

## **Five Features and Specific Character of Neo-imperialism\***

### **— An Analysis Based on Lenin's Theory of Imperialism**

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Capitalism has historically evolved into several different concrete stages. In the early 20<sup>th</sup> century, capitalism developed from the stage of free competition to the stage of private monopoly, which Lenin called the stage of imperialism. In the epoch of imperialism, the law of imbalance of economic and political development took effect. For territorial re-division of the world and outward expansion, different alliances of the powers struggled fiercely, resulting in the two world wars. The first half of the 20<sup>th</sup> century witnessed wars in the whole Eurasia, and tides of the national and democratic revolutions and the Communist movement. After the Second World War, some economically backward countries embarked on the socialist path one after another, forming a confrontation between the two camps of capitalism and socialism in the world. Although Marx and Engels declared in the *Manifesto of the Communist Party* that capitalism would inevitably be replaced by socialism, and it did be realized in a handful of countries, the whole system of capitalism and imperialism, moribund but not dead for a long time, especially from the 1980s to the early 1990s, has developed into a new stage, the stage of neo-imperialism after experiencing the neo-liberal reconstruction and post-Cold War imperialism.

In *Imperialism, the Highest Stage of Capitalism*, Lenin presented the definition and features of imperialism, “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... that will include the following five of its basic features: (1) the concentration of production and capital has 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

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which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun; and 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 of the same year, Lenin also elaborated on the threefold character of imperialism, “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> An analysis on the basis of Lenin’s theory of imperialism and in combination with the new changes of contemporary capitalism can come to a conclusion that neo-imperialism is the special historical development stage of monopoly capitalism under the condition of contemporary economic globalization and financialization. Its features and nature can be summarized in five aspects.

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

Lenin pointed out that the deepest economic base of imperialism was monopoly. This argument is rooted in the basic evolutionary law of capitalist competition: competition leads to concentration of production and capital, which, reaching a certain degree, will inevitably result in monopoly. In the early 20<sup>th</sup> century, the capitalist world experienced two great waves of enterprise merger. Capital and production concentration boosted one another, and production activities were increasingly concentrated in a small number of large enterprises, forming cross-sector and multi-product operated industrial monopolies. In place of competition, monopoly associations took the dominant position. When the history of capitalism moved forward to the 1970s, it encountered the “stagflation” crisis lasting nearly a decade. Economic recession and domestic market competition forced monopoly capital to seek new growth opportunities overseas. With the support of the new generation of information and communications technology, waves of direct foreign investment and international industrial transfer were set off, with the degree of internationalization of production and circulation far greater than ever before. Monopoly capital was rearranged covering all links from production to circulation in the world. Decentralization and internationalization of production processes gave birth to the division of labor system and operation network of the global value chain organized and managed by multinational corporations, which coordinated the global value chain through the complex suppliers networking and in various governance modes. Under this chain-styled division of labor system, the production and transaction of intermediate products and services were disassembled and scattered around the

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1 *Selected Works of Lenin, Volume 27* (Beijing: People’s Publishing House, 2017), 401.

2 *Selected Works of Lenin, Volume 28* (Beijing: People’s Publishing House, 2017), 69.

world, and deals of input and output were carried out in the global production and service network of multinational corporations' subsidiaries, contract partners and suppliers. According to statistics, about 60% of the global trade was those of intermediate products and services, and 80% was conducted through multinational corporations.<sup>1</sup>

Defined by the new monopoly of production and circulation, the first feature of neo-imperialism is that the internationalization of production and circulation, and the strengthening of capital centralization give rise to fabulously rich and giant multinational monopoly companies, which are the real representative of the contemporary international monopolies, and the gigantic monopoly multinational corporations in the neo-imperialism period have the following characteristics.

### **1. The Number of Multinational Corporations Has Ballooned, and Production and Circulation Have Become More Socialized and Internationalized**

Since the 1980s, multinational corporations, as the carrier of direct foreign investment, have gradually become the main driving force of international economic exchanges. In the 1980s, the worldwide investment grew at an unprecedented rate, much faster than the growth of such major economic variables as the world trade and output value in the corresponding period. By the 1990s, the scale of direct international investment had reached an unprecedented level. Multinational corporations, through direct foreign investment, had established branches and affiliates across the world with a drastic rise in both size and number. From 1980 to 2008, the number of global multinational corporations increased from 15,000 to 82,000, and the number of overseas subsidiaries grew even faster, jumping from 35,000 to 810,000. In 2017, an average of more than 60% of the assets and sales of the world's 100 largest non-financial multinational corporations was abroad, and their foreign employees were also close to 60%.<sup>2</sup> Since the genesis of the capitalist mode of production, the agglomeration and collaboration of production activities as well as the evolution of social division of labor have increasingly socialized production, and the scattered labor process has been more and more associated. Facts have proved that the continuous growth of direct foreign investment has deepened the economic ties between countries, and significantly improved socialization and internationalization of the production and circulation system, in which multinational corporations, as the leading force at the microscopic level, have played a very crucial role. Production internationalization and trade globalization have almost redefined the way in

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<sup>1</sup> See UNCTAD, *World Investment Report 2013 — Global Value Chains: Investment and Trade for Development* (Beijing: Economy and Management Publishing House, 2013), 139.

<sup>2</sup> "World Investment Report 2018-Investment and New Industrial Policies", [https://unctad.org/en/Pages/DIAE/World%20Investment%20Report/World\\_Investment\\_Report.aspx](https://unctad.org/en/Pages/DIAE/World%20Investment%20Report/World_Investment_Report.aspx).

which countries participate in international division of labor, and which, in turn, has reshaped the production and profit-making modes of various countries. The immense majority of countries and regions in the world have been integrated into the “spider web” of international production and trade system woven by multinational corporations, and thousands of enterprises distributed around the world constitute the value creation nodes on the global system of industrial chains. In the global economy, multinational corporations are the major international investors and producers, the core organizers of international economic behavior, and the engine of global economic growth. The rapid development of multinational corporations shows that in the capital-globalized stage of neo-imperialism, production and capital are more concentrated, and multinational corporations in tens of thousands can “dominate all.”

## **2. Larger Accumulation of Multinational Monopoly Capital Gives Rise to the Empire of Multinational Corporations**

Multinational corporations of contemporary capitalism, although not many in quantity, are fully reinforced. As the main force in development and application of the new technology, they have the marketing network, and more and more natural and financial resources under control, and therefore, they have monopolized the usufruct of production and circulation with unparalleled superiority in competition. From 1980 to 2013, benefiting from the expansion of the market and the reduction of the actual cost of production factors, the profits of the world’s largest 28,000 companies increased from USD2 trillion to USD7.2 trillion, and their proportion in the global GDP rose from 7.6% to nearly 10%.<sup>1</sup> Allying with the state power and developing interactively with the global financial system, multinational corporations have become the financial monopolies backed by the state. With its globalization and financialization, monopoly capital has further accumulated its wealth. In terms of sales alone, the economic scale of some multinational corporations has exceeded the economy of some developed countries. In 2009, for example, Toyota’s annual sales were greater than the GDP of Israel. In 2017, the total revenue of Wal-Mart, the top of Fortune 500, went beyond USD500 billion, higher than the GDP of Belgium. In fact, if we put the current multinational corporations and nearly 200 countries and regions together and rank them according to their output value, the number of countries in the world’s 100 largest “economic entities” accounts for less than 30%, and all the rest are multinational corporations. If this trend continues, there will be in the world an increasing number of multinational corporations that can match countries in wealth. Although industrial globalization has dispersed economic activities, the

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<sup>1</sup> James Manvika, “Playing to Win: The New Global Competition for Corporate Profits,” <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-new-global-competition-for-corporate-profits>.

investment, trade, exportation and technology transfer are mainly carried out through gigantic multinational corporations and their overseas branches. Moreover, the parent companies of these multinational monopoly enterprises are still concentrated in a few developed capitalist countries, into which profits thus flow. In 2017, more than half of the Fortune 500 enterprises came from the U.S., Japan, Germany, France and the UK, and two-thirds of the top 100 multinational corporations were from these six countries.

### **3. Multinational Corporations Monopolize Their Lines of Business, and Control and Operate the International Production Networks**

Multinational corporation magnates are well-capitalized with powerful scientific and technological strength, and dominate the global fields of production, trade, investment, finance and intellectual property export. The large-scale effect of production as a result of monopoly has expanded the competitive advantage of multinational corporations, because “the greater the labor army among whom labor is divided, the more gigantic the scale on which machinery is introduced, the more does the cost of production proportionately decrease, the more fruitful is labor.”<sup>1</sup> As a result of the high monopoly of multinational corporations, production and market concentrations are mutually promoted, and capital quickens its pace of accumulation. As two powerful levers of capital concentration, competition and credit speed up the trend of capital accumulation and concentration. In the past 30 years, countries have advanced the implementation of policies and programs to promote investment, and relaxed many restrictions on direct foreign investment. Although the growth of direct foreign investment from developed countries has, to different degrees, promoted the capital formation and human resources development in backward countries, and improved their export competitiveness, it has also stimulated large-scale privatization and cross-border mergers and acquisitions, and accelerated bankruptcy of small and medium-sized enterprises in these countries or merger by multinational corporations. Even some large enterprises cannot avoid being merged. At present, an oligopolistic structure has formed in many industries in the world. For example, the global CPU market has almost been completely monopolized by Intel and Archer Daniels Midland (ADM). According to the statistics of European Association for Medical Device Industry, in 2010, the sales of 25 medical device companies accounted for more than 60% of the total of the world market, and the top 10 multinational corporations controlled 47% of the global drug and medical product market. Before 2015, the global seed and pesticide market was basically controlled by six multinational corporations: BASF, Bayer, Dow, DuPont, Monsanto and Syngenta, which controlled 75% of the global agrochemical market, 63% of the commercial seed market, and 75% of all private sector research in seeds/pesticides; Syngenta,

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<sup>1</sup> *Selected Works of Marx and Engels, Volume 1* (Beijing: People’s Publishing House, 2009), 736.

