

# Globalized Imperialism

## Imperialism Sans Development

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Prologue  
Special Features  
Myths  
Debate

### Prologue

Imperialism has resurfaced in the present political discourse as the principal plank. Imperialism was being qualified after the 1950s when the national liberation movements marked the principal political trend in the world. A parallel trend of extensive class struggle within any nation-state theatre and in the international theatre was gaining ground too, especially through the process of some of the national liberation movements being carried out by socialist and communist parties. As a normal fall out there was another trend of national liberation movement, which shunned the socialist way and stuck to what they called a “pure nationalistic” trend of national liberation movement. The friction and separate development of these two paths of national liberation movement viz, the nationalistic and the socialistic brought into the political discourse many concepts, which were distinctionary and at the same time many concepts, which were shared by the competing paths. One such concept was Imperialism.

After the fifties, when major colonies disappeared, imperialist powers transmuted themselves into various forms of indirect extrusion of wealth and exploitation of super-profits. Like in any other social phenomenon, when essence does not project itself in its original form and have to take recourse to facades, it takes up many facades, each with a seemingly different principal characteristic. We came to know, the concepts of neo-colonialism, semi-colonialism, new-colonialism, social-imperialism, feudo-imperialism and many such related qualified epithets. Though rent as a special form of extracting super profit remained a common thread, yet labelling all of these forms to be only rent-extracting-off-shore capitalism would be sheer essentialism, at its best.

Characterisation of imperialism is important so we can fathom its capabilities and limitations, comprehend its military, economic and hegemonic strategies in order to challenge it. The essential strength of imperialism was unquestionably accepted as the economic exigency over all other factors, which could only be accorded secondary or n-nary importance. It has been hitherto accepted for all practical purposes that the economic exigency is the rationale, which catapults the imperialists into action. Needless to say, that integrally connected with the rationale is that the hegemon faces a threat or a crisis in seeing its smooth tract of development within its own national boundary. The very fact that it has to tread an un-charted territory, leaving its basic lifeline so far apart, is a matter of a threat and crisis. Simply, due to the merit of this aspect imperialism's off-shore venture marks a crisis and its gradual journey towards its moribund state. "A walking dead" does have all its senses and does retain all its kicking power. A system, which moves from moribund state to valetudinarian state would have its powers to hit back and hit hard. Its strength of striking and occasional resurgence does not change or be-little or even revert the state. Occasional revitalisation should not be construed to be reverting to an upswing. It is simply some jolts in the ever-decelerating downfall. The god of Globalisation died rather young, before even it ever started fulfilling some promises. The Messiahs started spelling dooms even before their first forecast of successes. These are the salient features of the moribund state of capitalism. Even after being aided by extra-ordinarily favourable political situation and by technologically super-developed military power, the deliveries of capitalism fell far short of claims. That is very symptomatic of the moribund state, that it has lost all its magic to make people dream once more. The virtualisation of production, organisation and thus the civilisation spelled ir-repairable doom to capitalism, it brought down along with the doom of the virtual industry or IT industry, all other technological developments of the world. Within one generation, the promise of the IT haven burst into thin air. It ate up the brains, the knowledge capability, the creativity of an entire generation and weakened, to the extent of being rickety, at least one more generation who were on the anvil of getting propped up for the professional show. The finance balloon could not sustain the impossible scenarios (like the rise of share value of a company in the speculation market with their ever increasing operating losses- e.g. Amazon.com phenomenon- when it was going through an annual loss of \$40m, its share value was shooting up by 483%). The comic dances of "technicalities" and their so-touted independence from the "fundamentals" have fallen flat and very hard on its fundamentals- the share market of the world has again reverted back to its "basis of fundamentals". The so-assuring cyclic ups and downs of the capitalistic growth have petered out and gnarling came out the menace of stagflation. Theories of pro-capitalist intellectuals labelled stagflation as a third world structural problem and advised the capitalistic world to increase the gap of M3 and M1 monotonically and without much bother, all these have boomeranged. It is the developed world, which is more rickety by the tuberculosis of stagflation. The disdain on agricultural product, and on the security products, the euphoria on "market-oriented" products have literally turned tigers into ants overnight.(take the case of "once-giant" Taiwan and South Korea into mere beggars). That capitalism does have no future, is now accepted by protagonists of Globalisation like George Soros and Allan Greenspan! IT is come to die and not to live long, it definitely has lost all credibility of writing the end of history!

No one believes in re-constructional possibilities of Capitalism any more, less so the protagonists and the knights of capitalism. No one believes and no one expects others to believe that Capitalism can bring back a leisured future for the communities of the world. Cyclical heydays of golden periods are textbook museum packets of knowledge. Capitalism has avowedly shred off any claim of any development.

