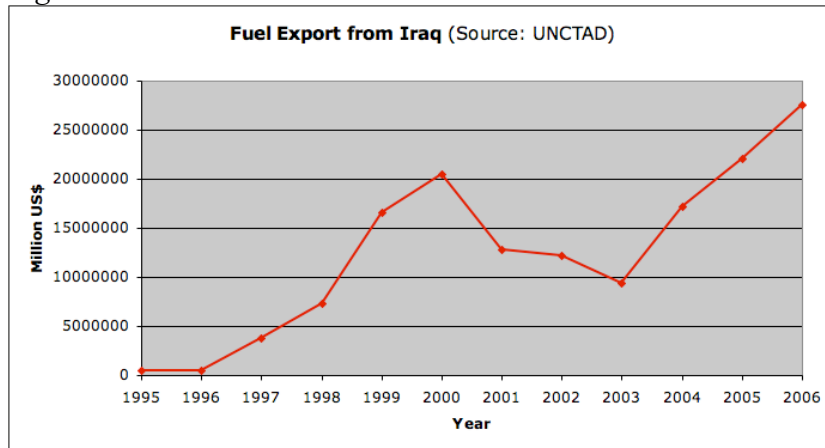
Figure 23



Source: Author's figure based on data by UNCTAD

Figure 24 shows the increase of Iraq fuel exports in absolute terms.

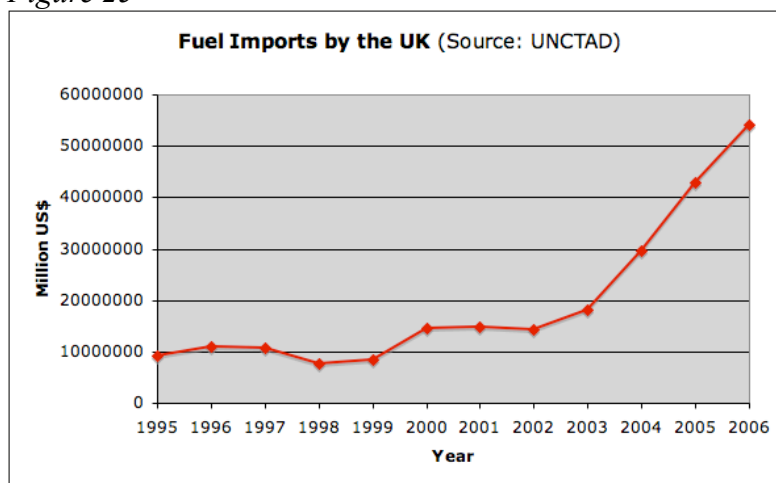
Figure 24



Source: Author's figure based on data by UNCTAD

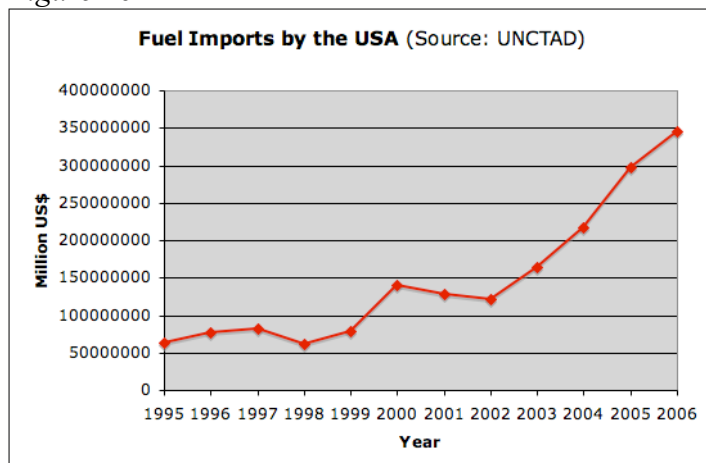
In the same time span (2002-2006) as fuel export from Iraq climbed, the value of oil imports by the US increased by a factor of 2.8 and the value of oil imports by the UK by a factor of 3.8 (figures 25, 26). These data suggest that investment opportunities and resource access were important, but certainly not the only factors in the invasions of Iraq and Afghanistan by the US and the UK.

Figure 25



Source: Author's figure based on data by UNCTAD

Figure 26



Source: Author's figure based on data by UNCTAD

In 1988, the annual military expenses of the US were 484 billion US\$. There was a drop in spending after the end of the Cold War (1998: 329 billion US\$). The new wars in Afghanistan and Iraq resulted in a rise to 441 billion in 2003 and 547 billion in 2007 (all values in constant US\$, Source: SIPRI Military Expenditure Database). In 2007, the US accounted for the largest share of world military spending (45%), followed by the UK and China (each 5%) (SIPRI Yearbook 2008). Comparing annual US military spending for the years 2001 and 2006 shows a growth of 30% for military expense, 47% for military operations and maintenance, and 58% for research, development, test and evaluation (SIPRI Yearbook 2007: 276). In 2006, 41 US companies accounted for 63% of the sales of the top 100 arms-producing companies in the world (SIPRI Yearbook 2008). In the period 1998-2007, annual world military expenditures increased by 45% (SIPRI Yearbook 2008). These data show that the new imperialism is based on a US military hegemony in military outlays and activities.

The US-led war in Iraq and Afghanistan is the practical validation of the presence of the fifth characteristic of imperialism today. Military conflicts that aim at territorial control and global hegemony and counter-hegemony are immanent features of the new imperialism. Lenin (1917: 264) argues that imperialism is leading to annexation and increased oppression and consequently also to increased resistance. 9/11 and the rise of global terrorism can be interpreted as reaction to global US economic, political, and cultural influence. It resulted in a vicious cycle of global war that creates and secures spheres of Western influence and global terrorism that tries to destroy Western lifestyles and Western dominance. At the times of Lenin, there was an organized labour movement that resisted imperialism and culminated in the October revolution. Under new imperialism, the political left is marginal and hardly influences world politics, which are dominated by Western imperialists and Islamic hardliners. Therefore today there seem to be much less political grounds for emancipatory transformations than at the time of Lenin. In the early twenty-first century, the formula no longer is “socialism or barbarism”, but rather “barbarism or barbarism”.

Lenin wrote *Imperialism, the highest stage of capitalism* in the face of the First World War. Therefore he stressed the role of the war between nation states as one, but not the only one, aspect of imperialism. “Capitalism has grown into a world system of colonial oppression and of the financial strangulation of the overwhelming majority of the population of the world by a handful of ‘advanced’ countries. And this ‘booty’ is shared between two or three powerful world plunderers armed to the teeth (America, Great Britain, Japan), who are drawing the whole world into *their* war over the division of *their* booty“ (Lenin 1917/1999, 28). Lenin describes the First World War as “war for the division of the world” (Lenin 1917/1999, 27). The history of capitalism after World War I did not bring an end to warfare. There was for example the Second World War (1938-1945), the Vietnamese War of Independence (1946-1954), the so-called Cold War (1945-1990), the Korean War (1950-1953), the Vietnam War (1959-1975), the invasion of Grenada (1983), the US invasion of Panama (1989-1990), the Persian Gulf War (1990-1991), the War in Afghanistan (2001-), or the War in Iraq (2003-). In many of the bloodiest wars of the 20th and 21st century, North American and European nations were involved. This circumstance is not a theoretical prove, but it is an empirical indication that war is an inherent means of expansion of capitalism that creates spheres of economic and political influence. It is one element of imperialism. The end of the Soviet Union has not brought an end to the threat of global war, but new geopolitical conflicts all over the world have shaped capitalism since the 1990s. The First World War was the expression of the political-economic conflict between what Lenin termed imperialism’s “great powers” (Lenin 1917, 239). Imperialism is necessarily a system of political-economic competition between great powers. In the contemporary conditions, the military conflicts do not coincide with the economic conflicts. Arab nations question Western hegemony with

military means and Asian nations such as China with economic means. Lenin spoke of the conflict between great powers as, which does not necessarily, but in many instances, mean that these great powers must be nation states and which does not imply that economic and military conflicts must always coincide. Military wars have economic dimensions and economic wars can, and in many cases, do result in military wars, but if and when exactly this happens is not predetermined, but a matter of the contingent complexity of societal power struggles. We simply do not know for example if in the future there will be a military war between China and Western nations for political-economic hegemony. The future cannot be predicted, but we can say that it is likely that if the 21st century will not see alternatives to the global rule of capitalism, that it will be another century of violence with new territorial wars waged for political-economic reasons.