BASF and Bayer alone accounted for 51% of market share of agrochemicals, while DuPont, Monsanto and Syngenta made up 55% of market share of seeds.<sup>1</sup> As for soybean, one of China's important grain crops, all links on the production, supply and marketing chain were controlled by five multinational corporations: Monsanto, ADM, Bunge, Cargill and Louis Dreyfus. Among them, Monsanto predominated the input of seeds and other raw materials required for production, while ADM, Bunge, Cargill and Louis Dreyfus dominated planting, trading and processing. In addition, these multinational corporations usually formed numerous alliances through joint venture, partnership, long-term contract and agreement, and other forms of strategic association.<sup>2</sup> In the period of neo-imperialism based on multinational corporations, as social wealth is increasingly appropriated by a few private capital magnates, monopoly capital has deepened control and exploitation over labor, and accumulated capital worldwide, thus aggravating the global overcapacity in some fields and polarization between the rich and the poor.

In the stage of neo-imperialism, with the rapid development of information and communication technology, the emergence of the Internet has enormously reduced the time and space of social production and circulation, leading to a surging tide of transnational merger, investment and trade. In this way, more non-capitalist regions are incorporated in the accumulation process dominated by monopoly capital, which has greatly strengthened and expanded the world capitalist system. It can be said that in the capitalist epoch of economic globalization in the 21<sup>st</sup> century, the socialization and internationalization of production and circulation have fundamentally leaped forward, which has greatly intensified the pattern described in the *Manifesto of the Communist Party*, "giving a cosmopolitan character to production and consumption in every country."<sup>3</sup> The globalization of monopoly capital requires integration of the global economic and political structures, and removes the institutional obstacles between the two structures. However, after some countries abandoned their original political constitutions and economic structures, and turned to adopt the market economic structure of capitalism, they have not yet achieved prosperity and stability trumpeted by neo-liberal economists. On the contrary, the stage of neo-imperialism is full of rampage and carnival of hegemonism and monopoly capital.

## II. The New Monopoly of Finance Capital

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1 ETC Group, "Breaking Bad: Big Ag Mega-Mergers in Play Dow + DuPont in the Pocket? Next: Demonsanto?", [http://www.etcgroup.org/sites/www.etcgroup.org/files/files/etc\\_breakbad\\_23dec15.pdf](http://www.etcgroup.org/sites/www.etcgroup.org/files/files/etc_breakbad_23dec15.pdf).

2 See Wang Shaoguang, Wang Hongchuan and Wei Xing, "The Story of Soybean: How Capital Endangers Human Security," *Open Times*, no. 3 (2013).

3 *Selected Works of Marx and Engels, Volume 2* (Beijing: People's Publishing House, 2009), 35.

Lenin argued, “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>1</sup> Finance capital is a new type of capital arising from the merging or coalescence of bank and industrial monopoly capital. The beginning of the 20<sup>th</sup> century was the turning point of capitalism from the rule of general capital to the rule of finance capital. In the largest imperialist countries, banks had already changed from ordinary intermediary enterprises to powerful monopolists. However, in the first half of the 20<sup>th</sup> century, due to continuous wars, high cost of information transmission, and such technical and institutional obstacles as trade protectionism, the global investment, trade, finance and market were loosely linked, and economic globalization was poorly developed, which prevented the outward elongation of monopoly capital. After the Second World War, economic globalization accelerated with the help of the new scientific and technological revolution. In the early 1970s, the rise of oil price triggered the world economic crisis, and the coexistence of inflation and economic stagnation appeared, so strange that Keynesian economics could not explain. In order to find profitable investment opportunities, monopoly capital trapped in “stagflation”, on the one hand, maintained its original competitive superiority by extending and transferring the traditional industry overseas, and on the other hand, accelerated decoupling from traditional industries, and strove to open up financial business. The capitalist globalization and financialization were mutually catalyzed and supported, which accelerated monopoly capital’s leaving real economy for fictitious economy and hollowing out the former. Therefore, the great recession of the Western economy in the 1970s was both a catalyst for internationalization of monopoly capital, and the starting point for the large-scale and rapid transformation of industrial capital to finance capital. Since then, monopoly capital has quickened its “gorgeous turn” from one-country monopoly to international monopoly, from monopoly on real industry to that on financial industry.

Defined by the new monopoly of finance capital, the second feature of neo-imperialism is that the finance monopoly capital plays a decisive role in the global economic life, which makes the economic financialization develop in a deformed way.

### **1. A Small Number of Multinational Banks and Other Financial Institutions Take the Main Artery of the Global Economy under Control**

It is the nature of imperialism to seek monopoly power. “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 by acquiring ‘holdings’ in their capital, by purchasing or

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<sup>1</sup> *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People’s Publishing House, 2009), 136.

exchanging shares, by a system of credits, etc., etc.” “The rapid expansion of a close network of channels... transforms thousands and thousands of scattered economic enterprises into a single national capitalist, and then into a world capitalist economy.”<sup>1</sup> In the stage of neo-imperialism, a small group of multinational corporations, most of which are banks, have established a very extensive and close business network in the world by annexation, acquiring holdings, controlling the main stake and other forms, and thus not only controlled numerous small and medium-sized enterprises, but firmly held the main artery of global economy. The research by three Swiss scholars Stefania Vitali, James B. Glattfelder and Stefano Battiston has proved that a small number of multinational banks have almost dominated the global economy. After analyzing 43,060 multinational corporations and their intertwined shareholding, they found that the top 737 multinational corporations controlled 80% of the world’s output value. When further anatomizing this complex network, they came to a more startling conclusion that the core 147 multinational corporations controlled nearly 40% of the economic value, and three quarters of them were financial intermediaries.<sup>2</sup>

## **2. Finance Monopoly Capital Sweeps through the Global Financial Market**

When imperialism has developed to the stage of neo-imperialism, there have been incessant monetary wars, trade wars, resource wars, information wars, etc. Disregarding the rules of trade and investment, financial oligarchy and its agents resort to every conceivable means to wantonly plunder the global resources and wealth. Neo-liberal economists, acting as spokesmen of financial oligarchy, preached everywhere the financial liberalization and globalization dominated by monopoly oligarchy, and urged developing countries to release their restrictions on capital projects. All countries and regions that act according to this set of ideas have more difficulties in financial supervision and more hidden dangers in the financial system, leaving finance monopoly capital chances to plunder their wealth. In the capital market, the private fund companies that manage colossal assets are the international financial investment giants,<sup>3</sup> which can often attack the vulnerable financial firewalls of developing countries, and take the opportunity to ransack the assets they have accumulated for decades. Therefore, the financial globalization and liberalization

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1 *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People’s Publishing House, 2009), 122, 123-124.

2 Stefania Vitali, James B. Glattfelder and Stefano Battiston, “The Network of Global Corporate Control”, *PLoS ONE*, October 2011.

3 The world top 10 fund companies are the US BlackRock, Vanguard Group, State Street Global Advisors, Fidelity Investment, JPMorgan Chase, The Bank of New York Mellon Corporation, Capital Group, and Goldman Sachs, the German Allianz SE, and the French AXA.

[https://www.willistowerswatson.com/-/media/WTW\\_/PDF/Insights/2017/10/The-worlds-500-largest-asset-managers-year-end-2016.pdf](https://www.willistowerswatson.com/-/media/WTW_/PDF/Insights/2017/10/The-worlds-500-largest-asset-managers-year-end-2016.pdf).

has built a unified and open global financial system, but at the same time, it has paved a “green” channel for “central” areas to absorb the resources and surplus value of backward “peripheral” regions. The finance capital, which is concentrated in the hands of a few international financial oligarchs and enjoys the actual monopoly power, has obtained more and more high monopoly profits and levied tributes from across the world by means of foreign investment, enterprise establishment, cross-border M&A, etc., and thus consolidated the rule of the financial oligarchy.

