

Twenty-first century global capitalism reconfigures the imperialist disorder

The following is the third of a series of articles on contemporary imperialism by Argentine Marxist Claudio Katz. I translated the first article ([The United States' failed imperial recovery](#)) and cited a section of the second in my review of the work of Leo Panitch ([Remembering Leo Panitch](#)). In this third instalment, Katz draws attention to what he considers an increasing asymmetry between the enduring geometry of post-WWII imperialism and the changing features of 21st century global capitalism.^[1] Katz published his text under the title "[La indefinición imperial contemporánea.](#)"

- Richard Fidler

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Today's imperialism still lacks clear definition

Claudio Katz

Abstract

Imperialism is a mechanism of domination with changing historical modalities. The territorial, commercial and intermediate variants preceded the capitalist imperative of profit. This difference is diluted in the model of hegemonic successions.

Classical imperialism was characterized more by war than by economic transformations. The later model led by the United States has sought to stifle revolutions and prevent socialism. The current North American impotence contrasts with the flexibility of its British predecessor.

Mutations in contemporary capitalism have no equivalent imperial correlates. Neoliberalism disrupted the functioning of the system, but imperialism continues without a compass. The defining features will be determined in the clash with the Asian rival and popular resistance.

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Imperialism is the principal instrument of capitalist domination. This system requires military deployments, diplomatic pressure, economic blackmail and cultural subjugation. A social regime based on exploitation needs coercion, deterrence and deception mechanisms to protect the profits of the powerful. The same tools are used to resolve conflicts between rival powers.

Imperialism operates in different latitudes through multiple arrangements. But its dynamic has adopted forms in each era that are quite distinct. An historical review clarifies this mutation and the current meaning of the concept.

A variety of models

Empires preceded capitalism. But in feudal, tributary and slave regimes, the mechanisms of subjection were based on territorial expansion or control of trade. This distinction is based on the conceptualization proposed by Marxist historian Ellen Meiksins Wood.

She points out that Rome forged an empire of property founded on military coercion, revenue from slavery and the conquest of territories. It managed systems of government that associated the aristocracies of each place with processes of colonization and administration of a gigantic space. This empire combined the extension of private property with military power and coalesced the Romanized local elites through an ideology rooted in religion.

Spain also commanded a vast territorial empire organized around the granting of lands in exchange for military service. The conquistadores assumed full control of populations that were devastated by super-exploitation. The Crown's emissaries justified this undertaking with the messages of Christianity (Wood, 2003 24-41)

Commercial empires took on another profile. The Arab-Muslim variant linked dispersed communities in common activity governed by laws, moral codes and cultures articulated by the religious leaders of the urban elites.

In the Italian cities, the commercial empire was controlled by the financial aristocracies that monopolized trade in the fragmented feudal universe. The use of mercenaries to carry out military actions illustrated that priority of mercantile management. Holland developed another modality of this commercial type, dominating maritime routes through large companies. It sought not tribute, lands or minerals but full control of those connections (Wood, 2003: 42-70).

From this standpoint, no commercial empire achieved capitalist status. They were sustained in gains arising out of trade and the consequent sequence of buying low and selling high. They did not include the basic principle of a process of accumulation, sustained in the competition to reduce costs through increasing productivity. They simply embodied distinct patterns of pre-capitalist empires.

This approach considers that it was Great Britain that inaugurated the passage to the current forms of imperialism through prolonged transition and different paths. The expansion of the English empire in North America synthesized that combination of forms that both obstructed and promoted capitalism: obstruction, through the reintroduction of permanent and hereditary slavery on cotton plantations, in order to facilitate English industrialization. Promotion, by the introduction of capitalist agriculture through the transfer of settlers who completed the appropriation of the New World (Wood, 2003: 71-86).

This empire of settlers — rehearsed in the laboratory of Ireland — incorporated capitalist relations in American agriculture through the occupation of lands and the extermination of the indigenous population. In the thirteen colonies of New England

there emerged the principle of competition for profits arising from exploitation, which later spread to industrial accumulation in the cities. This new pillar of profit (no longer commercial) was introduced through a form of pro-capitalist colonialism.

Wood also recalls that the English model in other regions (such as India) adopted the old forms of tribute. It started as a commercial enterprise and was extended to territorial conquest. Under the management of a private company it forged a lucrative market for British industry at the expense of local artisans.

This interpretation postulates, therefore, that capitalist imperialism emerged only in the nineteenth century under English leadership, mixed with the preceding archaic forms. Great Britain combined three anticipatory modalities of contemporary imperialism. It spearheaded forms of colonialism (implantation of populations in conquered territories), formal empire (explicit domination over other nations) and informal empire (pre-eminence through economic supremacy).

