

## Critical Globalization Studies and the New Imperialism

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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 article explores whether or not contemporary society can be characterized as a new form of the Marxist notion of imperialism. In an attempt to answer this question, I employ Vladimir Lenin's analysis of imperialism as it relates to contemporary capitalism. I test Lenin's theories with a macroeconomic statistical analysis of existing data.

### Keywords

critical globalization studies, empire, global capitalism, new imperialism, Vladimir Lenin

### Introduction

This article deals with the question: is contemporary capitalism a kind of imperialism? My goal is to make a contribution to the new imperialism debate by applying Lenin's notion of imperialism to contemporary capitalism. The notion of imperialism employed is Lenin's classical one, so the task becomes to analyse how to reactualize Lenin's notion of imperialism. In order to frame this analysis effectively, I first discuss the notions of imperialism that are employed in theories of new imperialism and capitalist empire. The question whether or not contemporary capitalism is a form of imperialism in Lenin's understanding of the term is then discussed. The main section of the article is structured according to the sequence of the five characteristics of imperialism employed by Lenin (1917). Each of these sections discusses the question whether or not a specific quality of imperialism is topical. 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 et al. 2007; Lih 2005; Žižek 2004a).

## Theories of Empire, Global Capitalism and New Imperialism

A notion of new imperialism that is grounded in Lenin's theory of imperialism shares with theories of empire, global capitalism, and other concepts of new imperialism the insight that the global dimension of capital is a central characteristic of contemporary capitalism. However, it is also distinct in a number of respects.

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)

For William 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). This phase is characterized by 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. 'Transnational capital has become the dominant, or hegemonic, fraction of capital on a world scale' (Robinson 2004: 21). Leslie Sklair (2002) employs the notions of global capitalism and capitalist globalization in a manner that is comparable to Robinson. '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). Theorists of global capitalism agree with Hardt and Negri that the current phase of capitalism is not a new imperialism.

This assumption is not shared by theories of new imperialism. 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). Over-accumulation 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). New imperialism is for Harvey a specific form of primitive accumulation that developed after 1970: neoliberal imperialism (Harvey 2005: 184, 188, 190), or 'imperialism as accumulation by dispossession'. (Harvey 2005: 137–82).

Ellen Meiksins Wood uses the term 'imperialism' in the sense of the military creation of a global economic and political hegemony of the USA. 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 (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 the Second World War (Wood 2003b: 131, 151). For Wood, new imperialism means the global unilateral rule of the USA, 'unilateral world domination' (Wood 2003b: 164).

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 Lenin for assuming 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: 44ff., 137). Sklair (2002: 30ff.) 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 article, 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; 2004: xii). The nation state-centredness 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 the Second World War, 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 (e.g. Hardt and Negri 2000, 2004; Negri 2008; Panitch and Gindin 2004, 2005; Robinson 2004, 2007; 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 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 2003a, 2003b, 2005, 2007; Harvey 2003, 2005, 2006, 2007; Wood 2003a, 2003b; Zeller 2004a, 2004b). A middle ground is the assumption that imperialism has re-emerged 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: O'Byrne 2005; Sklair 2002). Some of the most important theories of new imperialism, empire, and global capitalism will now be discussed and which concept of imperialism underlies these theories, and which role Lenin's theory of imperialism plays in this context, will be analysed.

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. These theories 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 whether or not this concept can be applied today.

Alain Lipietz (1987: 48ff.) argues that for Luxemburg and Lenin the creation of sales markets and foreign direct investments, in areas outside of capitalism that were also 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 use 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 are 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)

Lenin's work *Imperialism, the Highest Stage of Capitalism* (1917) does not, as suggested by some authors, offer only a very rough definition (Zeller 2004b: 88, 111) and is not 'pamphleteering' instead of theorizing (Harvey 2007: 59). In the first six chapters, he gives a detailed empirical account of economic developments that he then summarizes in the well known definition that is given in Chapter 7. 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/Negri, Harvey, and Wood on new imperialism as rather 'empirico-phobic'. In contrast, Lenin gave close attention to the empirical data that was available in his time. For his work on imperialism, he undertook 'enormous preparatory work' (Labica 2007: 223) that is documented in his 21 *Notebooks on Imperialism* (Lenin 1912–16), which contain notes on 150 books and 240 articles. To re-engage with Lenin's theory of imperialism today should therefore involve an examination and update of his theoretical arguments and the support of these arguments by data in the same empirical rigour that Lenin showed in his work and that contemporary works unfortunately frequently lack. Updating Lenin can be undertaken by substituting 'for the data he presented what we have available today' (Labica 2007: 232). To repeat and reload

Lenin today means 'to retrieve the same impulse in today's constellation' (Žižek 2004a: 11; compare also: Budgen et al. 2007: 1–4). This also means taking Lenin as a theoretical and methodological impulse for contemporary critical globalization studies.