### **3. Production Logic Gives Way to Speculation Logic, and Economy Is Financialized in a Deformed Manner**

Finance monopoly capital, having shaken off the fetter of material forms, is the highest and most abstract form of capital for its high flexibility and speculativeness. Without regulation, it is easy to deviate from the goal of a country’s industry. After the Second World War, under the guidance of the state interventionism, commercial and investment banking operated separately, and the securities market was strictly regulated. The expansion and speculation of finance capital were restricted to a great extent. In the 1970s, with the decline of Keynesianism and the rise of neo-liberalism, the financial industry started deregulation, and the basic force to regulate financial market has changed from government to market. In the U.S., the Reagan administration promulgated *The Depository Institution Deregulation and Monetary Control Act* in 1980, which abolished the control of deposit and loan interest rates till 1986 when the interest rate was completely liberalized. *The Riegle-Neal Interstate Banking and Branching Efficiency Act* passed in 1994 thoroughly lifted restrictions in territorial scope of banking operation, and allowed banks to carry out the interstate business, which expanded the competition among financial institutions. The *National Securities Markets Improvement Act* of 1996 substantially canceled and relaxed supervision of the securities industry. The *Financial Services Modernization Act* of 1999 completely abolished the separation of business operation that had been implemented for nearly 70 years. Advocates of financial liberalization initially claimed that as long as the government deregulated financial institutions and markets, the allocation efficiency of financial resources could be further improved to better play the role of finance in stimulating economic growth. However, once the Pandora’s box of financial liberalization was opened, finance capital would be out of control like a runaway wild horse. Excessive financialization will inevitably virtualize economic activities and bubble fictitious economy. In the past three decades, along with the rise of finance capital is the continuous de-industrialization. For the lack of opportunities in productive investment, financial resources gradually leave the real economy, resulting in self-circulation, excessive expansion and deformed development of redundant capital in fictitious economy.

First, the cash flow of large enterprises changes from fixed capital investment to financial

investment, and more profits are obtained from financial activities. Between 1982 and 1990, almost a quarter of investment in factories and equipment in the private real economy turned to the financial, insurance and real property sectors.<sup>1</sup> For example, Wal-Mart, the world's largest food retailer, launched a USD25 million private fund. Since the financial deregulation in the 1980s and 1990s, some supermarkets have generally provided more kinds of financial products to the public, including credit and prepaid debit cards, savings and check accounts, insurance plans and even home mortgages.<sup>2</sup> The principle of "maximizing shareholder's value" popular after the 1980s leads to the short-term goal of CEOs, some of whom are willing to use profits to buy back their companies' shares to boost share price and raise their salaries rather than repaying debts or improving the companies' financial structure. According to statistics, 449 companies listed in Standard & Poor's 500 Index from 2003 to 2012 spent a total of USD2.4 trillion, accounting for 54% of the total revenue, acquiring their own shares, and 37% paying dividends and bonuses.<sup>3</sup> In 2006, the share buyback of non-financial companies in the U.S. was up to 43.9% of the non-housing investment expenditure.<sup>4</sup>

Second, the financial sector dominates the distribution of surplus value in the non-financial sectors. A larger proportion of the profits earned by non-financial enterprises have been spent on dividends and bonuses. From 1960s to 1990s, the dividend payout (the ratio of bonuses to adjusted after-tax profits) of the corporate sector in the U.S. increased sharply, with an average of 42.4% in the 1960s, 42.3% in the 1970s, and never below 44% from 1980 to 1989. In 1989, although the total profit of the companies decreased by 17%, the total bonus increased by 13%, and the dividend payout reached 57%.<sup>5</sup> By the eve of the 2008 Financial Crisis in the U.S., the proportion of net bonus payout to net after-tax profit had accounted for about 80% of the companies' final capital distribution.<sup>6</sup>

Third, the excessive prosperity of fictitious economy completely deviates from the support ability of real economy. The stagnation and withering of real economy and the excessive

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1 See Robert Brenner, *The Economics of Global Turbulence*, translated by Zheng Jiwei (Beijing: China Renmin University Press, 2012), 218.

2 Isakson, S. Rvan, "Food and Finance: the Financial Transformation of Agro-food Supply Chains," *The Journal of Peasant Studies*, Vol.41, no.5 (2014).

3 See William Lazonick, *Profits without Prosperity*, <http://www.hbrchina.org/2014-09-11/2354.html>.

4 See Thomas I. Palley, "Financialization: What It Is and Why It Matters," translated by Fang Guangshun, Che Yanqiu and Xu Mingyu, *Foreign Theoretical Trends*, no. 8 (2010).

5 See Huang Yiyi, "The Origin and Development of Maximizing Shareholders' Value," *New Economy*, no. 7 (2004).

6 See Erdogan Bakir and Al Campbell, "Neo-liberalism, the Rate of Profit and the Rate of Accumulation," translated by Chen Renjiang and Xu Jiankang, *Foreign Theoretical Trends*, no. 2 (2011).

development of fictitious economy coexist with each other, and to a certain extent, they also show a vicious trend of mutual promotion. On the one hand, the value realization of real economy depends on the false purchasing power created by the expansion of asset bubbles and rising asset prices. The widening gap between the rich and the poor forces financial institutions, with the support of the government, to rely on a variety of financial innovations to prop up residents' overdraft consumption and disperse financial risks. On the other hand, the enormous earnings and wealth effects generated by the innovation of financial derivatives and the expansion of asset bubbles will attract more investors towards fictitious economy. Driven by monopoly profits, a variety of derivative financial products have been created. The innovation of financial product can also elongate the debt chain and pass on financial risks. This is the case with securitization of subprime mortgage, which, in the name of raising the credit rating, actually passes on high risks to others through layers of packaging. The transaction of financial products, increasingly divorced from, and even having no connection with production activities, is totally a gamble.

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

Lenin argued, "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>1</sup> After the Second World War, the deepening and specification of international division of labor have brought more underdeveloped countries and regions into the global economic network. Superficially, each country or enterprise can bring its comparative advantage into play in the global production network, and even the least developed countries can have the maximum gains through participation in the international division of labor and cooperation with their advantages in cheap labor and resources. However, the real motive of monopoly capital is to fight for a favorable trading platform and snatch high monopoly profits. The U.S. dollar hegemony and the intellectual property monopoly, in particular, have seriously unequalized the international exchange. It can be seen that the export of general capital coexisted with the export of commodity, and featured in the period of old imperialism, while the export of U.S. dollar and intellectual property coexists with the export of commodities and general capital, and features in the period of neo-imperialism.

Defined by the monopoly of U.S. dollar and intellectual property, the third feature of neo-imperialism is that U.S. dollar hegemony and intellectual property monopoly have unequalized international division of labor and polarized global distribution of economy and

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<sup>1</sup> *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People's Publishing House, 2009), 150.

wealth. From the four “capital — labor”, “capital — capital”, “country — capital” and “country — country” aspects, the ruling power of multinational monopoly capital and neo-imperialism has been further strengthened under the conditions of economic globalization and financial liberalization.

### **1. From the Perspective of the “Capital — Labor” Relationship, the Spatial Expansion of Monopoly Capital Enables It to Globally Lay out the Industrial Chain and Realize “Global Labor Arbitrage”**

Through outsourcing, setting up subsidiaries, and establishing strategic alliances, multinational companies integrate more countries and enterprises into the global production network in which they take the lead. A large-scale and low-cost global labor force makes possible the global accumulation of capital. According to the data of the International Labor Organization, from 1980 to 2007, the world labor force increased from 1.9 billion to 3.1 billion, of which 73% came from developing countries, and 40% was Chinese and Indians.<sup>1</sup> Multinational corporations are organized entities, while global laborers cannot effectively unite and defend their rights. Moreover, the existence of a global reserve army of labor allows capital to use the “divide-and-rule” strategy to tame these wage earners. For decades, monopoly capital has shifted the production sector to the Southern Hemisphere so that the global labors “race to the bottom,” from which multinational corporations have squeezed colossal “imperialist rents.” In addition, multinational corporations are good at selling their ideas, and can lobby the governments of developing countries to formulate policies in favor of capital flow and investment. In exchange for the GDP growth, the governments of many developing countries not only ignore the protection of their inhabitants’ social welfare and labor rights and interests, but promise to take various preferential measures such as tax relief and credit support for investment and profits so as to attract international capital to invest and set up factories. Therefore, the globalization of production enables the developed capitalist countries to more “civilly” exploit the underdeveloped countries in the name of fair trade. In order to initiate modernization, the latter has to accept the former’s export of capital and some unreasonable additional conditions.

