Chapter 2: Monopolism and the increasing Role of Monopolies in the World Economy

In the first chapter we have given an overview of the fundamental ideas of Lenin's theory of Imperialism. Since the purpose of this document is to analyse the role of the semi-colonies in the imperialist world order, we move now to a closer look to what is the essence of imperialism. Hence we elaborate on monopolism in Marxist theory and look at the rising role of the monopolies in the world economy. We will also deal with the open or hidden objections of various centrist organisations against it. In arguing against these centrist rejections we will in this context, further elaborate the Leninist theory of imperialism integrating the contributions of Marxists after Lenin.

In general there is a strong tendency amongst most centrist currents to reduce the Marxist theory of imperialism to an eclectic mish-mash which describes the discrimination and violation of the so-called "Third World", the inequality and injustice and mixes it with a denunciation of imperialism. In this way they walk the road of Kautskyism in so far as they reduce imperialism to the level of a *reactionary policy* of the Great powers. They consciously or unconsciously ignore to see that Imperialism is a distinct epoch – the final stage of capitalism, its decline – which has as its economic foundation the transformation of the capitalist laws, or let us say better their *modification*, by monopolism. From this stems the distortions of the law of value by various mechanisms; how the monopolies extract an extra-profit from sectors of the workers, how they cheat the petty bourgeoisie and even other groups of capital by cartelization, monopoly prices etc., the formation of a monopolistic average rate of profit, the tendency for structural over-accumulation, the growing stream of capital into capital export, into financial speculation etc, the growth of the structural reserve army of labour etc.

In other words they do not understand and respectively fail to put the economic laws that are the basis of imperialism and the necessity and unavoidability of the inner contradictions of the imperialist epoch at the centre of their analysis.

Imperialism as Policy or as Monopolism based on Economic Laws?

In his Introduction to Bukharin's book *Imperialism and world economy* Lenin emphasised the nature of Imperialism not as a set of policies but as an *economic relation*:

"…an analysis of the essential properties and tendencies of imperialism, as the

system of economic relations of modern highly developed, mature and rotten-ripe capitalism.“ [36]

He further noticed:

"In all this it is extremely important to bear in mind that this change (the opening of the imperialist epoch, MP) has been brought about in no other way but the immediate development, expansion and continuation of the most profound and basic trends in capitalism and in commodity production in general." [37]

But numerous centrists reject openly or implied this understanding of imperialism as a separate epoch which has the transformation of its economy into monopoly capitalism as its basis and hence the economic basis of the relationship between imperialist capital and the (semi-)colonial countries is one of economic super-exploitation. While they do not necessarily negate the fact that under imperialism the so-called Third World is economically discriminated, various centrists see imperialism as a specific, i.e. aggressive, militaristic *policy*.

We will give a few examples of such a wrong understanding. In a recent analysis of the theoretical concept of Trotsky's permanent revolution, the British *Socialist Workers Party* (SWP, the "mother" organisation of the IST) wrote:

"As capitalism is an international system, connected both through imperialism and the world market, crises provoking revolutionary situations were likely to be regional or global in scale." [38]

So we have imperialism as the political level and the world market as the economic level of this system.

In another long article on imperialism, the then SWP- and today Counterfire-leader in Britain, John Rees, describes imperialism as a long-term phenomenon of colonial expansion:

"<u>Imperialism is an evolving system</u>. Since the very earliest days of capitalism, international expansion has been written into its structure. The union with Scotland and the colonisation of Ireland formed one of the first capitalist states, Britain. Both events were decisively shaped by the revolution of the 17th century. And one of Britain's first post-revolutionary wars was with the second major capitalist state of the day, the Dutch republic. Emerging capitalist states and declining pre-capitalist empires fought for dominance in America, Africa, Asia and the Far East. For two centuries British, Dutch, French, German, Italian and other major powers struggled to conquer the globe, and subdue indigenous populations and minor powers.