### 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, 260ff.). 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 whether or not 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 analyse the concentration of information sectors. Concentration generally means that a small number of enterprises controls a large amount of assets (such as capital, workers, infrastructure).

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

#### Capital concentration in industry and services in the EU27 countries

Large companies make up 0,2% of all companies in the EU27 countries.

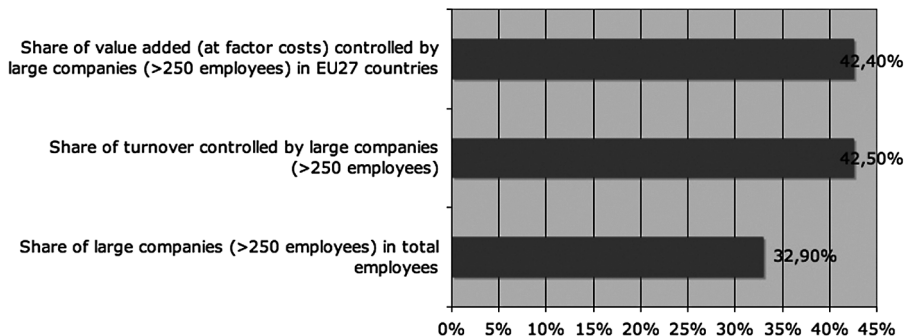


Figure 1 Capital concentration in the EU27  
 Source: Author's calculations based on Eurostat (2007) data

Large companies in the EU27 countries account for only 0.2 percent of the total number of enterprises, but for 32.9 percent of all employees, 42.5 percent of total turnover, and 42.4 percent 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 of mergers and value of mergers and acquisitions is likely to indicate increasing concentration. The total value of annual worldwide mergers and acquisitions has increased sharply from US\$74.5 bn in 1987 to US\$880.5bn in 2006 (data source: UNCTAD FDI database). In total numbers of M&A this means an increase from 863 annual M&A in 1987 to 6974 in 2008 (data source: UNCTAD FDI database). [For all UNCTAD sources, see UNCTAD (no specific date) in References List.]

Figure 2 shows that the finance sector accounted for the largest share of these M&A in 2006:<sup>1</sup> 24.6 percent (1717) of all M&A, whereas the transport, storage and communication sector accounted for 5.4 percent (379) of all M&A and the printing and publishing industries accounted for 2.0 percent (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).

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.

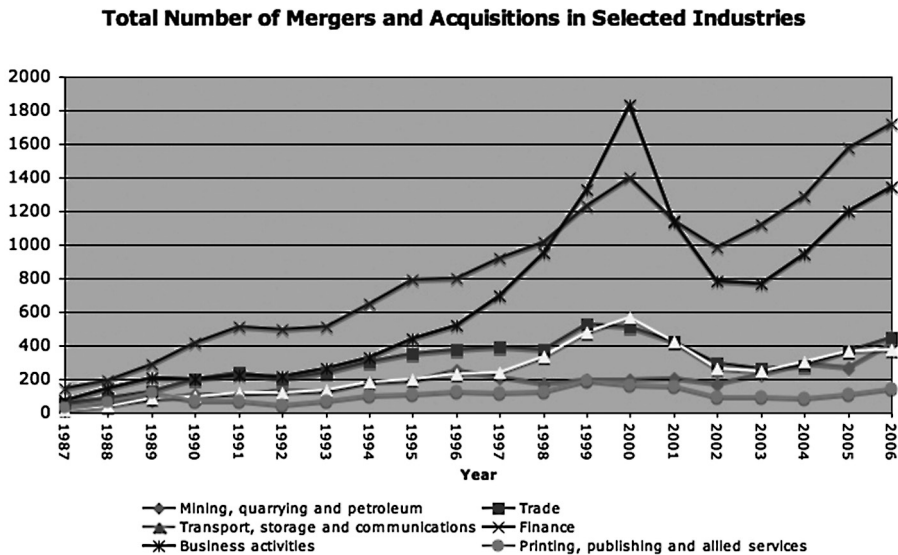


Figure 2 Mergers and acquisitions  
 Source: Author’s Figure based on UNCTAD data

## 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).

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.

