New imperialism

Information and media imperialism?

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ABSTRACT
This article explores whether contemporary society can be characterized as demonstrating a new form of the Marxist notion of imperialism and as informational/media imperialism. In an attempt to answer this question, I employ Vladimir Lenin’s analysis of imperialism. Paying particular attention to the relevance of media and information, I test Lenin’s theories against macroeconomic statistical analysis of existing data. My analysis is structured according to Lenin’s five characteristics of imperialism: (1) the role of economic concentration; (2) the dominance of finance capital; (3) the importance of capital export; (4) the spatial stratification of the world as result of corporate dominance; and (5) the political dimension of the spatial stratification of the world. The results demonstrate that Lenin’s theories should be reloaded for contemporary media and communication studies.

KEY WORDS
communication ■ globalization ■ Lenin ■ media ■ new imperialism

1 Introduction

In recent years, the notions of imperialism and capitalist empire have gained importance in critical globalization studies. This discourse forms the background and context for this paper. In the 20th century, the notion of imperialism has been primarily advanced by Marxist theorists, such as the classical theories of imperialism (Nikolai Bukharin, Karl Kautsky, Vladimir Lenin, Rosa Luxemburg, etc.). Within this context, this paper deals with the question: Is the new imperialism an informational imperialism? My goal is to make a contribution to the new imperialism debate from an information-, media- and communication-studies perspective. The notion of imperialism employed is Lenin’s classical one, so the task becomes to analyse the role of the media in a contemporary reactualization of Lenin’s notion of imperialism. The main section of the paper is structured according to the
sequence of the five characteristics of imperialism employed by Lenin (1917). Each of these sections discusses the question if a specific quality of imperialism is topical. The interest in Lenin’s theory is analytical and grounded in the recently emerging academic debate on the role of Lenin’s theory today (cf. e.g. Budgen et al., 2007; Lih, 2005; Žižek 2004a).

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

For Lenin, there are five characteristics of imperialism:

1) The concentration of production and capital developed to such a stage that it creates monopolies which play a decisive role in economic life.

2) The merging of bank capital with industrial capital, and the creation, on the basis of ‘finance capital’, of a financial oligarchy.

3) The export of capital, which has become extremely important, as distinguished from the export of commodities.

4) The formation of international capitalist monopolies which share the world among themselves.

5) The territorial division of the whole world among the greatest capitalist powers is completed. (Lenin, 1917: 237)

Lenin defined imperialism as:

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

Lenin gave close attention to the empirical data that was available at his
time. He undertook ‘enormous preparatory work’ (Labica, 2007: 223) for
his work on imperialism that is documented in his 21 ‘Notebooks on
Imperialism’ (Lenin, 1912–1916), which contain notes on 150 books and
240 articles. To re-engage with Lenin’s theory of imperialism today should
therefore be an examination and update of his theoretical arguments
and the support of these arguments by data in the same empirical rigour
that Lenin showed in his own work and that contemporary works
unfortunately frequently lack. Updating Lenin can be undertaken by
substituting ‘for the data he presented what we have available today’
(Labica, 2007: 232). To repeat and reload Lenin today means ‘to retrieve the
same impulse in today’s constellation’ (Žižek, 2004a: 11; see also Budgen
et al., 2007: 1–4). This also means to take Lenin as a theoretical and
methodological impulse for contemporary critical globalization studies.

The connection of imperialism and the information sector is not
specific for new imperialism. So, for example, Boyd-Barrett has shown
that already in the 19th and early 20th century the big news agencies
Havas, Reuters and Wolff ‘were based in imperial capitals’ and their
expansion ‘was intimately associated with the territorial colonialism of
the late nineteenth century’ (Boyd-Barrett, 1980: 23). At the time of Lenin,
they served as government propaganda arms in the First World War
(Boyd-Barrett and Rantanen, 1998: 7). For example, Reuters ‘was for the
most part the unofficial voice of the Empire, giving prominence to
the example of the global expansion of cable and wireless companies
(such as e.g. Western Union, Eastern Telegraph Company, Commercial
Cable Company, Atlantic Telegraph Company or Marconi) in the years
1860–1930 that at the time of Lenin there was a distinct connection
between communication, globalization, and capitalist imperialism.