The apogee was reached in the 20th century as wholly capitalist powers clashed in two world wars, and again and again in countless colonial conflicts. At the beginning of the century Lenin and Bukharin outlined the two contradictory drives that still dominate the modern capitalist system. Bukharin wrote, 'Together with the internationalisation of

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[36] V. I: Lenin: Preface to N. Bukharin's Pamphlet Imperialism and world economy (1915); in: LCW Vol. 22, p. 104

[37] V. I: Lenin: Preface to N. Bukharins Pamphlet …, p. 104

[38] Joseph Choonara (SWP): The relevance of permanent revolution: A reply to Neil Davidson; in: International Socialism Journal, Issue: 131 (2011), http://www.isj.org.uk/index.php4?id=745&issue=131

economy and the internationalisation of capital, there is going on a process of "national" intertwining of capital, a process of "nationalising" capital, fraught with the greatest consequences'. Globalisation on the one hand and the massive military-industrial network of the modern state on the other are the modern form of this contradiction. The result is that economic competition and the inequality and instability it creates constantly reproduce military competition and war. The drive to war has broken apart and reconstituted the imperialist system throughout the 20th century.

Since the Second World War formal colonies have largely gained their independence. Oppressed nations have come and gone, fought their battle, and joined the international system of states in more or less subordinate ranks. This process began with the American colonies in the 1770s and ran through to the liberation of Ireland and India, among many others, in the 20th century." [39]

Or, as we see in the case of the centrist CWI (Socialist Party in Britain), they primitively reduce imperialist policy to the desire to make profits. Given this criteria every capitalist in the world would be an imperialist – a position which turns Lenin's whole concept of imperialism as the division of the world countries into oppressive and oppressed into a ridiculous caricature. Some years ago, the CWI wrote in an article dealing with the Malvinas/Falklands war in 1982:

"But the Argentinean Junta's war over the Falklands is not a war of national liberation against imperialism. On the contrary, <u>in seizing the Falklands the Argentine Junta is pursuing imperialistic aims on the part of Argentinean capitalism</u>.

Galtieri invaded the Islands for political reasons, to head off revolution and save his regime. But in the background are the Argentinean financiers and capitalists who are eager to get their hands on the profits potentially to be drawn from Antarctic oil and other natural resources. Such a development of Antarctica, it is true, would almost certainly be in conjunction with the American multi-nationals, to whom the Argentinean capitalists would be junior partners. Argentinean capitalism is still subordinate to international big business, especially American capitalism, as its massive foreign debts testify." [40]

Lenin strongly polemicized against such a separation of imperialism from its roots of monopoly capitalism and its amalgamation to all forms of aggressive policy. In his days the German leading social democrat Karl Kautsky was a chief proponent of such a position. Lenin wrote against Kautsky:

"Advancing this definition of imperialism brings us into complete contradiction to K. Kautsky, who refuses to regard imperialism as a "phase of capitalism" and defines it as a <u>policy</u> "preferred" by finance capital, a tendency of "industrial" countries to annex "agrarian" countries. Kautsky's definition is thoroughly false from the theoretical standpoint. What distinguishes imperialism is the rule <u>not</u> of industrial capital, but of finance capital, the striving to annex <u>not</u> agrarian countries, particularly, but <u>every kind</u> of country. Kautsky divorces imperialist politics from imperialist economics, he

[39] John Rees: Imperialism: globalisation, the state and war; in: International Socialism Journal, Issue No. 93 (2001), pp. 26-27; http://pubs.socialistreviewindex.org.uk/isj93/rees.htm

[40] Socialist Party (CWI): Falklands war: what lessons for the labour movement? In: Socialism Today, No 108, April 2007, http://www.socialismtoday.org/108/falklands.html (our emphasis)

divorces monopoly in politics from monopoly in economics in order to pave the way for his vulgar bourgeois reformism, such as "disarmament", "ultra-imperialism" and similar nonsense. The whole purpose and significance of this theoretical falsity is to obscure the most profound contradictions of imperialism and thus justify the theory of "unity" with the apologists of imperialism, the outright social-chauvinists and opportunists." [41]

Monopolism and Monopoly Profit

This confusion of imperialism as a policy and as a system based on "*economic relations*" has – on the theoretical level – its roots in the denial of these economic relations.