There was significant growth of financial asset transactions by investment funds, insurance corporations, and pension funds for the USA and Japan. The value of financial transactions by US insurance corporations and pension funds increased from 51.7 percent of the US GDP in 1980 to 122.92 percent of GDP in 2007, the value of financial transactions by US investment funds from 5.3 percent of GDP in 1980 to 85.9 percent of GDP in 2007 (data source: OECD Institutional Investors Statistics, see <http://puck.sourceoecd.org/>, consulted 8 July 2010). In Japan, insurance and pensions corporations and pension funds increased the value of their financial transactions from 21.6 percent of GDP in 1980 to 75.6 percent of GDP in 2006, investment funds from 16.0 percent to 72.7 percent of GDP (data source: OECD Institutional Investors Statistics, see <http://puck.sourceoecd.org/>, consulted 8 July 2010). 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; Huffschmid 2002) or financial accumulation regime (Aglietta 2000; Chesnais 2004; Zeller 2004b) to describe 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 30 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.

### 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 percent. 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 of the level of global activities of corporations. FDI flows have increased from approximately 0.5 percent of world GDP at the beginning of the 1970s to a share between 2 percent and 4.5 percent since the end of the millennium (data source: UNCTAD, world FDI inflows and outflows). FDI stocks have increased from a level of about 5 percent of world GDP at the beginning of the 1980s to 25 percent of world GDP in 2006 (data source: UNCTAD, world FDI instock). 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 1945–75.

The transnationality index provided by UNCTAD (the United Nations Commission on Trade and Development) 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 percent, for developing countries 21.8 percent, and for transition countries 19.6 percent (World Investment Report 2008: data tables). These data seem to confirm calculations by Hirst and Thompson (1999: 79–87) that show that ‘between 65 and 70 percent of MNC value-added continues to be produced on the home territory’ (Hirst and Thompson, 1999: 95). In the EU27 countries, 16 percent of the companies engage in international sourcing, 4 percent plan to engage in it, and 80 percent do not engage and do not plan to engage in it (Eurostat 2007). 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 percent (World Investment Report 2008: 28), which shows that large multi- and transnationals do indeed have transnational value-sources.

The biggest 2000 TNCs had sales of US\$1414.95bn in 2007 – calculation based on *Forbes 2000* (Forbes 2008). In 2007, the world GDP was current US\$54,347,037,614,014. The revenues of all companies worldwide made up 27 percent of the world GDP, which is approximately US\$14,673bn (World Development Indicators [WDI], see <http://data.worldbank.org/data-catalog>, consulted 11 July 2010). So the biggest 2000 TNCs accounted for 9.6 percent 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 percent of EU27 companies with sourcing activities say that this is a very important motivational factor, 28.5 percent say it is an important one, and only 9.9 percent say it is an unimportant factor (Eurostat 2007). 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 3 and 4 show that world exports and world imports have increased from approximately 10 percent of world GDP in 1965 to more than 25 percent 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.

