

# **Five Characteristics of Neoimperialism by Cheng Enfu and Lu Baolin: Building on Lenin's Theory of Imperialism in the Twenty-First Century**

May 2021

**Cheng Enfu is a principal professor at the University of the Chinese Academy of Social Sciences, director of the Research Center for Economic and Social Development at the Chinese Academy of Social Sciences, and president of the World Association for Political Economy. He can be reached at 65344718[at]vip.163.com.**

**Lu Baolin is a professor at the School of Economics, Qufu Normal University.**

Neoimperialism is the specific contemporary phase of historical development that features the economic globalization and financialization of monopoly capitalism. The characteristics of neoimperialism can be summed up on the basis of the following five key features.

First is the new monopoly of production and circulation. The internationalization of production and circulation, together with the intensified concentration of capital, gives rise to giant multinational monopoly corporations whose wealth is nearly as great as that of whole countries.

Second is the new monopoly of finance capital, which plays a decisive role in global economic life and generates a malformed development, namely, economic financialization.

Third is the monopoly of the U.S. dollar and intellectual property, generating the unequal international division of labor and the polarization of the global economy and wealth distribution. Fourth is the new monopoly of the international oligarchic alliance. An international monopoly alliance of oligarchic capitalism, featuring one hegemonic ruler and several other great powers, has come into being and provides the economic foundation for the money politics, vulgar culture, and military threats that exploit and oppress on the basis of the monopoly. Fifth is the economic essence and general trend. The globalized contradictions of capitalism and various crises of the system often undergo an intensification that creates the new monopolistic and predatory, hegemonic and fraudulent, parasitic and decaying, transitional and moribund form of contemporary capitalism as late imperialism.

The historical evolution of capitalism has passed through several distinct stages. At the beginning of the twentieth century, capitalism reached the stage of private monopoly, which Lenin termed the *imperialist* stage.

The era of imperialism brought with it the law of uneven economic and political development. In order to expand overseas and redistribute the territory of the world, the leading powers formed various alliances and launched a fierce struggle that led to two world wars. Eurasia suffered from continuous wars throughout the first half of the twentieth century. One after the other, national democratic revolutions and the communist movement developed continuously. After the Second World War, a number of economically underdeveloped countries adopted a socialist path of development, intensifying the confrontation between capitalism and socialism. Although *The Communist Manifesto* had long anticipated that capitalism would

inevitably be replaced by socialism, this was only possible in a very few countries. The capitalist and imperialist system, despite suffering grave problems, survived.

From the 1980s and early 1990s, capitalism carried out a strategic shift to neoliberal policies and evolved into its neoimperialist phase. This represents a new phase in the development of imperialism following the Cold War.

In his book *Imperialism, the Highest Stage of Capitalism*, Lenin set out the definition and characteristics of imperialism as follows:

If it were necessary to give the briefest possible definition of imperialism we should have to say that imperialism is the monopoly stage of capitalism.... We must give a definition of imperialism that will include the following five of its basic features: (1) the concentration of production and capital developed to such a high stage that it has created 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 this “finance capital,” of a financial oligarchy; (3) the export of capital as distinguished from the export of commodities acquires exceptional importance; (4) the formation of international monopolist capitalist associations which share the world among themselves, and (5) the territorial division of the whole world among the biggest capitalist powers is completed. Imperialism is capitalism at that stage of development at which the dominance of monopolies and finance capital is established; 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 territories of the globe among the biggest capitalist powers has been completed.<sup>1</sup>

In an article published in December 1917, Lenin further elaborated that: “Imperialism is a specific historical stage of capitalism. Its specific character is threefold: imperialism is monopoly capitalism; parasitic, or decaying capitalism; moribund capitalism.”<sup>2</sup>

Based on Lenin’s theory of imperialism, we shall analyze contemporary capitalism while bearing in mind the recent changes it has undergone. *Neoimperialism*, we shall argue, is the phase of late imperialism that has arisen in the contemporary world, against the background of economic globalization and financialization.<sup>3</sup>

The character and features of neoimperialism can be summarized, as stated, around five aspects.

## **The New Monopoly of Production and Circulation**

Lenin stated that the most profound economic foundation of imperialism is monopoly. This is deeply rooted in the basic law of capitalist competition, which holds that competition results in the concentration of production and capital, and that this concentration will inevitably lead to monopoly when it reaches a certain level. In the early years of the twentieth century, the capitalist world experienced two huge waves of corporate mergers as the concentration of capital and of production reinforced each other. Production came increasingly to be concentrated in a small number of large companies, with the process bringing about organization on the basis of industrial monopolies with cross-sector multiproduct management. Instead of free competition, monopoly alliances held sway. Beginning in the early 1970s, capitalism encountered a “stagflation” crisis that lasted for nearly ten years, followed by a period of secular stagnation, or a long-term decline in growth rates. Economic recession and competitive pressures in the domestic market drove monopoly capital to seek

new growth opportunities overseas. With the support of a new generation of information and communications technologies, foreign direct investment and international industrial transfers have continually reached new heights, with the degree of internationalization of production and circulation dwarfing that of the past.

Monopoly capital is being redistributed globally from production to circulation. Through the decentralization and internationalization of production processes, a system has arisen in which global value chains and the operational networks for organizing and managing multinational corporations have been divided up. The multinational companies coordinate their global value chains through complex networks of supplier relationships and through various governance models. In such systems, the processes involved in the production and trading of intermediate products and services are divided up and distributed around the world. The input and output transactions are carried out in the global production and service networks of the subsidiaries, contract partners, and suppliers of the multinational companies. According to statistics, about 60 percent of global trade consists of the exchange of intermediate products and services, and 80 percent of it is achieved via multinational companies.<sup>4</sup>

Within the new monopoly structures, the second characteristic of neoimperialism is the internationalization of production and circulation. The further concentration of capital leads to the rise of giant monopoly multinational corporations whose wealth may be as great as that of whole countries. Multinational corporations are the true representatives of contemporary international monopolism. The characteristics of the giant monopoly corporations can be summarized as follows.

1. The number of multinational corporations has grown globally, and the degree of socialization and internationalization of production and circulation has reached a higher level.

Since the 1980s, multinational corporations have become the main driving force of international economic intercourse as the bearers of foreign direct investment. In the 1980s, foreign investment worldwide grew at an unprecedented rate, much faster than the growth during the same period of other major economic variables such as world output and trade. In the 1990s, the scale of international direct investment reached an unprecedented level. Multinationals established branches and affiliates around the world via foreign direct investment, the volume of which had expanded dramatically. Between 1980 and 2008, the number of global multinational companies increased from 15,000 to 82,000. The number of overseas subsidiaries grew even faster, from 35,000 to 810,000. In 2017, an average of over 60 percent of the assets and sales of the world's one hundred top nonfinancial multinational companies were located or achieved abroad. Foreign employees accounted for approximately 60 percent of total staff.<sup>5</sup>

Ever since the capitalist mode of production came into being, the concentration of production activities, expanding collaboration, and the evolution of the social division of labor have led to a continuous increase in the socialization of production. The decentralized labor processes are increasingly moving toward a joint labor process. The facts have proved that the sustained growth of outward foreign direct investment has strengthened the economic ties between all countries, as well as significantly increased the level of socialization and internationalization of the production and distribution systems, in which multinationals play a key role as the dominant force at the micro level. The internationalization of production and the globalization of trade

have extensively redefined the way in which countries participate in the international division of labor, and this in turn has reshaped the production methods and profit models within those countries. Throughout the world, the majority of countries and regions are integrated into the network of international production and trade created by these giant corporations. Thousands of companies around the world form value creation nodes in the system of global production chains. Within the global economy, multinational firms have become the main channels for international investment and production, the core organizers of international economic activity, and the engine of global economic growth. The rapid development of multinational corporations shows that in the new imperialist phase constructed around the globalization of capital, the concentration of production and capital is reaching ever greater dimensions. Tens of thousands of multinational corporations now dominate everything.

2. The scale of accumulation by multinational monopoly capital is increasing, forming a multinational corporate empire.

Although the number of multinational capitalist corporations is not especially large, they all possess great strength. They not only comprise the main force in the development and use of new technologies, but also control the marketing networks and more and more natural and financial resources. On this basis, they have monopolized the proceeds of production and circulation and equipped themselves with an unparalleled competitive advantage. Between 1980 and 2013, benefiting from the expansion of markets and the decline in production factor costs, the profits of the world's largest 28,000 companies increased from \$2 trillion to \$7.2 trillion, representing an increase from 7.6 percent to approximately 10 percent of gross world product.<sup>6</sup> In addition, these multinational corporations not only form alliances with organs of state power, but also develop links with the global financial system, together forming financial monopoly organizations backed by state support. The globalization and financialization of monopoly capital further consolidate its wealth accumulation. In terms of sales revenue, the economic scale of some multinational corporations exceeds that of a number of developed countries. In 2009, for example, Toyota's annual sales exceeded the gross domestic product (GDP) of Israel. In 2017, Walmart, rated by the Fortune 500 list as the world's largest company, achieved total revenues of more than \$500 billion, greater than the GDP of Belgium. If we combine the data for multinational corporations and the world's total of almost two hundred countries, and draw up a list of their annual revenues and GDPs, it becomes clear that the countries represent fewer than 30 percent of the world's one hundred largest economies, while the corporations account for more than 70 percent.

If world development continues along these lines, there will be more and more multinational companies whose wealth is similar to that of whole countries. Although industrial globalization has made economic activity more fragmented, vast quantities of profits still flow to a few countries of the developed capitalist world. Investment, trade, exports, and technology transfer are principally managed via the giant multinational corporations or their overseas branches, and the parent companies of these multinational monopolies remain tightly concentrated in geographic terms. In 2017, corporations from the United States, Japan, Germany, France, and the United Kingdom accounted for half of the top five hundred companies in the world. Some two-thirds of the top one hundred multinationals are from these countries.

3. Multinational corporations monopolize the industries in their particular fields, controlling and running international production networks.

The multinational giants have immense quantities of capital and formidable scientific and technological strengths, which ensure them a dominant position in global production, trade, investment, and finance, as well as in the creation of intellectual property. The economies of scale that result from the monopoly positions enjoyed by multinational corporations have expanded their competitive advantage. This is because “the larger the army of workers among whom the labour is subdivided, the more gigantic the scale on which machinery is introduced, the more in proportion does the cost of production decrease, the more fruitful is the labour.”<sup>7</sup> The high degree of monopoly exercised by the multinational corporations means that the concentration of production and the concentration of control over markets reinforce each other, accelerating capital accumulation. Meanwhile, competition and credit, as two powerful levers for the concentration of capital, accelerate capital’s trend of coming under increasingly narrow control as it accumulates. Over the past thirty years, all of the world’s nations have promoted policy options aimed at boosting investment and relaxing the restrictions to which foreign direct investment is subject. Although the increasing scale of outward foreign direct investment by developed countries has to varying degrees accelerated capital formation and the development of human resources in underdeveloped countries, and increased their export competitiveness, it has also brought about large-scale privatization and cross-border mergers and acquisitions in these nations. This has accelerated the process through which small and medium enterprises are bankrupted or forced to merge with multinational corporations. Even relatively large enterprises are vulnerable.