Let us briefly summarise the essence and consequences of monopolization. The emergence of monopolies in the capitalist economy has as its basis the fundamental law of motion of capitalism – the process of creating surplus value via exploitation of labour forces. This process inevitably results in the reproduction of capital on an extended scale, in other words, the accumulation of capital. This leads – as Marx explained in *Capital* Volume I in the famous chapter "*Historical Tendency of Capitalist Accumulation*" – to the process of centralization and concentration of capital, the creation of a world market, the intensification of exploitation, etc.:

"This expropriation is accomplished by the action of the immanent laws of capitalistic production itself, by the centralization of capital. One capitalist always kills many. Hand in hand with this centralization, or this expropriation of many capitalists by few, develop, on an ever-extending scale, the cooperative form of the labour process, the conscious technical application of science, the methodical cultivation of the soil, the transformation of the instruments of labour into instruments of labour only usable in common, the economizing of all means of production by their use as means of production of combined, socialized labour, the entanglement of all peoples in the net of the world market, and with this, the international character of the capitalistic regime. Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it. Centralization of the means of production and socialization of labour at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated." [42]

[41] V. I. Lenin: Imperialism and the Split in Socialism; in: LCW Vol. 23, p.107 (Emphasis in the original)

[42] Karl Marx: Kapital Band I, MEW 23, pp. 790-791; in English: Capital, Vol. I; Chapter 32

This progressing reproduction of capital on an extended scale leads to a change in its organic composition, i.e. in the relationship between constant capital (machinery, raw material etc.) and variable capital (labour). The share of constant capital – which just transmits value but doesn't create new value – is increasing while the share of variable capital – which creates new value – gets relatively smaller. With the decreasing share of variable capital, the source for the creation of new value and hence the source for surplus value decreases too. As a result, the share of surplus value – which is the only basis for profit – declines in relation to the total capital invested (constant and variable) in the long run.

"As the process of production and accumulation advances therefore, the mass of available and appropriated surplus-labour, and hence the absolute mass of profit appropriated by the social capital, must grow. Along with the volume, however, the same laws of production and accumulation increase also the value of the constant capital in a mounting progression more rapidly than that of the variable part of capital, invested as it is in living labour. Hence, the same laws produce for the social capital a growing absolute mass of profit, and a falling rate of profit." [43]

Marx characterized the law of the tendency of the rate of profit to fall as the most important law of capitalism:

"This is in every respect the most important law of modern political economy, and the most essential for understanding the most difficult relations. It is the most important law from the historical standpoint. It is a law which, despite its simplicity, has never before been grasped and, even less, consciously articulated." [44]

As we have already elaborated in the book "*The Credit Crunch - A Marxist Analysis*", the qualitative leap in the process of concentration and centralization of capital and the emergence of monopolies in the late 19th century was an expression of the historic obsolescence of the capitalist system. [45] The contradictions between the productive forces and the fetters of the mode of production based on private property on one side and between the world market and international politics and the national state on the other side opened the last stage of capitalism – its epoch of decline and transition towards socialism. In its resolution on the character of the imperialist World War I, the Russian Bolsheviks formulated this understanding of the imperialist epoch

[43] Karl Marx: Kapital III, MEW 25, p. 229; in English: Capital, Vol. III; Chapter 13

[44] Karl Marx: Grundrisse der Kritik der politischen Ökonomie, in: MEW 42, p. 641; in English: Karl Marx: Grundrisse der Kritik der politischen Ökonomie (English), Chapter *Capital as Fructiferous. Transformation of Surplus Value into Profit.* (see also Karl Marx: Economic Manuscripts of 1861-63. *Capital and Profit. Chapter 7) General Law of the Fall in the Rate of Profit with the Progress of Capitalist Production*; in: MECW, Volume 33, pp. 104-145; http://www.marxists.org/archive/marx/works/1861/economic/ch57.htm)