I have now dealt with the question if contemporary capitalism shows characteristics of Lenin's definition of imperialism and if one can therefore speak of the existence of a new imperialism. In the next section, I will analyze which role information industries play in each of the five characteristics of imperialism today. The sequence of discussion is again structured according to Lenin's five qualities of imperialism.

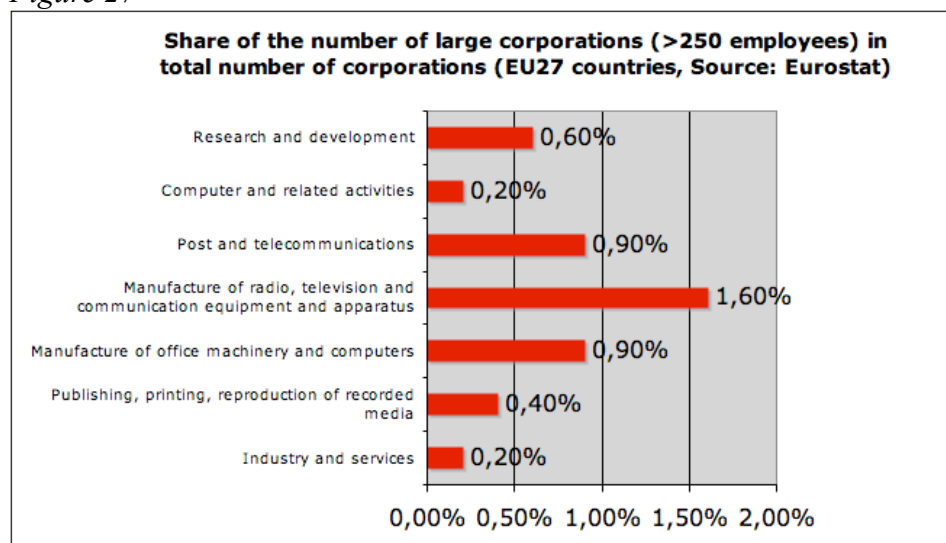
#### **4. Informational Capitalism and the New Imperialism: An Empirical Analysis**

The connection of imperialism and the information sector is not specific for new imperialism. So for example Boyd-Barrett has shown that already in the 19<sup>th</sup> and early 20<sup>th</sup> century the big news agencies Haves, Reuters, and Wolff "were based in imperial capitals" and their expansion "was intimately associated with the territorial colonialism of the late nineteenth century" (Boyd-Barrett 1980, 23). At the time of Lenin, they served as government propaganda arms in the First World War (Boyd-Barrett and Rantanen 1998, 7). For example Reuters "was for the most part the unofficial voice of the Empire, giving prominence to British views" (Thussu 2006, 11). Winseck and Pike (2007) show with the example of the global expansion of cable and wireless companies (such as for example Western Union, Commercial Cable Company, Atlantic Telegraph Company, or Marconi) in the years 1860-1930 that at the time of Lenin there was a distinct connection between communication, globalization, and capitalist imperialism. "The growth of a worldwide network of fast cables and telegraph systems, in tandem with developments in railways and steamships, eroded some of the obstacles of geography and made it easier to organize transcontinental business. These networks supported huge flows of capital, technology, people, news, and ideas which, in turn, led to a high degree of convergence among markets, merchants, and bankers" (Winseck and Pike 2007, 1f).

##### **4.1. The Concentration of Capital in the Information Sector**

Within the framework of the study of capital concentration, one can analyze the concentration of information sectors. Large information-producing companies, which are those firms that have more than 250 employees, make up only a small share of the overall number of information companies in the EU27 countries (figure 27).

Figure 27

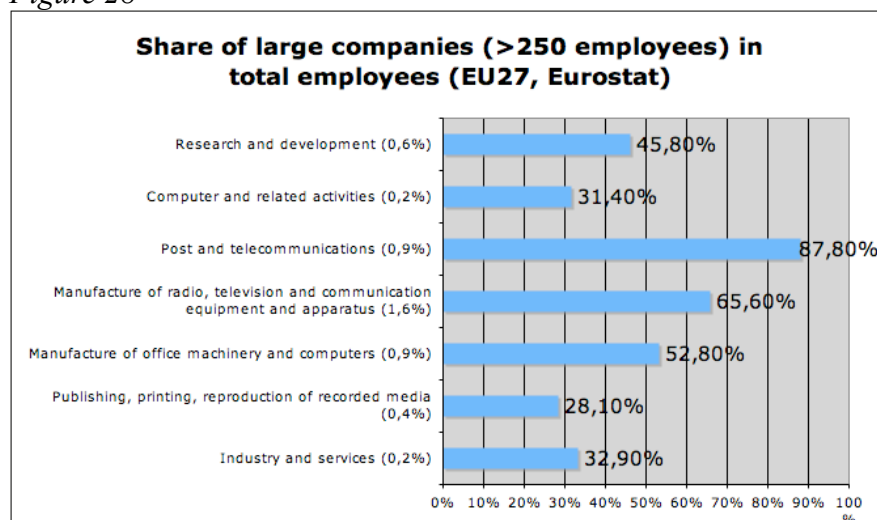


Source: Author's calculations based on Eurostat

Figure 4 shows that the information sector is an important sector in M&A, but that the finance sector accounts for the largest part of M&A.

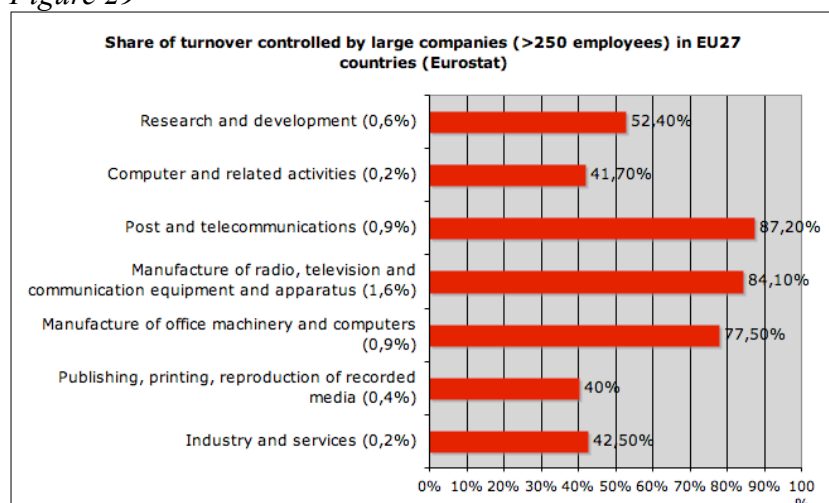
In information-producing branches, a small number of large companies accounts for a large share of the total employees, total turnover, and total value added. These shares are higher than in industry and services in general for most information branches. This applies especially in the areas of post/telecommunications and the manufacturing of communication equipment (figures 28, 29, 30). In post and telecommunications, large companies make up 0.9% of all companies and account for 87.8% of all employees, 87.2% of total turnover, and 91.7% of total value added. In the manufacturing of communication equipment, large companies make up 1.6% of all companies and account for 65.5% of all employees, 84.1% of total turnover, and 76.8% of total value added.