Around the world, many industries now have an oligopolistic market structure. For example, the global market for central processing units has been almost completely monopolized by the firms Intel and Advanced Micro Devices. As of 2015, the global market for seeds and pesticides was almost entirely controlled by six multinational companies—BASF, Bayer, Dow, DuPont, Monsanto, and Syngenta—that together controlled 75 percent of the global market for pesticides, 63 percent of the global market for seeds, and 75 percent of global private research in these areas. Syngenta, BASF, and Bayer alone controlled 51 percent of the global pesticide market, while DuPont, Monsanto, and Syngenta accounted for 55 percent of the seed market.<sup>8</sup> According to statistics of the European Medical Devices Industry Group, the sales in 2010 of just twenty-five medical device companies accounted for more than 60 percent of the total sales of medical devices throughout the world. Ten multinationals controlled 47 percent of the global market for pharmaceuticals and related medical products. In China, soybeans are one of the vital food crops. All aspects of global soybean production, supply, and marketing chains are controlled by five multinational companies: Monsanto, Archer Daniels Midland, Bunge, Cargill, and Louis Dreyfus. Monsanto controls the raw materials for seed production, while the other four control planting, trading, and processing. These multinationals form various alliances through joint ventures, cooperation, and long-term contractual agreements.<sup>9</sup> As more and more social wealth is seized by fewer and fewer private capitalist giants, monopoly capital deepens its control and exploitation of labor. This leads to capital accumulation on a world scale, aggravating global overcapacity and the polarization between rich and poor.

In the era of neoimperialism, information and communications technology is developing rapidly. The emergence of the Internet has greatly reduced the time and space required for social production and circulation, bringing about a surge of cross-border mergers, investment, and trade. Consequently, more and more noncapitalist regions have been incorporated into the process of accumulation dominated by monopoly capital, which has greatly strengthened and expanded the world capitalist system. The socialization and internationalization of production and circulation have undergone a great leap during the era of capitalist economic globalization in the twenty-first century. The pattern, described in *The Communist Manifesto*, according to which “a cosmopolitan character” has been given “to production and consumption in every country” has been greatly strengthened.<sup>10</sup> The globalization of monopoly capital requires world economic and political systems to be on the same track in order to eliminate the institutional barriers between them. However, when a number of postrevolutionary countries abandoned their earlier political and economic systems and turned to capitalism, they were not rewarded with the affluence and stability preached by neoliberal economists. On the contrary, the neoimperialist phase is the setting for the rampages of hegemony and monopoly capital.

## **The New Monopoly of Finance Capital**

In *Imperialism, the Highest Stage of Capitalism*, Lenin stated: “The concentration of production; the monopolies arising therefrom; the merging or coalescence of the banks with industry—such is the history of the rise of finance capital and such is the content of that concept.”<sup>11</sup> Finance capital is a new type of capital formed by the merger of bank monopoly capital and industrial monopoly capital. The turning point in the change from general capitalist rule to that of finance capital appeared around the beginning of the twentieth century, when banks in the leading imperialist countries were transformed from ordinary intermediaries into powerful monopolists. But before the Second World War, due to recurrent wars, high information transmission costs, and technical and institutional barriers such as trade protection, the linkages between global investment, trade, finance, and the market were relatively weak. The degree of globalization of the economy remained low, hindering the outward expansion of monopoly capital. After the Second World War, economic globalization was accelerated by the new technological revolution. In the early 1970s, rising oil prices triggered a worldwide economic crisis and brought about the grotesque phenomenon, impossible for Keynesian economics to explain, in which inflation and economic stagnation coexisted.

In order to find profitable investment opportunities and escape from the “stagflation” quagmire, monopoly capital transferred traditional industries overseas, thus maintaining its original competitive advantage. Meanwhile, it accelerated its decoupling from the traditional industries and sought to open up new financial territory. Capitalist globalization and financialization catalyzed and supported each other, accelerating the “virtualization” of monopoly capital and the hollowing out of the real economy. The Western economic recession of the 1970s thus acted not only as a catalyst for the internationalization of monopoly capital, but also as the starting point for the financialization of industrial capital. Since then, monopoly capital has accelerated its turn from monopoly exercised in a single country to international monopoly, from the monopoly of the industrial entity to the monopoly of the financial industry.

Within the context of the new monopoly of finance capital, the second key characteristic of neoimperialism is that financial monopoly capital plays a decisive role in global economic life, giving rise to economic financialization.



## **Minority of Financial Institutions Control Main Global Economic Arteries**

To seek monopolistic power is the very nature of imperialism. “The big enterprises, and the banks in particular, not only completely absorb the small ones, but also ‘annex’ them, subordinate them, bring them into their ‘own’ group or ‘concern’ (to use the technical term) by acquiring ‘holdings’ in their capital, by purchasing or exchanging shares, by a system of credits, etc.,” Lenin explains. “We see the rapid expansion of a close network of channels which cover the whole country, centralising all capital and all revenues, transforming thousands and thousands of scattered economic enterprises into a single national, capitalist, and then into a world capitalist economy.”<sup>12</sup>

At the neoimperialist stage, a small number of multinational corporations, most of them banks, have spread a very extensive and detailed operational network over the world via mergers, participation, and shareholding, and thus control not only countless small and medium enterprises but also the main global economic arteries. An empirical study by three Swiss scholars, Stefania Vitali, James B. Glattfelder, and Stefano Battiston, showed that a relatively small number of multinational banks effectively dominate the whole global economy. Based on their analysis of 43,060 multinational corporations all over the world and the shareholding relationships between them, they found that the top 737 multinational corporations controlled 80 percent of total global output. After further study of the complicated network of these relationships, they came up with the even more amazing discovery that a core consisting of 147 multinational corporations controlled nearly 40 percent of the economic value. Of the 147 corporations, some three-quarters were financial intermediaries.<sup>13</sup>

## **The Globalization of Monopoly-Finance Capital**

When imperialism evolved into neoimperialism, the financial oligarchies and their agents set the rules of trade and investment aside, and proceeded to launch currency, trade, resource, and information wars, plundering resources and wealth globally and at will. Within this system, neoliberal economists play the role of spokespeople for the financial oligarchs, advocating for financial liberalization and globalization in the interests of the monopolists and enticing developing countries to liberalize their capital account restrictions. If the countries concerned follow this advice, exercising financial supervision will become more difficult and their vulnerability to the hidden dangers of the financial system will increase. The effect will be to provide more opportunities for financial monopoly capital to plunder these countries’ wealth. In their operations on capital markets, the international financial investment giants tend to attack the fragile financial firewalls of developing countries and seize opportunities to plunder the assets these countries have accumulated over decades. This indicates that financial globalization and liberalization have certainly established a unified and open global financial system, but in the meantime have created mechanisms through which the global center appropriates the resources and surplus value of the less developed periphery. Concentrated in the hands of a minority of the international financial oligarchies and armed with actual monopoly power, finance capital has gained increasing volumes of monopoly profits through foreign investment, new business ventures, and cross-border mergers and acquisitions. As finance capital continuously levies tribute from all over the world, the rule of the financial oligarchs is consolidated.

## From Production to Speculative Finance

Financial monopoly capital, which has rid itself of the constraints associated with material form, is the highest and most abstract form of capital, and is extremely flexible and speculative. In the absence of regulation, financial monopoly capital is very likely to work against the goals set by a country for its industrial development. After the Second World War, under the guidance of state interventionism, commercial and investment banks were operated separately, the securities market was strictly supervised, and the expansion of finance capital and its speculative activity were heavily restricted. In the 1970s, as the influence of Keynesianism faded and neoliberal ideas began taking over, the financial industry began a process of deregulation and the basic forces controlling the operation of financial markets ceased to be those of governments and became the leading participants in the markets themselves. In the United States, the Jimmy Carter administration in 1980 enacted the Depository Institutions Deregulation and Monetary Control Act, which abolished the deposit and loan interest rate controls, and by 1986 interest rate liberalization was complete. In 1994, the Riegle-Neal Interstate Banking and Branching Efficiency Act ended all geographical restrictions on banking operations and allowed banks to conduct business across state lines, increasing the competition between financial institutions. In 1996, the National Securities Market Improvement Act was promulgated, markedly reducing supervision over the securities industry. The Financial Services Modernization Act followed in 1999, and the enforced separation of commercial banking from investment banking and insurance, a provision that had existed for nearly seventy years, was completely abolished. Advocates of financial liberalization initially claimed that if the government relaxed its supervision over financial institutions and financial markets, the efficiency with which financial resources were allocated would be further improved and the finance industry would be better able to boost economic growth. But finance capital has many unruly tendencies, and if restraints on it are lifted, it is quite capable of behaving like a runaway horse. Excessive financialization will inevitably lead to the virtualization of economic activities and to the emergence of huge bubbles of fictitious capital.

Over the past thirty years, finance capital has expanded in a process linked to the continuous deindustrialization of the economy. Because of the lack of opportunities for productive investment, financial transactions now have less and less to do with the real economy. Capital that is otherwise redundant is directed into speculative schemes, swelling the volume of fictitious assets in the virtual economy. In line with these developments, the cash flow of large enterprises has shifted extensively from fixed capital investment to financial investment, and corporate profits now come increasingly from financial activities. Between 1982 and 1990, almost a quarter of the sums previously invested in factory plant and equipment in the private real economy were shifted to the financial, insurance, and real estate sectors.<sup>14</sup> Since the relaxation of financial restrictions in the 1980s and '90s, supermarket chains have offered a wider and wider variety of financial products to the public, including credit and prepaid debit cards, savings and checking accounts, insurance plans, and even home mortgages.<sup>15</sup> The *shareholder value maximization* principle popularized since the 1980s has forced CEOs to prioritize short-term goals. Rather than paying off debts or improving their company's financial structure, CEOs in many cases use profits to buy back the company's stocks, pushing up the stock price and thus increasing their own salaries. Of the companies listed on Standard & Poor's 500 Index between 2003 and 2012, 449 invested a total of \$2,400 billion to purchase their own shares. This sum corresponded to 54 percent of their total revenues, and another 37 percent of revenues were paid as dividends.<sup>16</sup> In 2006, the expenditure by U.S. nonfinancial companies on repurchasing their own shares was equal to 43.9 percent of non-residential investment expenditure.<sup>17</sup>



The financial sector also dominates the distribution of surplus value within the nonfinancial sector. The sums paid as dividends and bonuses in the nonfinancial corporate sector account for a greater and greater proportion of total profits. Between the 1960s and the '90s, the dividend payout ratio (the ratio of dividends to adjusted after-tax profits) of the U.S. corporate sector underwent a significant increase. While the average in the 1960s and '70s was 42.4 and 42.3 percent, respectively, from 1980 to 1989 it never fell below 44 percent. Although total corporate profits fell by 17 percent, total dividends increased by 13 percent and the dividend payout ratio reached 57 percent.<sup>18</sup> In the days before the U.S. financial crisis broke out in 2008, the proportion of net bonuses to net after-tax profits amounted to about 80 percent of companies' final capital allocations.<sup>19</sup> Further, the boom in the virtual economy has no relation whatever to the ability of the real economy to support such growth.

Stagnation and shrinkage in the real economy coexist with excessive development of the virtual economy. The value created in the real economy depends on such purchasing power as has appeared through the expansion of asset bubbles and the rise of asset prices, the so-called wealth effect. As the gap between rich and poor continues to widen, the financial institutions are obliged, with government backing, to rely on a variety of financial innovations to support credit-fueled consumption by citizens who are not asset owners and to disperse the resulting financial risks. Meanwhile, the huge income and wealth effects generated by the appearance on the scene of derivative financial products and the growth of asset bubbles attract more investors to the virtual economy. Driven by monopoly profits, numerous derivative financial products are created. The innovations in the area of financial products also lengthen the debt chain and serve to pass on financial risks. An example is the securitization of subprime mortgage loans; layer upon layer of these were packaged together with the seeming purpose of raising the credit rating of the products involved, but actually in order to transfer high levels of risk to others. Increasingly, the trade in financial products is separated from production; it is even possible to say that it has nothing to do with production and is solely a gambling transaction.