The growth of a worldwide network of fast cables and telegraph systems, in
tandem with developments in railways and steamships, eroded some of the
obstacles of geography and made it easier to organize transcontinental
business. These networks supported huge flows of capital, technology,
people, news, and ideas which, in turn, led to a high degree of convergence
among markets, merchants, and bankers. (Winseck and Pike, 2007: 1)

2 The new imperialism and the information economy

In the next five subsections, I will analyse which role information industries
play in each of the five characteristics of imperialism today. The sequence of
discussion is structured according to Lenin’s five qualities of imperialism.
2.1 The concentration of capital in the information sector

The enormous growth of industry and the remarkably rapid process of concentration of production in ever-larger enterprises represent one of the most characteristic features of capitalism. (Lenin, 1917: 178)

Lenin identified an antagonism between competition and monopoly as an immanent feature of capitalism (Lenin, 1917: 180, 185, 236, 260ff.). The formation of monopolies and the concentration of capital are for Lenin not an exception from the rule of competition, but a necessary outcome of capitalist competition.

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

One way in which industries become more concentrated is through mergers and acquisitions (M&A). Figure 1 shows that the finance sector accounted for the largest share of the mergers and acquisitions (M&A) in 2006: 24.6 per cent (1717) of all M&A, whereas the transport, storage and communication sector accounted for 5.4 per cent (379) of all M&A and the printing and publishing industries accounted for 2.0 per cent (142). All of these sectors have experienced dramatic rises in the number of M&A, but the largest and most rapid increase is in finance, which is an indication that finance is the most heavily concentrated sector.

![Figure 1](image.png)

**Figure 1** Total number of mergers and acquisitions in selected industries

*Source: Author’s figures based on UNCTAD data.*
Within the framework of the study of capital concentration, one can analyse the concentration of information sectors. Large information-producing companies, which are those firms that have more than 250 employees, make up only a small share of the overall number of information companies in the EU27 countries (Figure 2).

In information-producing branches, a small number of large companies accounts for a large share of the total employees, total turnover and total value added. These shares are higher than in industry and services in general for most information branches. This applies especially in the areas of post/telecommunications and the manufacturing of communication equipment (Figures 3, 4, 5). In post and telecommunications, large companies make up 0.9 per cent of all companies and account for 87.8 per cent of all employees, 87.2 per cent of total turnover, and 91.7 per cent of total value added. In the manufacturing of communication equipment, large companies make up 1.6 per cent of all companies and account for 65.5 per cent of all employees, 84.1 per cent of total turnover, and 76.8 per cent of total value added.

A high concentration of information industries is not only specific for Europe, but can also be found in the United States (Figure 6). In the entire US media sector, there were 330 large corporations (>1000 employees), which accounted for 0.01 per cent of all media corporations in 2002, but controlled 78 per cent of all revenues. In the telecommunications sector, 72 large corporations made up 0.9 per cent of all companies in the industry, but controlled 88 per cent of all sector-wide revenues.
Information industries are not the only ones that are highly concentrated. So for example in the EU27 countries, value added is very highly concentrated in the mining of coal and lignite and the extraction of peat (large companies account for 4.9 per cent of all companies and for 92.9 per cent of sectoral value added), the manufacture of tobacco products (20% are large companies and account for 93.7% of value added in the industry), and the manufacture of coke, refined petroleum products and nuclear fuel (9.9% are large companies and account for 93.1% of sectoral value added) (data for 2005, Eurostat).
Figure 5  Share of value added (at factor cost) controlled by large companies (>250 employees) in EU27 countries.
Source: Author’s calculations based on Eurostat.

Figure 6  Media concentration in the USA
Source: Author’s calculations based on US 2002 Economic Census
Information sectors, such as publishing, telecommunications and the manufacturing of communication equipment, do not form the most concentrated economic sector, but are among the most highly concentrated industries.