Figure 28



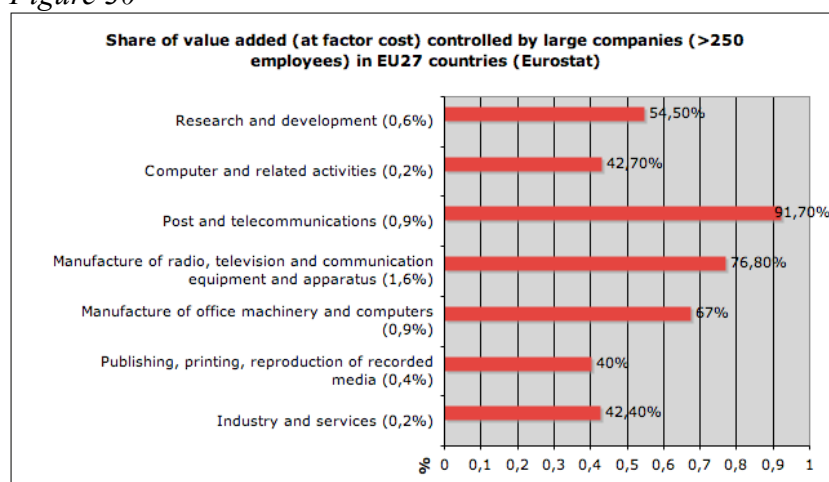
Source: Author's calculations based on Eurostat

Figure 29



Source: Author's calculations based on Eurostat

Figure 30

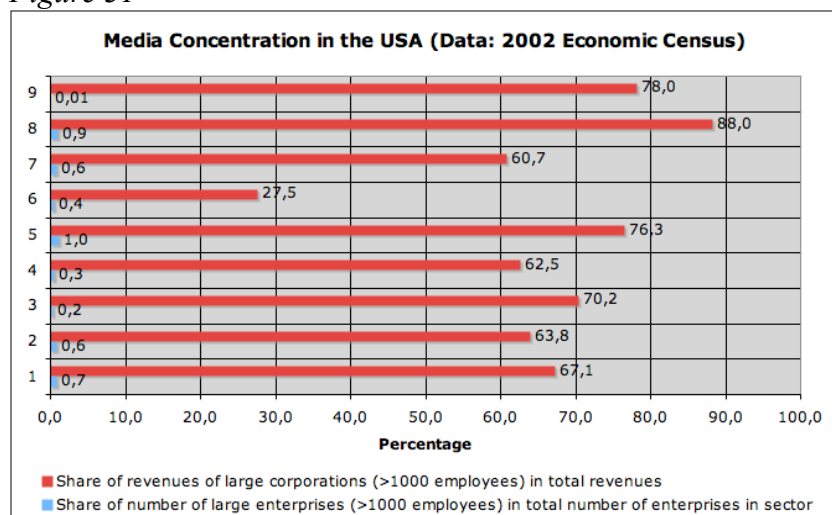


Source: Author's calculations based on Eurostat

Figure 4 shows that the finance sector accounted for 24.6% of all M&A in 2006, the storage and communication sector for 5.4%, and the printing and publishing industries for 2.0%.

A high concentration of information industries is not only specific for Europe, but can also be found in the United States (figure 31). In the entire US media sector, there were 330 large corporations (>1000 employees), which accounted for 0.01% of all media corporations in 2002, but controlled 78% of all revenues. In the telecommunications sector, 72 large corporations made up 0.9% of all companies in the industry, but controlled 88% of all sector-wide revenues.

Figure 31



Source: Author's calculations based on US 2002 Economic Census

1...Publishing industries (except Internet, includes: publishers of newspapers, periodicals, books, directories, mailing lists, other publishers),

2...Software publishers,

3...Sound recording industries (Record production, integrated record production and distribution, music publishers, sound recording studios, other sound recording industries),

4...Motion picture and video industries (Motion picture and video producers, distributors, exhibitors, postproduction and other motion picture and video companies),

5...Broadcasting (except Internet, includes: radio and television broadcasting, cable and other subscription programming),

6...Internet publishing and broadcasting,

7...Internet service providers, web search portals, data processing services,

8...Telecommunications (Wired telecommunications carriers, wireless telecommunications carriers, telecommunications resellers, satellite telecommunications, cable and other program distribution, other telecommunications),

9...Total information industry (Sum of 1-8)

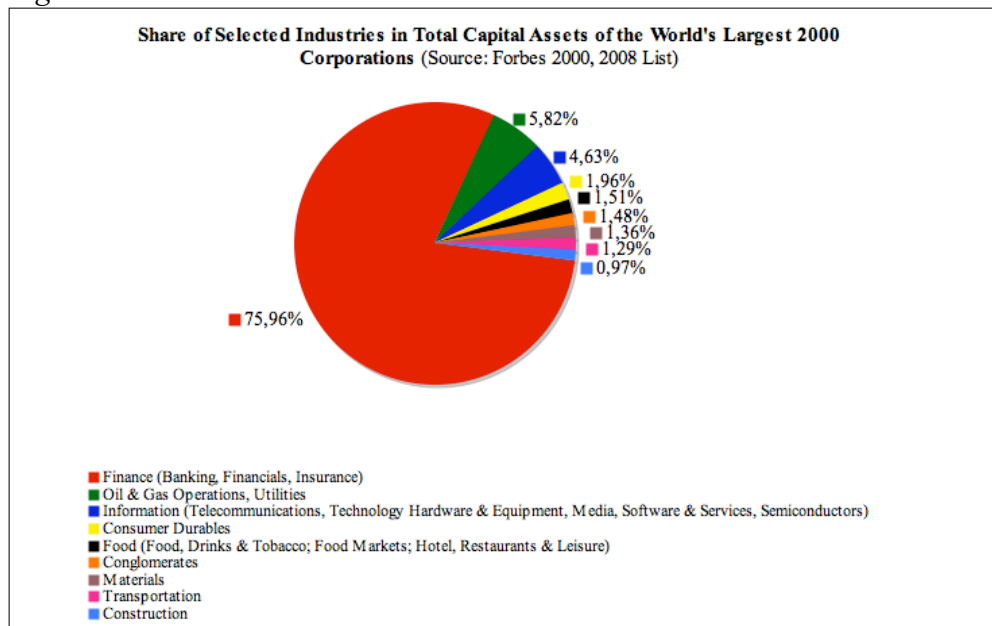
Information industries are not the only ones that are highly concentrated. So for example in the EU27 countries, value added is very highly concentrated for example in the mining of coal and lignite and the extraction of peat (large companies account for 4.9% of all companies and for 92.9% of sectoral value added), the manufacture of tobacco products (20% are large companies and account for 93.7% of value added in the industry), and the manufacture of coke, refined petroleum products and nuclear fuel (9.9% are large companies and account for 93.1% of sectoral value added) (data for 2005, Eurostat).

Information sectors, such as publishing, telecommunications, and the manufacturing of communication equipment, do not form the most concentrated economic sector, but are among the most highly concentrated industries.

## 4.2. Finance Capital and Information Capital

How important are information companies in comparison to finance corporations in the world economy? In order to give an answer, I have analyzed the 2008 Forbes list of the world's 2000 biggest companies by economic sectors. The results are presented in Figure 32. Finance companies and financial service corporations together accounted for the vast share of capital assets in 2008 (75.96%). The second largest sector was oil, gas, and utilities (5.82%). The third largest sector was the information sector (4.63%), comprised (for statistical reasons) of the following subdomains: telecommunications, technology hardware and equipment, media content, software, and semiconductors.