- No development means no investment! Investments are always promissory in nature! They are present sacrifices with forecasts for another golden period; with no dreams of economic euphoria there is no justification of investment either! Capitalism now has shifted its political focus from the economics and economic rhetoric and therefore the "scientific" and automatic rhetoric to the much denigrated and long bygone superstitious rhetoric. George Bush draws his justification no more from any promise of scientific and knowledgeable world and safe world but from God's power (God told me to capture Afghanistan! God told me to defeat Saddam! Etc.). Capitalism therefore has to dump all the production planning and production strategies and future planning of market development; it is forced to go back to the stage of primitive accumulation based on force and no shared value-system. The only justification of the application of force can come from the constructed supernatural source- a source the access to which is again governed and limited by the same brute force. Any economic wealth amassing without any development or investment is what we know as Rent. Capitalism has now only to live on rent, by centralizing natural resources (human, ecological and means of production). No competition is worth as a method of defeating contenders, simply using force to lord it over everything and living on a cut of the transaction- that too unilaterally decided by the forceful, is the only way they are displaying as the one fit for survival. It is thus threatened by dearth of alternative and therefore cannot offer others any alternative. Even the most ardent supporters of Capitalism are perhaps overawed with such a prospect. They want the Frankenstein let loose by profit motif back in the bottle and hence are turning critiques of the system. We might recall on of the highest priests of Capitalist globalisation, Geroge Soros' remark (In an article in Atlantic Monthly) that the forces of the laissez-faire system destroyed the traditional values of society and compelled it to lose its anchor. So it is they who are bent on dispelling the illusion still harboured by many socialists that capitalism was sometime something in it 'very fair', 'very decocratic'!

The spectre of Communism is a come back kid, this time not simply as a stalker, but as a smiling and mocking bystander. But before that let's take a journey thro' and old debate on imperialism between two doyens of the topic, which it seems, necessitates discussion in today's contemporaneity.

## An Old Debate Revisited

As the debate has not lost its relevance in the least, it is prudent to highlight certain points of departure of the present discourse. Before that, let me submit that a study of new millennium imperialism needs investigations much beyond this principal debate of imperialism as seen by Lenin and ultra-

imperialism as seen by Kautsky. The relative weight-age of economic essence and the so-called super-structural aspects of imperialism has taken a much more complicated and complex shape. Racial and cultural aspects of present day imperialism have taken a much more assertive position than it had in the second decade of the 20<sup>th</sup> century. Admitting that the much clamoured theories of “clash of civilizations” are just smokescreens hiding the real economic essence, it cannot be denied that the relative importance and acceptability and the resulting sensitivity of cultural aspects have gained more ground than ever. Comrade Fidel Castro’s speech in the Durban conference has highlighted the bed-partnership of racism with imperialism, and with North-South divide as well.

With this backdrop let us approach the debate of *Ultra-imperialism versus Imperialism* or more succinctly termed as *Empire versus Imperialism*.

Kautsky laid more importance on the common interests of the world imperialist forces. He saw a future where the common interests would go the same cartel way. Cartel way of conglomeration of individual capitalist firms, paved way of centralisation of the production and centralised approach of attacking the market. The centralisation would on one hand undercut price and on the other hand reduce the number of small cycles of transaction. In one way this would reduce down the fluffiness of GDP calculation but would increase the consumption in real terms as more and more products reaches the customers cheap and therefore would create a demand-pull beneficial for more and more production. The spiral reaches such a dizzy height that over-production dampens down the consumption and creates a slump. A period of austerity and tightening of the belts leads to a regimentation till the overproduction is evened out. The demand pull starts again followed by the cycle. This “classical” theory of cycles, has betrayed its euphoric façade when underlying sinister competition and monopolisation reduces the number of contenders to a handful and the demand of a particular product gets limited due to the availability and variety of the products, and of course the ever changing demand pattern and likes and dislikes of the customers. In came therefore the aspect of individual choice, culture, and soft factors of demand. Capitalism had to turn to hegemonise this cultural aspect. Today we see that demands are actually created through marketing and choices are groomed and nurtured. The demand creation industry has extended to export of culture instead of export of capital as the principal plank of imperialism. Since the late eighties the contention between foreign direct investment in the third world countries by the trans-nationals of the first world and the speculative capital in the third world bourses have shown interesting results at different points. The bourses had come up very strong at times when the only FDIs were in the insurance sectors, recently of course the speculation bubble bursting and showing no great promise of reviving has brought down the general health of capitalism as it has happened in a time when capitalism has lost all its innate vigour in recouping due to lack of practice in production. Production de-orientation for about 3 decades has sickened the long term and long lasting recouping process. This has made capitalism in investing in “softer” industries like entertainment, fashion, media, propaganda and culture.

Thus while studying Kautsky’s proposition vis-à-vis that of Lenin, one should not loose the bearings that even if it is possible to have a universal cartel of capital through conglomeration it is not possible to have a unified culture of

the west, which can effectively and long-standingly provide unity. Imperialism will be perennially scorned by the basic difference of the Anglo-American WASPism and Franco-German-Italian or European culture, Mongoloid culture and so forth.