### **2. From the Perspective of the “Capital — Capital” Relationship, Multinational Monopoly Capital Dominates Global Partners, While Finance Monopoly Capital Stands above Industrial Capital**

Since the 1980s, the new international division of labor has continued the old unbalanced and

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<sup>1</sup> See J.B. Foster, K.W. McChesney and K.J. Jonna, “The Global Reserve Army of Labor and the New Imperialism,” translated by Zhang Huipeng, *Foreign Theoretical Trends*, no. 6 (2012).

unequal structure system. In spite of the scattered production and marketing, multinational corporations are still the control center of R&D, finance and profit. Multinational corporations, usually staying at the upstream of vertical chain of specialized division of labor, possess the intellectual property of core components, take responsibility for formulating standards for technologies and products, and control the R&D and design links of products. Their partners, however, often attached to them, have to accept the standards and pricing. They are more engaged in labor-intensive production, processing and assembly, and bear the task of mass production of simple components and parts. As the original equipment manufacturers of multinational companies, these enterprises can only gain a small amount of processing profits, and their workers generally earn low wages, but work intensely in poor environment for long hours. Although the value of products is mainly created by workers in original equipment manufacturers, multinational corporations appropriate most of the value-added through unequal production networks. According to statistics, the proportion of overseas profits of the U.S. companies increased from 5% in 1950 to 35% in 2008, and that of overseas retained profits rocketed from 2% in 1950 to 113% in 2000. The proportion of overseas profits of Japanese enterprises rose from 23.4% in 1997 to 52.5% in 2008.<sup>1</sup> Multinational corporations often acquire large rewards through the monopoly of intellectual property. Intellectual property covers symbols and images used in product design, brands and marketing, which are protected by laws and rules on patents, copyrights and trademarks. Figures from UNCTAD show that the royalties and licensing fees collected by multinational corporations went up from USD31 billion in 1990 to USD333 billion in 2017.<sup>2</sup>

With the rapid development of financial liberalization, finance capital has shifted from serving industrial capital to standing above it, and financial oligarchy and rentiers hold the sway. In 20 years since 1987, the debt of international credit market ascended sharply from nearly USD11 billion to USD48 billion, with a growth rate far more than the economic growth rate. In 2007, the market value of global financial derivatives reached USD681 trillion, 13 times the global GDP and more than 60 times the value of global real economy.<sup>3</sup>

### **3. From the Perspective of “Country — Capital” Relationship, the Neo-imperialist Countries Implement the Neo-liberal Policies and Spare No Effort to Safeguard the Interests**

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1 See Cui Xuedong, “Is the Crisis of Contemporary Capitalism a Minsky Crisis or Marxian Crisis?” *Studies on Marxism*, no.9 (2018).

2 “World Investment Report 2018 — Investment and New Industrial Policies,” [https://unctad.org/en/Pages/DIAE/World%20Investment%20Report/World\\_Investment\\_Report.aspx](https://unctad.org/en/Pages/DIAE/World%20Investment%20Report/World_Investment_Report.aspx).

3 See Cheng Enfu and Hou Weimin, “The Western Financial Crisis Roots in Intensification of the Basic Contradictions of Capitalism,” *Hongqi Wengao*, no. 7 (2018).

## of Monopoly Capital

Since the mid-1970s, Keynesianism has been abandoned or underused by the government for the long postponement of the insoluble “stagflation.” Modern monetarism, rational expectation school, supply-side economics and other neo-liberal economics have become the popular economic theories and policies of the neo-imperialist countries because they adapt to the need of monopoly capital for global and financial expansion. Neo-liberalism is the superstructure growing on the basis of finance monopoly capital. In essence, it is the policy basis and ideology to maintain the rule of neo-imperialism. In the 1980s, as the flag bearers of neo-liberalism, American President Reagan and British Prime Minister Thatcher advocated modern monetarism, the school of private property and supply-side economics. During their governance, they carried out privatization and market-oriented reform, relaxed governmental supervision at will, and weakened the resistance force of trade unions and the working class to safeguard their rights. After Reagan took office, he immediately approved the establishment of a special presidential group, headed by Vice-president Bush, to revoke and relax rules and regulations which involve production security, labor protection, consumer interest protection, etc. The Reagan administration also joined hands with monopolists to crack down on trade unions in the public and private sectors, dismiss their leaders and organizers, and make the already weak working class even more passive. The so-called Washington-Wall Street Complex shows that the interests of Wall Street are those of the U.S., and what is in favor of the former is so to the latter. In fact, the U.S. government has become a tool for financial oligarchy to seek astronomical economic and political interests.<sup>1</sup> Therefore, it is not the voters’ votes, nor the democratic system of “separation of the three powers”, but Wall Street’s financial oligarchy and its interest groups of military and industrial complex that can cage the government power. By providing campaign contribution and manipulating the media, the well-funded Wall Street syndicates have impact on the political process and policy issues of the U.S. As “spelled” by monopoly interest groups, the U.S. government can do little in promoting the sound economic and social development and improving the people’s livelihood. The Wall Street executives with annual incomes of tens of millions of dollars and senior U.S. government officials can mutually change their status. For example, Robert Edward Rubin, the 70<sup>th</sup> U.S. Treasurer, worked at Goldman Sachs for 26 years; Henry Paulson, the 74<sup>th</sup> Treasurer, served as chairman and CEO of Goldman Sachs. Many senior officials in the Trump administration are executives of monopoly enterprises. It is for the “revolving door” mechanism that even if the government issues relevant policies of financial supervision, it is difficult to fundamentally undermine the interests of Wall Street financial

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<sup>1</sup> See Lu Baolin, “Critique and Reflection on the Supply Doctrine of ‘Reagan Revolution’ and ‘Thatcher New Deal’ — Based on the Perspective of the Labor Relations of Marxist Economics,” *Contemporary Economic Research*, no.6 (2016).

magnates. Moreover, each time a financial crisis breaks out, the government provides emergency assistance for Wall Street oligarchy. It has been found in investigation of some American scholars that the Federal Reserve used to meet the needs of large interest groups on Wall Street with secret emergency loans, including the vigorous support for bankers in the council of regional Fed banks. In 2007, the Subprime Mortgage Crisis broke out in the U.S. In the five major investment banks on Wall Street, Bear Stearns was acquired by JPMorgan Chase, Lehman Brothers went bankrupt, Merrill Lynch was acquired by Bank of America, but Goldman Sachs survived. What explain its survival are as follows: first, the government urgently granted Goldman Sachs the status of commercial bank holding company, allowing it to access a tremendous amount of funds from the Federal Reserve to help it out; second, the U.S. Securities and Exchange Commission banned short selling of financial stocks.<sup>1</sup>

#### **4. From the Perspective of the “Country — Country” Relationship, the Neo-imperialist Overlord, the U.S., Snatches Global Wealth with U.S. dollar Hegemony and Intellectual Property**

In July 1944, at the initiative of the U.S. and British governments, 44 countries discussed the post-war system in Bretton Woods, New Hampshire, the U.S. The conference adopted the *Final Protocol 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 referred to as the *Bretton Woods Agreement*. One of the core contents of the Bretton Woods System was to build an international monetary system centered on the U.S. dollar.<sup>2</sup> The U.S. dollar was fixed to gold, while other currencies pegged to the U.S. dollar, which replaced pound sterling to be the world currency. The special advantage of the U.S. dollar over other currencies determined that the U.S. was in a special position different from other countries. According to statistics, the U.S. dollar accounted for 70% of the global monetary reserve, 68% of international trade settlement, 80% of foreign exchange transactions, and 90% of international banking transactions.<sup>3</sup> As the U.S. dollar is the internationally recognized currency for reserve and trade settlement, the U.S., with U.S. dollars printed at almost zero cost, can not only exchange it for the real goods, resources and labor services of other countries, maintain long-term

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1 See Liang Yan, Tang Yu, Li Meng and Wang Huicong, “How Powerful Is the ‘Gang of Goldman Sachs’ in American Political Arena,” *Global Times* (January 18, 2017).

2 See Chen Jianqi, “Contemporary De-globalization Issues and Solutions,” *The Forum of Leadership Science*, no. 10 (2017); He Bingment, Liu Rongcang and Liu Shucheng, *Asian Financial Crisis: Analysis and Countermeasure* (Beijing: Social Sciences Academic Press (China), 2007), 66.

3 See Wang Jiafei, “Pursuit, Application, and Consequence of US Dollar Hegemony,” *Hongqi Wengao*, no. 6 (2011).

trade and fiscal deficit, but make transnational investment and annex enterprises of other countries. Its predatory nature of neo-imperialism has been fully reflected in the U.S. dollar hegemony. In addition, the U.S. could collect international seigniorage by exporting U.S. dollars, and reduce foreign debt by depreciating U.S. dollar and dollar assets. Wadi Halabi, member of the Economic Committee of the Communist Party of United States of America, pointed out that in the balance of payments account of the U.S., the net overseas income was USD658.3 billion in 2001, and USD842.6 billion in 2003.<sup>1</sup> The U.S. dollar hegemony has also transferred wealth from creditor countries to debtor countries, an unfair subsidy to rich countries by the poor.

Since the mid-1990s, the international monopoly enterprises have controlled 80% of the world's patents and transferring technologies as well as most of the world's famous trademarks, and thus reaped bumper benefits. According to the data of the *Science and Engineering Technology Indicators 2018* issued by the U.S. National Science Board in January 2018, the total size of global revenue from cross-border intellectual property licensing reached USD272 billion in 2016, in which the U.S., the largest exporter, accounted for 45% of the global total intellectual property exports, the European Union, 24%, Japan, 14%, while China, less than 0.5%. In sharp contrast, China's overseas payment of intellectual property royalties rose from USD1.9 billion in 2001 to USD28.6 billion in 2017, with a deficit of more than USD20 billion in cross-border transactions of intellectual property. Meanwhile, the annual net income of the U.S. from foreign intellectual property licensing was close to or more than USD80 billion.<sup>2</sup>

#### **IV. The New Monopoly of International Oligarchy Alliance**

Lenin argued, "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'." "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. Not only are the two main groups of countries, those owning colonies, and the colonies themselves, but also the diverse forms of dependent countries

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<sup>1</sup> See Yu Bin, "IOU Export of Neo-imperialism," Cheng Enfu, *Studies on Marxist Economy* (Beijing: China Social Sciences Press, 2015), 378.