2.2 Finance capital and information capital

[Finance capital] is the bank capital of the few big monopolist banks, merged with the capital of the monopolist combines of manufacturers. (Lenin, 1917: 237)

Under imperialism, finance capital commands:

almost the whole of the money capital of all the capitalists and small businessmen and also a large part of the means of production and of the sources of raw materials of the given country and of a number of countries. (Lenin, 1917: 190)

The banks' control of the flow of investment money that is used for operating corporations gives them huge economic power for controlling the capitalist economy (Lenin, 1917: 194). Lenin mentioned that banks are influential in accelerating technical progress (Lenin, 1917: 202). Capital concentration and the formation of finance capital are connected developments (Lenin, 1917: 203). Finance capital aims at generating extraordinarily high rates of profit (Lenin, 1917: 210). A finance oligarchy consisting of rentiers would emerge in imperialism (Lenin, 1917: 213).

The indicators that Lenin used for verifying the second characteristic of imperialism, included: development of the percentage of total deposits controlled by banks of a certain size (measured by total controlled capital); development of the number of holdings and establishments of certain banks; development of the number of letters received and dispatched by certain banks; development of the amount of capital held by certain banks; development of the capital invested by certain banks in a country; development of the profit rate of certain banks; and development of the total securities issued by certain banks.

How important are information companies in comparison to finance corporations in the world economy? In order to give an answer, I have analysed the 2008 Forbes list of the world’s 2000 biggest companies by economic sectors. The results are presented in Figure 7. Finance companies and financial service corporations together accounted for the vast share of capital assets in 2008 (75.96%). The second largest sector was oil, gas and utilities (5.82%). The third largest sector was the information sector (4.63%), comprised (for statistical reasons) of the following sub-domains: telecommunications; technology hardware and equipment; media content; software; and semiconductors.
Information companies are important in the global capitalist economy, reflecting a trend towards informatization, that is, the rise of the importance of information in economy, but they are far less important than finance and the oil and gas industry. Fossil fuels are still very important in the contemporary economy. This is an indication that industrial society is not over, and that we have entered a hyperindustrial area, in which information production, selling and consumption becomes an important factor of the overall economy, but are still no substitute for the economic importance of finance capital and fossil fuels. Financialization, hyperindustrialization and informatization characterize contemporary imperialist capitalism.

The data in Figure 8 are for the year 2007. Data for the year 2008 (Forbes, 2000: list for 2009, available online at Forbes.com), which was the year a new worldwide economic crisis started, show that the financial sector suffered tremendous losses. The world’s biggest 176 diversified financial corporations had combined losses of $46.27 billion, the world’s 92 largest insurance companies sustained losses of $61.8 billion. Nonetheless, the financial sector still accounted for 74.9 per cent of all assets of the world’s 2000 largest corporations, oil, gas and utilities for 6.2 per cent, and the information economy for 4.6 per cent. These are only minor changes in comparison to 2007, which shows that the economic crisis did not undermine the inner-capitalist hegemony of financial capital.
2.3 Capital export and the information industries

Under modern capitalism, when monopolies prevail, the export of capital has become the typical feature. (Lenin, 1917: 215)

The goal of imperialism is for Lenin the achievement of high profits by exporting capital to countries in which 'capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap' (Lenin, 1917: 216). Indicators that Lenin used for verifying the third characteristic of imperialism included the absolute amount of capital invested abroad by certain nations and the geographical distribution of foreign direct investment.

What are the most important economic sectors in capital export and the outsourcing of production? In which areas is the economy most globalized? What is the role of the information sector? Figure 8 shows that transport, storage and telecommunications has been the fastest growing sector of foreign direct investment (FDI) in the past 20 years (from 1.6% to 7.6% of all FDI inflows). Nonetheless, information industries are not dominant; more important in FDI than transport and communication are the sectors of finance, mining/quarrying/petroleum, and trade.

![Figure 8](image)

Source: Author’s figures based on data from UNCTAD.