## **The Monopoly of the U.S. Dollar and Intellectual Property**

Again, in *Imperialism: The Highest Stage of Capitalism*, Lenin stated: "Typical of the old capitalism, when free competition held undivided sway, was the export of goods. Typical of the latest stage of capitalism, when monopolies rule, is the export of capital."<sup>20</sup> After the Second World War, the deepening and refining of the international division of labor brought more developing countries and regions into the global economic network. Within the global production mechanism, every country and enterprise is seemingly able to exercise its own comparative advantages. Even the least developed countries can rely on cheap labor and such resource advantages as it might have to allow participation in the international division of labor and cooperation. However, the real motive of monopoly capital is to compete for favorable trading platforms and to plunder high monopoly profits. In particular, the U.S. dollar hegemony and the developed-country monopoly of intellectual property mean that international exchange is seriously unequal. Thus, the characteristics of the old imperialism, coexisting with the commodity output, define the general capital output. Meanwhile, the characteristics of neoimperialism that coexist with the commodity output and the general capital output are the output of the U.S. dollar and intellectual property.

The third characteristic of neoimperialism is defined by the hegemony of the U.S. dollar and the developed-world monopoly of intellectual property, which together generate the unequal international division of labor along with a polarized global economy and wealth distribution. In each of the four aspects that can be summed up as state-capital, capital-labor, capital-

capital, and state-state, the dominant forces of giant monopoly capital and neoimperialism are further strengthened under the conditions of economic globalization and financial liberalization.

## **The Spatial Expansion of the Capital-Labor Relation: Global Value Chains and the Global Labor Arbitrage**

Through mechanisms that include outsourcing, setting up subsidiaries, and establishing strategic alliances, multinationals integrate more and more countries and companies into the global production networks they dominate. The reason why capital accumulation can be achieved on this global scale is the existence of a large, low-cost global workforce. According to data from the International Labor Organization, the world's total workforce grew from 1.9 to 3.1 billion between 1980 and 2007. Of these people, 73 percent were from developing countries, with China and India accounting for 40 percent.<sup>21</sup> Multinational corporations are all organized entities, while the global workforce finds it exceedingly difficult to unite effectively and defend its rights. Because of the existence of the global reserve army of labor, capital can use the strategy of divide and conquer to discipline wage workers. Over decades, monopoly capital has shifted the production sectors of developed-world economies to the countries of the Global South, compelling workforces in different areas of the globe to compete with one another for basic living incomes. Through this process, multinationals are able to extort huge imperialist rents from the world's workers.<sup>22</sup> In addition, these giant corporations are well able to lobby and pressure the governments of developing countries to formulate policies that benefit the flow of capital and investment. Trying to secure GDP growth by inducing international capital to invest and set up factories, many developing country governments not only ignore the protection of social welfare and labor rights, but also guarantee various preferential measures such as tax concessions and credit support. The globalization of production has thus enabled the developed capitalist countries to exploit the less developed world in a more "civil" fashion under the slogan of fair trade. In order to launch their modernization, developing countries often have little choice but to accept the capital offered by the imperialists—along with the conditions and encumbrances that go with it.

## **Monopoly-Finance Capital and Multinational Corporate Dominance**

The new structure of the international division of labor inherits the old unbalanced and unequal system. Although production and marketing are fragmented, the control centers of research and development, finance, and profit are still the multinational corporations. These corporate entities usually occupy the top of the vertical division of labor, owning the intellectual property rights associated with core components. The giant, globe-straddling corporations are in charge of formulating technology and product standards, as well as controlling the design, research, and development links. Meanwhile, their "partners" in developing countries are typically contracted to multinational corporations and are the recipients of such product standards. They usually engage in such labor-intensive activities as production, processing, and assembly, and are responsible for producing simple parts in mass quantities. Performing relatively unspecialized factory operations for multinationals, these enterprises earn only slender profits. The jobs in these enterprises generally feature low wages, high labor intensity, long working hours, and poor working environments. Although the value embodied in the products is primarily created by production workers in developing-world factories, most of the value additions are plundered by the multinationals via unequal

exchange within the production networks. The proportion of overseas profits within the total profits of U.S. corporations increased from 5 percent in 1950 to 35 percent in 2008. The proportion of overseas-retained profits increased from 2 percent in 1950 to 113 percent in 2000. The proportion of overseas profits within the total profits of Japanese corporations increased from 23.4 percent in 1997 to 52.5 percent in 2008.<sup>23</sup> In a slightly different accounting, the share of foreign profits of U.S. corporations as a percent of U.S. domestic corporate profits increased from 4 percent in 1950 to 29 percent in 2019.<sup>24</sup> Multinational corporations are often able to use their monopoly of intellectual property to generate huge returns. Intellectual property includes product design, brand names, and symbols and images used in marketing. These are protected by rules and laws covering patents, copyrights, and trademarks. Figures from the UN Conference on Trade and Development show that royalties and licensing fees paid to multinational corporations increased from \$31 billion in 1990 to \$333 billion in 2017.<sup>25</sup>

With the advance of financial liberalization, finance capital no longer merely serves industrial capital, but has far overtaken it. The financial oligarchs and rentiers are now dominant. In the space of just twenty years from 1987, debt in the international credit market soared from just under \$11 trillion to \$48 trillion, with a rate of growth far exceeding that of the world economy as a whole.<sup>26</sup>

## Neoimperialism and the Neoliberal State

Since the mid-1970s, economic stagflation has seen Keynesianism abandoned by governments, or employed much less. Neoliberal approaches such as modern monetarism, the rational expectations school, and supply-side theories are hits among economists, and dominate economic theory and policy in the neoimperialist countries. This is because these approaches accord with the expanding globalization and financialization of monopoly capital. Neoliberalism is a superstructure that has arisen on the basis of financial monopoly capital; essentially, it represents the basis for the ideology and policies required to maintain the rule of neoimperialism. In the 1980s, U.S. president Ronald Reagan and British prime minister Margaret Thatcher were the world standard-bearers of neoliberalism. Advocating the ideas of modern monetarism and the positions of the private property and supply-side schools, they implemented privatization and market-oriented reforms, relaxed government supervision, and weakened the power of labor unions to defend working-class rights. After taking office, Reagan immediately approved the establishment of a special group of CEOs, with vice president George H. W. Bush as its director, to revoke or relax regulations. The changes advocated by the group related to job safety, labor protection, and the protection of consumer interests. The Reagan administration also joined forces with big capitalists to crack down on labor unions in the public and private sectors, dismissing union leaders and organizers and leaving the working class, already in a weak position, even worse off. The so-called Washington-Wall Street Complex argued that the interests of Wall Street and those of the United States were identical; what was good for Wall Street was good for the country. The U.S. government had in practice become a tool for the financial oligarchy to pursue its economic and political interests.<sup>27</sup> Therefore, it was not the votes of citizens, or even the democratic system of the separation of powers, but the Wall Street financial oligarchy and the military-industrial complex that ultimately controlled the government. Wall Street influenced the political process and policy formation in the United States by providing campaign contributions and manipulating the media. Held captive by monopoly interest groups, the U.S. government had little power to promote the sound development of the economy and society and to improve people's livelihood. The list of Wall Street executives with annual salaries of tens of millions of dollars features numerous matches with the people holding top U.S.

government posts. For example, the seventieth U.S. secretary of the treasury, Robert Edward Rubin, had previously spent twenty-six years working for investment bankers Goldman Sachs. The seventy-fourth secretary of the treasury, Henry Paulson, had earlier served the Goldman Sachs Group as its chairman and CEO. Many senior officials of the Donald Trump administration also had histories as executives of monopoly enterprises. The existence of this “revolving door” mechanism means that even if the government were to introduce relevant financial regulatory policies, it would be hard fundamentally to shake the interests of the financial *chaebols* of Wall Street.

Whenever a financial crisis occurs, the government provides emergency assistance to the monopoly oligarchs of Wall Street. U.S. scholars have found that the Federal Reserve has used secret emergency loans to meet the needs of large Wall Street interest groups, in some instances providing strong support to bankers who are board members of regional Federal Reserve banks. In 2007, the U.S. subprime mortgage crisis broke out. Bear Stearns, one of Wall Street’s top five investment banks, was acquired by JPMorgan Chase. Lehman Brothers declared bankruptcy and Merrill Lynch was acquired by Bank of America. Goldman Sachs, however, survived; the main reasons include a decision by the government to urgently grant Goldman Sachs the status of a holding company, allowing it to obtain massive life-saving funds from the Federal Reserve. In addition, the U.S. Securities and Exchange Commission banned the shorting of financial stocks.<sup>28</sup>

## **U.S. Dollar Hegemony, Intellectual Property Rights, and the Plundering of Global Wealth**

In July 1944, on the initiative of the U.S. and British governments, representatives of forty-four countries gathered in Bretton Woods, New Hampshire, to discuss plans for the postwar monetary system. In the course of the Bretton Woods Conference, the documents *Final Act of the United Nations Monetary and Financial Conference*, *Articles of Agreement of the International Monetary Fund*, and *Articles of Agreement of the International Bank for Reconstruction and Development*—collectively known as the Bretton Woods Agreements—were passed. A key point of the Bretton Woods system was to construct an international monetary order centered on the U.S. dollar.<sup>29</sup> Other currencies were pegged to the dollar, which was in turn pegged to gold. The U.S. dollar then began to play the role of world currency, replacing the British pound. The unique advantage that derives from the central place of the U.S. dollar in the international monetary system gives the U.S. a special position compared to the rest of the world’s countries. The U.S. dollar makes up 70 percent of global currency reserves, while accounting for 68 percent of international trade settlements, 80 percent of foreign exchange transactions, and 90 percent of international banking transactions. Because the U.S. dollar is the internationally recognized reserve currency and trade settlement currency, the United States is not only able to exchange it for real commodities, resources, and labor, and thus to cover its long-term trade deficit and fiscal deficit, but can also make cross-border investments and carry out cross-border mergers of overseas enterprises employing the U.S. dollars that it prints at almost no cost. The hegemony of the U.S. dollar provides an excellent illustration of the predatory nature of neoimperialism. The United States can also obtain international seigniorage by exporting U.S. dollars, and can reduce its foreign debt by depreciating the U.S. dollar or assets that are priced in U.S. dollars. The hegemony of the U.S. dollar has also caused the transfer of wealth from debtor countries to creditor countries. This means that poor countries subsidize the rich, which is completely unfair.

Since the mid-1990s, international monopolies have controlled 80 percent of the world's patents, technology transfers, and most of the internationally recognized trademarks, something that has brought them large quantities of revenue. According to figures from *Science and Engineering Indicators 2018 Digest*, released by the National Science Council of America in January 2018, the total global cross-border licensing income from intellectual property in 2016 was \$272 billion. The United States was the largest exporter of intellectual property, with income from this source comprising as much as 45 percent of the global total. The corresponding figure for the European Union was 24 percent, for Japan 14 percent, and for China less than 5 percent. In sharp contrast, the royalties on intellectual property paid by China to other countries increased from \$1.9 billion in 2001 to \$28.6 billion in 2017, and China's deficit on cross-border intellectual property transactions reached more than \$20 billion. During this period, the U.S. annual net income from licensing intellectual property to other countries was at least \$80 billion.<sup>30</sup>

## **The New Monopoly of the International Oligarchic Alliance**

Lenin stated in *Imperialism, the Highest Stage of Capitalism* that “the epoch of the latest stage of capitalism shows us that certain relations between capitalist associations grow up, based on the economic division of the world; while parallel to and in connection with it, certain relations grow up between political alliances, between states, on the basis of the territorial division of the world, of the struggle for colonies, of the “struggle for spheres of influence.”<sup>31</sup> Finance capital and its foreign policy, which is the struggle of the great powers for the economic and political division of the world, give rise to a number of *transitional* forms of state dependence. Two main groups of countries—those owning colonies and colonies themselves—are typical of this epoch, as are the diverse forms of dependent countries that, politically, are formally independent, but in fact are enmeshed in the net of financial and diplomatic dependence.<sup>32</sup> Nowadays, neoimperialism has formed new alliances and hegemonic relations in the economic, political, cultural, and military fields.