Kautsky dreamt of more than one equal partners coming into a common understanding to create a world wide super power. What we see is different and is more in the following lines:

- One Super power is considering itself the evangelist and executioner who is the rector of the imperialism as an institution.
- A model of leader and the rest followers has taken over the model of cooperative imperialism. This model creates serfs in different regions and thereby tries to re-structure the world in a well-defined hierarchy; like Israel in the Middle East and India in South Asia, all under the kingdom of US.
- Instead of mutually deciding for division of the world through multilateral negotiations, a single-handed big brother decides for the allies and doles it. [Very interestingly in every form of present day coalition politics in any corner of the world, we find the same model repeated where we have a very powerful partner always deciding for the numerous "also runners". – this probably is a ZeitGeist of present day politics – shows basically a leader driven hegemonic coalition mode given way by the participatory and power-sharing negotiating congregation model]

Kautsky's idea was a "progressive development" of the various imperialist forces, who comprehends the long-term ideological interest of the imperialist system and becomes a "class-for-itself" kind of conscious and pegs down the short term low level squabbles. That actually is a kind of ventriloquism of vision sort of thing wherein Kautsky imposed the proletarian class consciousness paradigm on to that of the imperialists and expects that at one point they would leave their short term interests for the long term ones. He slipped on two accounts,

- one that the imperialists only get together when they are faced with the unified opposition of some sort of a people's upsurge and
- that at any time they can never become the ideologically vanguard of the entire society for all the classes and can never offer all the classes a dream solution of collective and disciplined development.

Kautsky's forecast of imperialists sitting around one negotiating table and unanimously deciding the fate of the world never fructified, not with repeated endeavours by the G-7, G-8, CEATO, CENTO, COMECON, WTO or whatever. They all were rendered into arbitration sessions and institutions to straighten out issues.

Besides judging the de-merits of Kautsky's propositions, our main aim here is to point out that the dream of an ultra-imperialism *a la* Kautsky is nowhere related to the phenomenon we see now in the wake of Gulf war.

Negri and Hardt's concept of "Empire" is not collinear with that of Kautsky either. Negri conceived that the trans-national companies would through their business network, and professional get-about rule over the world from a vantage point, they would not be regulated and limited by the regulations of nation-states, and therefore not by any collective institution formed by the governments of these nation-states. As per them the "Empire" of the trans-

nationals would indirectly influence the governments and use them through persuasive pressures and economic baits. Gradually the political authorities would lose all their controls over the fates of the people and they will be effectively governed albeit indirectly by the economic factors. The redundancy of the political process is the hallmark of Negri's "Empire". Kautsky on the other hand attributed prime importance of the authorities of the nation-states. The nation-state governments would act as the executives of the capitalistic mode of production and consumption.

Our experience under colonies during the nineteenth century suggests that a colonized subject sees the mother colony as the lifeline and thereby a huge overcast. The tools of rebellions were borrowed from the mother-overcast and therefore became at the most prodigals, highly dis-oriented, incomplete, naïve and inevitably anarchic. Their class consciousness did not enable them to comprehend their interrelation with other classes and did not attract their attention towards the real life producers and the proletariat. The "L'Etranger" syndrome of un-finished de-colonisation made them easy targets of the Empire. Subsequently, these "rebels" became the sentinels of the neo-colonialism and semi-colonialism. This un-accomplishment lead to rise of comprador bourgeoisie in every erstwhile colonies and by their grace the concept of colonies are very much present in the (post) colonies, first of all culturally and subsequently economically. The market of western goods and services in the east is created by the culture and retained thereafter by the economies of scale at the metropolitan centres. There panic against Marxism and class struggle brought them fast in the lap of the old matriarch- the Empire.

Pax Americana produces similar kinds of rebels, who are very excited with part armoury and piece-meal strategies like ecologism, feminism, aboriginalism, anti-racism, pacifism etc. These short-strategies are kind of frantic ploys to avoid the reality for a need of overall strategy to fight the overall overcast imperialism.

As a summary observation no practical activism or movement has developed in any part of the world, which can corroborate Kautsky's conceptual model of collaborative and collective ultra-imperialism formed by the individual imperialist governments. Imperialism cannot attain the sophistication of sacrificing short-term market grabbing interests and capital accumulation for the interests of long-term capital formation. It is destined to live off others by undercutting them and live in anarchy. That is the exact reason for their deification of the "market mechanism" – which in plain words is nothing but "non-mechanism" or "random mechanism" – the reason why econometrics and stochastic analysis has become the only way of economic analysis and are thereby so bereft of reality that it has become an insulated closed algebra alienated from the needs of life. Kautsky's thesis is therefore a faux-pas, a theory which is not!

Since Kautsky's theory was born, no single movement even partial ones could corroborate the theory. It came very near to the reality but not quite. This fact wrote the epitaph for this theory.

But a mere death is not enough! The fact that it came at least twice [once during the post WW-II reconstruction and now as a phenomenon] very close to reality entices the social scientists to dig out elements of truth from that theory.

The approach paper should have therefore stressed on a different focal point of the concept of imperialism.

As for elements of truth being present, we must pin our attention to the attitude of the mighty hegemon in the imperialist arena. It wants to take over the entire reign of every political and economic activity in its own hand. Yes, from political point of view it refuses to share anything with any one else, and there it belies Kautsky's thesis, yet from the execution point of view it utilizes all techniques of the Empire. Our point of interest as communist revolutionaries lies in finding out these specific techniques and understanding their nature. Our humble submission is that among those techniques used, one would find abundance of rent-realization techniques, however old-fashioned they be, in increasing frequency. Imperialism is very interestingly treading the old track of age-old colonialism. Knowing fully well, that it shows its original regressive face, it cannot do without them. So blatant, so desperate, so hard-pressed and so crude it has become that it does not bother openly in lying, in killing possible "leak outs", in using all kinds of mass-annihilation methods to get away and quell dissidence. That is the point of interest and that is the starting point of our analysis of present day imperialism. How far can imperialism live and whither shall it go?