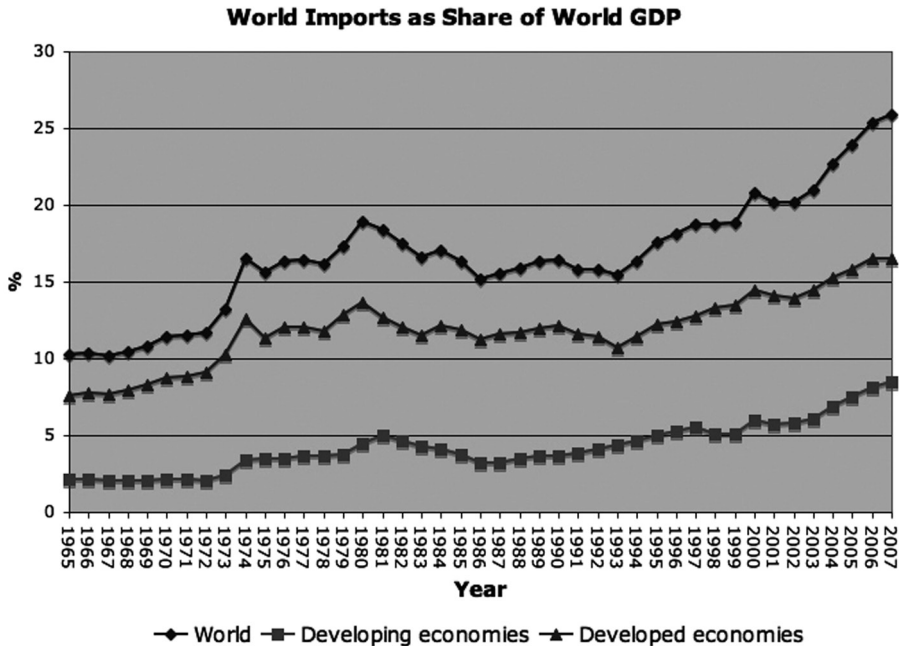


Figure 3 World imports

Source: Author's Figure based on data from UNCTAD and World Development Indicators.

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 1945–75 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 1945–75. 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 multinationals 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.

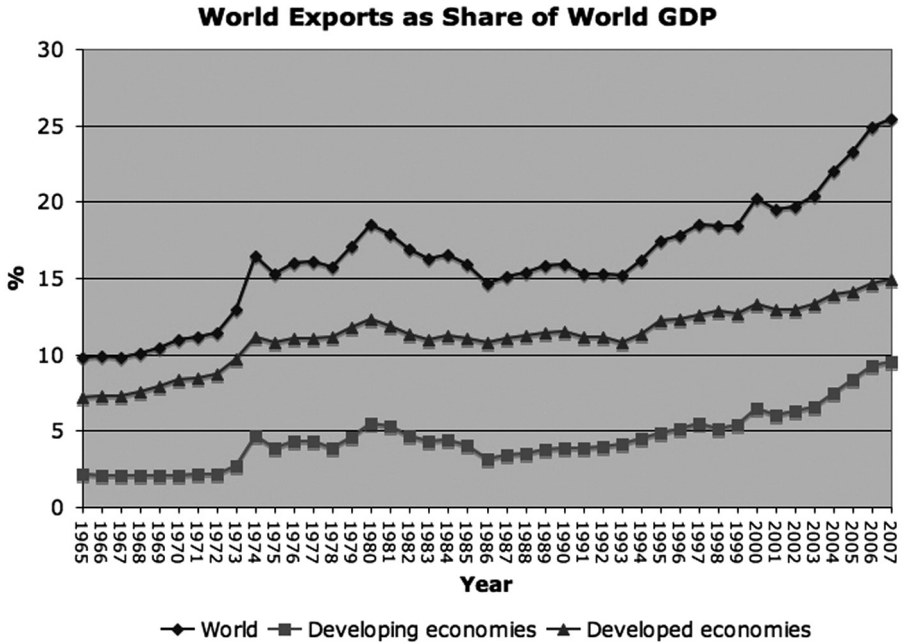


Figure 4 World exports

Source: Author's Figure based on data from UNCTAD and World Development Indicators.

### 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 them, 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 section 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 about which regions and countries are dominant. Within North America, the United States are the dominant economic nation; within Europe Germany, the UK and France are the three dominant economic actors; and within Asia China is the dominant economic nation. Therefore presenting regional data also allows conclusions to be drawn for the nation state level.

The share of developed countries in total FDI inflows has fluctuated between 55 percent and 90 percent and the share of developing countries between 10 percent and 45 percent (data source: UNCTAD, distribution of FDI inflows between developing economies and developed economies in the years 1970–2006). 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.

In 1970, the developing economies accounted for 28.7 percent of FDI inflows, in 2006 for 29.0 percent (data source: UNCTAD, distribution of FDI inflows between developing economies and developed economies in the years 1970–2006). So overall, there has not been much change. FDI outflows have continuously been very unequal since the 1970s (data source: UNCTAD, distribution of FDI outflows between developing economies and developed economies in the years 1970–2006). The vast majority of investment comes from developed countries. The developed countries' share in FDI outflows has dropped from 99.6 percent in 1970 to 84.1 percent in 2006 (data source: UNCTAD, distribution of FDI outflows between developing economies and developed economies in the years 1970–2006). 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 percent were invested in Europe, 36.4 percent in America, and 31.4 percent in Asia, Africa, Australia. This shows that capital export was shaped by global inequality at the beginning of the 20th century just like at the beginning of the 21st century.