<sup>2</sup> See Yang Yunxia, "The New Look and Essence of Capitalist Monopoly on Intelligent Property," *Studies on Marxism*, no. 3 (2019).

which, politically, are formally independent, but in fact, are enmeshed in the net of financial and diplomatic dependence, typical of this epoch.”<sup>1</sup> In the world today, neo-imperialism has formed various new economic, political, cultural and military alliances and hegemonic relations.

Defined by the new monopoly of international oligarchy alliance, the fourth feature of neo-imperialism is that the international monopoly capitalist alliance with “one super power and multi-great powers” becomes the economic base for the money politics, vulgar culture and military threat under the global monopoly exploitation and oppression.

### **1. The Economic and Political Alliance of International Monopoly Capitalism Made by the Group of Seven**

The current international monopoly economic alliance and the global economic governance framework of neo-imperialism are led by the U.S., with G7 (In 1975, the six big industrialized countries including the U.S., the UK, Germany, France, Japan and Italy formed the Group of Six, in which Canada joined the next year, hence the G7 Summit) and its monopolies as the coordination platforms, and the International Monetary Fund, the World Bank and the World Trade Organization under their control as the matching institutions.

The global economic governance system under the framework of the Bretton Woods System formed after the Second World War was in essence a high-level international capitalist monopoly alliance manipulated by the U.S. and serving its global economic and political strategic interests. In the early 1970s, the U.S. dollar was decoupled from gold, and the Bretton Woods monetary system collapsed. The G7 Summit was born therefrom, and took on the task of strengthening the Western consensus, counterbalancing the Eastern socialist countries, and resisting the call of the South underdeveloped countries for the reform of the international economic and political order.<sup>2</sup> With the rise of neo-liberalism as the leading concept of global economic governance, these multilateral institutions and platforms have become the driving force for its global spread and expansion. At the will of international finance monopoly oligarchy and their allies, they adopt every possible means, tough and soft, to coerce the developing countries to implement financial liberalization (leaving real economy for fictitious economy), privatization of factors of production, marketization without prior supervision, and free convertibility under capital account. Thus they can facilitate the entry and exit of international hot money, and make sudden huge profits by plundering and controlling the economy of other countries through creation of bubble economy and financial speculation. Even Brzezinski admitted in *The Grand Chessboard*, “The International Monetary Fund (IMF) and

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<sup>1</sup> *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People’s Publishing House, 2009), 163, 172.

<sup>2</sup> See Lu Youzhi and Zha Junhong, “The Evolution and Influence of the G7 after the Cold War,” *Europe*, no. 6 (2002).

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>1</sup> Since the 1980s, the International Monetary Fund and the World Bank have seduced developing countries to pursue the neo-liberal reform. When these countries fall into crisis or dilemma due to the reform of privatization and financial liberalization, the International Monetary Fund and other institutions put pressure on them by providing loan assistance with various unreasonable conditions, force them to accept the Washington Consensus, and further strengthen the neo-liberal reform. From 1978 to 1992, more than 70 developing countries and former socialist countries implemented 566 structural adjustment programs imposed by the International Monetary Fund and the World Bank.<sup>2</sup> For example, in the early 1980s, the International Monetary Fund took advantage of the Latin American debt crisis to force these countries to accept the neo-liberal reform. In 1979, in order to curb inflation, the Federal Reserve boosted the short-term interest rate from 10% to 15%, and finally to more than 20%. The existing debts of developing countries were linked with the interest rate of the U.S., of which the rise by every percentage point would force the third-world debtor countries to pay an additional USD4-5 billion of interest each year. In the second half of 1981, Latin America had to borrow USD1 billion a week, most of which was used to repay debt interest, which, in 1983, was repaid by almost half of its export earnings.<sup>3</sup> Under the pressure of loan repayment, Latin American countries had to accept the “prescription” of neo-liberal reform made by the International Monetary Fund. The main contents of the prescription were to privatize the state-owned enterprises, liberalize trade and finance, and enforce the economic tightening policy of diminishing people’s welfare, reducing taxes of monopoly enterprises, and cutting down government expenditure and social investment. When providing assistance to South Korea during the Asian financial crisis in 1997, the International Monetary Fund attached many conditions, including the increase of foreign capital’s shareholding from 23% to 50%, and further to 55% by December 1998, and the permission for foreign banks to set up branches freely in South Korea.<sup>4</sup>

## **2. The Military and Political Alliance of International Monopoly Capitalism Made by the NATO Countries**

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1 Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* (Shanghai: Shanghai People’s Publishing House, 2007), 24.

2 See Li Qiqing, “Neo-liberalism in the Context of Globalization,” *Marxism and Reality*, no. 5 (2003).

3 See Jeffrey Frieden, *Global Capitalism: Its Fall and Rise in the 20<sup>th</sup> Century*, translated by Yang Yuguang, et al (Shanghai: Shanghai People’s Publishing House, 2017), 343-346.

4 See He Bingmeng, Liu Rongcang and Liu Shucheng, *Asian Financial Crisis: Analysis and Countermeasure* (Beijing: Social Sciences Academic Press (China), 2007), 84, 91.

NATO is a military alliance of international monopoly capitalism initiated and dominated by the U.S. and participated by other imperialist countries during the Cold War. During this period, NATO was the main tool used by the U.S. to actively contain and counterbalance the Soviet Union and the Eastern European countries, and to influence and control the Western European countries. After the end of the Cold War, the Warsaw Pact was dissolved; NATO became the military organization for the U.S. to achieve the global strategic goal, and the monopoly alliance of capitalist oligopoly in the form of “one super power and multi-great powers” was formed. Former US Secretary of State Christopher argued, “Only the U.S. can act as the leader, and to play the leading role of the U.S., we need reliable threat of force as the backing of diplomacy.”<sup>1</sup> The *National Security Strategy of the United States of America in the New Century* launched in December 1998 explicitly claimed that the goal of the U.S. was to “lead the whole world” and never allow any country or group of countries to challenge its “leadership.”<sup>2</sup> On December 4, 2018, the U.S. Secretary of State Pompeo clearly declared in his speech at the Marshall Fund in Brussels that the U.S. was not giving up its global leadership but reshaping the post-World War II order on the basis of sovereign nations rather than a multilateral system. “Under President Trump, we are not abandoning international leadership or our friends in the international system... This is what President Trump is doing. He is returning the U.S. to its traditional, central leadership role in the world... America intends to lead – now and always.”<sup>3</sup>

To seek hegemony and lead the world, the U.S. vigorously promoted NATO’s eastward expansion to extend its sphere of influence, control Central and Eastern Europe, and compress Russia’s strategic space. Under the manipulation of the U.S., NATO has become an ideal military tool in pursuit of its global interests. In March 1999, NATO multinational force led by the U.S. launched a large-scale air attack on the Federal Republic of Yugoslavia, marking its first military strike against a sovereign country launched in 50 years since its establishment. In April 1999, NATO held a summit in Washington and formally adopted its “new strategic concept.” One of the core contents was to allow NATO to carry out collective military intervention in “crises and conflicts involving common interests” outside the defense zone. In essence, this turned NATO from a “collective defense” military organization into an offensive political and military organization to “safeguard common interests and values.” The other was that NATO’s military

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1 Quoted in Liu Zhenxia, “NATO’s New Strategy Embodies the US Hegemonism,” *Social Sciences Journal of Colleges of Shanxi*, no.3 (1999).

2 See Liu Zhenxia, “NATO’s New Strategy Embodies the US Hegemonism,” *Social Sciences Journal of Colleges of Shanxi*, no.3 (1999).

3 “Pompeo Says the United States Is Building a New Global Order against China, Russia and Iran,” [https://www.guancha.cn/international/2018\\_12\\_05\\_482182\\_s.shtml](https://www.guancha.cn/international/2018_12_05_482182_s.shtml).

operation was free from the authorization of the UN Security Council.<sup>1</sup>

In addition to NATO, the military allies of the U.S. formed through bilateral alliance treaties mainly include Japan, South Korea, Australia, the Philippines, among others. In these countries there are the U.S. military bases, which, as an important part of the neo-imperialist military alliance, constitute the military threats and provocations in various regions of the world, leading to many “hot wars”, “warm wars”, “cool wars”, and “new cold wars”, and intensifying the new arms race. Neo-imperialism’s act of “state terrorism” and double standards of anti-terrorism, however, have resulted in the prevalence of other forms of terrorism.