Within the context of the new monopoly of the international oligarchs, the fourth characteristic of neoimperialism is the formation of an international monopoly capitalist alliance between one hegemon and several other great powers. An economic foundation consisting of money politics, vulgar culture, and military threats has been formed for them to exploit and oppress via monopoly both at home and abroad.

## **The G7 as the Mainstay of the Imperial Capitalist Core**

Neoimperialism's current international monopoly economic alliance and the framework of global economic governance are both dominated by the United States. The G6 group was formed in 1975 by six leading industrial countries, the United States, United Kingdom, Germany, France, Japan, and Italy, and became G7 when Canada joined the following year. G7 and its monopoly organizations are the coordination platforms, while the International Monetary Fund (IMF), the World Bank, and the World Trade Organization are the functional bodies. The global order of economic governance that was set up under the Bretton Woods system after the Second World War is essentially a high-level international capitalist monopoly alliance manipulated by the United States to serve its strategic economic and political interests. In the early 1970s, the U.S. dollar was decoupled from gold and the Bretton Woods currency system collapsed. One after another, summits of the G7 countries then shouldered responsibility for strengthening the Western consensus, contending against the



socialist countries of the East, and boycotting the demands made by the less developed countries of the South for reforms to the international economic and political order.<sup>33</sup> Since neoliberalism became the set of concepts dominating global economic governance, these multilateral institutions and platforms have become the driving force for the expansion of neoliberalism throughout the world. In line with the wishes of the international financial monopoly oligarchy and its allies, these bodies spare no effort to induce the developing countries to implement financial liberalization, the privatization of production factors, marketization without prior supervision, and free exchange in capital projects so as to facilitate inward and outward flows of international “hot money.” These institutions are constantly ready to control and plunder the economies of developing countries, extracting huge profits by encouraging speculation and creating financial bubbles. As Zbigniew Brzezinski stated in *The Grand Chessboard*, “the International Monetary Fund and the World Bank can be said to represent ‘global’ interests, and their constituency may be construed as the world. In reality, however, they are heavily American dominated.”<sup>34</sup>

Since the 1980s, the IMF and World Bank have lured developing countries to implement neoliberal reforms. When these countries have fallen into crisis because of privatization and financial liberalization, the IMF and other institutions have forced them to accept the Washington Consensus by adding various unreasonable conditions to loans provided earlier. The effect is to further intensify the impacts of neoliberal reform. Between 1978 and 1992, more than seventy developing countries or former socialist countries implemented a total of 566 structural adjustment programs imposed by the IMF and the World Bank.<sup>35</sup> In the early 1980s, for example, the IMF used the Latin American debt crisis to force Latin American countries to accept neoliberal “reforms.” In order to curb inflation, the U.S. Federal Reserve in 1979 pushed short-term interest rates up from 10 percent to 15 percent, and finally to more than 20 percent. Because the existing debt of the developing countries was linked to U.S. interest rates, every 1 percent rise in U.S. interest rates would result in developing-world debtor countries paying an additional \$40 to 50 billion per year in interest. In the second half of 1981, Latin America was borrowing at the rate of \$1 billion a week, mostly in order to pay the interest on existing debt. During 1983, interest payments consumed almost half of Latin American export earnings.<sup>36</sup> Under pressure to repay their loans, Latin American countries were forced to accept neoliberal reform plans initiated by the IMF. The main content of these plans consisted of privatizing state-owned enterprises; liberalizing trade finance; implementing economic austerity policies, with the effect of reducing living standards; cutting the taxes on monopoly enterprises; and reducing government spending on social infrastructure. During the 1997 Asian financial crisis, the IMF attached numerous conditions to assistance provided to South Korea, including that the allowance for foreign shareholdings be relaxed from 23 percent to 50 percent, and then to 55 percent by December 1998. Moreover, South Korea was required to allow foreign banks to set up branches freely.<sup>37</sup>

## **NATO and the International Monopoly-Capitalist Military and Political Alliance**

Established in the early days of the Cold War, the North Atlantic Treaty Organization (NATO) is an international military alliance for the defense of monopoly capitalism. It is led by the United States and involves other imperialist countries. During the Cold War, NATO was the main tool used by the United States to actively contain and counter the Soviet Union and the countries of Eastern Europe, as well as to influence and control the Western European countries. At the end of the Cold War, the Warsaw Treaty Organization was dissolved and NATO became the military organization through which the United States sought to achieve its



strategic goals on a global level. A capitalist military oligopoly, involving one hegemon and several other great powers, had come into being. Former U.S. secretary of state Warren Christopher stated: “Only the United States can act as a leader... For the United States to exercise leadership requires us to own a credible force threat as a backup for diplomacy.”<sup>38</sup> *The National Security Strategy for the New Century*, published in the United States in December 1998, claimed unambiguously that the goal of the United States was to “lead the entire world” and that no challenge to its leadership, from any country or group of countries, would ever be allowed to come into being.<sup>39</sup> On December 4, 2018, U.S. secretary of state Mike Pompeo declared in a speech to the Marshall Fund in Brussels: “The United States has not given up its global leadership. It reshaped the order after WWII based on sovereignty but not the multilateral system... Under President Trump’s leadership, we will not give up international leadership or our allies in the international system... Trump is recovering America’s traditional status as the world center and leadership... The United States wants to lead the world, now and always.”<sup>40</sup>

To achieve leadership and domination over the world, the United States has made every effort to promote NATO’s eastward expansion, and has expanded its own sphere of influence to control Central and Eastern Europe and to compress Russia’s strategic space. Under the control of the United States, NATO has become an ideal military tool for U.S. global interests. In March 1999, a multinational NATO force led by the United States launched a large-scale air attack on Yugoslavia. It was the first time that NATO had launched a military strike against a sovereign country during the fifty years since its foundation. In April 1999, NATO held a summit meeting in Washington, formally adopting a strategic concept that can be summarized under two points. First, NATO was permitted to conduct collective military intervention outside its defense area in response to “crimes and conflicts involving common interests.” This effectively changed NATO from a “collective defense” military alliance into an offensive political and military organization with the so-called purpose of defending common interests and shared values. Second, NATO’s military actions did not require authorization from the UN Security Council.<sup>41</sup>

In addition to NATO, U.S. military alliances formed on the basis of bilateral treaties include pacts with Japan, South Korea, Australia, and the Philippines. There are U.S. military bases on the territory of all its military allies, and these comprise a major part of the neoimperialist military alliance. The United States and its allies make military threats and carry out provocations in many regions of the world, resulting in many “hot wars,” “warm wars,” “cool wars,” and “new cold wars,” intensifying the new arms race. The acts of “state terrorism” carried out by neoimperialism, and the double standard it applies to counter-terrorism, have caused other forms of terrorism to multiply.

## **Cultural Hegemony Dominated by Western “Universal Values”**

In addition to its economic might and the hegemony exercised through its military alliances, neoimperialism is also characterized by cultural hegemony dominated by Western “universal values.” U.S. political scientist Joseph Nye emphasized that soft power was the ability to accomplish one’s desires through attraction rather than force or purchase. The soft power of a country is constituted mainly of three resources, namely, culture (which functions where it is attractive to the local population), political values (which function when they can actually be practiced both at home and abroad), and foreign policy (which functions when it is regarded as conforming to legality and as enhancing moral prestige).<sup>42</sup> The Western developed

countries, especially the United States, utilize their capital, technology, and market advantages to infiltrate less powerful countries and regions with their culture, and propose a series of “new interventionist” cultural theories designed to impose U.S. values. The United States subjugates the cultural markets and information spaces of other countries, especially developing countries, by exporting to them U.S. values and lifestyles, with the goal of making its culture the “mainstream culture” of the world.<sup>43</sup>

Cultural hegemony or cultural imperialism exports the “universal values” of the West and implements both peaceful evolution and “color revolutions” by controlling the field of international public opinion. The objective is to achieve Richard Nixon’s strategic goal of “victory without war.” The evolution of the Soviet Union and of the socialist countries in Eastern Europe is a typical case. As is generally known, the penetration of values is usually slow, long-term, and subtle, and its communication channels are often hidden in academic exchanges, literary works, films, and television shows. For example, Hollywood is “the megaphone of American hegemonic policy.... Hollywood films are showing off the advantages of the United States to the rest of the world and trying to achieve their cultural conquest by this means.”<sup>44</sup> Former senior CIA official Allen Dulles argued: “If we teach young people in the Soviet Union to sing our songs and dance with them, sooner or later we will teach them to think in the way we need them to.”<sup>45</sup> Foundations and think tanks are also important driving forces for the spread of neoliberalism. For example, the U.S.-based Ford Foundation, Rockefeller Foundation, Mont Pelerin Society, and Center for International Private Enterprise participate in the promotion of neoliberal values by funding seminars and academic organizations.

Lenin once stated: “Instead of an undivided monopoly of Great Britain, we see a few imperialist powers contending for the right to share in this monopoly, and this struggle is characteristic of the whole period of the early twentieth century.”<sup>46</sup> Since the end of the Cold War, global capitalism has been characterized by the undivided monopoly of the United States. Other powers have no intention, and lack the strength, to compete. Some individual countries such as Japan have tried to challenge U.S. “monopoly rights” economically and technologically, but have ultimately failed. So it is with the European Union, which emerged later but eventually failed to shake U.S. hegemony. In the military field, the Gulf War and the subsequent wars in Kosovo, Afghanistan, Iraq, Libya, and Syria have further fueled U.S. unilateralism and hegemonic arrogance. With the help of its economic, military, and political alliances, and employing cultural soft power, the United States promotes its “universal values,” incites street protests and color revolutions in other countries, and forces developing countries to deregulate their financial systems by targeting them for the creation of debt and financial crises. When the global governance system dominated by the United States encounters challenges, it launches trade wars, science and technology wars, financial wars, and economic sanctions, and even goes so far as to threaten or actually launch military strikes. The U.S. dollar, military, and culture are the three pillars of U.S. imperialist hegemony, supporting “hard power,” “soft power,” “strong power” (economic sanctions), and “smart power.”<sup>47</sup>

In short, the international monopoly capitalist alliance made up of one hegemon and several great powers provides the economic foundation for the money politics, vulgar culture, and military threats that exploit and oppress through the exercise of monopoly both at home and abroad, and that amplify the power of the United States as the neoimperialist hegemon.

## The Economic Essence, the General Trend, and the Four Forms of Ideological Fraud

Lenin characterized imperialism as a transitional and moribund capitalism. At the neoimperialist stage known as economic globalization, the basic contradiction of the contemporary capitalist economy is manifested in the contradiction between, on the one hand, the constant socialization and globalization of the economy with its production factors under private, collective, or state ownership, and, on the other, the disorder or anarchy of production within national economies and in the world economy.<sup>48</sup> Neoimperialism rules out the adjustments that states and international communities need to make, instead promoting self-regulation by private monopoly capital and defending its interests. The effect, very often, is to intensify various contradictions within countries or on the world level. Economic, financial, fiscal, social, and ecological crises have all become epidemic diseases. Various of these crises are interwoven with social contradictions, or with the contradictions of capital accumulation. All of them together lend a new cast to the monopolistic and predatory, hegemonic and fraudulent, parasitic and decaying, transitional and moribund capitalism of the present epoch.

If we define neoimperialism with regard to its economic nature and general tendencies, we may conclude that its three characteristics are demonstrated in the respect that the globalized contradictions and various crises of the system frequently become intensified.