This diversity of English variants was established in their colonial (Canada, Australia), formal (India), informal (Latin America) and hybrid (Southern Africa) possessions. But in general it underpinned the capitalist component through the expansion of free trade to ensure the disposal of manufactured surpluses.

Capitalist imperialism has been categorically dominant in the 20th century under the leadership of the United States. That power only took the form of a formal empire for a brief expansionary period. It quickly internationalized the imperatives of capitalism. It resorted to some territorial expansion in the American hemisphere, but in general dispensed with colonies and privileged the mechanisms of association and subordination of local elites.

Wood emphasizes that this form of pure empire of capital is governed by the logic of profit. The occupation of new space is complementary or non-essential. The old explicit and transparent coercion is replaced by the opaque and impersonal modes of economic tyranny.

The underlying social regime is the main differentiating factor in the different empires. The old territorial, commercial and intermediate forms operated in societies very different from contemporary capitalism.

Hegemonic cycles

Another model of imperial dynamics privileges the concept of hegemony in order to distinguish historical varieties. It explores how coercion was combined with consensus and studies the way in which economic supremacy overlapped with territorial expansion and geopolitical superiority (Arrighi, 1999: 42-106).

According to this framework, empires have developed in a succession of systemic cycles of accumulation since the 15th century, mixing economic logics of productive development and financial control with territorial logics of military advantage. Each

hegemony entailed distinct global primacies, in the Genoese (1340-1560), Dutch (1560-1780), British (1740-1870) and American (1930-2000?) eras.

The first cycle of Italian cities disrupted the interstices of the medieval system. It privileged long-distance trade through a partnership with the Hispanic-Portuguese empire. That model was succeeded by the Dutch domination, which introduced state structures and military techniques without using them for territorial control. It prioritized financial networks and trading links.

In contrast, British hegemony introduced the territorial component and took advantage of the new centrality of the Atlantic Ocean to forge a maritime empire. It used the advantages of insularity and consolidated a new nation-state by defeating its French adversary. It resorted to settlement of colonists and the use of slavery to build a global supremacy based on free trade and industrial pre-eminence.

The United States achieved global primacy after completing an internal development dominated by the extermination of the indigenous population, widespread slavery and immigration. It promoted the use of gigantic natural resources along with profitable protectionist strategies. In the military expansion of the internal frontier it brought into being the foundations of the planetary gendarme of the 20th century (Arrighi, 1999: 288-390).

This model of hegemonic successions highlights the duration of common capitalist norms over five centuries. It diverges from Wood's approach, centred on the existence of differentiated social foundations in the tributary, feudal and capitalist regimes. In this framework only England (with intermediate forms) and the United States (fully) conform to the checklist.

The main advantage of Wood's approach lies in its distinction among the different empires, based on clear definitions of capitalism. This system is based on competition for profits arising from the exploitation of waged workers and not in the pre-eminence of trading channels. The Italian cities and Holland spearheaded varieties of commercial empires and their counterparts in Rome or Spain formed territorial modalities. Capitalism was absent in the domains based on mercantile leadership or spatial primacy.

The empires of the last two centuries were not distinguished from their forerunners by the magnitude of commercial transactions. Such transactions were involved in all the systems of the last two millennia. Nor are the differences derived from the duration of multinational (Great Britain) or continental state modalities (United States), compared to the limited city (Genoa) or protonational (Holland) precursors. Rome and Spain already had gigantic state structures.

The novelty of the English empire was the introduction of a singular base, industrial profit, which the United States subsequently amplified. This peculiarity is erased if one relies on globalized accumulation models that have existed since the 15th century.

It is true that the various empires did not dominate through force alone. Hegemony was equally decisive. But the variety of ideologies reflected the existence of differentiated social foundations. The lust for profit arising from exchange (Genoa and Holland) was based on very different pillars from the drive for profit derived from the investment imperative (England and the United States). If the specificity of each cycle is analyzed by observing these pillars, it clears the path to understanding ancient and contemporary forms of domination.

The classic period

The era of informal empire began in 1830 — with English domination of free trade — and closed in 1870 with the reintroduction of armed confrontation. The return to conflict among the main powers generalized the use of the term imperialism. That notion was put forward by theorists like Hobson, who contrasted the new climate of world confrontation with the previous era of post-Napoleonic equilibria (Hobson, 1980).