### **3. Cultural Hegemony Dominated by the Western Universal Values**

Except for the economic and military alliances and their hegemony, neo-imperialism is characterized by cultural hegemonism dominated by Western universal values. Joseph Nye emphasized that the “soft power” was the ability to achieve what one wanted by means of attraction rather than coercion or bribe. The soft power of a country mainly comes from three kinds of resources: culture (playing a role where it is attractive to other countries), political values (when really practiced at home and abroad), and foreign policy (when regarded to be legitimate and morally prestigious).<sup>2</sup> The Western developed countries, especially the U.S., make use of their advantages in capital, science, technology and market to culturally infiltrate vulnerable countries and regions, and put forward a series of cultural “new interventionism” theory that “takes American values as values.” By exporting American values and life-style to other countries, especially developing countries, the U.S. occupies their cultural market and information space, and shapes the American culture into the world’s “mainstream culture.”<sup>3</sup>

Cultural hegemonism, or cultural imperialism, achieves the strategic goal as what Nixon said about “victory without war” by controlling the international public opinions, exporting the Western universal values, and implementing peaceful evolution and “Color Revolution.” Typical of the case was the evolution of the Soviet Union and the socialist countries in Eastern Europe. As we all know, the penetration of values is usually slow, protracted and imperceptible, and the transmission channels are often hidden in academic exchanges, literary works, films and television. For example, Hollywood is “the megaphone of American hegemonic policy”, and “Hollywood’s films show off

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1 See Liu Zhenxia, “NATO’s New Strategy Embodies the US Hegemonism,” *Social Sciences Journal of Colleges of Shanxi*, no.3 (1999).

2 See Wang Yan, “Summary of Research on Cultural Soft Power index system,” *Study on Marxist Culture*, no. 1 (2019).

3 See Hao Shucui, “Bloom the Socialist Culture with Chinese Characteristics in the Garden of Contemporary World Culture — An Interview with Professor Wang Weiguang, Member of the Standing Committee, and Director of Ethnic and Religious Committee of the CPPCC,” *Study on Marxist Culture*, no. 1 (2018).

the advantages of the U.S. to all over the world, and try to achieve the purpose of cultural conquest through this channel.”<sup>1</sup> The former senior CIA official Alan Foster Dulles said, “As we can teach young people in the Soviet Union to sing our songs and dance with them, so can we, sooner or later, teach them to think the way we need them to.”<sup>2</sup> Foundations and think tanks are also the important promoters of neo-liberalism for its outward spread. For example, Ford Foundation, Rockefeller Foundation, Mont Pelerin Society, and Center for International Private Enterprise of the U.S. actively popularize the values of neo-liberalism through funding seminars and academic organizations.

Lenin pointed out that instead of the undivided monopoly of Great Britain, the characteristic of the whole period of the early 20<sup>th</sup> century was a few imperialist powers contending for the right to share in this monopoly.<sup>3</sup> Since the end of the Cold War, global capitalism has been characterized by the “undivided monopoly” of the U.S. Other powers have no intention or strength to comprehensively contend with the U.S. Individual countries such as Japan once tried to challenge the “monopoly” of the U.S. in terms of economy, science and technology only to suffer a big defeat in the end. Later, the emergence of euro also failed to undermine the hegemony of the U.S. Militarily, the wars in the Gulf, Kosovo, Afghanistan, Iraq, Libya, and Syria have further fomented the U.S. unilateralism and hegemonism. With the help of the monopoly alliance of economic, military, and political oligarchy as well as the cultural soft power, the U.S. globally promotes universal values and incites “politics in the streets” and Color Revolution in other countries. By creating the debt crisis and financial crisis in developing countries, it opens the door to their finance. When the global governance system it leads encounters challenges, the U.S. will wage trade war, science and technology war, and financial war, or take economic sanctions, or even threaten to or actually launch military strikes. Among them, the U.S. dollar, the U.S. military force and the U.S. culture are the three pillars of hegemony of the U.S. imperialism, which are used in coordination to form its “hard power,” “soft power,” “strong power,” (economic sanctions) and “smart power.”<sup>4</sup>

In short, the international monopoly capitalist alliance with “one super power and multi-great

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1 “Iranian Official Denounces Hollywood as a ‘Megaphone’ of the US Hegemonism,” [http://www.chinadaily.com.cn/hpJs/JsgJ/2012-02-03/content\\_5075641.html](http://www.chinadaily.com.cn/hpJs/JsgJ/2012-02-03/content_5075641.html).

2 Quoted from Xiao Li, “Arguments of American Politicians and Strategists on the Export of Ideology and Values,” *World Socialism Studies*, no. 2 (2016).

3 *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People’s Publishing House, 2009), 194.

4 See Cheng Enfu and Li Linan, “Marxism and its Sinicization Theory are the Soul and Core of Soft Power,” *Study on Marxist Culture*, no. 1 (2019).

powers” becomes the economic basis for the money politics, vulgar culture and military threat under the domestic and foreign monopoly exploitation and oppression, and also greatly enhances the position of the U.S. as a neo-imperialist overlord.

## **V. The Economic Essence and General Trend**

Lenin argued that imperialism was monopolistic and predatory, decaying and parasitic, transitional and moribund. In the neo-imperialist stage of economic globalization, the basic contradiction of contemporary capitalist economy is manifested in that of the continuous economic socialization and globalization with the private, collective and state ownership of production factors, and with anarchy or disorder of national and global economy.<sup>1</sup> Rejecting the necessary adjustment of the state and the international community, neo-imperialism exalts the self-regulation, and safeguards the interests of private monopoly capital. As a result, all kinds of contradictions are often intensified in a country and in the world, and the economic crisis (including financial crisis, fiscal crisis, etc.), social crisis, and ecological crisis have become “epidemic.” The intensification of social contradictions has resulted in frequent crises, and mingled them with capital accumulation, thus forming a new situation of contemporary capitalism that is monopolistic and predatory, decaying and parasitic, transitional and moribund.

Defined by the economic essence and general trend, the threefold character of neo-imperialism is that the capitalist global contradictions and all kinds of crisis often get intensified, giving rise to the new situation that contemporary capitalism is monopolistic and predatory, decaying and parasitic, transitional and moribund.

### **1. Neo-imperialism Is the New Capitalism That Is Monopolistic and Predatory**

As far as its economic essence is concerned, neo-imperialism is a finance monopoly capitalism built on gigantic multinational corporations. The production and financial monopoly of multinational corporations sprout from the production and capital concentration developed to the higher stage. Their monopoly degree is deeper and wider, so that “nearly every industry is concentrated into fewer and fewer hands.” Take the automobile industry as an example, five multinational firms produced nearly half the world’s motor vehicles, and the ten largest firms produced 70% of the world’s motor vehicles.<sup>2</sup> International finance monopoly capital not only

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<sup>1</sup> See Cheng Enfu, “Speed up Enriching the People and Strengthening the Country in the New Era,” *Journal of the Central Institute of socialism*, no. 1 (2018).

<sup>2</sup> See John Bellamy Forster, Robert McChesney and Jamil Yonna, “Monopoly and Competition in 21<sup>st</sup> Century Capitalism (I),” translated by Jin Jian, *Foreign Theoretical Trends*, no. 9 (2011).

controls the main industries in the world, but monopolizes almost all sources of raw materials, all types of scientific and technological talents and skilled manual labor, dominates the transportation hubs and all kinds of instruments of production, allocates and appropriates more capital through banks, all sorts of financial derivatives and various shareholding systems, and thus takes a variety of global orders under control.<sup>1</sup> If measured by market value, corporate revenue and assets, etc., the economic concentration is rising all over the world, especially among the top 100 companies. In 2015, the market value of the top 100 companies in the world was more than 7,000 times that of the last 2,000 companies, while in 1995, only 31 times.<sup>2</sup> According to the statistics released by *Fortune* on July 19, 2018, in 2017, the revenue of 380 enterprises in Fortune 500 (excluding Chinese companies) reached USD22.83 trillion, equivalent to 29.3% of the global GDP, and their total profit reached a record of USD1.51 trillion with the profit margin rising by 18.85%.<sup>3</sup> The rise of both profit share and profit margin reflects the predatory nature of neo-imperialism. The threefold squeeze on laborers by economic globalization, financialization and neo-liberal policies leads to rapid growth of profits as against wages.<sup>4</sup> From 1982 to 2006, the real wage growth rate of workers in the U.S. non-financial companies was only 1.1%, much lower than 2.43% from 1958 to 1966, and even lower than 1.68% from 1966 to 1982. The withering wages turned into the corporate profits, driving the profit share up 4.6 percentage points during this period, contributing up to 82% to the recovery of profit margin. To be sure, “labor squeeze” plays a key role in the rebound of profit margin.<sup>5</sup> Moreover, since the economic recovery began in 2009, although the average profit margin of the U.S. economy is lower than the peak in 1997, it is still significantly higher than the low ebb from the late 1970s to the early 1980s.<sup>6</sup> The essence of neo-imperialism is control and predatoriness. Its characteristic of “predatory accumulation” is not only reflected in exploitation of domestic laborers, but in the crazy plunder of other countries through the following forms and means.

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1 Li Shenming, “Financial, Technological, Cultural and Military Hegemony Is a New Feature of Today’s Capital Empires,” *Hongqi Wengao*, no.20 (2012).

2 See “Trade and Development Report 2017,” [https://unctad.org/en/PublicationsLibrary/tdr2017\\_ch.pdf](https://unctad.org/en/PublicationsLibrary/tdr2017_ch.pdf).