Not everything is on the negative in Kautsky episode. The debate with Lenin has taught us how to address a problem from the scientific point of view or rather from the point of view of "seeking truth from facts". It has set right our orientation of approach, and intimated us about the possible compromises and pitfalls. Kautsky episode came handy to us to make us cautious about the later Trotskyite romanticism of permanent worldwide revolution. In fact it taught us how not to exaggerate the power of the enemy and how not to overplay the danger of universal reactionary front.

With this prelude we will now enter into the proper area of discussion on the topic. Among many important aspects we will, however, only be able to take upon two important changes in the operation of global capital and imperialist functioning which warrant conceptual changes.

## **I. Metamorphosis Of Finance Capital Toward Virtualisation**

Finance Capital was the most advanced stage of Capital during Lenin times. It was the highest abstraction of Capital and the most organized, yet slick form. Accumulated Capital from various market profits came from first skilful placement and pricing of needful products and then subsequently manipulating the factor inputs in the profit extrusion process, in favour of the capitalist. Capital thus accumulated helped produce more centres of production and helped expand markets. The ever-expanding markets of commodities ventured to newer pastures and captured almost the entire world limited by the habitats of human population. That was the locomotion of "Capital capturing markets off shore" – the classical definition of imperialism. Again, the means was through production. Production-organization upgraded itself from individual-artisan type to guild-collaborative to mass-corporative. But production was the key link to profit making.

Finance broke this paradigm to a large extent. It abstracted itself from the production process and production management, and loaned finance to others who lacked it but had the entrepreneurship and skill. Thus the services of entrepreneurs were hired rather than the skill and process being hired or developed. The entrepreneurs and applicators of labour and cerebral power became de-facto employees. They handed over the super-profits of the process of production and market realization to the owner of the finance. The owner of means of production actually became subservient to the owner of the finance. The profit-enjoyer were more estranged and abstracted from production and management.

Element of rent extraction came to play in financing mechanism to ever increasing extent. The feudal rent taker does not bother about the natural calamities and ups and downs in food production. The financier does not bother about the ups and downs of production process and market conditions. The extraction of interest on the amount financed is an independent variable. The classic contradiction of production process, its natural desire to grow towards capturing more and more market came to be cross-purposes with the growth path of finance capital in capturing market. Finance did only allow production and marketing within its plans and laid out domain. Finance rapidly grew independent of production process in accumulating capital through its own methods. It pumped in money in newer production processes and pulled out from processes, which offered less in short-term money making. Many industries simply went out of production and many sprung up only to see its demise faced by another smart Charlie industry. The production process in the world has ceased to become all engulfing and all pervasive. It has ceased to serve the entire human race from its need basis; it was getting skewed towards very high and fast profit making industries. The cumulative production volume and types of products have lost its broad base to the ever-increasing skewness. Quite naturally the gross area under the production curve diminished, yet the gross volume of finance capital had increased. This created the nasty dialectical situation of too many finance running after too few product types and too few industries. For short periods there was euphoria in those sunrise industries, flushed with money and searching for borrowers. The euphoria could not keep up as it should not have and therefore came the logical and subsequent crash. It was euphoria all right, because no one could think straight to see the so-obvious and logical inevitability. That is the power of street smartness of Capitalism, which Marx often referred. Capital can be fool people the best in the most elegant and smart way, even when the person on the street does have full information and history of the market. It happened once in the auto industry, it happened during the hey-days of plastic industry, it repeated again during the "dot com" era. Still today, we are praying, so to say, for a bioengineering revolution –the perfect Mr Godot.

But there is another underlying strong current coming up within the body-economic of capitalism -the abstraction of Capital from the entire production and market process. Imperialism, no longer bets its future to the ups and downs of commodity market. It has created its own capital generation process through speculation and future markets. Futures are now saleable products, one cannot see it, but can deal with it through speculation in specified markets. IT is like an encapsulated and insulated object where the entry and exit are specified through defined procedures but left to luck what one can get



out of it. The input is organised and regulated, the output is un-regulated and un-certain, stochastic at best. That is the offer-model of new millennium capitalism. Your contribution is assured, your remuneration is un-certain. Human civilisation has lost all its confidence and credibility pitted against this demon. That is the cause of an over-arching and over-awing meta-narrative of loss of faith, loss of dreams and loss of conviction – A direct effect in social psychology of the economic machinations. Speculative Capital pegs down organization, effort investment, perseverance, brilliance, creativity and therefore the entire human spirit for strife and struggle. It lets the key of individual development to an unknown power – intangible, un-approachable and un-solicitable. One cannot fathom, one cannot be sure of any output. The entire cause-effect determinant is lost and in comes a chaotic regimen, which is indescribable. The rational era, the scientific era of the modern times is gone by this one stroke of speculating finance capital. A mammoth of today in industrial production becomes broke the next day, with millions on the streets. A street urchin of today becomes a baron and a tycoon in some other industry tomorrow. Speculation capital has spelled doom in any form of long term planning, saving, investing and building. It is hedonistic and can see the proximity. That has befallen capitalism, a system of incessant chaos.