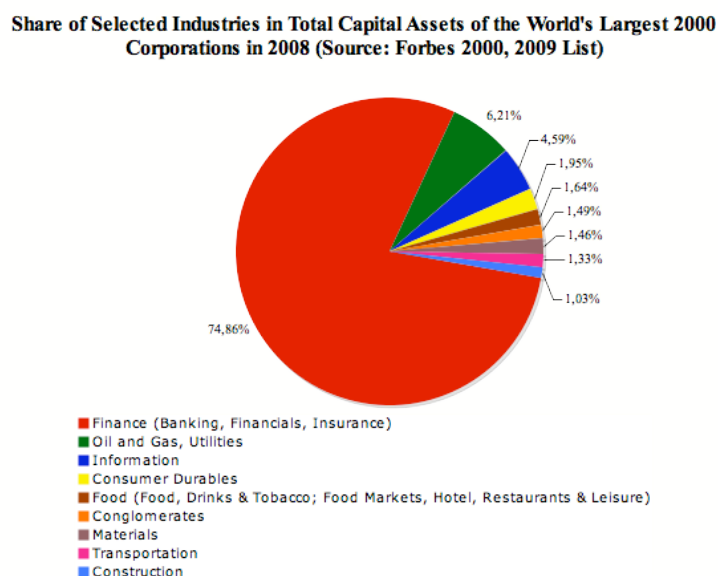
Figure 32



Source: Author's figure based on Forbes 2000, 2008 list

Finance capital is the dominant fraction of capital today, which shows that an important characteristic of imperialistic capitalism is present today. Fossil fuels are also still very important in the contemporary economy. This is an indication that industrial society is not over, and that we have entered a hyperindustrial area, in which information production, selling, and consumption becomes an important factor of the overall economy, but does not substitute for the economic importance of finance capital and fossil fuels. Financialization, hyperindustrialization, and informatization characterize contemporary imperialist capitalism. Information companies are important in the global capitalist economy, which reflects a trend towards informatization, that is, the rise of the importance of information in economy, but they are far less important than finance and the oil and gas industry.

Figure 33



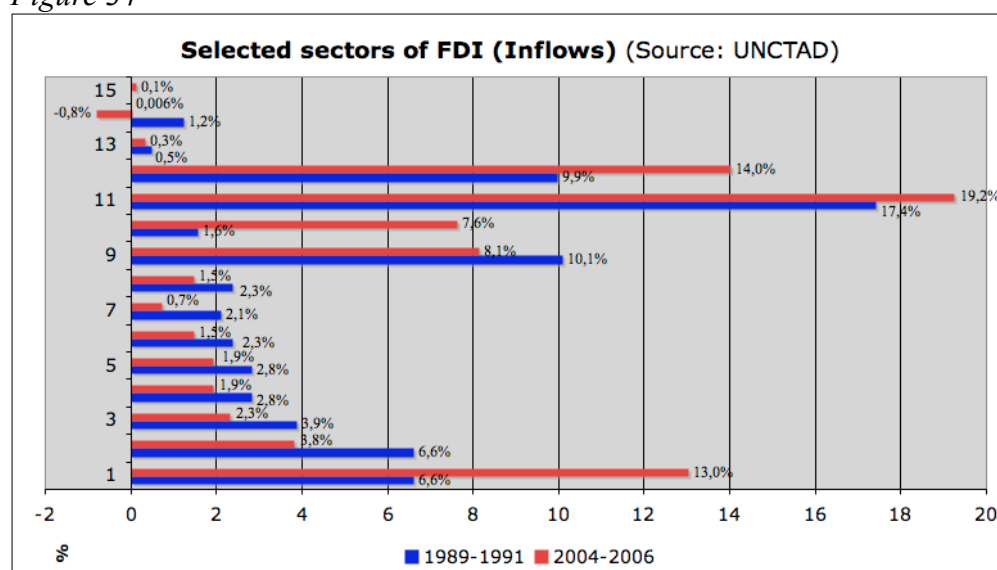
Source: Author's figure based on Forbes 2000, 2009 list

The data in figure 32 are for the year 2007. Data for the year 2008 (Forbes 2000, year 2009), which was the year a new worldwide economic crisis started, show that the financial sector suffered tremendous losses: The world's biggest 176 diversified financial corporations had combined losses of -46,27 billion US\$, the world's 92 largest insurance companies losses of 61,8 billion US\$. Nonetheless, the financial sector still accounted for 74,9% of all assets of the world's 2000 largest corporations, oil, gas & utilities for 6,2% and the information economy for 4,6% (see figure 33). This are only minor changes in comparison to 2007, which shows that the economic crisis did not undermine the inner-capitalist hegemony of financial capital. Lenin pointed out that the crisis of 1900 helped to increase the dominance of finance capital: "During the crisis [of 1900], the banks, which by that time had become fairly well merged with industry, greatly accelerated and deepened the collapse of relatively small firms and their absorption by the large ones" (Lenin 1917, 220).

### 4.3. Capital Export and the Information Industries

What are the most important economic sectors in capital export and the outsourcing of production? In which areas is the economy most globalized? What is the role of the information sector? Figure 34 shows that transport, storage, telecommunications has been the fastest growing sector of FDI in the past 20 years (from 1.6% to 7.6% of all FDI inflows). Nonetheless, information industries are not dominant, more important in FDI than transport and communication are the sectors finance, mining/quarrying/petroleum, and trade<sup>iii</sup>.

Figure 34



Source: Author's figure based on data from UNCTAD

1...Mining, quarrying, petroleum: mining of coal and lignite; extraction of peat; extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying; mining of uranium and thorium ores; mining of metal ores; other mining and quarrying

2...Manufacture of chemicals and chemical products (basic chemicals, other chemical products, man-made fibres)

3...Manufacture of food, beverages, tobacco (meat, fish, fruit, vegetables, oils and fats, dairy products, grain mill products, starches and starch products, prepared animal feeds, other food products, beverages [spirits, alcohol, wines, malt liquors and malt, soft drinks, mineral water], tobacco products),

4...Manufacture of machinery and equipment (general purpose machinery: engines, turbines, except aircraft, vehicle and cycle engines, pumps, compressors, taps, valves, bearings, gears, gearing and driving elements, ovens furnaces and furnace burners, lifting and handling equipment, other general purpose machinery); special purpose machinery (agricultural and forestry machinery, machine-tools, machinery for metallurgy, machinery for mining, quarrying and construction, machinery for food, beverage and tobacco processing, machinery for textile, apparel and leather production, weapons and ammunition, other special purpose machinery), domestic appliances (domestic electric appliances: electric blankets, refrigerators and freezers, dishwashers, laundry

equipment, vacuum cleaners, floor polishers, waste disposals, appliances to prepare and process food, other; electro-thermic domestic appliances: electric instantaneous storage or immersion heaters, electro-thermic hair dressing appliances, electric smoothing irons, space heaters and household type fans, cooking appliances, electric heating resistors; non-electric domestic space heaters, cooking ranges, grates, stoves and domestic central heating plants, non-electric water heaters, cooking appliances and plate warmers)

5...Manufacture of metals, metal products (basic iron and steel, basic precious and non-ferrous metals, casting of metals, structural metal products, tanks, reservoirs, steam generators, other fabricated metal products, metal working service activities)

6...Manufacture of electrical and electronic equipment (electronic components, semiconductors, telecom equipment, consumer electronics, business machines and equipment)

7...Manufacture of motor vehicles and other transport equipment (Automotive equipment, auto components, other transport equipment, aerospace)

8...Electricity, gas, water (Production, transmission and distribution of electricity, manufacture of gas, distribution of gaseous fuels through mains, steam and hot water supply, collection, purification and distribution of water)