[45] Michael Pröbsting: Imperialismus, Globalisierung und der Niedergang des Kapitalismus; in: Revolutionärer Marxismus 39, August 2009, http://www.arbeitermacht.de/rm/rm39/rm39imperialismus.htm; in English: Michael Pröbsting: Imperialism and the Decline of Capitalism (2008), in: Richard Brenner, Michael Pröbsting, Keith Spencer: The Credit Crunch - A Marxist Analysis (2008), http://www.fifthinternational.org/content/imperialism-and-decline-capitalism

unambiguously:

„The present war is imperialist in character. This war is the outcome of conditions in an epoch in which capitalism has reached the highest stage in its development; in which the greatest significance attaches, not only to the export of commodities, but also to the export of capital; an epoch in which the cartelisation of production and the internationalization of economic life have assumed impressive proportions, colonial policies have brought about the almost complete partition of the globe, world capitalism's productive forces have outgrown the limited boundaries of national and state divisions, and the objective conditions are perfectly ripe for socialism to be achieved." [46]

The Marxist theoretician, Yevgeni Preobrazhensky – an Old Bolshevik and a leader of Trotsky's Left Opposition against Stalinism in the 1920s – pointed to the permanent contradictions between the productive forces and the limitations posed by monopolistic capitalism:

"The productive forces of capitalism have reached such a level of development, and the concentration of production has advanced so far, that any further development of the productive forces encounters an insurmountable barrier in the monopolistic structure." [47]

It is this context, where monopolies are struggling to counteract the tendency of the rate of profit to fall. There are of course many instruments monopoly capital tries to use to achieve an advantage to raise its profits. Some examples are: trustification, export of capital, price manipulation, tariffs, patent property rights, bribery of politicians and the state apparatus in general, bribery of the labour bureaucracy etc. What these various measures have in common is the purpose to allow monopoly capital to obtain an *extra profit*, i.e. a profit which is above the average rate of profit. As Lenin said *"… monopoly yields super-profits, i.e., a surplus of profits over and above the capitalist profits that are normal and customary all over the world"* [48]

All this leads to an important modification of the law of value since monopolisation creates numerous barriers for the unhindered flow of capital between the different branches and hence for the process of equalisation of the rate of profit. For example, if monopolies control a given industrial sector, they can hinder the influx of competing capitals. Or a given industrial or commercial branch is more or less divided in a monopolistic sector and a non-monopolistic sector where capital from the later sector can hardly move into the monopolistic sector.

Evgenij Preobrazenskij drew attention to this modification of the law of value in one of his major works.

"The limitation of free competition leads also to a limitation of the effects of the law of value … When there is trustification or syndication … prices systematically deviate from value … The equalizing of the rate of profit between the trustified branches of

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[46] V. I. Lenin: The Conference of the R.S.D.L.P. Groups Abroad (1915); in CW 21, p. 159

[47] Evgenij Preobrazenskij: The Decline of Capitalism (1931); Translation by Richard Day, London 1981, p. 172

[48] W. I. Lenin: Imperialism and the Split in Socialism (1916); in: LCW Vol. 23, pp. 114-115

production is rendered almost impossible; they are transformed into closed worlds, into feudal kingdoms of capitalist organisations." [49]

This does not mean that monopolisation removes the operability of the law of value. The control of a certain sector by a few monopolies allows them to enforce a monopoly price which deviates strongly from the value and therefore they can obtain a monopoly profit rate which is above the average rate of profit in this sector. As a result other, non-monopolistic parts of capital receive only a profit rate which is below the average rate of profit. In total, of course, the sum of prices cannot deviate from the sum of values. If the difference between the monopoly price and the value becomes too big, in one way or another, the monopolies control will be challenged by the other capitalists or a crisis and bankruptcies enforces a sharp adjustment of monopoly prices to the value. [50]

The ever-increasing Grip of Monopolies in the World Economy

In their books on Imperialism, written in 1915 and 1916, both Bukharin and Lenin pointed out the enormously dominant role of the monopolies in the economic life. Since then this dominance has increased even more. Particularly in the period of Globalization such a growing role of monopolies has intensified as they internationalize their production and dominate more and more the world market. This is why we can define *Globalization as Monopolization + Internationalization.*

This internationalization has at its basis the massive rise of capital export by the monopolies. Figure 1 shows the huge increase of global Foreign Direct Investment in relation to the annual output measured as GDP.