Figure 8  Selected sectors of FDI (inflows).
A number of authors have argued that global/transnational media organizations have emerged (Appadurai, 1990/2006; Herman and McChesney, 1997; McChesney, 1999; Rantanen, 2005; Schiller, 1991/2006; Sklar, 2002: 164–207; Sreberny, 1991/2006). Herbert Schiller (1991/2006: 297) speaks in this context of ‘transnational corporate cultural domination’. Edward Herman and Robert McChesney (1997, see also McChesney 1999: 78–118) argue that global media advance corporate expansion by advertising and create an ideological environment for a global profit-driven social order. Neoliberalism and mergers and acquisitions would have resulted in a tiered global media system dominated by a small number of colossal, vertically integrated media conglomerates (measured by annual sales), such as News Corporation, Time Warner, Disney, Bertelsmann, Viacom, AT&T (TCI), Vivendi (Seagram acquired MCA in 1995 and Polygram in 1998 to became the Universal Music Group, which became part of Vivendi in 2000), General Electric (NBC), or Sony (Herman and McChesney, 1997: 52ff., 72–105; McChesney, 1999: 86ff.). The main feature of the global media system is, for Herman and McChesney (1997: 152), the global implantation of a model of privately owned commercial media. Possible negative effects would be the global spread of consumption as lifestyle, the displacement of the public sphere with entertainment, the strengthening of conservative political forces, and the erosion of local cultures (Herman and McChesney, 1997: 154ff.).

Other scholars are more sceptical, doubt the emergence of global media, or argue that their existence is a myth (Flew, 2007; Hafez, 2007). Terry Flew (2007: 87) lists data on the foreign asset share, the transnationality index, and the foreign revenue share of Time Warner, Disney, News Corporation and Viacom for the year 2005, in order to argue that ‘media corporations are less globalized than major corporations in other sectors’, globalization of media and entertainment is moving slowly, and that News Corporation is the only truly global media company (Flew, 2007: 87ff.). This analysis is not convincing because inductive generalizations from data for four companies are not conclusive, the indicators are mainly consumption- and not production-oriented (in contrast to, for example, the share of foreign employees), and other information sectors are not taken into account. Not only media content producers are media companies, but also media infrastructure capital and media technology capital (telecommunications, software, hardware) should be taken into account. Also the internet, the computer, and the mobile phone are media. Colin Sparks (2007: 172–4) analyses the foreign assets and sales of News Corporation and Viacom (for 2002) and Time Warner (for 2004) and argues that global media are ‘centred in a single “home” country’ (Sparks, 2007: 174).
I have analysed the transnationality data that is published in the annual World Investment Report by UNCTAD. UNCTAD’s transnationality index (TNI) measures the global dimension of a company by a composite measure that covers the world largest companies’ shares of assets, sales and employees outside of the home country. Table 1 shows the average TNI of the top 100 corporations listed in the World Investment Reports (UNCTAD, 2003–2008) and the average of information corporations. Information/media corporations are in this context defined as all companies from the domains of computer and related activities, electrical and electronic equipment, media, printing and publishing, and telecommunications. Media content capital and media infrastructure capital have a common referent – information – so summarizing these companies under the category of information corporations or media corporations is feasible. The data show that the TNI of the largest information corporations has in the years 2001–2006 been close to the total average and that the information companies covered by the TNI are more global than local in their operations, which casts doubt on the assumption (made by Flew, Hafez, and others) that there are no global media corporations.

Table 2 shows further indicators for the degree of transnationality of information corporations: the average share of foreign assets in total assets, the average share of foreign sales in total sales, the average share of foreign employment in total employment, and the share of foreign affiliates in total affiliates. The values for the 18 information corporations that are included in the 2006 list of the world’s top 100 TNCs are compared to the total average values for all 100 included companies. For calculating these shares, I treated all companies (and respectively information companies) as a totality (what Marx [1867: 344] termed ‘collective capital’) so that the shares were calculated based on aggregated values.
Table 2  
*Indicators of the degree of transnationality of the world’s largest Information corporations (N = 18)*

<table>
<thead>
<tr>
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<th>Average of all corporations</th>
<th>Information corporations: average</th>
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<tbody>
<tr>
<td>Foreign assets share</td>
<td>61.39%</td>
<td>62.50%</td>
</tr>
<tr>
<td>Foreign sales share</td>
<td>64.35%</td>
<td>64.05%</td>
</tr>
<tr>
<td>Foreign employment share</td>
<td>60.48%</td>
<td>58.36%</td>
</tr>
<tr>
<td>Foreign affiliates share</td>
<td>69.38%</td>
<td>68.15%</td>
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*Source: Calculations based on data for 2006, World Investment Report 2008*