9...Trade (sale, maintenance and repair of motor vehicles and motorcycles, retail sale of automotive fuel, wholesale trade and commission trade, retail trade, repair of personal and household goods)

10...Transport, storage, communication (land transport, transport via pipelines, water transport, air transport, supporting and auxiliary transport activities, activities of travel agencies, post and courier activities, telecommunications: transmission of sound, images, data or other information via cables, broadcasting, relay or satellite [telephone, telegraph, telex, transmission of radio and television programmes], network maintenance, Internet access provision, public pay-telephone services)

11...Finance (financial intermediation [Central banking, banking, banks, discount houses, credit unions], financial leasing, credit granting, investment in securities, security dealers, investment in property, writing of swaps, options and other hedging arrangements, financial holding companies, insurance and pension funding [except compulsory social security], auxiliary financial activities)

12...Business activities (real estate, business services, IT and software [hardware consultancy, software publishing, consultancy and supply, data processing, database activities and online distribution of electronic content, maintenance and repair of office, accounting and computing machinery, other computer-related activities], logistics and distribution)

13...Publishing, printing and reproduction of recorded media (Publishing of books, brochures, other publications, newspapers, journals, periodicals, music, photos, engravings, postcards, greeting cards, timetables, forms, posters, reproduction of works of art, other printed matter; printing, service activities related to printing, reproduction of recorded media [reproduction from master copies of records, compact discs and tapes with music or other sound recordings, reproduction from master copies of records, compact discs and tapes with motion pictures and other video recordings, reproduction from master copies of software and data on discs and tapes])

14...Community, social and personal service activities (Sewage and refuse disposal, sanitation and similar activities, activities of membership organizations, motion picture and video production and distribution, motion picture projection, radio and television activities, dramatic arts, music and other arts activities, other entertainment activities, news agency activities, library, archives, museums, preservation of historic sties and buildings, botanical and zoological gardens and nature reserve activities, other recreational activities)

15...Education (primary education, secondary education, higher education, specialized training for adults)

A number of authors has argued that global/transnational media organizations have emerged (Appadurai 1990/2006, Schiller 1991, Herman and McChesney 1997, McChesney 1999, Rantanen 2005, Sklair 2002, 164-207; Sreberny 1991/2006). Herbert I. Schiller (1991: 297) speaks in this context of “transnational corporate cultural domination“. Edward Herman and Robert McChesney (1997, see also McChesney 1999, 78-118) argue that global media advance corporate expansion by advertising and create an ideological environment for a global profit-driven social order. Neoliberalism and mergers and acquisitions would have resulted in a tiered global media system dominated by a small number of colossal, vertically integrated media conglomerates (measured by annual sales), such as News Corporation, Time Warner, Disney, Bertelsmann, Viacom, AT&T (TCI), Vivendi (Seagram acquired MCA in 1995 and Polygram in 1998, became the Universal Music Group, which became part of Vivendi in 2000), General Electric (NBC), or Sony (McChesney 1999, 86f; Herman and McChesney 1997, 52f, 72-105). The main feature of the global media system is for Herman and McChesney (1997, 152) the global implantation of a model of privately owned commercial media. Possible negative effects would be the global spread of consumption as

lifestyle, the displacement of the public sphere with entertainment, the strengthening of conservative political forces, and the erosion of local cultures (Herman and McChesney 1997, 154f).

Other scholars are more sceptical, doubt the emergence of global media, or argue that their existence is a myth (Hafez 2007, Flew 2007). Terry Flew (2007, 87) lists data on the foreign asset share, the transnationality index, and the foreign revenue share of Time Warner, Disney, News Corporation, and Viacom for the year 2005 in order to argue that “media corporations are less globalized than major corporations in other sectors“, globalization of media and entertainment is moving slowly, and that News Corporation is the only truly global media company (Flew 2007, 87f). This analysis is not convincing because inductive generalizations from data for four companies is not conclusive, the indicators are mainly consumption- and not production-oriented (in contrast to for example the share of foreign employees), and other information sectors are not taken into account. Not only media content producers are media companies, but also media infrastructure capital and media technology capital (telecommunications, software, hardware) should be taken into account. Also the Internet, the computer, and the mobile phone are media. Colin Sparks (2007, 172-174) analyzes the foreign assets and sales of News Corporation, Viacom, and Time Warner (for 2002 respectively 2004) and argues that global media are “centred in a single ‘home’ country“ (Sparks 2007, 174). Again, in my opinion an analysis of three companies does not allow such a generalization.

I have analyzed the transnationality data that is published in the annual World Investment Report by UNCTAD. UNCTAD’s transnationality index (TNI) measures the global dimension of a company by a composite measures that covers the world largest companies’ shares of assets, sales, and employees outside of the home country. Table 9 shows the average TNI of the top 100 corporations listed in the World Investment Reports 2003-2008 and the average of information corporations. Information/media corporations are in this context defined as all companies from the domains computer and related activities, electrical and electronic equipment, media, printing & publishing, and telecommunications. Media content capital and media infrastructure capital have a common referent, information, so summarizing these companies under the category of information corporations or media corporations is feasible. The data show that the TNI of the largest information corporations’ has in the years 2001-2006 been close to the total average and that the information companies covered by the TNI are more global than local in their operations, which casts doubt on the assumption (made by Flew, Hafez, and others) that there are no global media corporations.

*Table 9* Transnationality Index of World’s Largest Information Corporations

Year	2001	2002	2003	2004	2005	2006
Top 100 Average TNI of all Included Corporations	55.7%	57%	55.8%	56.8%	59.9%	61.6%
Information Corporations’ Average TNI	60.2%	55.0%	55.3%	55.9%	59.5%	61.7%
N (Number of information corporations in ranking)	26	22	21	21	20	18

Source: Calculations based on World Investment Reports 2003-2008

Table 10 shows further indicators for the degree of transnationality of information corporations: the average share of foreign assets in total assets, the average share of foreign

sales in total sales, the average share of foreign employment in total employment, and the share of foreign affiliates in total affiliates. The values for the 18 information corporations that are included in the 2006 list of the world's top 100 TNCs are compared to the total average values for all 100 included companies. For calculating these shares, I treated all companies (respectively information companies) as totality (what Marx termed "collective capital", Marx 1867, 344) so that the shares were calculated based on aggregated values.

*Table 10* Indicators of the Degree of Transnationality of the World's Largest Information Corporations (N=18)

	Average of All Corporations	Information Corporations: Average
Foreign Assets Share	61.39%	62.50%
Foreign Sales Share	64.35%	64.05%
Foreign Employment Share	60.48%	58.36%
Foreign Affiliates Share	69.38%	68.15%

Source: Calculations based on data for 2006, World Investment Report 2008

Statistical data suggest that the globalization of media/information corporations is not a myth, as claimed by people like Kai Hafez and Terry Flew. There surely is not a purely global media system – as transnational corporations are grounded in their respective national economies. But global production in the form of outsourcing, subcontracting, and spatially diffused production seems to be an emergent quality of capitalism and therefore also of information corporations. Indicators such as the transnationality index, the foreign assets share, the foreign sales share, the foreign employment share, and the foreign affiliates share allow measuring the degree of transnationality of information companies.

Data for the world's largest information companies suggest that although they are fairly grounded in national economies, they follow the general trend of TNCs to have the majority of their assets, sales, employment, and affiliates located outside of their home countries. This is not a uniform pattern, but a general trend. Emergent qualities are additions to old qualities that transform systems, but do not supersede and eliminate them. Transnationality is not something entirely new; instead – it is a degree, measure, and tendency. Globalization of the media is something different from fully global media: Certain media corporations become more global, parts of production are outsourced to other countries and parts of sales are achieved in other countries. The degree of sourcing, investment, affiliations, employment, assets, sales, and profits outside the home country are indicators for the degree of globalization of a media corporation. That the calculated average shares are close to 60% is an indication not for the emergence of fully global information corporations, but for the globalization of the operations of information corporations. These information TNCs are all capitalist in character, each focuses on capital accumulation on national and transnational levels that are interlinked.