Europe is the most important receiver of FDI today. In 2006, it accounted for 44 percent of all FDI inflows, North America for 19.2 percent (data source: UNCTAD, share of FDI inflows by developed countries in North America, Asia, and Europe). The most important change in FDI since the 1970s has been the increase in FDI inflows to Asian developing economies (data source: UNCTAD, share of FDI inflows by developing regions). The FDI inflow share of developing economies in Asia increased from

6.4 percent in 1970 to 19.9 percent in 2006, the inflow share of Latin America changed from 11.9 percent in 1970 to 12.7 percent in 2004 and 6.4 percent in 2006, the inflow share of Africa decreased from 9.4 percent in 1970 to 2.7 percent in 2006 (data source: UNCTAD, share of FDI inflows by developing regions). Africa and large parts of Latin America are excluded from capital investment. Asia has attracted significant inflows. This is an important qualitative change in the landscape of capital export. China is the most important developing location for FDI inflows; it increased its share from 0.000187 percent in 1970 to 13.3 percent in 1994, which then again dropped to 9.5 percent in 2003 and 5.3 percent in 2006 (data source: UNCTAD, share of FDI inflows by developing regions). 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 1) shows important decreasing shares in worldwide capital inflows for the USA, the UK and Canada and important increasing shares for China, France and the Netherlands.

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

In 2006, Europe accounted for 55.0 percent of FDI outflows and North America for 21.9 percent (data source: UNCTAD, share of FDI outflows by developed regions). North America's leading position at the beginning of the 1970s has vanished; its capital exports have decreased by 40 percent points from a 60 percent share to a 20 percent share (data source: UNCTAD, share of FDI outflows by developed regions).

Developing economies in Asia have become more important in capital export. They accounted for only 0.007 percent of FDI outflows in 1970 and for 9.6 percent in 2006 (data source: UNCTAD, share of FDI outflows by developing regions). China (including Hong Kong, Macao, and Taiwan) accounted for 5.6 percent of these 9.6 percent in 2006 (data source: UNCTAD, share of FDI outflows by developing regions). 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

Table 1 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%

Source: UNCTAD

The Table lists all countries that had a share of >4% in either of the displayed years

important than Japan, which accounted for 3.8 percent of capital exports in 2006 (data source: UNCTAD, share of FDI outflows by developing regions). Latin America increased its share in world capital exports from 0.2 percent in 1970 to 4.0 percent in 2006, Africa's share changed from 0.21 percent to 0.7 percent. Africa is de facto excluded from capital export and import (data source: UNCTAD, share of FDI outflows by developing regions).

A country level comparison of the dominant economic actors in capital export for the years 1980 and 2007 (Table 2) shows dramatic decreases for the USA, 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 USA and is the dominant actor in this area in the early 21st century.

World imports have remained rather constantly divided in a relationship of 65–70 percent: 30–35 percent between developed economies and developing economies in the years 1948–2007 (see Figure 5).

The share of world exports of developed countries has dropped from 70 percent around 1945 to 58.6 percent in 2007 (see Figure 6).

Europe's share in world imports changed from 43.0 percent in 1948 to 40.4 percent in 2007 (data source: UNCTAD, world regions' shares in world imports); North America's share dropped from 20.1 percent to 17.11 percent (data source: UNCTAD, world regions' shares in world imports). Africa's import share dropped from 8.8 percent to 2.4 percent, Latin America's share from 11.0 percent to 5.3 percent, whereas the share of developing economies in Asia increased from 12.1 percent to 25.11 percent (data source: UNCTAD, world regions' shares in world imports).