A report of the United Nations about the power of the transnational corporations in the early 1970s said, that they controlled either directly or indirectly "*between 75 and 90 per cent of the mineral ore and metal resources, 30 to 40 per cent of the agricultural raw materials and close to 40 per cent of the food exports originating in the developing countries.*" [51]

The leading journal of British capitalism, "*The Economist*", wrote in the early 1990s that the Top 100 of the largest companies control 16% and the Top 300 about one-quarter of the world's estimated $20 trillion stock of productive assets. It also reported that "*possibly as much as a third of all trade*" takes place within Transnational Corporations (TNC). [52]

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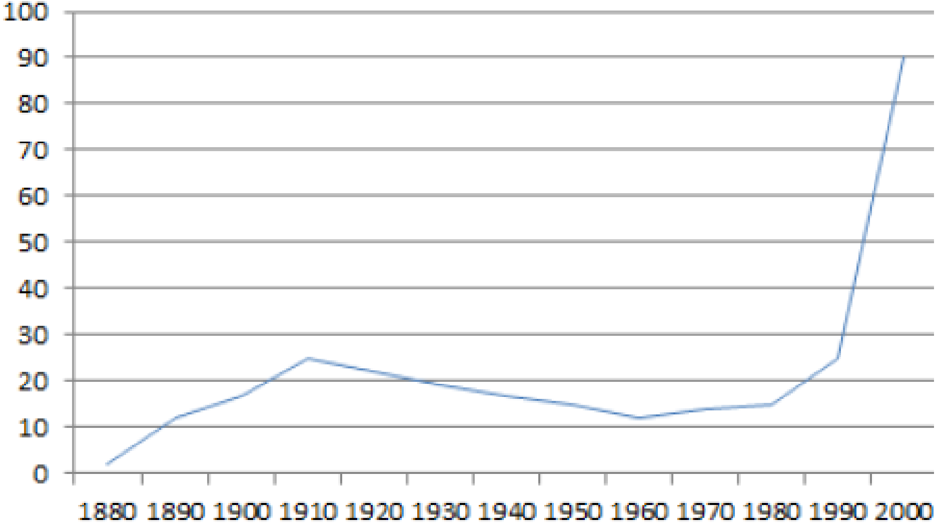
[49] Evgenij Preobrazenskij: Die Neue Ökonomik (1926); Berlin 1971, p. 195 (our translation into English)

[50] A point well made by Ernest Mandel in his book ‚Marxistische Wirtschaftstheorie' (1962), Frankfurt a.M. 1968, p. 530

[51] United Nations: Towards the New International Economic Order. Analytical Report on Developments in the Field of International Economic Co-operation since the Sixth Special Session of the General Assembly, A/5-11,5, New York, 1982, paraFigure 40, p. 9

[52] The Economist: Everybody's favourite monsters. A Survey of Multinationals, 27.3.1993, pp. 4-9

Figure 1: Global FDI flows to GDP (in %) [53]



The Top 600 corporations with annual sales over $1 billion were reported to account for more than a fifth of the world's total value-added in manufacturing and agriculture. Directly and indirectly, multinational corporations were said to account for 5% of the global work-force while at the same time they control over 33% of global assets. [54] Even a capitalist mouth piece like *The Economist* has to acknowledge: *"Foreign direct investment has already reduced the freedom of governments to determine their own economic policy."* [55]

A study of a German economist reports: "*Although global trade and global activities of capital are nothing new, the pace of capital movement as well as the form and concentration of capital have changed. The liberalisation of capital movements is one of the features of global capitalism and TNCs are now shedding much of their traditional in-house functions and replace them by outsourcing. They are building networks of*

[53] Michael Roberts: A world rate of profit. Globalisation and the world economy (2012), p. 2, http://thenextrecession.files.wordpress.com/2012/07/roberts_michael-a_world_rate_of_profit.pdf