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

Data for the world’s largest information companies suggest that although they are fairly grounded in national economies, they follow the general trend of TNCs to have the majority of their assets, sales, employment and affiliates located outside of their home countries. This is not a uniform pattern, but a general trend. Emergent qualities are additions to old qualities that transform systems, but do not supersede and eliminate them. Transnationality is not something entirely new; instead – it is a degree, measure and tendency. Globalization of the media is something different from fully global media: certain media corporations become more global, parts of production are outsourced to other countries and parts of sales are achieved in other countries. The degree of sourcing, investment, affiliations, employment, assets, sales and profits outside the home country are indicators for the degree of globalization of a media corporation. That the calculated average shares are close to 60 per cent is an indication not for the emergence of fully global information corporations, but for the globalization of the operations of information corporations. These information TNCs are all capitalist in character, each focuses on capital accumulation on national and transnational levels that are interlinked.
Transnationality is an emergent quality of the informational dimension of new imperialism. Transnationality is not entirely global, but an emergent quality in comparison to Fordist capitalism, in which many corporations were either state owned or rather nationally contained by regulation. Concerning the world’s largest information corporations, corporate structures have become global and ever more influenced by media and information.

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

A further aspect of media globalization is that in the 20th century, global communication networks (telephone, internet) have emerged (Thompson, 1995/2000), which today allow communication and the transmission of information in real time over distance by time–space compression.

How important are information products and information services in world trade? Figure 9 shows that fossil fuels are the most important goods in the world trade of manufactured goods, followed by media products, and transport vehicles. Fossil fuels and the car have been characterized as being characteristic for Fordist industrialism or for the third and fourth long wave (Boyer, 1988; Freeman and Perez, 1988; Mandel, 1972/1998), whereas microelectronics is frequently considered as ‘post-industrial’. Concerning world trade, the data show that post-industrialism has not superseded industrialism, the information economy and the traditional industrial economy exist together. The only claim that could be made based on this data is that the structure of world trade is characterized by the dominance of a ‘mobilities paradigm’ – the trade of goods that allows ‘the movement of people, ideas, objects and information’ (Urry, 2007: 17).

UNCTAD launched the Creative Economy Database in 2008. The creative economy is defined as consisting of the ‘creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs’ (UNCTAD, 2008: 13). This includes products in the areas of cultural sites, traditional cultural expressions (arts, crafts, festivals, celebrations), performing arts, audiovisuals, new media, design, publishing and printed media, visual arts, and creative services (architectural, advertising, creative R&D, culture, recreation). Figure 10 shows the development of the share of creative industry exports in total
exports in the years 1996–2005. Related industries cover supporting
industries or equipment, such as media infrastructures. The combination
of creative goods (3.2%), creative services (0.8%) and related industries
(5.5%) accounted for 9.55 per cent of world exports in 2005. This again
confirms that information products and services are important in world
trade, but not more important than fossil fuels and vehicles, and
therefore not dominant.

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

Figure 9  Share of specific product groups in total exported goods.
Source: Author’s figures based on data by UNCTAD.

Figure 10  Share of creative industries in world exports.
Source: Author’s figures based on data by UNCTAD Creative Economy Database.
Transnational information corporations do not operate entirely globally. They are grounded in national economies, but a certain degree of their operations, assets, employees, sales, profits and affiliates are located beyond their home economies so that a national–transnational nexus is established. Transnationality is an emergent quality, a measure, degree and tendency. Media globalization furthermore also means the global influence of the neoliberal logic of accumulation by dispossession on media. In world trade, information goods and services are the second most important category, and transport vehicles the third most important sector. The data indicate that capital export and world trade are not dominated by the information sector, but that financialization, hyperindustrialization by continued relevance of fossil fuels and the car, and informatization are three important economic trends of the new imperialism. Financialization is the dominant factor.