But a system has to survive. The masters and custodians are conscious, they cannot let the system die so young, so unaccomplished. Thus they have to fabricate something different, something new, which can pull through Capitalism from this imminent demise. They dug deep into the history, and found a way out – further abstraction of the Capital, of anything tangible from the human operations. It has been found- the virtualisation of Capital and wealth. Something, which will generate itself on perception, on feeling, on the softer side, on the esoteric side – it is a new value, which may be cultivated but cannot, which is just there with very few some, and not with others, which will create a fad, a trend, a fashion. There will not be any ordinal and cardinal scale to measure it. It will simply be there, one among many as a solution, but popular and acceptable- it is a new value system. One can only flow along with it and not oppose it. The age of reason and rationality is gone, the age of analysis is gone. It is just the first hand feeling, may not be same, equal, but somehow appealing. It is not therefore responsible, not accountable. It is whimsical, short lived and it will therefore popular without any reason- just like Forest Gump's oft quoted adage –“for some reason”! it is the fashion, fad and culture!

It is fashionable to invest in computers today, knowing fully well it is doomed, it is fashionable to pull the money out tomorrow, it is fashionable to pump money in entertainment, to run for some entertainment, which no one understands but flock for it. So let us see what a English-educated-Jewish-grandson of Indian brown skin from a dirty city in eastern India can tell us, let us pump all money for that when the matter has not even left the brains of the person. It is fashionable to pump money in some esoteric economic theory of some weirdo- let us give him the Noble prize today and give the Nobel prize to the guy next year who proved him wrong. Let us anoint the butcher as the peace ambassador of the world, and let us all pin our hopes against finding some rough guy who looks like Jesus, walks and works like Satan and may or may not exist. Well, that folks is what virtualisation of Capital has brought forth- so distanced from the reality of production, so bereft of any value of transformation into any other resource, which even if

no one can munch or realize any use value will be able to make money for sure.

We want information, information has made the man in the street smart and capable and maverick elusive. Let us all gather and put all our pent up wealth in gathering information, packets of meaningful information in knowledge but stop it at that and move no further. The moving further is guarded for those who are behind a firewall, those few, who have the wisdom, who are chosen and bequeathed, who are our leaders and rulers. Those few who can say that God asked them to kill Saddam, so they are doing so, that chosen who can claim God ordered him to hunt Bin Laden so he can kill 500,000 children through sanctions and bomb Afghanistan, that chosen who has the sole right of lying and getting away while others would be in jail walking towards gallows for doing so. Those few will rule the world and would let us know what is good for us, and would not need any accountability, can rig elections, delete voters from lists and "make elections", would represent us as we do not have the wisdom of representing ourselves. We simply have the knowledge that he represents us for our best. This is the dream "Fifth Wave" by Toffler and group. The world as per the dreams, where history does not have a place, everything is defined by the present and the present manufactured by the "Wise Men" in Langley, Virginia. That, folks, is fascism – the fascism inherent in virtualisation of Capital and abstraction from any karmic cycle- that is the nirvana from work and production- that is the new millennium imperialism! Wisdom selectively obtained and distributed creates force. Force selectively gained and used on mass scale on "others" creates power. Power insulated and guarded creates the necessary aura to amass all wealth, all capital and all resources. So today it is the imposed "wisdom" the only "approved" wisdom, the only accepted trait and wisdom that counts. This is the wisdom to rule the world, to keep the system, to think for others, on behalf of others and then to create "others", to shape "others", to decide the birth and death of "others". Those are the God's errand boys, God's own representatives. The power divine! Not a mere Caesar, more than a power sharer with God, the Power epitomized. The very known and old form! The Slave owner, the Emperor – the imperialism! The person or group deified and the God reified in the Empire – that is the form of imperialism. Well, that is what virtualisation aims towards, strives to become. The life and reality, however wished away will assert itself and will set in. The anti-thesis will grow along with the thesis and will gain strength along with. The contradiction will burst open into a new thesis where only people and rational and collective people will assert. Imperialism can never get away from its nemesis – the people factor. The virtualisation will give away to reality - the people. The history would start again with people collectively in the realm, till then it is all pre-history!

In the wake of the euphoric economic boom of dot com days with a short-life of five years (1995-2000) every firms from small to big spent huge dollars in either installing new application software or upgrading them. Why, otherwise they would be falling behind and in addition the latest software would not go with the application and on top of all they would not get any support in case of any problem from the firms who created the software. The result- every one and a half year, the firms have to invest on the latest hardware and software. The investment on the software can hardly have their pay back period within that time but just imagine the money is drained out to pay for