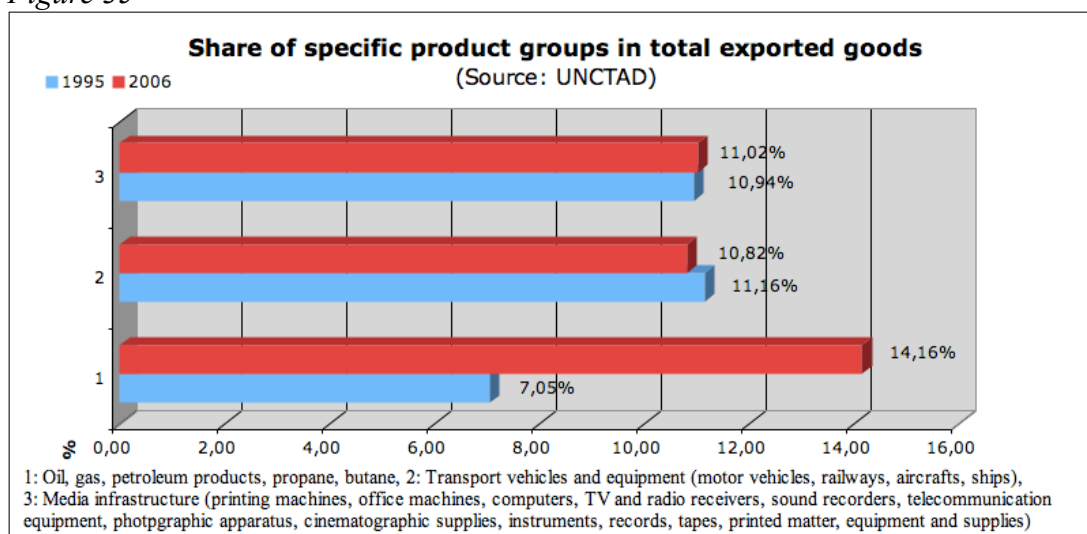
Transnationality is an emergent quality of the informational dimension of new imperialism. Transnationality is not entirely global, but an emergent quality in comparison to Fordist capitalism, in which many corporations were either state-owned or rather nationally contained by regulation. Concerning the world's largest information corporations, corporate structures have become global and ever more influenced media and information.

Media globalization then means that corporatism – the structuration of media organizations according to the logic of capital accumulation and profit maximization – has expanded its worldwide scope. Corporatism rules the world, therefore it also rules media and information organizations, which have increasingly been transformed into media corporations in processes of accumulation by dispossession that transform information and technology into commodities or intensify their commodity character.

A further aspect of media globalization is that in the twentieth century, global communication networks (phone, Internet) have emerged (Thompson 1995/2000), which today allow communication and the transmission of information in real time over distance by time-space-compression.

How important are information products and information services in world trade? Figure 35 shows that fossil fuels are the most important good in the world trade of manufactured goods, followed by media products, and transport vehicles. Fossil fuels and the car have been characterized as being characteristic for Fordist industrialism or for the third and fourth long wave (Boyer 1988, Freeman and Perez 1988, Mandel 1972/1998), whereas microelectronics is frequently considered as “post-industrial”. Concerning world trade, the data show that post-industrialism has not superseded industrialism, the information economy and the traditional industrial economy exist together. The only claim that could be made based on this data is that the structure of world trade is characterized by the dominance of a “mobilities paradigm” – the trade of goods that allows “the movement of people, ideas, objects and information” (Urry 2007, 17).

Figure 35

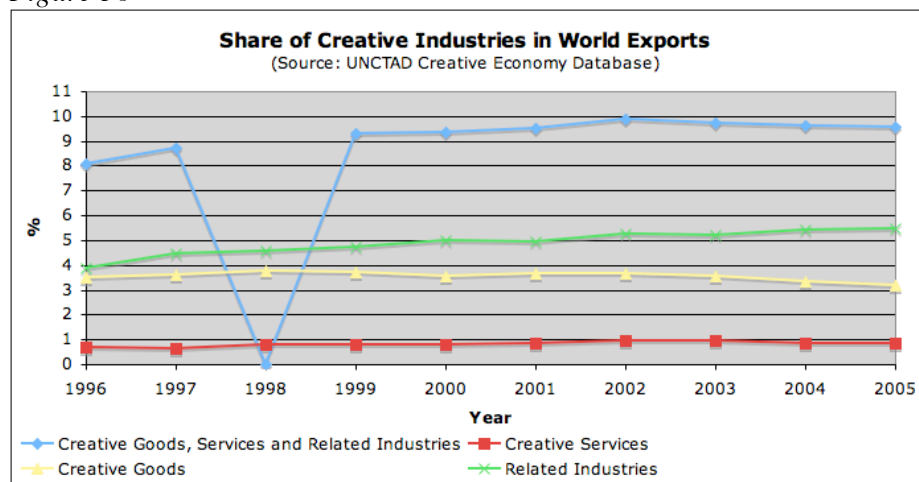


Source: Author's figure based on data by UNCTAD

UNCTAD has launched the Creative Economy Database in 2008. The creative economy is defined as consisting of the “creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs” (UN Creative Economy Report 2008, 13). This includes products in the areas of cultural sites, traditional cultural expressions (arts, crafts, festivals, celebrations), performing arts, audiovisuals, new media, design, publishing and printed media, visual arts, and creative services (architectural, advertising, creative R&D, culture, recreation). Figure 36 shows the development of the share of creative industry exports in total exports in the years 1996-2005. Related industries cover supporting industries or equipment, such as media infrastructures. The combination of creative goods (3.2%), creative services (0.8%), and related industries (5.5%) accounted for 9.55% of world exports in 2005.

This again confirms that information products and services are important in world trade, but not more important than fossil fuels and vehicles, and therefore not dominant.

Figure 36



Source: Author's figure based on data by UNCTAD Creative Economy Database

Finance, mining/quarrying/petroleum, trade, and information are the most important economic sectors of foreign direct investment. Finance is the dominant sector in both FDI and world trade.

Transnational information corporations do not operate entirely global. They are grounded in national economies, but a certain degree of their operations, assets, employees, sales, profits, and affiliates are located beyond their home economies so that a national-transnational nexus is established. Transnationality is an emergent quality, a measure, degree, and tendency. Media globalization furthermore also means the global influence of the neoliberal logic of accumulation by dispossession on media. In world trade, information goods and services are the second most important category, and transport vehicles the third most important sector. The data indicate that capital export and world trade are not dominated by the information sector, but that financialization, hyperindustrialization by continued relevance of fossil fuels and the car, and informatization are three important economic trends of the new imperialism. Financialization is the dominant factor.

#### 4.4. The Economic Division of the World and Information Corporations

The following table shows the share of corporations based in developing and developed countries in the industries that constitute the Forbes 2000 list of the world's biggest corporations. The share of corporations that have developing countries as their home bases ranges between 0% and 20%, which is a low value and corresponds to the general unequal global division of the economy. Information industries and services are no exception from this unequal economic geography.