The economic essence of neoimperialism is that it is a monopolistic financial capitalism established on the basis of giant multinationals. The production monopoly and financial monopoly of the multinational corporations have their origins in the higher stage of production and capital concentration, giving rise to a phase in which monopoly is deeper and broader to such an extent that “nearly every industry is concentrated into fewer and fewer hands.”<sup>49</sup> The automobile industry may be taken as an example. The production of the top five multinational automobile corporations accounts for almost half of global automobile production, and that of the top ten accounts for 70 percent.<sup>50</sup> International monopolistic financial capital not only controls the world’s major industries, but also monopolizes almost all sources of raw materials, scientific and technological talent, and skilled physical labor in all fields, controlling the transportation hubs and various means of production. It dominates and controls capital, and controls various other global functions via banks and a variety of financial derivatives and shareholding systems.<sup>51</sup> If we consider the total market value and total income and assets of corporations, the scale of the leading concentrations of economic power around the world is increasing, especially in the case of the top one hundred corporations. In 2015, the market value of the world’s top hundred companies was more than seven thousand times that of the bottom two thousand companies in a database of the world’s largest nonfinancial firms, compared to only thirty-one times in 1995.<sup>52</sup> According to the data on the Fortune Global 500 for the year 2017, the revenues of 380 of the world’s top 500 companies (excluding Chinese firms) reached \$22.83 trillion, equivalent to 29.3 percent of gross world product. Total profits reached \$1.51 trillion, breaking the record, and the rate of profit increased by 18.85 percent year on year.<sup>53</sup> The rise in the indicators of both profit share and profit rate illustrates the predatory nature of neoimperialism.

Given that economic globalization, financialization, and neoliberal policies are placing a triple squeeze on labor, profits are growing rapidly, while workers’ wages are increasing much more slowly.<sup>54</sup> Between 1982 and 2006, the average annual growth of the real wages of production workers in nonfinancial corporations in the United States was just 1.1 percent, not only much lower than the 2.43 percent recorded from 1958 to 1966, but also lower than the

1.68 percent during the economic downturn from 1966 to 1982. The slowing of wage growth allowed the corporations' profit share to rise by 4.6 percent during this period and accounted for 82 percent of the recovery in the rate of profit. The "labor squeeze" can be seen to have played a key role here.<sup>55</sup> Moreover, since the U.S. economy began to recover in 2009 from the Great Financial Crisis, the average rate of profit, though lower than its peak in 1997, has still been significantly higher than its level during the late 1970s and early '80s, when it was at a low point.<sup>56</sup> The essence of neoimperialism is its need to control and plunder. Its drive to "predatory accumulation" is not only demonstrated by its exploitation of labor in the national setting, but also by its plunder of other countries. The forms this takes, and the methods employed, consist mainly of the following.

First, financial plunder. Neoimperialism extracts huge profits from its control over the prices of major international commodities. Employing financialization and other methods, it pressures the countries that produce raw materials, seeking to keep prices low. As part of its pressures and harassment, it may create financial bubbles and crises via large-scale inflows and outflows of capital, affecting the economic and political stability of the countries concerned. Or, it may seek to achieve a "victory without war" by imposing financial sanctions.<sup>57</sup> Financial innovation and the lag in government regulation contributes to waves of nonproductive speculation. Financial oligarchs and multinational corporations at the top of the pyramid benefit from the price inflation of financial assets and are able to plunder huge quantities of social wealth.

Second is the privatization of public resources and state-owned assets. Since Thatcher-Reaganism came to dominate economic policy-making in numerous countries some forty years ago, the world has experienced a massive wave of large-scale privatization. The public assets of many less-developed countries have fallen into the hands of private monopoly capital and multinational corporate monopolies. The global level of inequality of wealth ownership has soared accordingly. *The World Inequality Report 2018* reveals that, since the 1970s, private wealth in various countries has generally increased, while the ratio of private to national income in most "rich" countries has increased from 200–350 percent to 400–700 percent. In sharp contrast, public wealth has steadily declined. The net public wealth of the United States and the United Kingdom has fallen to a negative number in recent years, and that of Japan, Germany, and France is only slightly above zero. The limited value of public assets restricts the ability of governments to adjust the income gap.<sup>58</sup>

Third is the strengthening of the center-periphery pattern. The neoimperialist countries reinforce the center-periphery pattern through their dominant positions in trade, currency, finance, the military arena, and international organizations. Taking advantage of these positions, they continuously extort the resources and wealth of the peripheral countries to consolidate their monopoly or oligopoly status, and to ensure their own development and prosperity. The international transfer rate of surplus value has a positive effect on the general rate of profit in the hegemonic countries.<sup>59</sup> It is only the neoimperialist countries that are able to use their economic, political, and military power to transform a portion of the surplus value created by underdeveloped countries into their own national wealth. Consequently, the accumulation of monopolistic capital by neoimperialism intensifies the polarization between rich and poor and damages people's livelihoods in countries such as the United States and France (as proved by the international Occupy Wall Street movement, which involved eighty countries with its slogan of "we are the 99 percent"), while also reinforcing the accumulation of financial and environmental wealth in the countries of the "center" and of relative poverty and pollution in the countries of the "periphery." In 2018, the combined GDP of the G7 "central" countries reached \$317 trillion, accounting for 45.5 percent of gross world

product.<sup>60</sup> According to the *Global Wealth Report 2013*, prepared by Credit Suisse, the wealth of the 85 richest people in the world that year was equivalent to the total assets of the world's poorest 3.5 billion people—that is, of half the global population.<sup>61</sup>

## Economic Hegemony and Fraud

Imperialism as represented by the United States employs hegemony, bullying, and unilateralism, and adheres to double standards in diplomatic policy. At one point, Pompeo publicly admitted and expressed pride in his country's fraudulent actions. "I was the CIA director," he said. "We lied, we cheated, we stole. It was like we had entire training courses...it reminds you of the glory of the American experiment."<sup>62</sup> In the post-Cold War era, the United States dominates the world, free from any powerful checks and balances. It relies on its major advantages of military force, U.S. dollar hegemony, external propaganda, and science and technology to carry out bullying all over the world and to commit fraud both at home and abroad.<sup>63</sup>

In March 2018, the United States issued a document entitled *Findings of the Investigation into China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation Under Section 301 of the Trade Act of 1974*, which accuses China of "enforcing or compelling US enterprises to transfer technology" and "illegally invading US commercial computer networks to steal intellectual property rights and sensitive business information." The purpose of this document was to create a pretext for launching a trade war; its accusations are nothing but rumors and do not correspond to the facts. What is the source of China's technological progress? It flows from the efforts of gifted entrepreneurs who benefit from huge government investments in basic science. As former U.S. secretary of the treasury Lawrence Summers said, "it's coming from an educational system that's privileging excellence, concentrating on science and technology. That's where their leadership is coming from, not from taking a stake in some U.S. company."<sup>64</sup> In provoking its economic and trade conflict with China, the United States has had an obvious intention: to blackmail and suppress China on an overall basis, starting with the trade war and gradually expanding into the areas of science and technology, finance, food, resources, and so on. U.S. authorities seek to weaken China's strengths in trade, finance, industry, and technology, trying to ensure that China will not pose a challenge to the global hegemonic position of the United States.

With its slogan of "America First," the Trump administration promoted U.S. hegemony and imposed economic sanctions on other economies. Its economic and trade policies were aimed principally at China, but were also directed at traditional allies such as the European Union, Japan, India, and South Korea. Time after time, Washington has practiced economic extortion and containment. It will never be forgotten that as early as the mid-1980s the United States forced Japan to sign the Plaza Accord and induced it to implement a low-interest monetary policy that brought large quantities of foreign capital into Japan. The result was that a surge of short-term demand for Japanese yen caused the country's currency to appreciate sharply against the U.S. dollar. The influx of foreign capital and the monetary policy of low interest rates brought a soaring increase in Japanese asset prices. Despite the short-term prosperity, the eventual result involved big losses for Japan. The high asset prices meant that the foreign capital was soon cashed out and withdrawn, while the Japanese economy suffered huge setbacks and endured a "lost twenty years."

## Political Hegemony and Fraud



The United States has always labeled itself a representative of countries advocating democracy, freedom, and equality. Using political and diplomatic means, it spares no effort to impose its political system on other countries, especially the developing states it identifies as “dictatorships.” Former U.S. president George W. Bush identified Iran, Iraq, and North Korea as an “axis of evil.” The United States exerts pressure on the rulers of such countries, applying double standards on questions of human rights. Using its propaganda, it demonizes these states as “undemocratic” and “autocratic,” while subsidizing nongovernmental organizations and media, as well as inciting dissidents and the opposition to mount “color revolutions” aimed at overthrowing the legitimate governments.

Acting at the behest of its military circles and monopoly energy groups, the United States has been a consistently destructive force in the Middle East and Latin America. Syria was listed by Washington among six “evil” countries, and the United States branded the Syrian government led by Bashar al-Assad as illegal. U.S. senator John McCain, however, revealed the real purpose behind these moves. “The end of the Assad regime,” McCain stated, “would sever Hezbollah’s lifeline to Iran, eliminate a long-standing threat to Israel, bolster Lebanon’s sovereignty and independence, and inflict a strategic defeat on the Iranian regime. It would be a geopolitical success of the first order.”<sup>65</sup> In Latin America, the United States has continued its blockade against Cuba despite twenty resolutions carried overwhelmingly in the UN General Assembly. Meanwhile, the United States is conducting an economic blockade against Venezuela, resulting in the country’s economic deterioration in recent years. Former U.S. vice president Mike Pence, setting aside Venezuela’s elections and popular support for the government, with no consideration of truth—even leaving out the U.S. economic siege war on Venezuela in violation of international law—pronounced: “The Maduro government’s vicious gangs have crippled the economy.... The true cost of the crimes of the Maduro regime cannot be assessed in numbers.... Two million people have fled the result of dictatorship and political repression that’s resulted in deprivation and created conditions near starvation. The United States will continue to help the Venezuelan people restore their freedom. The people will be free.”<sup>66</sup>

The United States is now applying to China the kind of Cold War policies that used to be employed against the Soviet Union. State department director of policy planning Kiron Skinner describes the fractious relations of the United States with China as “a fight with a really different civilization and a different ideology.”<sup>67</sup> The U.S. ruling class knows very well that the socialist system is superior to the capitalist system. Once large socialist countries such as the former Soviet Union and China become rich and strong through peaceful competition, it is inevitable that they are faced with confronting the hegemonic aims of the United States, which seeks nothing less than a unipolar world. Any attempts to promote broad reforms in the outdated imperial economic and political order are seen as a threat to U.S. hegemony. Consequently, the United States has adopted the dual strategy of “contact and containment,” engagement and aggression, which it seeks to pass off as “peaceful evolution.”

In reality, the so-called democratic politics in the United States are nothing but an illusion. First, the electoral process in the United States has increasingly amounted to a political fight between the two parties of the monopoly bourgeoisie. As the candidates of different factions of the monopoly bourgeoisie have campaigned for election, they have resorted to rumors, personal attacks, and slanders against their opponents, sidelining the real issue. Second, so-called democratic politics in the United States involve no more than a *pro forma* and procedural democracy. The *pro forma* voting system has been reduced to monetary politics, family politics, and oligarchic politics—that is, to an essentially undemocratic “despotism of monopoly capital,” or democracy for the few.