In this new framework, all the powers sought to renew their credentials on the battlefield. The stragglers (Germany) wanted to expand their territory to build a formal empire. The rising power (United States) already possessed a favourable economic structure and was preparing to replace the declining English leader. Militaristic effervescence, racist aggressiveness, and chauvinist intolerance led to the death toll of the First World War (Arrighi, 1978: ch 3).

The new empires (Germany, Japan, the United States) fought in alliances or disputes with their predecessors (France, England) for control of the world market, to the detriment of the dying empires (Holland, Belgium, Spain, Portugal). Disputes were settled through protection and the establishment of monetary areas in the distribution of the periphery.

Lenin's theory of classical imperialism provided the main conceptualization of that period of traumatic inter-imperialist wars and revolutionary outbreaks. The Bolshevik leader attributed these conflagrations to competition for external markets and sources of supply, amidst a background of colonial possessions that already existed among the older powers. The drive to dispute those territories reinforced the likelihood of war and reduced the margins of diplomatic coexistence.

Starting from this characterization Lenin wrote a political pamphlet that polemicized with the social democratic expectation that war could be avoided through proposals for disarmament and cooperation between rival powers. The communist leader objected, arguing that militarism was not a mistaken policy of the capitalists but the cruel result of competition for profit.

The Russian leader stressed the futility of pacifist persuasion, when the wealthy interests were preparing to settle their differences in the trenches. He argued that the war drive arose from objective tendencies and strategic decisions by the powerful. The

warmongering of the time meant that rivalry prevailed over international association in the relationships among large capitalist enterprises (Lenin, 2006).

The leader of the Russian revolution recorded with great realism the main contradictions of his time, as against the utopian expectations of his critics. He advocated internationalist policies of resistance to the immolation of recruits and pointed out that peace could only be won in a simultaneous struggle against capitalism.

In our interpretation of this approach we highlighted this political function of Lenin's text in the ever-present context of the war. We emphasized that meaning in opposition to other interpretations focused on the economic aspects of that influential text (Katz, 2011: 17-32).

In this connection, Lenin's conception reformulated the vision expressed by Hilferding. It emphasized the existence of a general shift towards protectionism and the increasing tendency of banking capital to subordinate its peers in commerce and industry. It also highlighted the novel weight of monopolies through the increasing size of companies and the pre-eminence of capital exports as a way of absorbing the profits made in the periphery.

The debate among Marxists about the relevance of these characterizations persists to this day. Several theorists argue that they are not suitable to the interwar period (Harvey, 2018), while others allege an exaggeration of the role of monopoly and the limited relevance of capital exports (Heinrich, 2008: (218-221). Some also single out for criticism the extrapolation of features of the German economy to the rest of the powers (Leo Panitch, 2014).

These objections refer to problems actually present in the theory of classical imperialism, but with little implication in its original formulation. Lenin's interest was in demonstrating how certain economic imbalances led to inter-imperialist clashes. He analyzed how each productive, commercial or financial feature of the new epoch accentuated the rivalries that were determined on the battlefield.

The primary function of his text was political. That is why he converged in the battle against militarism with the revolutionaries who objected to his economic standpoint (Luxemburg). And on the contrary, he clashed with thinkers who shared his approach to the financial-productive changes but from the opposite side of reformism (Hilferding). The polemical tone of his writings was directed not to protectionism, financial hegemony or monopolies, but to the attitude of the socialists towards the war.

Another great misunderstanding has surrounded the Leninist assessment of imperialism as a "final stage" of capitalism. The communist leader was effectively looking to a revolutionary popular response to the bloodletting of war that would put an end to the global tyranny of profit. The beginning of socialism in Russia corroborated the validity of that expectation.

The subsequent course of history led to another outcome and the period analyzed by Lenin was confined to a classical stage of the capitalist empires. He had managed to perceive the peculiarity of a phase that could have ended the historical persistence of capitalism. But subsequent events did not lead to that extinction.

The postwar changes

The end of the warlike confrontations between rival powers differentiates the imperialism of the second half of the 20th century from its classical precedent. Confrontations persisted but without generalized armed conflicts. They did not extend to the military sphere, and a more concerted geopolitical administration prevailed. The monumental war arsenal of the West was generally used to consolidate the dispossession of the periphery.

The management of the new model under the command of the United States included a novel form of collective imperialism. Western military solidarity was joined with the growing international economic association between firms of different origins. The multinational company expanded and protectionism lost weight against the free trade pressures deployed by the companies that preceded globalization.