upgrades. A Very large application project takes typically five to six years to implement only to find that the version of the software tools used have undergone multiple changes and therefore more money is to be pumped in to upgrade the application. This is how the profit of the industrial sector and the service sector is drained out. The beneficiaries are those who simply went on upgrading their software and created a culture that one has to be keep pace with the rat race of software upgrade. This is how virtual sector drained all the resources from every sector- industrial or service. The virtual capital never bothered about the operation of the firm or the industry, never even watched the ups and downs, it just threatened them with technological gibberish and sucked the money out. We have seen even big speculation institutions turn red and go bankrupt. American Airlines took an adventurous track in computerisation. With 8 years the Numero Uno of Airlines industry ran bankrupt. United the Numero dos, filed Chapter 11 and now under a tight regime. Industries like Airlines and transportation are simply broke so are those who once decided to implement company wide ERP solutions. This is the virtualisation phase of Capital. Money flocks to a virtual service, which in any way is not one. Money and wealth simply followed a thug who instilled a fear among the prospective clients. Take the case of Y2K. It was simply a hoax and was a fear industry. Indian software professionals made some money, but the American brokers made huge money. They did not add to any service. They made money. New Millennium capitalism does not believe in earning money, it makes money; everyone has to make money or perish. Even speculative capital failed miserably vis-à-vis this new demon. When you cannot offer any service, offer fear and then offer a solution to get out of it. To do that, one has to spread a culture, a culture of "state-of-the-art". Need does not come from use value, it comes from perception value. One has to grow or else decline to perish. One cannot be content in an equilibrium position. That was the "growth orientation" of smart capitalism. This "growth syndrome" is the driving force of present capitalism to its specific form of imperialism – the new millennium one. Till this phase there was a rationale in growing up, it was either increased market penetration, increased market share but now it is simply growth for the sake of growth. Companies like Intel, who has a near complete monopoly in chip market were looking for more growth. The reason is simple, with more growth rate shown, the share values would increase and the asset value would go up and that would make the shareholders happy and stay with them. These days dividends on shares are not paid, every share holder on earth gloats on a dream sequence that his "net worth" is increasing, though he knows fully well, that any strife of realization of that amount would bring down the share value. So share holders and employees of Microsoft drove Mercedes and BMWs in the car parks (even the janitor) bought by mortgaging the share certificates. One fine morning they found their certificates worth less than newspapers, the companies who loaned them the cars, ran bankrupt and that was the end of the euphoria. Speculating Capital based itself on to the fundamentals of the operation of the company. If a company is doing well it will multiply its value in the share market. Not any more. If a company can successfully hoodwink the world, that it is doing something great for the future, no one would bother to look at how it did actually. Reality is constructed in this virtual world. This is virtual capitalism. This is the virtual sector of present day capitalism, which is slyer, smarter and more cunning than the speculative sector. IT sucks out all the money from all sectors, without the firm even comprehending it. Virtual capitalism does not spread its tentacles through exporting capital or

exporting paper capital like those of euro-dollars, but spreads through spreading culture and universalising it. Any software that is out in the US market comes out actually the previous day in India (because of the time difference) and in the same way in any corner of the world. This culture becomes binding and mandatory, that is how money is sucked out from every country rich or poor. Information Technology or the Virtual sector has very successfully drained out every bit of super-profit by imposing this fad that one has to be as smart as Americans. This is a simple Rent extraction. All types of super-profits that were extricated out through various means of optimisation of cost and profit and organization is now simply swished out by this mechanism. A real hegemony by a virtual force and a virtual culture by virtual corporations! Virtualisation is the latest gimmick of Capitalism and imperialism.

Virtualisation has taken the wind off the Speculative Capitalism. It has first of all tamed down and toned down the principal bourses like those of NYSE and London bourse and the Hong Kong. It has cut the South Asian bourses to pigmies and it has emaciated the third world ones like those of Bombay. No new bourse is hitting the stands barring China (rise of China in the capitalist arena cannot be adduced to the rise or rejuvenation of Capitalism). Over the years the bourses lost huge money to computerisation freak. By the time their pay back period would have ended, they are plunged deep due to the universal stagflation. The last decade saw a phenomenal rise in the first time IPOs as the source of garnering money from small investors. Secondary market did once rise up, in fact shot up to a 10,000 mark for a very short period during the fag end of Clinton days and then started its roll downwards. World suddenly saw itself pauperised accelerating-ly and it is still going on. Yes, this virtualisation has pooled in many new investors, the un-initiated ones and gobbled their savings in a whiff, but the collective wealth of the world dilapidated. Capitalism' new euphoria was too short lived to be felt and appreciated. Here we see a mathematical formula proved empirically. One can measure the degree of morbidity and degree of decay by the deceleration of the short life of the newer tactics of Capitalism. Speculation could not reign supreme more than 3 decades; Virtualisation reigned much less than a decade. Wait for the newer one, it might even go bonkers before it starts kicking. That is happening to the already declared faux pas of genetic revolution in food crops. Genetic engineering has failed to address the food production as the producing grounds are found to worthless after one or maximum two rounds of production. They are then left for the Realty industry for development. The immense chemical fertilisers have created havoc in the stored water tables underground and in polluting the environment. Rain forests are rendered in effective not simply because poachers are cutting down trees for logs but simply thousands of miles away in the megalopolis of United States the warm-house effect is eating up the ozone layer. Genetic revolution is no more claiming to be the panacea of the food problem of the world. So the promise died before it was even born. Now probably the human and animal cloning is the next magic wand with Capitalism. Its promises are too flimsy to be believed.

## Imperialism's New Features

Domestic monopolisation spills over the nation-state boundaries and grabs the “beyond” markets. That was the prescription of Lenin. We have seen till today this thesis still holds the most of water. We have seen the character of modern expansionary capital integrally connected with one or two hegemonic nation-states. The Queen, Prince of England pays their special visits for the biggest projects with very long term perspective and any day the President of United States would come down to any country to push the sale of Boeing opposing to shoo off Airbus. We have seen how an entire war could be fought simply to keep the international transaction common currency from shifting to one currency to the other.