[54] See Stephen Gill: Gramsci, Modernity and Globalization; International Gramsci Society Online Article, January 2003, http://www.internationalgramscisociety.org/resources/online_articles/articles/gill01.shtml

[55] Quoted in Morris Miller: Where Is Global Interdependence Taking Us? Why We Need A „New (Improved) Bretton Woods"; From „Social Tensions & Armed Conflict: Ethnic & Other Aspects", Panel: Global interdependence in economic & financial matters", Pugwash, Nova Scotia, July 28-31, 1994 http://www.ncrb.unac.org/unreform/archive/globalization.html

dependant small and medium-sized enterprises and are supplying global markets. For example, the sports shoe company Nike employs only 9.000 core workers, but there are 75.000 workers in the chain of subcontractors which supply Nike. Some TNCs have gone as far as selling their name only while they leave manufacturing to others. Examples are Kodac, Olivetti, Siemens and General Motors. TNCs control about 70% of all world trade and over a quarter of the world's economic activity takes place within the 200 largest corporations." [56]

The monopolies are the biggest capitalists, concentrating a huge amount of accumulated capital, and by this they can control the economy despite employing only a relatively small share of the workers. According to another report in the mid-1990s multinational companies account for the direct employment of about 65 million persons or 3 percent of the global labor force. [57]

In a book published in 2008, the UN advisor Jean Ziegler gave the figure that the biggest 500 multi-national corporations control 53% percent of the world's Gross Domestic Product despite only directly employing 1.8% of the world labor force. [58]

Éric Toussaint produced an impressive list which shows the dominance of the monopolies. According to this list three multinational corporations control 53% of the glass automobile parts, six corporations control 85% of the tyres global production, seven corporations control 90% of the medical equipment production, two corporations control 80% of the instant coffee production, five corporations control 77% of the grain production, three corporations control 80% of the banana production, four corporations control 87% of the tobacco production, ten corporations control 76% of the car production, four corporations account for 70% of the global sales of telecommunication and related equipment, two corporations account for more than 95% of the global production of civilian aeronautics and one corporation controls 60% of the microprocessor market. [59]

These figures were further underlined by the very recent findings of three systems theorists at the Swiss Federal Institute of Technology in Zurich. At the end of 2011 they published a widely reported study in which they took a database listing 37 million companies and investors worldwide and analyzed all 43.060 transnational corporations and the share ownerships linking them. They built a model of who owns what and what their revenues are and mapped the whole edifice of economic power. As the US business magazine reported

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[56] Herbert Jauch (Labour Resource and Research Institute (LaRRI)): Globalisation and Labour, Prepared for the Regional Labour Symposium, Windhoek, 6 December 2005, p. 4

[57] Morris Miller: Where Is Global Interdependence Taking Us?: Why We Need A „New (Improved) Bretton Woods"; From „Social Tensions & Armed Conflict: Ethnic & Other Aspects", Panel: Global interdependence in economic & financial matters", Pugwash, Nova Scotia, July 28-31, 1994 http://www.ncrb.unac.org/unreform/archive/globalization.html

[58] Jean Ziegler: Das Imperium der Schande. Der Kampf gegen Armut und Unterdrückung, München 2008, p. 235

[59] Éric Toussaint: Your Money or your Life. The Tyranny of the Global Finance; Brussels 1999, p. 33

they came to the conclusion that only 147 corporations alone controlled 40% of the global economy:

"They discovered that global corporate control has a distinct bow-tie shape, with a dominant core of 147 firms radiating out from the middle. Each of these 147 own interlocking stakes of one another and together they control 40% of the wealth in the network. A total of 737 control 80% of it all." [60]

The study also revealed the massive dominance of the financial sector among the top monopolies. Out of the top 50 corporations, only 5 do not have their basis in the financial sector! This confirms the conclusion of the Marxist economist Rudolf Hilferding more than one hundred years ago which Lenin picked up: that the monopolies have the character of finance capital which is a fusion of banking and industrial capital of which the first plays a dominant role.