3 See “List of Fortune 500 2018,” [http://www.fortunechina.com/fortune500/c/2018-07/19/content\\_311046.htm](http://www.fortunechina.com/fortune500/c/2018-07/19/content_311046.htm).

4 Li Chong’s research also proves the rise of surplus value rate. According to his calculation, from 1982 to 2006, the variable capital of American enterprises rose from USD1,505.66 billion to USD6,047.461 billion, an increase of 301.66%. The surplus value magnified from USD674.706 billion to USD3,615.262 billion, an augment of 435.83%. See Li Chong, “Marx’s Law of Declining Profit Rate: Analysis and Verification,” *Contemporary Economic Research*, no.8 (2018).

5 See Lu Baolin, “Labor Squeeze and Profit Recovery — Also on the Neo-liberal Accumulation System of Globalized Finance,” *Teaching and Research*, no. 2 (2018).

6 See Guglielmo Carchedi and Michael Roberts, “The Long Roots of the Present Crisis: Keynesians, Austerians, and Marx’s Law,” translated by Zhang Jiangang, *Contemporary Economic Research*, no. 4 (2015).

First, financial plunder. Monopoly oligarchy “controls the international commodity prices through financial means, thereby affecting countries producing and importing raw materials and snatching colossal profits; or creates financial bubbles and crises through massive inflow and outflow of capital to affect the economic and political stability of other countries; or ‘defeats their enemies without combat’ through financial sanctions.”<sup>1</sup> The financial innovation of neo-liberalism leads to the rampant spread of financial derivatives, and the lag of government regulation contributes to the tide of non-productive speculative trading. A handful of financial oligarchs and multinational corporations at the top of the pyramid benefit from the price inflation of financial assets and snatch social wealth out of proportion to their small number.

Second, privatization of public resources and state-owned assets. Since “Thatcher-Reaganism” became the dominant concept for many countries to formulate economic policies, the world has experienced a large-scale privatization movement in the past four decades. Public assets of many underdeveloped countries have fallen into the hands of private monopoly capital and transnational monopoly enterprises, causing a soaring inequality in the global wealth distribution. According to the latest *World Inequality Report 2018*, since the 1970s, the private wealth has generally increased in various countries, and its proportion to national income has grown from 200-350% to 400-700%. On the contrary, almost all public wealth is on the decline. Public wealth in the U.S. and Britain has declined to a negative number in recent years, while that in Japan, Germany and France is only slightly higher than zero. Limited public wealth restricts the government’s ability to adjust the income disparities.<sup>2</sup>

Third, strengthening the “center-periphery” order. The neo-imperialist countries make use of their advantages in trade, currency, finance, military and international organizations to strengthen the “center-periphery” order, keep exploiting the resources and wealth of peripheral countries and regions, and thus consolidate their monopolistic or oligopolistic position, and ensure their development and prosperity. The international transfer rate of surplus value has a positive effect on the general profit margin.<sup>3</sup> Looking around the world, only hegemonic countries can draw support from their economic, political and military strength to transform part of the surplus value created by underdeveloped countries into their own national wealth. Therefore, the accumulation of neo-imperialist monopoly capital results in the polarization between the rich and the poor and the

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1 Xie Changan, “Research on the Changing Order of International Competition in the Era of Finance Capital,” *World Socialism Studies*, no. 1 (2019).

2 See “World Inequality Report 2018 (Summary),” <https://wir2018.wid.world/files/download/wir2018-summary-chinese.pdf>.

3 See Wang Zhiqiang, “The International Transfer of Surplus Value and the Change of General Profit Rate: Evidence from 41 Countries,” *World Economy*, no. 11 (2018).

loss of people's livelihood (manifested by the "Occupy Wall Street" international movement protesting against the "0.1% to 99.9%" opposition between the rich and the poor, which affected 80 countries, and the "yellow vest movement" which swept over many countries) in such countries as the U.S. and France. Globally, it is expressed in the accumulation of total wealth and cleanness (ecological environment wealth) in central countries, and that of relative poverty and pollution in many peripheral countries. In 2017, as the central countries, the GDP of the Group of Seven reached USD36.73 trillion, accounting for 45.5% of the world's total.<sup>1</sup> According to the *Global Wealth Report 2013* issued by Credit Suisse, the wealth of the 85 richest people in the world is equal to the total assets of the 3.5 billion people at the bottom of the world, i.e., the total wealth of half of the world's population.<sup>2</sup>

## **2. Neo-imperialism Is the New Capitalism That Is Parasitic and Decaying**

Lenin argued, "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 labor of several overseas countries and colonies."<sup>3</sup> In the epoch of neo-imperialism, the number of rentiers increases dramatically, the rentier countries are even more odious, and a handful of capitalist countries become further decaying and parasitic. It is shown in the following aspects.

First, the U.S., relying on the U.S. dollar, military, intellectual property, political and cultural hegemony, etc. to plunder the wealth of the world, especially the developing countries, is the largest parasitic and decaying country in the world. Take the trade between China and the U.S. as an example. China sells the goods produced by using cheap labor, land and ecological resources to the U.S., while the latter, instead of producing these goods, has only to print money. The U.S. dollar earned by China, however, can only be used to buy U.S. Treasury bonds and other virtual assets to finance the U.S. credit consumption and foreign expansion. What the U.S. exports to China are securities that cannot ensure the appreciation of the value, while China's exports to the U.S. are mainly substantial goods and services. According to the *Nation Health Report* released by the National Health Research Group of the Chinese Academy of Sciences, the U.S. is the country

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1 The World Bank, "GDP ranking," <https://datacatalog.worldbank.org/dataset/gdp-ranking>.

2 See Credit Suisse, "*Global Wealth Report 2013*," <https://publications.credit-suisse.com/tasks/render/file/?fileID=BCDB1364-A105-0560-1332EC9100FF5> C83.

3 *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People's Publishing House, 2009), 186.

that gains the most hegemonic dividends in the world, while China, just the opposite, is the country that loses the most hegemonic dividends in the world. In 2011, the U.S. hegemonic dividends totaled USD7,396.09 billion, accounting for 52.38% of the GDP, with an average daily hegemonic dividend of USD20.263 billion. On the contrary, China lost USD3,663.4 billion in total. If calculated by working hours, about 60% of the Chinese labor was in the service of the international monopoly capital free of charge.<sup>1</sup>

Second, military spending has increased, aggravating the burden on the people. The neo-imperialism-dominated world stimulates the scientific and technological R&D of advanced weapons and the continuous expansion of military industry on a large scale. As a result, “the military industrial complex supported by monopoly capital and the cultural hegemony formed on the basis of colonialism urge the Western countries to interfere in the affairs of other countries arbitrarily.”<sup>2</sup> The neo-imperialism has thus become the initiator of regional turbulence and instability and the engine of war. In the past 30 years, the U.S. has spent USD14.2 trillion on 13 wars,<sup>3</sup> while the improvement of people’s livelihood, such as medical security, has been hindered for financial insufficiency. High military expenditure has become a heavy burden on the country and its people, but enriched the monopoly enterprises parasitic on the arms industry. According to the statistics of the British International Institute for Strategic Studies, the U.S. military expenditure in 2018 was USD643 billion, and would reach USD750 billion in 2019, more than the total military expenditure of eight countries that follow. After the Cold War, the U.S. waged or participated in six wars in the Gulf (1991), Kosovo (1999), Afghanistan (2001), Iraq (2003), Libya (2011), and Syria (2011 till now).<sup>4</sup> Its belligerence is a manifestation of its rotten economy and politics, of war parasitism originated from monopoly; it is a barbarous act against civilization, humanity and the community with a shared future for mankind, and shows that neo-imperialism is the primary root of frequent wars.

Third, wealth and income are more concentrated in a few strata with financial assets, forming a “1% to 99%” opposition between the rich and the poor. At the stage of neo-imperialism, the degree of socialization, informatization and internationalization of production has unprecedentedly increased, and no one can predict how many times human beings can create more wealth than that

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1 See Yang Duogui, Zhou Zhitian, et al., *Nation Health Report I* (Beijing: Science Press, 2013), 217.

2 Han Zhen, “The Institutional Roots of Social Chaos in the West,” *People’s Daily* (October 23, 2016).

3 See “Jack Ma: 6,500 Multinational Corporations Controlled Globalization in the Past,” <http://finance.qq.com/a/20170119/000649.htm>.

4 See Zhu Tonggen, “An Analysis of the Legitimacy of Three Major Wars the United States Waged in the Post-Cold War Era,” *International Outlook*, no. 5 (2018).

in the period of old imperialism. However, the progress of the productive forces, as the common wealth of mankind, mainly benefits the financial oligarchy, and “the bulk of the profits go to the ‘geniuses’ of financial manipulation.”<sup>1</sup> For example, in the U.S. in 2001, the top 1% of holders of financial wealth (which excludes equity in owner-occupied houses) owned more than four times as much as the bottom 80% of the population. The nation’s richest 1% of the population held USD1.9 trillion in stocks about equal to that of the other 99%.<sup>2</sup>

Fourth, monopoly hinders technological innovation and its rapid popularization. Avarice and parasitism determine the duality of the finance monopoly capital in treating technological innovation: on the one hand, monopoly capital needs and relies on technological innovation to remain monopolistic; on the other, the high monopolistic profit means that it has certain inertia in promoting innovation. For example, in the field of pesticide research and development, between 1995 and 2005, pesticide development costs rose by 118% – but the greatest share of R&D expenditures were spent on preserving sales of old chemical products facing patent expiration. On a global basis, the number of agrochemicals in development is falling due to fewer companies being involved in R&D.<sup>3</sup> For another example, even if many advanced functions of mobile phones were successfully developed in a certain year, the monopoly mobile phone producers would promote and put them into application in several years, so that they could annually draw more high monopoly benefits from consumers who would continuously purchase mobile phones with new functions.