Parallel to these we have also seen how the trans-national corporations redefine the interests of the nations and make different nations come together to fight united. We have seen how the international war strategy hovers around making a track safe for pipelines and bring in the sub-defined “international community” to re-structure all the international institutions serve only one transportation issue.

Despite all these, we still have not seen any romantic supra-nation kind of structure. The trans-nationals still have a homeland, the one where they pay most of the taxes. They may be contributing to the figure of GDP of various countries, they may not always repatriate profits to their homeland, and they may be listed in more than one bourse across the world. The final product still comes out from one country, and that is the country, which takes the super-profit of the entire distributed production process. The company holds the IPR, the brand name, yes, but what goes along with it is the entire culture on which the product is based and the entire culture that represents the brand. Levis jeans may be stitched in Bangladesh or Malaysia, but it represents the American cultural icons and the consumer's mindset is moulded as if an American product is bought. The price hikes up to match that mental construct. This is the super-profit reaped in the process. This is how a cultural capital is formed through a globalised distributed production process. The Foreign Direct Investment, which came from America to Malaysia, was in terms of liquid cash or these days speculative cash. It was economic capital. The low cost and optimal resource utilisation builds out a consumer product with universally measured minimal possible cost and optimally high quality. This product then skims the market. But it does not reap the market in terms of its use value with any customer. The exchange value is fixed on the basis of the perceived value. This perceived value is a cultural hang up and a cultural product and a cultural concept. This has been possible because since a long time culture had become and still is a continuous commodity a developing process as well. The simultaneity of a thing becoming a commodity and a process gives it some kind of a self-generating value, which reaps in further super-profit. Cultural capital pitches itself in the process of reaping super-profit for economic capital. The locomotion of cultural capital and short time inter-transformations between social, cultural and economic capitals are interesting additions to the process of capital accumulation. This has even more dimensions when we examine the locomotion of capital from monopoly stage to imperialism.

Every brand and therefore every multinational despite all its accompanying rhetoric is still nation-bound, may not in explicit economic sense, but

definitely in cultural terms. Ford is an American company but looking at it from the production point of view, its design aspects point of view it is a Japanese company, but how many people associate Ford with Japan? Lot many and mostly all do it with US. Toyota is an American company for all practical purposes, but from the perception point of view it is a Japanese company. Is there any company, which from the people's perception point of view be termed as truly international? What we find from these thought experiment of questioning and re-questioning is the fact that in present day capitalism, "perception value" and "perception as a reality" has become very important. Perception produces value; it defies many times the economic fundamentals, and therefore perception is a subject matter of capitalist manipulations. Perception creates wealth. Perception can be bought, sold, transacted and can therefore be produced. The production of perception has therefore taken a centre stage replacing the production of tangible consumables. Perception is now a consumable. Speculation is rooted in perception. Speculation was for a long time based on or at least backed by the information of production. It is no more that. Speculation can be independently manipulated through mechanisms unique and very specific. The rise of perception in the economic transactions and its increasing importance has virtualised the production process and has actually abstracted the capital formation and capital generating process much further from the actual production of consumables.

## Export Of Capital vis-à-vis Rent Hegemony

Export of Capital, which according to the standard Marxist analysis, forms the core of imperialism. The understanding behind such analysis is that the basic mode of exploitation in capitalism is extraction of surplus value, which remains a non-starter in absence of investment. So there must be investment in order to exploit the masses! It is another matter that investment also implies some degree of development and hence an illusion about capitalism! If during Lenin's time the basic motif of imperialism happened to be re-organisation and re-distribution of the globe for market and natural resources, it holds good for today as well. The only question is perhaps about the reality of export capital, which doesn't seem to be the case in the contemporary wars, be it in Afghanistan or in Iraq. No semblance of any investment in those lands is on the cards in those countries. The only perceptible economic logic behind these aggressions is taking control over the fossil oil. Actually that has been the only motif behind war in the last two decades that have been perpetrated on earth.

Faced with crises Capitalism walks back towards pre-history. That is the Crisis Royale of Capitalism. Faced with crises it simply works its way out, as if Capitalism never came, as if it was all a dream and the reality was the old slave society. That is the classic aberration of the modernity project 'enlightenment' had ushered in. It cannot stand real crisis. In a blink it walked back on its promises and petered out. So capitalism is not simply morbid or moribund; it is a passing phase of history, a nightmare. All its 'positive effects' were washed and wiped out by its protagonists themselves. [Lenin was so right in pointing out that capitalism will give something only to take it off when challenged]

In the economic mores too capitalism has come a full circle. There is hardly any labour force on earth which operates beyond its reach. If accumulation of

wealth has got any meaning, it is accumulation (organisation) of the labour force. In the face of crisis, capitalism has shunned altogether the old method of first invest-then extract surplus value-thus amass wealth. They are bent on taking the time honoured direct path of pillage and plunder, the path of colonialism. That is what is open for all to see in the flagrant jingoism boss Bush emits incessantly in his verbal diatribe day in and day out for the world people. But what is the economic essence of this jingoism. Much has been said about the dependence of US economy on war industries, which has assumed diabolical proportion in US to the extent that war industry constitutes the fourth dimension of capital. Much has been said from a humanist plank about the impending danger on humanity emanating from such reckless yet 'inevitable' war-industrial preparation. But what is the economic essence of contemporary imperialism?