Finally the study also revealed the still existing dominance of the monopoly capital from the old imperialist countries. Nearly half of the top 50 corporations come from the declining but still leading imperialist power USA. While the rest come nearly all from European Union countries and Japan, it is also interesting to note that there is a Chinese monopoly capitalist, reflecting the country's transformed status as an emerging imperialist power. (see Table 1)

Finally we want to present the findings of a recent *World Investment Report* from UNCTAD. In this report UNCTAD says that the TNC's produce ¼ of the annual world output. (See also Figure 2) According to this report about 40% of the TNC's "value added" is produced by their foreign affiliates:

"UNCTAD estimates that TNCs worldwide, in their operations both at home and abroad, generated value added of approximately $16 trillion in 2010, accounting for more than a quarter of global GDP. In 2010, foreign affiliates accounted for more than one-tenth of global GDP and one-third of world exports. International production by TNCs (i.e. value added by foreign affiliates) accounts for around 40 per cent of TNCs' total value added, up from around 35 per cent in 2005." [61]

Table 1: National composition of Top 50 control-holders Shareholders [62]

USA	*UK*	*France*	*Japan*	*Germany*	*Swiss*	*Netherland*	*China*	*Canada*	*Italy*
24	8	5	4	2	2	2	1	1	1

[60] See The 147 Companies That Control Everything, 22.10.2011 http://www.forbes.com/sites/bruceupbin/2011/10/22/the-147-companies-that-control-everything/; S. Vitali, J.B. Glattfelder, and S. Battiston: The network of global corporate control (2011), ETH Zurich, http://arxiv.org/pdf/1107.5728v2.pdf

[61] UNCTAD: World Investment Report 2011, p. 24

[62] S. Vitali, J.B. Glattfelder, and S. Battiston: The network of global corporate control (2011), ETH Zurich, http://arxiv.org/pdf/1107.5728v2.pdf

Figure 2: Transnational Corporations share of world GDP, 2010 (Percent and trillions of dollars) [63]

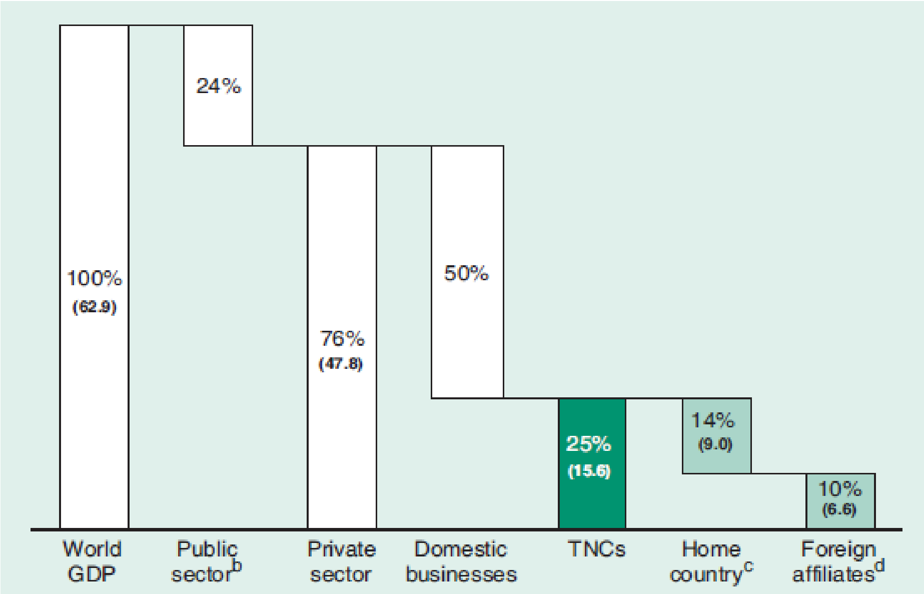


Figure 3: Internationalization Statistics of the 100 largest non-financial TNCs worldwide and from Developing and Transition Economies (Billions of dollars, thousands of employees and per cent), 2010 [64]