Fifth, the monopoly bourgeoisie and its agents caused more serious decay in the mass movement. Very early Lenin argued, “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 19<sup>th</sup> and the beginning of the 20<sup>th</sup> centuries.”<sup>4</sup> Neo-imperialism took advantage of the chance of the collapse of the Soviet Union and the drastic changes of Eastern Europe to break up the ranks of the working class, and crack down on and weaken the trade unions of various countries. With monopoly profits, they buy popularity from a few people, and cultivate the opportunistic and neo-liberal forces in the workers’ movement and various mass movements. As a result, these movements tend to be corrupt, leading

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1 *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People’s Publishing House, 2009), 117.

2 See John Bellamy Forster, “The Financialization of Capitalism,” translated by Wang Nianyong and Chen Jiali, *Foreign Theoretical Trends*, no. 7 (2007).

3 ETC Group, “Breaking Bad: Breaking Bad: Big Ag Mega-Mergers in Play Dow + DuPont in the Pocket? Next: Demonsanto?”, [http://www.etcgroup.org/sites/www.etcgroup.org/files/files/etc\\_breakbad\\_23dec15.pdf](http://www.etcgroup.org/sites/www.etcgroup.org/files/files/etc_breakbad_23dec15.pdf).

4 *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People’s Publishing House, 2009), 192.

to the low tide of the world socialist movement, and the more obvious and serious tendency to worship or fear the neo-imperialist forces.

### **3. Neo-imperialism Is the New Capitalism That Is Transitional and Moribund**

It has been over a century since Lenin published *Imperialism, the Highest Stage of Capitalism* to reveal that monopoly capitalism was transitional or moribund. However, it seems puzzling to many people that, up to now, except that a tiny number of countries are socialist, the vast majority of capitalist countries, instead of coming to their end, has achieved varying degrees of development and will continue to do so. It brings forth a very important question of how to judge that contemporary capitalism is transitional, or will inevitably perish? An analysis of historical materialism shows that neo-imperialism is transitional because firstly, the system of neo-imperialism is changing like anything else in the world, and rather transient than eternal in human history. Secondly, following the route from lower stage to higher stage, neo-imperialism will eventually change and develop to socialism through various forms of revolution.

In the epoch of neo-imperialism, developed capitalism has experienced many important technological and institutional changes, which to a certain extent provides the foundation for further development of capitalism, and delays the demise of capitalism. According to some data, the average industrial growth rate of capitalist countries is only about 2% in the stage of free-competition capitalism, but about 3% in the stage of monopoly capitalism. The continuation of this rate, fast or slow, greatly prolongs what Lenin said about the period in which it may remain in a state of decay. This is because capitalist countries have made quite a few adjustments to the relations of production and superstructure, such as a certain degree of macroeconomic regulation and control, the improvement of distribution system and social security, the adjustment of money politics and family politics, among others. In particular, the economic globalization undoubtedly has more advantages than disadvantages for developed capitalist countries, which, fully reinforced, are absolutely dominant in the process of economic globalization. With this dominant position, the developed capitalist countries can acquire as many benefits as possible. Through expanding the world market and other paths of economic globalization, private monopoly capital “repairs capital” and prolongs its lifecycle. “In the past two years, the Trump administration, in view of the deepening of the domestic crisis, has acted against the historical trend of globalization, kept to the ‘America First’ principle, provoked international economic and trade disputes, and tried to shake off the domestic crises and transfer them to foreign countries.”<sup>1</sup> The U.S. adopts some protectionist anti-globalization measures for the purpose of seeking more hegemonic interests while mitigating

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<sup>1</sup> Liu Mingguo and Yang Yu, “Alert to A New and Deeper Financial Crisis — An Analysis of the Economic Situation in the Post-crisis Era of the United States,” *Journal of Economics of Shanghai School*, no. 1 (2019).

domestic difficulties and crises in economic globalization.

However, there is no contradiction between neo-imperialism and capitalism's development in a certain period of time and their inevitable breaking up. Lenin's argument that imperialism is the moribund capitalism only refers to the trend that capitalism will inevitably break up and be replaced by socialism. We should not simply interpret it as an instant disappearance of neo-imperialism or all capitalist countries. In fact, earlier writers of Marxist classics never offered a specific timetable for the demise of capitalism and imperialism. Lenin scientifically argued, "Imperialism is moribund capitalism, capitalism which is dying but not dead."<sup>1</sup> Lenin fully foresaw that this dying capitalism was likely to last for a quite long time, and even did not repel that in this dying stage, capitalism would still develop to a certain extent. For example, when talking about the decadence of imperialism, Lenin argued, "It would be a mistake to believe that this tendency to decay precludes the rapid growth of capitalism. It does not. In the epoch of imperialism, certain branches of industry, certain strata of the bourgeoisie and certain countries betray, to a greater or lesser degree, now one and now another of these tendencies. On the whole, capitalism is growing far more rapidly than before." It "may remain in a state of decay for a fairly long period (if, at the worst, the cure of the opportunist abscess is protracted), but will inevitably be removed."<sup>2</sup>

Then why cannot neo-imperialism and the new changes of contemporary capitalism change the historical trend of its inevitable breaking up? This is so because the basic contradiction, the accumulation law, and the economic crisis of capitalism still exist and continue to develop. Therefore, marked by the basic formation of monopoly capitalism at the end of the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> centuries, Lenin revealed and declared that imperialism, as monopoly capitalism, was parasitic or decaying, transitional or moribund (inevitably breaking up), that the world was in the epoch of imperialism and proletarian revolution, and that the imbalance of political and economic development in this epoch made it possible for the revolution to obtain victory firstly in one or more countries. Decades after the *Manifesto of the Communist Party* judged the inevitable breaking up of capitalism, and *Capital* declared the sound of the knell of capitalist private property, the correct strategies and tactics adopted by the proletarian party under the leadership of Lenin allowed the October Revolution in 1917 to quickly toll the knell of the militarily and feudally imperialist Tsarist Russia. Shortly afterward, the proletarian party led by Mao Zedong implemented the correct strategies and tactics and tolled the knell of the semi-colonial and semi-feudal society ruled by the Kuomintang (Mao Zedong pointed out that after the Second World War, China presented a state of feudal, comprador and state-monopoly capitalism). The

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1 *Selected Works of Lenin, Volume 29* (Beijing: People's Publishing House, 2017), 479.

2 *Selected Monographic Works of Lenin, On Capitalism* (Beijing: People's Publishing House, 2009), 210, 212.

history of the existence of 15 socialist countries under the leadership of the Communist Party in the 20<sup>th</sup> century has fully verified the above theory. However, the Communist Party of the Soviet Union led by Gorbachev and Yeltsin betrayed Marxism-Leninism on their own initiative, which led to the regression of the Soviet Union and the socialist countries in Eastern Europe to capitalist society (Belarus is another matter), which indicated the tortuousness and arduousness of the development of socialism and its economic system, but could not change the nature and general trend of the great epoch.

In October 1984, Deng Xiaoping pointed out that, “There are two outstanding issues in the world today. One is the question of peace, the other the relationship between North and South. We find many other problems, too, but none of them has the same overall, global, strategic significance as these two.” In March 1990, he added, “As for the two great issues of peace and development, the first has not yet been resolved, and the second is even more pressing than before.”<sup>1</sup> It can be seen that Deng Xiaoping’s emphasis on “peace and development” as the two major issues or themes to be solved in today’s era, and what Lenin said about the two major issues of “war and revolution” are mutually transformable and dialectically unified,<sup>2</sup> and neither of them negates the tendency of the great epoch that capitalism and neo-imperialism is moving to socialism.

Therefore, based on the above analysis on the features and specific character of neo-imperialism, we conclude that neo-imperialism is not only a new stage of capitalism developing from free competition, general private monopoly, state monopoly to international monopoly, a new expansion of the international monopoly bourgeoisie, but a new system for a handful of developed countries to dominate the world, and a new policy of economic, political, cultural and military hegemonism. Judging from the tortuous development of the current international justice forces and international class struggle, the 21<sup>st</sup> century is a new era for the world’s working class and the majority of the people to carry out great revolution and maintain world peace, for socialist countries to practice great construction and realize rapid development, and for progressive civilized countries to jointly build a community with a shared future for mankind. It is a great epoch for gradual transition of neo-imperialism and global capitalism towards global socialism.

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1 *Selected Works of Deng Xiaoping, Volume 3* (Beijing: People’s Publishing House, 1993), 96, 353.

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