# Cultural Hegemony and Fraud

Former U.S. National Security Advisor Brzezinski believes that “strengthening American culture as the ‘model’ of the world’s cultures is a strategy that must be implemented by the United States to maintain hegemony.”<sup>68</sup>

U.S. cultural hegemony is manifested principally through its control of media outlets and education, and through the propaganda function, both at home and abroad, of its literature and art, its liberal arts academia, and its values. The United States exports films, music, and literature all over the world. It controls almost 75 percent of the world’s television programs, and owns powerful film and television companies such as Warner Media, Universal Pictures, Paramount Pictures, and Columbia Pictures, which every year produce dozens of high-budget films involving investments of hundreds of millions of dollars. Research and reporting carried out by the U.S. mainstream media effectively dominate the shaping of world public opinion. The United States also controls the authoritative journals that mold discourse in the area of liberal arts academia, and it is the United States that determines the standards of elite education. The 2020 QS World University Rankings provide an example. The top places in these rankings are all taken by U.S. universities, and this situation provides a powerful tool for spreading deceptive Western “universal values,” Western constitutional views, and neoliberal economic concepts throughout the world. The basic views of the U.S. liberal arts establishment have taken a firm hold on the elites and masses at home and abroad.<sup>69</sup> For example, the United States extols vulgar examples of literary and artistic kitsch as distinguished works of culture, deserving of Oscars or Nobel Prizes.

Neoclassical economics (and its counterpart in the form of neoliberalism) is responsible for a string of economic crises and for increased polarization between rich and poor. Nevertheless, it is depicted as a scientific theory that promotes development, increases popular welfare, and is worthy of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. In the United States, works that do not conform to the literary, artistic, and liberal arts canons of monopoly capital are difficult to disseminate via authoritative media, while writers and artists of real distinction are excluded, suppressed, or defrauded. The United States also holds an absolutely dominant position in the global field of cyberspace. Of the thirteen root Domain Name System servers, nine are under the direct control of U.S. corporations, universities, or government departments, while another is directly controlled by a U.S. nonprofit organization.<sup>70</sup> Using these root Domain Name System servers, the United States can easily steal global intelligence, carry out network monitoring, and launch cyberattacks. The surveillance program PRISM, revealed by Edward Snowden, shows that the United States has complete control over the hardware and software of networks globally, and is well able to monitor the entire world and strike any other country. Lastly, the United States controls the intelligence alliance known as the Five Eyes (the United States, United Kingdom, Canada, Australia, and New Zealand), through which it conducts large-scale monitoring activities and exercises cyber hegemony domestically and internationally.<sup>71</sup>

The cultural hegemony of the United States, its control over liberal arts academia, and the fraudulent use to which these advantages are put also appear in the stances taken by the United States on questions of ideology and values. These stances are always hostile to socialism and communism, and restrict the development of socialist countries. Previously, the United States devoted most of its efforts to smearing the Soviet Union, but the main target is now China. Early in May 1990, Nixon stated frankly: “While rebuilding the relationship with China, it is very important that we continue to pressure them to abandon socialism. Because we will use this relationship to make China’s policies milder. We must stick to this key

point.”<sup>72</sup> According to survey data from the U.S. Pew Research Center—an organization surely influenced by U.S. cultural hegemony and fraud—74 percent of Chinese college or university graduates love U.S. culture.<sup>73</sup> It is a fact that most Chinese liberal arts scholars who have studied in the United States favor its basic institutional academic theories. To varying extents, they worship, flatter, and fear the United States. This seriously affects the confidence of Chinese citizens in Marxist culture, in socialist culture, and in China’s own rich traditional culture, and needs to be eliminated as soon as possible.

## **Military Hegemony and Fraud**

Since the disintegration of the Soviet Union, the United States has become increasingly presumptuous and has tended to resort to military force or threats in dealing with questions of international relations. In 1999, U.S.-led NATO forces bombed the Federal Republic of Yugoslavia, invoking the formula of “human rights above sovereignty.” In 2003, despite strong opposition from other countries, the United States invaded the sovereign state of Iraq. The Iraq War was not authorized by the UN Security Council, and Washington did not have any legal basis for its military intervention. The United States falsely claimed that Iraq possessed chemical weapons of mass destruction. After occupying Iraq, however, the United States found no evidence to prove that Iraq could produce chemical weapons of mass destruction. The real purpose of the United States in fabricating this lie was to control Iraq’s oil resources by military means.

The United States has consistently emphasized that its own interests should take first place and that its military advantages are not to be challenged. Although its economic strength has declined in relative terms, the United States is still expanding its arsenal and substantially increasing its defense spending. Since the Cold War, the United States has continued to create various military threats and pressures in Europe, the Middle East, and the Asia-Pacific region. To consolidate its hegemonic status, the United States has advocated and promoted NATO’s eastward expansion, with the goal of including all the Central and Eastern European countries in NATO’s sphere of influence and thus constricting Russia’s strategic space. In the Middle East, the United States aims to subvert the legitimate regimes of countries such as Syria and Iran by military means, and to support “color revolutions” in the region. In Asia in recent times, Washington has heightened tensions on the Korean peninsula and has also implemented its “Indo-Pacific strategy” aimed at containing China. The U.S. “Indian strategy” is serving to reveal the identity of its military allies and partners. Allies of the United States include Japan, South Korea, Australia, the Philippines, and Thailand, and its claimed “partners” include Singapore, Taiwan (China), New Zealand, Mongolia; a number of South Asian countries such as India, Sri Lanka, the Maldives, and Nepal; and various Southeast Asian countries such as Vietnam, Indonesia, and Malaysia. The United States further proposes to strengthen its cooperation with Brunei, Laos, and Cambodia. In addition, it will work together with traditional allies such as Britain, France, and Canada to protect so-called Indo-Pacific freedom and openness.<sup>74</sup>

With the increase in China’s national strength, various U.S. scholars have been eager to invoke the Thucydides trap, claiming that it is difficult for Sino-U.S. relations to escape from this logic. But the truth, as China’s president Xi Jinping has pointed out, is that there is currently no Thucydides trap. Such a trap might, however, be created if the United States and its allies repeatedly make strategic miscalculations involving great powers.<sup>75</sup> It may be asserted that it is the military hegemony and fraud of the United States that provides the root cause of the widespread instability, constant local wars, rise of war threats, and refugee crises around the world.

# Neoimperialism Is a Parasitic and Decaying Late Imperialism

As Lenin stated: imperialism is an immense accumulation of money capital in a few countries.... Hence the extraordinary growth of a class, or rather, of a stratum of rentiers, i.e., people who live by “clipping coupons,” who take no part in any enterprise whatever, whose profession is idleness. The export of capital, one of the most essential economic bases of imperialism, still more completely isolates the rentiers from production and sets the seal of parasitism on the whole country that lives by exploiting the labour of several overseas countries and colonies.<sup>76</sup>

In the era of neoimperialism, the number of rentiers is increasing sharply, and the nature of the rentier countries is becoming more pronounced. The parasitism and decay of a small number of capitalist countries is further worsened, as can be seen specifically in the following aspects.

First, the United States employs its military, intellectual property, political, and cultural hegemony, as well as the U.S. dollar, to plunder the wealth of the world, especially that of developing countries. The United States is the world’s largest parasitic and decaying country. As evidence of this, we may take the trade between China and the United States. China sells to the United States goods produced by cheap labor, land, and environmental resources. The United States does not need to produce anything in order to buy these goods; it can simply print banknotes. With the money earned, China can then buy only virtual assets such as U.S. treasury bonds, and provide finance for U.S. consumer lending and outward expansion. The United States exports to China securities to which value cannot be added, while China exports to the United States mainly physical goods and labor services. The National Health Report released by the National Health Research Group of the Chinese Academy of Sciences shows that the United States is the country with the most hegemonic dividends in the world, due to the position of its currency, while China is the country with the largest loss of hegemonic dividends. For the year 2011, U.S. hegemonic dividends totaled \$7396.09 billion, corresponding to 52.38 percent of the country’s GDP, and the average hegemonic dividends obtained per day came to \$20.263 billion. Meanwhile, the sum lost by China totaled \$3663.4 billion. In terms of labor time, about 60 percent of the working hours of the Chinese workforce were effectively given without recompense to serve international monopoly capital.<sup>77</sup>

Second, military spending has increased, which in turn increases the burden on working-class people. Neoimperialism leads and promotes military-related scientific and technological research, the development of advanced weapons, and the expansion of military production. As the *People’s Daily* observed in 2016, “the military-industrial complex supported by monopoly capital and the cultural hegemony formed on the basis of colonialism have prompted the western countries to intervene in other countries’ affairs at their will.”<sup>78</sup> Neoimperialism has thus become the initiator of regional turmoil and instability, and the engine of war. Over the past thirty years, the United States has spent \$14.2 trillion on waging thirteen wars.<sup>79</sup> Meanwhile, lack of money hinders improvements to the living conditions of the U.S. people in areas such as medical insurance. Exorbitant military spending has become a heavy burden on the country and its people, while the parasitic monopolies in the arms industry have reaped immense profits. According to statistics of the British Institute for International Strategic Studies, official U.S. military expenditures in 2018 came to \$643 billion, and in 2019 will reach \$750 billion, more than the sum of the military spending of the world’s eight next

largest military powers. Since the end of the first Cold War, the United States has launched or participated in six major conflicts: The Gulf War (1991), Kosovo War (1999), Afghanistan War (2001), Iraq War (2003), Libya War (2011), and Syria War (2011).<sup>80</sup> The addiction of monopoly capitalism to war is a manifestation of its parasitic and decaying nature. This barbaric characteristic of the system runs counter to civilization and threatens the shared future of the human community. It proves that neoimperialism is the primary root of war.

Third, wealth and incomes are concentrated in the hands of a specific class of owners of financial assets, as reflected in the 1 percent versus the 99 percent formulation. At the neoimperialist stage, the socialization, informatization, and internationalization of production have reached unprecedented levels, and the ability of human beings to create wealth is many times greater than in the old imperialist period. Nevertheless, the advance of productivity that is supposed to be a common gain for humankind has mainly benefited the financial oligarchy. “The bulk of the profits go to the ‘geniuses’ of financial manipulation,” one observer notes.<sup>81</sup> In 2001, for example, the financial wealth (excluding property rights) held by the wealthiest 1 percent of the U.S. population was four times greater than that of the poorest 80 percent. The 1 percent held assets on the stock market of \$1.9 trillion, roughly equivalent to the value of the stock held by the other 99 percent.<sup>82</sup>

Fourth, monopoly hinders technological innovation, slowing its advance. The greed and parasitism of financial monopoly capital make its attitude to technological innovation ambivalent. Monopoly capital relies on technological innovation to maintain its monopoly status, but the high profits that result from this status mean that monopoly capital shows a certain inertia in promoting innovation. Even if many advanced functions of mobile phones are successfully developed in the same year, the monopoly producers of mobile phones will divide up these functions to be introduced and promoted over several years. The purpose is to ensure that consumers will continuously purchase mobile phones with new functions, allowing the corporations to obtain high monopoly profits every year.

Fifth, the tendency for monopoly capital and its agents to cause decay in the mass movement is becoming more serious. Lenin observed that “in Great Britain the tendency of imperialism to split the workers, to strengthen opportunism among them and to cause temporary decay in the working-class movement, revealed itself much earlier than the end of the nineteenth and the beginning of the twentieth centuries.”<sup>83</sup> Neoimperialism divides the working class, striking at and weakening the labor unions using the excuse provided by the collapse of the Soviet Union and the tremendous changes in Eastern Europe. It also uses its monopoly profits to buy the support of individuals, and fosters opportunist and neoliberal forces within the workers’ movement and various other mass movements. The results of such ploys include the downturn in size and activity of labor unions and other progressive movements, the low ebb of the world socialist movement, and a more obvious and serious tendency for workers to worship the forces of neoimperialism or to be intimidated by them.