*Table 11 The Spatial Dimension of the World's Largest 2000 Corporations*

<i>Industry</i>	<i>Share of corporations in developed countries (high human development, UNHDR 2008)</i>	<i>Share of corporations in developing countries (medium and low human development, UNHDR 2008)</i>
Aerospace & Defence	100%	0%
Banking	80%	20%
Business Services & Supplies	94.6%	5.4%
Capital Goods	87.7%	12.3%
Chemicals	93.4%	6.6%
Conglomerates	90.7%	9.3%
Construction	87.2%	12.8%
Consumer Durables	89.7%	10.3%
Diversified Financials	95%	5%
Drugs & Biotechnology	100%	0%
Food, Drink & Tobacco	91.9%	8.1%
Food Markets	100%	0%
Health Care Equipment	100%	0%
Hotels, Restaurants & Leisure	96%	4%
Household & Personal Products	97.0%	3.0%
Insurance	94.4%	5.6%
Materials	79.8%	20.1%
Media	98%	2%
Oil & Gas Operations	87.8%	12.2%
Retailing	98.6%	1.4%
Semiconductors	81.3%	18.7%
Software & Services	84.4%	15.6%
Technology Hardware & Equipment	80.9%	19.1%
Telecommunications Services	80.6%	19.4%
Trading Companies	95.8%	4.2%
Transportation	86.6%	13.4%
Utilities	92.4%	7.6%

Source: Author's calculations based on data by Forbes 2000, 2008 list

As world trade is overall stratified, also world trade in informational goods and services is stratified. In 2002, low-income countries accounted for 0.6% of all exports of cultural products, high income countries for 82.2%. North America accounted for 21.4% of book exports, 23.7% of newspaper/periodicals exports, 18.5% of recorded media exports, and 7.8% of audiovisual exports. The shares of Europe were 60.9%, 70.4%, 61.3%, 30.2%. Asia's shares were 13.7%, 3.3%, 18.2%, and 50.5%, the shares by Latin America were 2.9%, 1.8%, 1.3%, and 10.9%, and the African shares were 0.1%, 0.08%, 0.05%, 0.0001% (data: UNESCO: International Flows of Selected Cultural Goods and Services, 1994-2003).

One can say that theories of media imperialism and cultural domination (see for example: (Boyd-Barrett 1977, 1998; Golding and Harris 1996, Mattelart 1979, 57-70; Roach 1997, Said 1993, Schiller 1969/1992, 1976, 1989, 1991/2006; Sparks 2007: 81-104, Thussu 2006, 46-57; Tomlinson 1991) have described Lenin's fourth characteristic of imperialism in relation to media and culture: the domination of the info sphere by large Western corporations. At first, such concepts were focusing on the control of ownership, structure, distribution or content of the media in one country by another country (Boyd-Barrett 1977, 117) or by the US (Schiller 1969/1992). Later, they were updated in order to reflect the reality of media globalization (see

for example: Boyd-Barrett 1998, Schiller 1991/2006, Thussu 1998) so that concepts such as transnational corporate cultural domination (Schiller 1991/2006), global media empire, or Murdochization (Thussu 1998) emerged. This updated version is suited for theoretically describing Lenin's dimension of corporate economic domination in the attempt to apply imperialism theory to informational capitalism. The problem with most cultural imperialism approaches is that they do not explicitly embed their theories into classical theories of imperialism. So for example Boyd-Barrett mentions that the concept of media imperialism is "indebted to the works of Marx, Lenin and Rosa Luxemburg" (Boyd-Barrett 1998, 158), but he does not further outline this connection. The paper at hand is an attempt to contribute to the closure of this analytical gap.

The stratified geography of capital export and world trade repeats itself in the sector that covers the production and diffusion of information goods and services, which is on the global level dominated by Western corporations.

#### **4.5. The Role of Information in the Political Division of the World**

Information today plays certainly an important role in warfare in two distinct senses: 1. Psychological warfare with the help of media is conducted in order to intimidate, influence, and manipulate enemies and the foreign public; 2. There are computer-based weapon systems that bring about an informatization of warfare. Both elements have been stressed as important features of warfare in the Iraq war 2003 and the Afghanistan war 2001 (see Anderson 2006, Artz and Kamalipour 2005, Bennett 2008, Berenger 2004, Brookes, Mosdell, Threadgold and Lewis 2005; Conroy 2007, Dudge 2006, Fuchs 2005, Fuchs 2008b, chapter 8.3; Hoskins 2004, Katovsky and Carlson 2003, Kellner 2005, Miller 2004, Nikolaev and Hakanen 2006, Oliver 2007, Paul 2005, Rampton and Stauber 2003, Schechter 2003, Thumber and Palmer 2004, Thumber and Webster 2006, Thussu and Freedman 2003, Wheeler 2007). Information warfare surely is an important feature of warfare in new imperialism. However, the main quality of war is not and has never been that it is informational, but that it aims at destroying and defeating the enemy. Therefore information war is not immaterial, but aims at physical destruction and defeat. Warfare under new imperialism is not immaterial, but very material, as the ten thousands of casualties in the military conflicts in Afghanistan and Iraq show.

#### **5. Conclusion**

Georges Labica (2007, 229) argues that the features of imperialism identified by Lenin

have been continued, but they are accelerated by the conjunction of three recent phenomena: the predominance of speculative finance capital, the technological revolutions, especially in the field of information and communications, and the collapse of the so-called socialist countries. (for arguments on the continuity of imperialism in Lenin's sense of the term see also Sakellariopoulos 2009)

Labica summarizes important features of the new imperialism that formed the very focus of this paper.

The task of this paper was to discuss the topicality of Lenin's notion of imperialism under special consideration of the role of media and information. The starting point was theories of new imperialism that take different positions on the novelty of imperialism. Many of these theories do not engage thoroughly with Lenin's notion of imperialism and have rather ungrounded notions of imperialism, which makes it feasible to test the topicality of Lenin in

the contemporary world by procedures that have recently been termed repeating and reloading Lenin (Budgen, Kouvelakis and Žižek 2007, Žižek 2004a, Žižek 2008). In this paper, this methodological procedure has primarily meant to take up and reload the concept of imperialism and to test if information and media are new clothes of imperialism or if nothing has changed. It has also meant to employ, just like Lenin, empirical analysis in order to judge if one can speak of imperialism today or not. Certainly data sources are much more nuanced and easier accessible than at the time of Lenin, but the important aspect is that theory grounded by structural empirical analysis is a typical Lenin-style move in studies of imperialism.

New imperialism is new in comparison to Fordist capitalism. In certain respects it is a return to a development phase of capitalism that first emerged in the early twentieth century, Imperialism was after 1945 sublated by Fordist capitalism which was characterized by nationally regulated economies, formal decolonization, the rise of a system of mass production and mass consumption, protective duties and regulation of world trade, regulation of the exchange relationships between currencies, and/or the emergence of welfare states (Aglietta 1979, Boyer and Saillard 2002, Jessop 2002, Lipietz 1987). Fordism predated and extended into the time of the “cold war” between the US and the USSR. Warfare by the US was primarily oriented on containing the Communist threat and limiting the Soviet influence by trying to repress socialist forces in countries such as Korea, Cuba, Vietnam, Chile, Nicaragua.

Lenin (1917, 245-253) argued that imperialism is crisis-ridden. Monopolies would show a tendency to stagnation and decay and finance capital would be detached from economic production. Some of Lenin’s formulations imply that imperialism is the last stage of capitalism and that an automatic breakdown of the system follows from internal antagonisms. To speak of the “highest stage of capitalism” means that there can be no higher succeeding stage, but one can argue that Fordist capitalism was such a stage in the sense of a Hegelian sublation of the imperialist stage of capitalism. When Lenin spoke of imperialism as “parasitic decaying capitalism” (Lenin 1917, 248, see also 267) or of imperialism as “*already* dying capitalism” (Lenin 1916, 105), he meant that the end of capitalism is near. Capitalism has proved much more resilient in the twentieth century than Lenin imagined. It did not with “necessity begin to decay” (Lenin 1917, 269) and found mechanisms for overcoming crisis by intensifying exploitation and by creating new internal spheres of exploitation. But apart from these intellectual errors, Lenin saw that there is an inherent crisis tendency in financial capital. The past ten years of capitalist development have proved Lenin right in this point: The South Asian financial crisis in 1997, the new economy crisis in 2000, and the global financial crisis 2000 that originated in financial speculation on the US housing market showed that finance capital produces high short-term profits, but at the same time creates speculative bubbles that cause chain reaction-crises once they burst. Lenin correctly saw the problem of the detachment of fictitious finance capital accumulation from actual economic production. Analyses furthermore show the importance of Lenin’s theory of imperialism today.