	100 largest TNCs worldwide					100 largest TNCs from developing and transition economies		
Variable	2008	2009	2008–2009 % change	2010^p	2009–2010 % change	2008	2009	% change
Assets								
Foreign	6 161	7 147	16.0	7 512	5.1	899	997	10.9
Total	10 790	11 543	7.0	12 075	4.6	2 673	3 152	17.9
Foreign as % of total	57	62	4.8 ^a	62	0.3 ^a	34	32	-2.0
Sales								
Foreign	5 168	4 602	-10.9	5 005	8.8	989	911	-7.9
Total	8 406	6 979	-17.0	7 847	12.4	2 234	1 914	-14.3
Foreign as % of total	61	66	4.5 ^a	64	-2.2 ^a	44	48	3.3
Employment								
Foreign	9 008	8 568	-4.9	8 726	1.8	2 651	3 399	28.2
Total	15 729	15 144	-3.7	15 489	2.3	6 778	8 259	21.9
Foreign as % of total	57	57	-0.7 ^a	56	-0.2 ^a	39	41	2.0

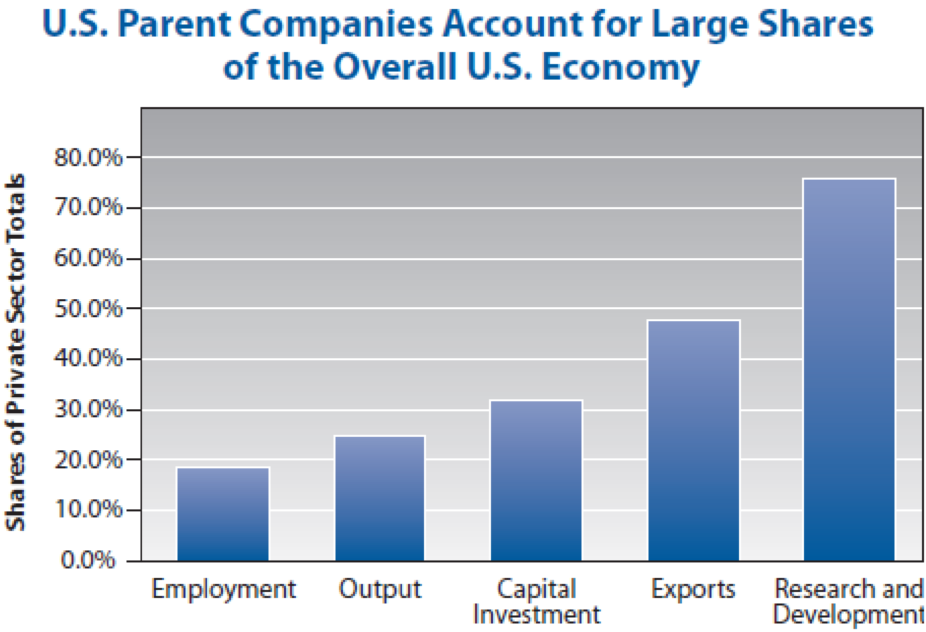
[63] UNCTAD: World Investment Report 2011, p. 25
[64] UNCTAD: World Investment Report 2011, p. 27

As Figure 3 shows the 100 largest non-financial TNCs worldwide have between 57% and 66% of their employees, assets and sales abroad.

The next Figure 4 shows that monopoly capital in form of the multinational corporations plays a central role in the US economy. In 2006 they accounted for 19.1% of total U.S. private-sector payroll employment, for 24.9% of all U.S. private-sector output, for 31.3% of all U.S. private-sector capital investment, for 48.0% of the U.S. total exports and for 75.8% of the total Research and Development performed by all U.S. companies.

So we can summarize that the monopolies could substantially increase their dominance over the world economy. We can also see that the formula "*Globalization = Monopolization + Internationalization*" does not mean an abstract "*Internationalization*" but the growing control of the monopolies which have their centre in the imperialist states. Furthermore they are closely connected with these imperialist states which give them the necessary political and military weight to defend their interests around the world.

Figure 4: U.S. Parent Companies Account for Employment, Output, Capital Investment, Exports and Research and Development, 2006 [65]



[65] Matthew J. Slaughter: How U.S. Multinational Companies Strengthen the U.S. Economy (2009), Published by Business Roundtable and The United States Council Foundation, p. 5