## **Neoimperialism Is a Transitional and Moribund Late Capitalism**

Lenin’s *Imperialism, the Highest Stage of Capitalism* has revealed the transitional and moribund nature of monopoly capitalism for more than a century. However, except in a very small number of countries where socialism is being constructed, most capitalist societies have not perished. They have in fact achieved varying levels of development, and will continue to develop. This raises a very important question: How do we judge the transitional nature of

contemporary capitalism, or its tendency to decline and perish? If we use the historical materialist method, the transitional nature of neoimperialism can be characterized on the basis of two points. First, like everything in the world, the neoimperialist system is constantly changing. It is a transient phenomenon in human history, and is not eternal. Second, there are reasons to believe that neoimperialism can eventually transition into socialism through various forms of revolutionary struggle.

In the era of neoimperialism, the developed capitalist countries have undergone many important technological and institutional reforms, which have provided the basis for a certain further development of capitalism and have delayed its demise. High and low growth rates continue to succeed each other, and the period of decay mentioned by Lenin has been greatly extended. This is because the capitalist countries have made many adjustments to their production relations and superstructure, including a degree of macroeconomic regulation, improvements to income distribution and social security, and so forth. In particular, there is no doubt that for the developed capitalist countries the advantages of economic globalization outweigh its disadvantages. Within the process of economic globalization, the powerful developed capitalist countries occupy an absolutely dominant position, through which they set out to maximize the benefits they receive. Their general drive to extend globalization in order to expand their markets does not, however, exclude the possibility of particular countries temporarily reversing the process in response to domestic crises, or as part of efforts to damage commercial competitors. “In the past two years,” a 2019 study notes, “the Trump administration has deepened its reverse globalization trend in the light of the domestic crisis. It adheres to the principle of ‘America first,’ and provokes international economic and trade disputes, trying to get rid of and pass on the domestic crisis.”<sup>84</sup> The purpose of the United States in adopting a range of protectionist anti-globalization measures is to alleviate the domestic difficulties and crises it encounters within economic globalization, so as to advance its hegemonic interests.

Meanwhile, there is no essential conflict between the fact that neoimperialism and capitalism can look forward to existing and developing for some time to come, and the fact that a transition to a higher social formation is practically inevitable, *provided that these societies do not degenerate into barbarism*. The classic Marxist writers avoided setting out a specific timetable for the demise of capitalism and imperialism. Lenin’s scientific judgment is that “imperialism is a decaying but not completely decaying capitalism, a moribund but not dead capitalism.”<sup>85</sup> He foresaw that moribund capitalism was very likely to drag out its existence for a prolonged period. Nor, on the basis of a comprehensive analysis, could it be denied that capitalism would see some kind of development even during its moribund stage. Discussing the decay of imperialism, Lenin stated: “It would be a mistake to believe that this tendency to decay precludes the rapid growth of capitalism. It does not.... On the whole, capitalism is growing far more rapidly than before; but this growth is not only becoming more and more uneven in general, its unevenness also manifests itself, in particular, in the decay of the countries which are richest in capital (England).”<sup>86</sup>

John Bellamy Foster also stressed that, “to say that capitalism is a failed system is not, of course, to suggest that its breakdown and disintegration is imminent. It does, however, mean that it has passed from being a historically necessary and creative system at its inception to being a historically unnecessary and destructive one in the present century.”<sup>87</sup>

The basic contradictions of capitalism still exist and continue to develop. Likewise, the law of capitalist accumulation still exists and continues to develop. At the point when monopoly capitalism was coming into existence in the late nineteenth and early twentieth centuries, the



law of uneven economic and political development of imperialism made it possible for the revolution against capitalism to be victorious initially in one or several countries, before eventually spreading globally.





Decades after *The Communist Manifesto* proclaimed that capitalism would inevitably expire and *Capital* declared that the death knell of capitalist private ownership was about to ring, the October Revolution brought the downfall of the Tsarist Russian Empire. Then, the proletarian party led by Mao Zedong in China ended the semicolonial and semifeudal society ruled by the Kuomintang (Mao stated that China represented a feudal and comprador monopoly capitalism after the Second World War). The Soviet Communist Party led by Mikhail Gorbachev and Boris Yeltsin consciously betrayed Marxism-Leninism, resulting in the Soviet Union and the Eastern European socialist countries, with the exception of Belarus, regressing to capitalism. This demonstrates the twists, turns, and general difficulties experienced by the development of socialism and its economic system. But it cannot change the nature and general trend of the historical process.

China's position on the main international fault lines is clear. In October 1984, Deng Xiaoping stated: "There are two major problems in the world that are very prominent. One is the issue of peace and the other is the North-South issue. There are many other issues, which are not of the same underlying importance or global and strategic significance as these two." In March 1990, he reiterated: "As for the two major issues of peace and development, the peace issue has not been resolved, and the development issue has become more serious."<sup>88</sup> Deng emphasized that "peace and development" were the two major questions to be resolved.<sup>89</sup>

Based on the analysis of the character of neoimperialism, it can thus be concluded that neoimperialism represents a new phase of international monopoly into which capitalism develops after passing through the stages of free competitive capitalism, general private monopoly, and state monopoly.

In addition, neoimperialism represents a new expansion of international monopoly capitalism, as well as a new system through which a minority of developed countries dominate the world and implement a new policy of economic, political, cultural, and military hegemony. If we examine the current situation on the basis of the international forces of justice and the development of the twists and turns of the international class struggle, the twenty-first century is a new era in which the world working class and the masses can carry out great revolutions and safeguard world peace; in which the socialist countries can carry out great feats of construction and promote ecological civilization; and in which progressive nations can work together to build a community with a shared future for humankind, a world in which neoimperialism and international capitalism gradually make way for global socialism.

## Notes

1.  I. Lenin, *Selected Works: One Volume Edition* (New York: International Publishers, 1971), 232–33.
2.  I. Lenin, *Collected Works*, vol. 23 (Moscow: Progress Publishers, 1964), 105.
3.  John Bellamy Foster, "[Late Imperialism](#)," *Monthly Review* 71, no. 3 (July–August 2019): 1–19.
4.  United Nations Conference on Trade and Development, [World Investment Report 2013](#) (Geneva: United Nations, 2013).



5.  United Nations Conference on Trade and Development, [\*World Investment Report 2018\*](#) (Geneva: United Nations, 2018).
6.  Richard Dobbs et al., [\*Playing to Win: The New Global Competition for Corporate Profits\*](#) (New York: McKinsey & Company, 2015).
7.  Karl Marx, *Wage-Labour and Capital*, in *Wage-Labour and Capital/Value, Price and Profit* (New York: International Publishers, 1935), 41.
8.  ETC Group, [\*Breaking Bad: Big Ag Mega-Mergers in Play. Dow-DuPont in the Pocket? Next: Demonsanto?\*](#) (Val-David, Quebec: ETC Group, 2015).
9.  Wang Shaoguang, Wang Hongchuan, and Wei Xing, “Soybean Story: How Capital Threatens Human Security” [in Chinese], *Open Times* 3 (2013).
10.  Karl Marx and Frederick Engels, *The Communist Manifesto* (New York: Monthly Review Press, 1964), 7-8.
11.  Lenin, *Selected Works*, 201.
12.  Lenin, *Selected Works*, 190.
13.  Stefania Vitali, James B. Glattfelder, and Stefano Battiston, “[The Network of Global Corporate Control](#),” *PLoS ONE* 6, no. 10 (2011): e25995.
14.  Robert Brenner, *The Economics of Global Turbulence* (London: Verso, 2006).
15.  Ryan Isakson, “[Food and Finance: The Financial Transformation of Agro-Food Supply Chains](#),” *Journal of Peasant Studies* 41, no. 5 (2014): 749–75.
16.  William Lazonick, “[Profits Without Prosperity](#),” *Harvard Business Review* (September 2014).
17.  Thomas I. Palley, “[Financialization: What It Is and Why It Matters](#)” (Levy Economics Institute, Working Paper No. 525, December 2007), 19.
18.  Huang, Yiyi, “The Origin and Development of the Maximization of the Shareholder Value” [in Chinese], *New Finance Economics* 7 (2004).
19.  Erdogan Bakir and Al Campbell, “Neoliberalism, the Rate of Profit and the Rate of Accumulation,” *Science & Society* 74, no. 3 (2010): 323–42.
20.  Lenin, *Selected Works*, 212.
21.  John Bellamy Foster, Robert W. McChesney, and R. Jamil Jonna, “[The Global Reserve Army of Labor and the New Imperialism](#),” *Monthly Review* 63, no. 6 (November 2011): 3.
22.  Imperialist rent is the result of the differential in the prices of labor power of equal productivity. Samir Amin, “[The Surplus in Monopoly Capitalism and the Imperialist Rent](#),” *Monthly Review* 64, no. 3 (July–August 2012): 83.
23.  Cui Xuedong, “Is the Contemporary Capitalist Crisis a Minsky-Type Crisis or a Marxist Crisis?” [in Chinese], *Studies on Marxism* 9 (2018).
24.  John Bellamy Foster, R. Jamil Jonna, and Brett Clark, “[The Contagion of Capital](#),” *Monthly Review* 72, no. 8 (January 2021): 9.
25.  United Nations Conference on Trade and Development, *World Investment Report 2018*.
26.  Cheng Enfu and Hou Weimin, “The Root of the Western Financial Crisis Lies in the Intensification of the Basic Contradiction of Capitalism” [in Chinese], *Hongqi Wengao* 7 (2018).
27.  Lu Baolin, “Criticism and Reflection of the Supplyism of the ‘Reagan Revolution’ and ‘Thatcher’s New Deal’: In the Perspective of the Relations between Labor and Capital of Marxist Economics” [in Chinese], *Contemporary Economic Research* 6 (2016).