Very significant changes occurred in the structure of world exports: Europe increased its share from 31.0 percent in 1948 to 40.4 percent in 2007; in the same time

Table 2 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%

Source: UNCTAD

Note: This Table lists all countries that had a share of >4% in either of the displayed years

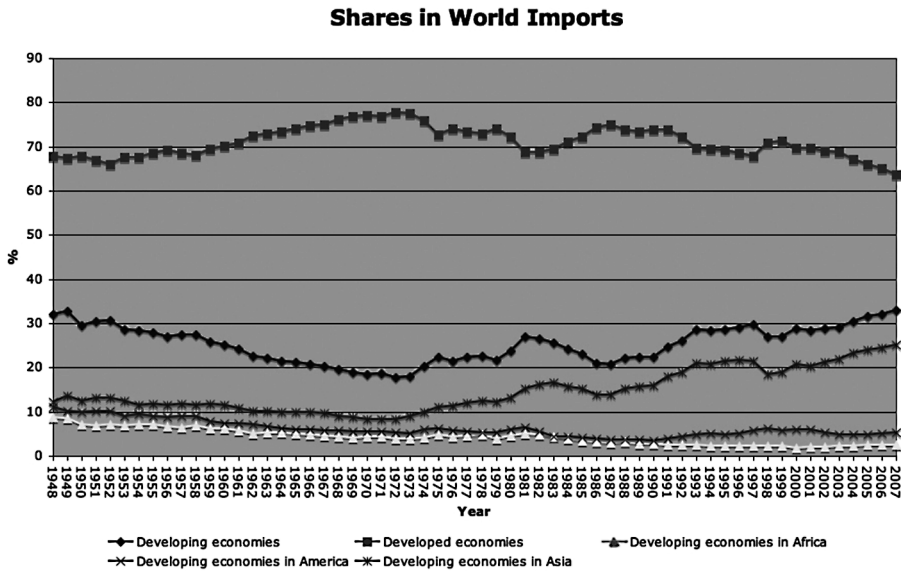


Figure 5 Import shares  
 Source: Author's Figure based on data from UNCTAD

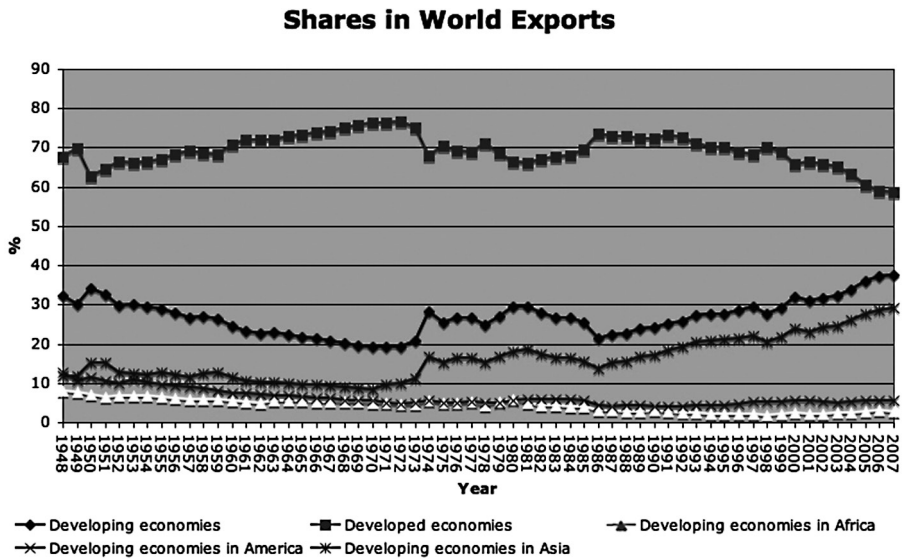


Figure 6 Export shares  
 Source: Author's Figure based on data from UNCTAD



North America's share dropped from 31.7 percent to 11.4 percent, the share of Asian developing economies increased from 11.7 percent to 29.0 percent, Africa's share dropped from 8.0 percent to 2.9 percent, and Latin America's share dropped from 12.6 percent to 5.5 percent (data source: UNCTAD, world regions' shares in world exports). 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%) (data source: UNCTAD, world regions' and countries' shares in world imports and exports). 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 percent of the world's imports and for 8.8 percent of the world's exports (data source: UNCTAD, world regions' and countries' shares in world imports and 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 in the world trade structure in the past 50 years.

A country level analysis of world imports for the years 1970, 1980, 2007 (Table 3) 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 4) shows important decreases for the USA, 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 3 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%

Source: UNCTAD

Note: This Table lists all countries that had a share of >4% in any of the displayed years

Table 4 Countries with the largest shares of world exports

Country	1970	1980	2007
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%

*Source:* UNCTAD

*Note:* This Table lists all countries that had a share of >4% in any of the displayed years

Table 5 shows the distribution of world GDP in selected years. It shows that Eastern countries like China and India dominated early economic world history. In the late 19th and early 20th century, the classical age of imperialism, Europe became the centre of economic geography. The UK, France, and Germany were the dominant economic nations. After the Second World War, there was another shift: the USA 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 world GDP and is now the second largest economic nation in terms of its share in world GDP. Since the 1950s, the US share has declined by more than 7 percent.