If imperialism can not be imagined sans colonies, it can not be understood sans super-profit. Super profit, as understood by academic economics, originates from market, albeit thro' manoeuvring has another dimension too. Firstly it cannot come in the idealised framework of capitalist exploitation. An amount of inequality between and/within markets is an absolute necessity for super profit to generate. Actually super profit is that extra amount over and above the surplus value which a product gains by being produced in one market and marketed in another. It is obvious that markets are not equal in colonies and the metropolis. The whole thing needs to be viewed from the labourers' end of the operation rather than the consumers' end, i.e., from the viewpoint of variable capital and that is the key to proper understanding of the problematic. As the requirement of variable capital changes from clime to clime for unit amount of production, this gives the capitalists (the Trans National Capitalists) to draw more profit over and above the going rate of surplus value. This difference of variable capital (for unit amount of production), i.e., in the cost of labour power is attributed to the natural, climatic and habitual factors of the people at large of one particular nation and nothing else. Extraction of wealth thro' this via duct is not considered as economic by the classical-neo classical economics, hence the epithet 'extra-economic coercion'. While mainstream economics denies its existence in the domain discourse, reality does not. Such exploitation does not only exist in real life economics, it thrives on in the global context.

This mode of exaction is more akin to exaction of ground rent (differential) by a landlord from his subject serf in the form of tribute or tithe. Plunder of natural resources and exploitation of cheap labour have always been two prominent hallmarks of colonial modus operandi, which the classical tools of economic analysis failed to analyse. Now let us say, loud and clear, that drainage of wealth and worth from plunder of natural resource and/or from profiteering from second or third generation product produced by the cheap labour is differential ground rent in the sense used by Marx in the third volume of *CAPITAL*.

Most of the commentators today agree that globalisation is but another form of colonisation (of natural resource and labour) and is a reversal to direct colonial exploitation. They are right. What is more, it is a continuum instead of a break, for it is hardly possible to conceive imperialism in absence of colonies and *vice versa*.

Capital increases itself through the rule of diminishing return, so symptomatic for any product and business line. This diminishing return would in a not-so-long run have limited the development of Capital as a system and would call for its downfall in the logical course of development. For a very long period a section of, what we should say, metaphysical communists held this opinion that Capitalism would go down naturally and a revolutionary movement would simply be needed to hasten the process. This kind of attitude gave rise not only to a general metaphysical and idealism within the communist movement but also a kind of nihilist-anarchist-abolitionist trend as a fall out. Sweezy should us the theoretical un-tenability of this proposition. He put off the cap of this limitation. He maintained that there were at least three waste-sectors which suction off the wealth of Capitalist growth. This sucking keeps the growth machine work at full speed. In Capitalism growth or rate of growth became more important than the absolute profit gained.

Military sector and the advertisement sectors are the two respective sectors in the military and civil life of a Capitalist society. The more and more wealth will be siphoned off in these waste sectors more and more the growth-machine will move fast to optimize the rate of growth through increasing the productivity and profitability till it reaches the optimum level. The bar of this optimum is shifting and being pushed beyond. Capitalism now has a huge and smart and state-of-the-art military sector. This sector needs to serve Capitalism in more than one ways. This sector is utilized to ward off all opposition, all competition and all threats. That is the hegemony. Hegemony in its most crude form is therefore used to sustain the appropriation of wealth. This is renteering – plain and simple.

Till not so long ago, the category of Profit (Super-profit included) could only be realized by creating, manipulating, and maintaining, managing, optimizing and changing market. Markets and sub-markets were created, differentiability was introduced and some sort of wealth arbitrage was the mode of extracting profit and super-profit. The military power of today has released Capital of that onus. It is transaction based. From every transaction Global Empire wants and would take out a levy. Whosoever can generate transactions, whosoever can maintain it, whosoever can manage it, the Empire simply wants a pie of the transaction without any responsibility of the process of transaction and the materials transacted. This is simply because the Empire is allowing the transaction to take place safely [here safely means safe from itself or from the agents once created to curtail this safety], and the whole world is its "land" or space. Only the Empire has the sovereign right over all the land in the world and therefore it has to benefit from whatever human activity takes place. Global capital has profit building methods, super-profit making methods but the major mode is more and more gravitating towards rent. Capital also sub-divides its entire "land" into parts and then uses one part against the other as more profitable and more "workable" than the other. It extracts rent in one fashion from one market and subsidises operation in the other. It develops one space to threat another space and peg the profitability down. It therefore uses all kinds of differentiation in the forms of racism, nationalism, culturalism and what not, simply to extract differential ground rent too!

Imperialism- the best example of multiple-inheritance of Capitalism and Feudalism



Imperialism is no advancement! If by advancement we mean the old production relations being substituted by more objective and scientific methods of exploitation then imperialism is not. If it is the highest form then this highest form is the gradual exposure of the feudal character of Capitalism. Feudal production relations were always ingrained within Capitalist laws, imperialism has brought that into clear daylight.