2.4 The economic division of the world and information corporations

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

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

Table 3 shows the share of corporations based in developing and developed countries in the industries that constitute the Forbes 2000 list of the world’s biggest corporations. The share of corporations that have developing countries as their home bases ranges between 0 and 20 per cent, which is a low value and corresponds to the general unequal global division of the economy. Information industries and services are no exception from this unequal economic geography.
As world trade is overall stratified, also world trade in informational goods and services is stratified. In 2002, low-income countries accounted for 0.6 per cent of all exports of cultural products, high income countries for 82.2 per cent. North America accounted for 21.4 per cent of book exports, 23.7 per cent of newspaper/periodicals exports, 18.5 per cent of recorded media exports, and 7.8 per cent of audiovisual exports. The shares of Europe were 60.9 per cent, 70.4 per cent, 61.3 per cent and 30.2 per cent. Asia's shares were 13.7 per cent, 3.3 per cent, 18.2 per cent and
50.5 per cent, the shares by Latin America were 2.9 per cent, 1.8 per cent, 1.3 per cent and 10.9 per cent, and the African shares were 0.1 per cent, 0.08 per cent, 0.05 per cent and 0.0001 per cent (data: UNESCO, 2004).

One can say that theories of media imperialism, communication imperialism and cultural domination (see e.g. Boyd-Barrett, 1977, 1998; Galtung, 1971; Golding and Harris, 1996; Mattelart, 1979: 57–70; Roach, 1997; Said, 1993; Schiller, 1969/1992, 1976, 1989, 1991/2006; Sparks, 2007: 81–104; Thussu, 2006: 46–57; Tomlinson, 1991) have described Lenin’s fourth characteristic of imperialism in relation to media and culture: the domination of the info sphere by large Western corporations. At first, such concepts were focusing on the control of ownership, structure, distribution or content of the media in one country by another country (Boyd-Barrett, 1977: 117) or by the US (Schiller, 1969/1992). Later, they were updated in order to reflect the reality of media globalization (see e.g. Boyd-Barrett, 1998; Schiller, 1991/2006; Thussu, 1998) so that concepts such as transnational corporate cultural domination (Schiller, 1991/2006), global media empire, or Murdochization (Thussu, 1998) emerged. This updated version is suited for theoretically describing Lenin’s dimension of corporate economic domination in the attempt to apply imperialism theory to informational capitalism. The problem with most cultural imperialism approaches is that they do not explicitly embed their theories into classical theories of imperialism. So for example Boyd-Barrett mentions that the concept of media imperialism is ‘indebted to the works of Marx, Lenin and Rosa Luxemburg’ (Boyd-Barrett, 1998: 158), but he does not further outline this connection. The paper at hand is an attempt to contribute to the closure of this analytical gap.

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

2.5 The role of information in the political division of the world

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

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

The United States certainly is the dominant global military power today and has been successful in imposing its will by military means without much resistance from Europe, Russia, China, or other countries. The difference in military power can be observed, for example, by government expenditures. In 2006, the EU25 countries spent €79,392.7 million on defence (10.8% of total government expenditures), €95,005.1 million on education (12.9%), and €138,144.5 million on health (18.8%). In comparison, the US in 2008 spent $467,063 million on national defence (17.1% of the total expenditures), $87,734 million on education (3.2%), and $306,585 million on health (11.2%). That the US is a dominant global military power only means that the US has been successful in being hegemonic, which does not mean that it will never again be challenged by others with military means (which it still is, although not by Europe, Russia, China, or other important countries, but by groups like Al-Qaeda and countries like Iran, North Korea or Venezuela that pose potential military threats for the US).

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

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

Statistical data show ex-post that economic ends could be important influencing factors for the wars in Iraq and Afghanistan. Figures 11 and 12 show that foreign investments have boomed in Afghanistan since 2002 and in Iraq since 2003. Oil is the main economic resource in Iraq. In 2002, 99.3 per cent of all exports from Iraq were fuels. In 2006, this level remained at a high degree of 93.9 per cent (data: UNCTAD). In 2006, the value of annual Iraq oil exports was 2.3 times the 2002 value. Figure 13 shows the increase of Iraq fuel exports in absolute terms.

In the same time span (2002–2006) as fuel exports from Iraq climbed, the value of oil imports by the US increased by a factor of 2.8 and the value of oil imports by the UK by a factor of 3.8 (Figures 14 and 15). These data suggest that investment opportunities and resource access were important, but certainly not the only factors in the invasions of Iraq and Afghanistan by the US and the UK.