The largest compounded labour productivity growth rate in OECD countries in the years 1970–80 was in Iceland (5.2%), Ireland (4.8%) and Spain (4.8%). In the USA, this rate was 1.8 percent. 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 USA, this rate was 2.1 percent. The highest growth of multi-factor productivity within the OECD in the years 1985–90 was in Ireland (3.2%) and Japan (3.1%). It was 0.8 percent in the USA. The highest growth in the years 1990–2000 was in Ireland (4.0%) and Finland (1.9%). It was 0.9 percent in the USA. In the years 2001–6, the highest growth was in Sweden (2.6%) and Ireland (2.3%) (USA: 1.7%). (All data from OECD statistics, see <http://puck.sourceoecd.org/>, consulted 8 July 2010). These data show that in the past 30 years productivity increases in the USA have in general 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 geographically a strongly divided class system. World system theory's distinction between core, periphery, and

Table 5 Percentage share of selected countries and regions in world GDP

	1	1000	1500	1600	1700	1820	1870	1900	1913	1950	1960	1970	1980	1990	2000	2006
30 western	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
European countries																
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						55,66	35,09	25,37	22,39	15,88	17,55	19,66	21,77	27,79	33,01	38,17
Asian countries																
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

*Source:* Angus Maddison (2009), statistics on world population, GDP, and per capita GDP, March 2009.

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 an important actor in the world economy and the deterioration of North America's (especially the USA's) position that has 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 that of North America. North America's position as leading capital export region has since 1945 deteriorated significantly (from a share of 60% to one of 20% in 2006). Europe accounted for more than 50 percent of world capital exports in 2006. Latin America and Africa are rather excluded from capital export, whereas Asia has become important due to the economic rise of China and now accounts for almost 10 percent of all capital exports. In the years 1980–2007, the USA, the UK and Canada saw important decreases in their capital import share, while China, France and the Netherlands saw important increases. The decreases in the worldwide capital export share of the USA were dramatic 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 during the past 50 years, while 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 are an area that has undergone very significant changes over 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 in the spatial structure of the world economy in the past 50 years have been the deterioration of North America in the areas of capital exports and commodity exports and the rise of China as an important location for FDI inflows and as an 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 USA 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 in the capitalist world system: the divergence between military (USA) and financial (China, East Asia) dominance;

and the shift of the epicentre of the global economy to East Asia, especially China). Our data show that it is overdrawn to consider East Asia the epicentre of the world economy, but nonetheless it has become an important 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 over-accumulation crisis of capitalism. This interpretation makes sense, but it should be added that in addition China has become an important export nation.

### 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 some 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 a semi-colony category – politically independent countries, which are 'enmeshed in the net of financial and diplomatic dependence' (Lenin 1917: 234). Under imperialism formal dependence would '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). Lenin never spoke of an 'inter-imperialist rivalry' as a characteristic feature of imperialism, but said that the division of the world has come to an end under imperialism (Lenin 1917: 226ff.). 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 USA 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' by 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 their influence on the world and in certain parts of the globe. Both economic rivalry and military conflicts are indicative of what Lenin described as conflicts for hegemony between great powers (which do not necessarily have to 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 USA certainly is the dominant global military power today and has been successful in imposing its will by military means without much resistance from 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 €79,392.7mn on defence (10.8% of total government expenditures), €95,005.1mn on education (12.9%), and €138,144.5mn on health (18.8%). In comparison, the USA in 2008 spent US\$467,063mn on national defence (17.1% of total expenditure), US\$87,734mn on education (3.2%), and US\$306,585mn on health (11.2%). That the USA is a dominant global military power only means that the USA 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 USA).