28. [!\[\]\(694fcb4611893e9db5249daba48abfc1\_img.jpg\)](#) “How Powerful Is the ‘Goldman Sachs Gang’ in Influencing U.S. Politics?” [in Chinese], *Global Times*, January 18, 2017.
29. [!\[\]\(8ec8d5dc48934930a762fecf6ecbe179\_img.jpg\)](#) Chen Jianqi, “On the Issue of the Contemporary Counter-globalization and Its Response” [in Chinese], *Science of Leadership Forum* 10 (2017); He Bingmeng, Liu Rongcang, and Liu Shucheng, *Asian Financial Crisis: Analysis and Countermeasures* [in Chinese] (Beijing: Social Sciences Academic Press, 2007), 66.
30. [!\[\]\(c34a15e67573dae8fbb88f4cbfb0f2e9\_img.jpg\)](#) Yang Yunxia, “The New Demonstrations of Capitalist Intellectual Property Monopoly and its Essence” [in Chinese], *Studies on Marxism* 3 (2019).
31. [!\[\]\(41f06fdeabb4e5a71d06fe8f32a46127\_img.jpg\)](#) Lenin, *Selected Works*, 223.
32. [!\[\]\(18eb66208e65404cce5042d73cf0a851\_img.jpg\)](#) Lenin, *Selected Works*, 230.
33. [!\[\]\(14a9d4de9e6699d41b68e8807e2d5f76\_img.jpg\)](#) Lv Youzhi and Zha Junhong, “The Evolution and Influence of the G7 Group after the Cold War” [in Chinese], *Chinese Journal of European Studies* 6 (2002).
34. [!\[\]\(415790129e00c225ba52b81c8addfb14\_img.jpg\)](#) Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* (New York: Basic Books, 1998).
35. [!\[\]\(fa8e43d6f5da9cf596808674ced6c198\_img.jpg\)](#) Li Qiqing, “Neoliberalism Against Globalization” [in Chinese], *Marxism & Reality* 5 (2003).
36. [!\[\]\(2b564e327fe9708ac2f9320a9ae84c76\_img.jpg\)](#) Jeffry A. Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (New York: W. W. Norton, 2007).
37. [!\[\]\(484cd33a03c33977d2fcf6bb9cc02435\_img.jpg\)](#) He, Liu, and Liu, *Asian Financial Crisis*, 84, 91.
38. [!\[\]\(c885083f23ac65632c3cf77b16f7a193\_img.jpg\)](#) Liu Zhenxia, “NATO’s New Strategy is the Embodiment of American Hegemony,” *Social Sciences Journal of Universities in Shanxi* 3 (1999).
39. [!\[\]\(20f0f5805f0a60636883bdd13c58dc31\_img.jpg\)](#) Liu, “NATO’s New Strategy is the Embodiment of American Hegemony.”
40. [!\[\]\(90f7aa1b3da6a942e186a7e3fdaaf44b\_img.jpg\)](#) [“Pompeo Threatened That the United States Is Establishing a New Global Order Against China and Russia,”](#) *Guancha*, December 5, 2018.
41. [!\[\]\(b2b96e5d9b571004907039c0a8a75b54\_img.jpg\)](#) Liu, “NATO’s New Strategy is the Embodiment of American Hegemony.”
42. [!\[\]\(6285cf242551105b2a630c622e0c55ae\_img.jpg\)](#) Wang Yan, “Review of Research on the Index System of Cultural Soft Power” [in Chinese], *Research on Marxist Culture* 1 (2019).
43. [!\[\]\(ea61eebb01e76a95ff1c56cf17f53608\_img.jpg\)](#) Hao Shucui, “Making the Socialist Culture with Chinese Characteristics Blossom in the Contemporary World Cultural Garden: An Interview with Professor Wang Weiguang, Member of the Standing Committee of CPPCC, Director of the Committee on Nationalities and Religion” [in Chinese], *Research on Marxist Culture* 1 (2018).
44. [!\[\]\(bef5c8d7250866df258df26efebb2d6b\_img.jpg\)](#) [“Iranian Officials Slammed Hollywood Movies and Called them ‘Airfone,’”](#) *Huanqiu*, February 3, 2012.
45. [!\[\]\(1855a3a8d9a41a3f4f1dc8d294fd804e\_img.jpg\)](#) Xiao Li, “Talks of the American Politicians and Strategists on the Export of Ideology and Values” [in Chinese], *World Socialism Studies* 2 (2016).
46. [!\[\]\(4bff6b8888da539b37a899aef567f1be\_img.jpg\)](#) Lenin, *Selected Works*, 248.
47. [!\[\]\(1a1b0261b18044c47100576c25c435f9\_img.jpg\)](#) Cheng Enfu and Li Linan, “Marxism and Its Localized Theories in China Are the Soul and Core of Soft Power” [in Chinese], *Research on Marxist Culture* 1 (2019).
48. [!\[\]\(7b1db38756a02e50672c39a699367588\_img.jpg\)](#) Cheng Enfu, “The New Era Will Accelerate the Process to Enrich People and Strengthen the Country,” *Journal of the Central Institute of Socialism* 1 (2018).
49. [!\[\]\(5092e0d5a46a35d887ea84e10efda211\_img.jpg\)](#) John Bellamy Foster, Robert W. McChesney, and R. Jamil Jonna, [“Monopoly and Competition in Twenty-First Century Capitalism,”](#) *Monthly Review* 62, no. 11 (2011): 1.
50. [!\[\]\(222624bfbcd41cb4b8e992f2fb4d1d5d\_img.jpg\)](#) Foster, McChesney, and Jonna, “Monopoly and Competition in Twenty-First Century Capitalism,” 11.
51. [!\[\]\(90ca981cfd6ce35151faff84419b8399\_img.jpg\)](#) Li Shenming, “Finance, Technology, Culture, and Military Hegemony Are New Features of Today’s Capital Empire” [in Chinese], *Hongqi Wengao* 20 (2012).

52. [!\[\]\(7e19807c61da14f515588e95cd49886c\_img.jpg\)](#) United Nations Conference on Trade and Development, [\*Trade and Development Report 2017\*](#) (Geneva: United Nations, 2017).
53. [!\[\]\(8ff9e60a4b0560d7ec99179ef4779d9e\_img.jpg\)](#) “[Global 500, 2018](#),” *Fortune*, accessed March 23, 2021.
54. [!\[\]\(ab9b69bf5753a01c76b30af859454360\_img.jpg\)](#) Li Chong’s research also shows that the rate of surplus value increased. According to his calculations, from 1982 to 2006 the variable capital of U.S. corporations increased from \$1,505.616 billion to \$6,047.461 billion, a rise of 301.66 percent. Meanwhile, surplus value increased from \$674.706 billion to \$3,615.262 billion, a rise of 435.83 percent. Li Chong, “Marx’s Law of the Falling Rate of Profit: Analysis and Verification” [in Chinese], *Contemporary Economic Research* 8 (2018).
55. [!\[\]\(c5af66b13c724ca428497900cdbbc9b3\_img.jpg\)](#) Lu Baolin, “Labor Squeeze and Profit Rate Recovery: A Discussion of the Neoliberal Accumulation System of Globalization and Financialization” [in Chinese], *Teaching and Research* 2 (2018).
56. [!\[\]\(1fde827780c8f912fd3ae9174d52d155\_img.jpg\)](#) Guglielmo Carchedi and Michael Roberts, “The Long Roots of the Present Crisis: Keynesians, Austerians, and Marx’s Law,” *World Review of Political Economy* 4, no. 1 (2013): 86–115.
57. [!\[\]\(49ab9fdb6ddb6816bcb8ccc012d5cebd\_img.jpg\)](#) Xie Chang’an, “Research on the Evolution of International Competition Patterns in the Age of Financial Capital” [in Chinese], *World Socialism Study* 1 (2019).
58. [!\[\]\(a10cf212d457430b842f8ac59c63db70\_img.jpg\)](#) Facundo Alvaredo et al., [\*World Inequality Report 2018\*](#) (Berkeley: World Inequality Lab, 2017), 15.
59. [!\[\]\(e8a826213cf8b53a8c13f5432344afc9\_img.jpg\)](#) Wang Zhiqiang, “International Transfer of Surplus Value and the Change of the General Profit Rate: Based on the Empirical Evidence of 41 Countries” [in Chinese], *Journal of World Economy* 11 (2018).
60. [!\[\]\(7ffe3c6e7552aa3eb962276cd7a9a979\_img.jpg\)](#) “[GDP Ranking](#),” World Bank, accessed March 23, 2021.
61. [!\[\]\(28e94a65fe1d8cf887928bbaaa2c7303\_img.jpg\)](#) Credit Suisse, [\*Global Wealth Report 2013\*](#) (Zurich: Credit Suisse, 2013).
62. [!\[\]\(7db790dc622e1ac5f1c44afb7a5212a6\_img.jpg\)](#) Tom O’Connor, “[China Responds to Iran Capturing ‘U.S. Spies’: Remember When Mike Pompeo Said CIA Lies, Cheats and Steals?](#),” *Newsweek*, July 23, 2019.
63. [!\[\]\(86147531a4f05b1215989ff8ab43fe6d\_img.jpg\)](#) To cheat is to deceive people by using false words and deeds to conceal the truth. Fraud, which is even worse, involves deceptive acts committed by deceitful means. It refers to behavior intended to create confusion and misunderstanding.
64. [!\[\]\(c3492017d65b370ec6b463430fff1ce7\_img.jpg\)](#) Matthew J. Belvedere, “[Larry Summers Praises China’s State Investment in Tech, Saying It Doesn’t Need to Steal from US](#),” *CNBC*, June 27, 2018.
65. [!\[\]\(eadeaa5506f71c8d915378340dd044f1\_img.jpg\)](#) Zhu Changsheng, “The Real Purpose of the West Collectively Shaming Russia Finally Surfaces” [in Chinese], *Kunlunce*, April 12, 2018.
66. [!\[\]\(2e7c96d436a2266b49a49932113a1657\_img.jpg\)](#) Mike Pence, “[Remarks by Vice President Pence to Migrant Community at the Santa Catarina Shelter](#),” U.S. Embassy & Consulates in Brazil, June 27, 2018.
67. [!\[\]\(6a8a243cf3443d7797a7e525dc6a1efc\_img.jpg\)](#) “[Stupid to Regard One Civilization as Exceptional](#),” *China Daily*, May 22, 2019.
68. [!\[\]\(33e2662dd35315fbb8bde6de2141f6aa\_img.jpg\)](#) Zhang Yang and Yuan Yuan, “To What Extent Does American Culture Affect China?” [in Chinese], *People’s Tribune* 7 (2017): 131–33.
69. [!\[\]\(56890bcfd6a4f9f79fd5acc5be8e52b2\_img.jpg\)](#) Zhang and Yuan, “To What Extent Does American Culture Affect China?”
70. [!\[\]\(fd7e0a3996f31269d6928e9995a1b87e\_img.jpg\)](#) Shen Yi, “The Debate on Principles of Global Cyberspace Governance and China’s Strategic Choice” [in Chinese], *Foreign Affairs Review* 2 (2015): 65–79.
71. [!\[\]\(a1cf103b9c5f9b28e1bde5f1a6e89e23\_img.jpg\)](#) Yang Minqing, “Decoding US Cyber Hegemony: the ‘Victim of Cyber War’ Owns 100,000 Network Soldiers” [in Chinese], *Global View*, 2015.
72. [!\[\]\(3376c19c9b30a763743ecfcb079fddcd\_img.jpg\)](#) Liu Liandi, “Discussion by American Politicians and Newspapers of the Peaceful Evolution of China” [in Chinese], *International Data Information* 8 (1991).
73. [!\[\]\(d09a86bc59f80cb7523dc82f971d2e57\_img.jpg\)](#) Zhang and Yuan, “To What Extent Does American Culture Affect China?”
74. [!\[\]\(df26f226b94da77f641ade2d1b2f5c50\_img.jpg\)](#) Ma Xiaowen, “The United States Is Unleashing an Indo-Pacific Strategy to Shape a New Orient” [in Chinese], *China Times*, June 5, 2019.

75.  Xi Jinping, “[President Xi’s Speech on China-U.S. Ties](#),” *China Daily*, September 22, 2015.
76.  Lenin, *Selected Works*, 241.
77.  Yang Duogui and Zhou Zhitian, *National Health Report I* [in Chinese] (Beijing: Science Press, 2013), 217.
78.  Han Zhen “The Institutional Roots of Social Chaos in the West” [in Chinese]. *People’s Daily*, October 23, 2016.
79.  Ma Yun, “[Globalization Was Controlled by 6,500 Transnational Corporations in the Past](#),” *Tencent Financial News*, January 19, 2017.
80.  Zhu Tonggen, “An Analysis of the Legitimacy of the Major Wars Launched by the United States after the Cold War: Taking the Gulf War, the Afghanistan War, and the Iraq War as Examples” [in Chinese], *Global Review* 5 (2018).
81.  Lenin, *Selected Works*, 185.
82.  John Bellamy Foster, “[The Financialization of Capitalism](#),” *Monthly Review* 58, no. 11 (April 2007): 7–8.
83.  Lenin, *Selected Works*, 246–47.
84.  Liu Mingguo, and Yang Junjun, “Beware of the New Round and More Serious Financial Crisis: An Analysis of the Economic Situation of the US in the Post-crisis Era” [in Chinese], *Economics Study of Shanghai School* 1 (2019).
85.  Lenin, *Collected Works*, vol. 23, 105.
86.  Lenin, *Selected Works*, 260.
87.  John Bellamy Foster, “[Capitalism Has Failed—What Next?](#),” *Monthly Review* 70, no. 9 (February 2019): 1–24.
88.  Deng Xiaoping, *Collected Works of Deng Xiaoping*, vol. 3 [in Chinese] (Beijing: People’s Publishing House, 1993), 96, 353.
89.  Li Shenming, “An Analysis of the Age and Its Theme” [in Chinese], *Hongqi Wengao* 22 (2015).