Statistical data suggest that contemporary capitalism is an imperialistic capitalism in Lenin’s sense of the term imperialism.

Capital concentration: Capital concentration is an important characteristic of industry, services, and finance.

The dominance of finance capital: Finance capital is the dominant form of capital today. There are new qualities of finance capital today that were not present at the time of

Lenin. There is more than stocks and bonds on the financial market, so for example there is a large influence of insurance companies, pension funds, investment funds, and there are new financial instruments such as finance derivatives. Neoliberalism has created volatile global deregulated financial markets.

The importance of capital export: Capital export, the third characteristic of imperialism mentioned by Lenin, has in comparison to the period 1945-1975 become far more important, transnational corporations are a new characteristic of the world economy that resulted from a turn from quantity into quality.

The economic division of the world among big corporation: Lenin's fourth characteristic of imperialism, the asymmetric spatial division of the world economy, is valid today. FDI inflows are stratified in a relation of 70 : 30 between developed and developing economies, world imports in a relation of 65 : 35, world exports in a relation of 60 : 40. Europe is the most important source and drain of FDI. Africa and large parts of Latin America are excluded from capital investment. Asia has attracted significant inflow growths. China is the most important developing location for FDI inflows. North America's position as leading capital export region has since the 1945 deteriorated significantly. Asia has due to the economic rise of China become important and accounts for now almost 10% of all capital exports. In world trade, Europe has remained the leading import region in the past 50 years, and Asia has become a more important import region than North America. Europe has become the most important export region, North America's position vastly deteriorated (decrease from a 30% share of world exports in 1945 to one slightly above 10%), developing Asia became the second largest export region. China has become the most important developing and Asian trade nation.

The political division of the world: The US-led war in Iraq and Afghanistan is the practical validation of the presence of the fifth characteristic of imperialism today. Military conflicts that aim at territorial control and global hegemony and counter-hegemony are immanent features of the new imperialism.

I also tested which role information industries play in the new imperialism. The result was that they are important, but not dominant.

Capital concentration and information industries: Information sectors such as publishing, telecommunications, and the manufacturing of communication equipment are among the most concentrated economic sectors, although finance is the most concentrated sector.

Finance capital and information capital: Information companies are important in the global capitalist economy, which reflects a trend towards informatization, but they are far less important than finance and the oil and gas industry. Financialization, hyperindustrialization, and informatization are three important characteristics of contemporary imperialist capitalism.

Capital export and information industries: Finance, mining/quarrying/petroleum, trade, and information are the most important economic sectors of foreign direct investment. Finance is the dominant sector in both FDI and world trade. Transnational information corporations do not operate entirely global. They are grounded in national economies, but a certain degree of their operations, assets, employees, sales, profits, and affiliates

are located beyond their home economies so that a national-transnational nexus is established. Transnationality is an emergent quality, a measure, degree, and tendency. The data indicate that capital export and world trade are not dominated by the information sector, but that financialization, hyperindustrialization by continued relevance of fossil fuels and the car, and informatization are three important economic trends of the new imperialism. Financialization is the dominant factor. The stratified global geography of economic production and world trade repeats itself in the sector that covers the production and diffusion of information goods and services, which is on the global level just like other sectors strongly dominated by Western corporations.

The economic division of the world and information corporations: The stratified geography of capital export and world trade repeats itself in the sector that covers the production and diffusion of information goods and services, which is on the global level dominated by Western corporations.

The role of information in the political division of the world: Information warfare is an important feature of warfare in new imperialism. However, the main quality of war is not and has never been that it is informational, but that it aims at destroying and defeating the enemy.

What is the new imperialism? The new imperialism is a return and at the same time a sublation of Lenin's notion of imperialism. The new imperialism is new and it shows the characteristics of the imperialism that Lenin described. These characteristics take on new forms. Capital concentration shapes finance, industry, and services. Finance capital is the dominant form of capital. Insurance companies, pension funds, investment funds, and new financial instruments play an important role on deregulated, volatile financial markets that have resulted in a global world economic crisis in 2008. Capital export is today far more important than in the period 1945-1975. Transnational corporations are important in this context. The world economy is highly stratified: Developed countries dominate capital exports and world trade. North America's importance in capital export and commodity exports has decreased. Europe is today the most important actor in the import and export of capital and goods. China has become an important exporting country and an important location for FDI inflows. At the end of the 20th century and the beginning of the 21<sup>st</sup> century, France, Italy and Spain have achieved important relative increases in capital exports, whereas the US has significantly lost. The US has significantly lost shares in world exports at the end of the 20<sup>th</sup> and the beginning of the 21<sup>st</sup> century, China has become at the same time a large importing and a huge exporting country. Military conflicts shape the new imperialism. A new quality is the emergence of transnational military groups (such as Al-Qaeda). In the new imperialism, informatization is just one tendency besides financialization and hyperindustrialization (the continued relevance of fossil fuels and the car). Financialization is the dominant factor.

Based on Lenin's notion of imperialism, the results of this paper allow concluding that contemporary capitalism is a new kind of imperialism. One however cannot conclude that the new imperialism is a media imperialism or informational imperialism because this would have to mean that media and information are today the most important features of capital concentration, capital export, world trade, and warfare, which clearly is not the case. Media and information do play an important role in new imperialism, but they are subsumed under finance capital and the continued importance of fossil fuel, which is a resource that motivates imperialist warfare. Media are characterized by qualities of imperialism such as concentration and transnationalization, which allows speaking of the imperialistic character of the media

within the new imperialism, but not of the existence of media imperialism.

The most significant change of the spatial structure of the world economy in the past 50 years has been the deterioration of North America in the areas of capital exports and commodity exports and the rise of China as important location for FDI inflows and important trading country, especially in exports. The decrease of the economic importance of the US has benefited countries such as China, France, Italy, and Spain in certain areas of economic activity, while at the same time there is an unquestioned military hegemony of the US, as well as the new importance and new methods of financialization. The analysis of contemporary capitalism requires returning and reloading Lenin for critical globalization studies. The discussion and analysis of media and information should be situated within the context of the new imperialism. First and foremost this requires returning and reloading Lenin for media and communication studies.

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<sup>i</sup> So for example Slavoj Žižek (2004b: 264) asks in respect to Hardt's and Negri's book: "Is, on the contrary, the 'War on Terror' not the strongest-yet assertion of state authority? Are we not witnessing now the unheard-of mobilization of all (repressive and ideological) state-apparatuses?" (See also Wood 2003a).

<sup>ii</sup> The sector of business activities that is shown in Figure 8 as the second largest area of mergers and acquisitions is very heterogeneous. The data source (UNCTAD FDI Database) is based on the United Nations International Standard Industrial Classification of All Economic Activities (ISIC). Business activities include: real estate, renting; legal services, accounting, bookkeeping and auditing activities, tax consultancy; market research and public opinion polling, business and management consultancy; architectural, engineering and other technical activities, advertising. Real estate and renting are comparable large sectors and qualitatively very different from the remaining services that are subsumed under the category of business services. The heterogeneity of this sector and the lack of more detailed data pose problems for interpreting the available data.

<sup>iii</sup> Due to the heterogeneity of the business activities sector (#12), one cannot give a reliable interpretation of the development of this sector.