Finance capital today is the dominant form of capital. If there were really a fully American empire, as Panitch and Gindin (2004, 2005) say, then finance capital would have to be fully dominated by US institutions. However, of 495 companies that are listed under the categories of banking and diversified financials in the *Forbes 2000* list of the world's biggest companies in 2008, 100 (20.2%) are from the USA, 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, show 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. Foreign investments have boomed in Afghanistan since 2002 and in Iraq since 2003 (data source: UNCTAD, FDI development for Iraq and Afghanistan, 2000–2006). Oil is the main economic resource in Iraq. In 2002, 99.3 percent of all exports from Iraq were fuels. In 2006, this level remained at a high degree of 93.9 percent (data source: UNCTAD, fuel export from Iraq). In 2006, the value of annual Iraqi oil exports was 2.3 times the 2002 value.

In the same time span (2002–6) as fuel exports from Iraq climbed, the value of oil imports by the USA increased by a factor of 2.8 and the value of oil imports by the UK by a factor of 3.8 (data source: UNCTAD, fuel imports by the USA and the UK). 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 USA and the UK.

In 1988, the annual military expenses of the USA were US\$484bn. There was a drop in spending after the end of the Cold War (1998: US\$329bn). The new wars in Afghanistan and Iraq resulted in a rise to US\$441bn in 2003 and US\$547bn in 2007 (all values in constant US\$, source: SIPRI [Stockholm International Peace Research Institute] Military Expenditure Database, <http://milexdata.sipri.org/>).

In 2007, the USA accounted for the largest share of world military spending (45%), followed by the UK and China (each 5%) (SIPRI 2008). Comparing annual US military spending for the years 2001 and 2006 shows a growth of 30 percent for military expense, 47 percent for military operations and maintenance, and 58 percent for research, development,

test and evaluation (SIPRI 2007: 276). In 2006, 41 US companies accounted for 63 percent of the sales of the top 100 arms-producing companies in the world (SIPRI 2008). In the period 1998–2007, annual world military expenditure increased by 45 percent (SIPRI 2008). These data show that the new imperialism is based on US military hegemony in military outlays and activities.

The USA-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. In 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 far fewer political grounds for emancipatory transformation than at the time of Lenin. In the early 21st 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, 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 1999 [1917]: 28). Lenin describes the First World War as 'war for the division of the world' (Lenin 1999 [1917]: 27). The history of capitalism after the First World War did not bring an end to warfare. There was for example the Second World War (1938–45), the Vietnamese War of Independence (1946–54), the so-called Cold War (1945–90), the Korean War (1950–53), the Vietnam War (1959–75), the US invasion of Grenada (1983), the US invasion of Panama (1989–90), the Persian Gulf War (1990–91), 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 proof, but 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. Arab nations question Western hegemony with military means and Asian nations such as China with economic means. The future cannot be predicted, but we can say that it is likely that if the 21st century does not see



alternatives to the global rule of capitalism, then it will be another century of violence with new territorial wars waged for political-economic reasons.

## Conclusion

Georges Labica 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. (Labica 2007: 229. 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 have formed the very focus of this article.

The task of this article was to discuss the topicality of Lenin's notion of imperialism. 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 et al. 2007; Žižek 2004a, 2008). In this article, this methodological procedure has primarily meant to take up and reload the concept of imperialism. It has also meant to employ, just like Lenin, empirical analysis in order to judge whether one can speak of imperialism today or not. Certainly data sources are much more nuanced and more easily 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 20th 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, protectionist 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 USA and the USSR. Warfare by the USA was primarily oriented on containing the Communist threat and limiting Soviet influence by trying to repress socialist forces in countries such as Korea, Cuba, Vietnam, Chile and Nicaragua.

Lenin (1917: 245–53) 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, 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 20th 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 that started in 2008 and 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.

Based on Lenin's notion of imperialism, the results of this article allow the conclusion that contemporary capitalism is a new kind of imperialism. The most significant change in 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 an important location for FDI inflows and as an important trading country, especially in exports. Other new qualities of the new imperialism are the decline of the economic importance of the USA that 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 USA, as well as the new importance and new methods of financialization. The analysis of contemporary capitalism requires returning to and reloading Lenin for critical globalization studies.

What is the new imperialism? The new imperialism is a return to 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 1945–75. Transnational corporations are important in this context. The world economy is highly stratified: developed countries dominate capital exports and world trade. North America's (especially the USA's) importance in capital export and commodity exports has declined. 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 21st century, France, Italy and Spain have achieved important relative increases in capital exports, whereas the USA has significantly lost shares in world exports at the end of the 20th and the beginning of the 21st 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.

## Note

- 1 The sector of business activities that is shown in Figure 2 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.

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