Figure 11  FDI in Afghanistan
Source: Author’s figures based on data by UNCTAD.
In 1988, the annual military expenses of the US were $484 billion. There was a drop in spending after the end of the Cold War (1998: $329 billion). The new wars in Afghanistan and Iraq resulted in a rise to $441 billion in 2003 and $547 billion in 2007 (all values in constant US dollars, source: SIPRI Military Expenditure Database). In 2007, the US accounted for the largest share of world military spending (45%), followed by the UK and China (each 5%) (SIPRI, 2008). Comparing annual US military spending for the years 2001 and 2006 shows a growth of 30 per cent for
military expense, 47 per cent for military operations and maintenance, and 58 per cent for research, development, test and evaluation (SIPRI, 2007: 276). In 2006, 41 US companies accounted for 63 per cent of the sales of the top 100 arms-producing companies in the world (SIPRI, 2008). In the period 1998–2007, annual world military expenditures increased by 45 per cent (SIPRI, 2008). These data show that the new imperialism is based on a US military hegemony in military outlays and activities.
The US-led war in Iraq and Afghanistan is the practical validation of the presence of the fifth characteristic of imperialism today. Military conflicts that aim at territorial control and global hegemony and counter-hegemony are immanent features of the new imperialism. Lenin (1917: 264) argued that imperialism leads to annexation and increased oppression and consequently also to increased resistance. The attacks of 9/11 and the rise of global terrorism can be interpreted as a reaction to global US economic, political and cultural influence. This resulted in a vicious cycle of global war that creates and secures spheres of Western influence and global terrorism that tries to destroy Western lifestyles and Western dominance.

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

3 Conclusion

The task of this paper was to discuss the topicality of Lenin’s notion of imperialism with special consideration of the role of media and information. I tested the role information industries play in the new imperialism. The result was that they are important, but not dominant:

(1) Capital concentration and information industries. Information sectors such as publishing, telecommunications and the manufacturing of communication equipment are among the most concentrated economic sectors, although finance is the most concentrated sector.
(2) *Finance capital and information capital.* Information companies are important in the global capitalist economy, which reflects a trend towards informatization, but they are far less important than finance and the oil and gas industry. Financialization, hyperindustrialization and informatization are three important characteristics of contemporary imperialist capitalism.

(3) *Capital export and information industries.* Finance, mining/quarrying/petroleum, trade, and information are the most important economic sectors of foreign direct investment. Finance is the dominant sector in both FDI and world trade. Transnational information corporations do not operate entirely globally. They are grounded in national economies, but a certain degree of their operations, assets, employees, sales, profits and affiliates are located beyond their home economies so that a national–transnational nexus is established. Transnationality is an emergent quality, a measure, degree and tendency. The data indicate that capital export and world trade are not dominated by the information sector, but that financialization, hyperindustrialization by continued relevance of fossil fuels and the car, and informatization, are three important economic trends of the new imperialism. Financialization is the dominant factor.

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

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

One cannot conclude that the new imperialism is a media imperialism or informational imperialism because this would have to mean that media and information are today the most important features of capital concentration, capital export, world trade and warfare, which clearly is not the case. Media and information do play an important role in new imperialism, but they are subsumed under finance capital and the continued importance of fossil fuel, which is a resource that motivates imperialist warfare. Media are characterized by qualities of imperialism such as concentration and transnationalization, which allows us to speak of the imperialistic character of the media within the new imperialism, but not of the existence of media imperialism.
The most significant change of the spatial structure of the world economy in the past 50 years has been the deterioration of North America in the areas of capital exports and commodity exports and the rise of China as an important location for FDI inflows and as an important trading country, especially in exports. Other new qualities of the new imperialism are the divergence of economic and military hegemony, as well as the new importance and new methods of financialization. The discussion and analysis of media and information should be situated within this context of the new imperialism.

References


**Biographical note**

Christian Fuchs holds a venia docendi in the research field of ICTs and society. His main research interests are social theory, media and society, critique of the political economy of the media, and new media and society. He is author of more than 120 academic publications, including *Internet and Society: Social Theory in the Information Age* (Routledge, 2008) and *Foundations of Critical Media and Information Studies* (Routledge, 2010).

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