The size of the markets, the diversification of supplies and the scale of production were determinants of this new scenario. The drive to reduce costs and increase productivity reinforced alliances between firms. In contrast to the previous period, this interconnection was not limited to companies of the same nationality (Amin, 2013).

But since this internationalization of the economy had no direct correspondence at the state level, imperialism continued to be located in the old institutional structures. No global entity contributed the legal systems, social traditions and political legitimacy required to ensure the global reproduction of capital.

The supremacy of the United States was overwhelming and the imperialism of that period was identified with its imprint. NATO was forged under the leadership of the Pentagon and the United Nations were located in New York. That predominance reflected an economic superiority that was stabilized with the neutralization of rivals. The old demolition of defeated competitors was replaced by support for their reconstruction under the command of the winning power. The United States introduced a system of subaltern alliances to counter the resurgence of its adversaries.

The leading power acted as a global sheriff. It protected all ruling classes from popular insurgency and geopolitical instability. To ensure compliance with this role it obtained external financing to sustain the dollar and Treasury Bonds. The Pentagon was the structural support of Wall Street.

In contrast to classical imperialism, the ruling classes of the First World accepted that military patronage. That is why collective security replaced national defense as the guiding principle of armed intervention. Washington established privileged links with

the main elites of the planet and universalized its ideology of celebration of the market and the exaltation of individualism.

The main function of postwar imperialism was to contain the revolutionary surge and the danger of socialism. US bases were established throughout the planet to counter popular uprisings in Latin America, Africa and Asia.

The cold war against the USSR was another decisive component of this action. All capitalist classes were aligned in a strategy of tension with the socialist bloc. This confrontation differed qualitatively from the inter-imperial clashes of the past due to the absence of bourgeois primacy in the Soviet Union.

The system of that country was not commanded by a ruling class that owned the means of production and oriented to accumulating capital. The ruling bureaucracy defended its own interests and sought coexistence with Washington to settle disputes in the respective areas of influence. But it did not follow the imperial pattern of subduing territories to increase profits. Harassment of the USSR was a decisive feature of postwar militarism and the end of that regime inaugurated the current stage of 21st century imperialism.

Comparison with the British antecedent

In the last four decades there has been a radical change in the international role of the United States. A persistent crisis of leadership has succeeded the unquestionable postwar primacy of North America. Many authors highlight the similarity of declining trajectories with the English precedent (Roberts, 2016: 39-40). They point to the similarities in monetary management and political action.

Both powers formed the only global capitalist empires. The pre-capitalist (Rome, Spain, Netherlands) and non-capitalist (Soviet Union) rulers could not be pigeon-holed as such. Other failed empires (France) or defeated ones (Germany, Japan) never achieved planetary pre-eminence.

The dominant world status of the Anglo-American duo was based on military superiority and also included the economy, finance and culture. Both powers achieved industrial supremacy and capture of financial flows. They exercised in addition an overwhelming intellectual influence that was confirmed in the universalization of English as a lingua franca.

But the UK distinguished itself from its transatlantic peer by its adaptability to redeployment. It exhibited a flexibility that the United States has not even hinted at (Hobsbawm, 2007: ch 3).

Size is a factor in this disparity. The limited surface area of the British isles promoted emigration and settlement in the immensity of the North American territory. While England had to conquer other regions to dispute pre-eminence, the United States developed with the arrival of the dispossessed families. It based its development on land

and not on external maritime incursions. It had certain similarities with the expansion of old Russia into the steppes from the central nucleus in Moscow. It also resorted to a self-centred model based on the domestic market and acted on a global scale only when its endogenous accumulation process had matured. It then entered the battle for imperial leadership.

But that size advantage has proved to be a double-edged sword. It allows it to contend with territorially equivalent rivals (China), but obstructs the adaptation displayed by its predecessor to a location more suitable to pursuing the competitive race.

This lack of North American flexibility also derives from its industrial model. The United States forged the vertically integrated company, with bureaucratic structures commensurate with its huge internal market. On the contrary, England transformed itself into the workshop of the world — with external supply and demand from foreign clients — using highly specialized and flexible companies (Arrighi, 1999: 288-322).

When the transformations of world capitalism affected the competitiveness of this model, Great Britain relegated industry to a renewal of its primacy in commerce and finance. The old manufacturer was converted into a new centre of intermediation and banking. The United States has been unwilling or unable to emulate that mutation. Its industry persists at a disadvantage rooted in the continental dimension of the country and experiments with dubious forays into the transnational sphere. It has sought to compensate for the manufacturing retreat using its pre-eminence in currency, finance and technology. But it faces trade deficits and debt imbalances of greater size than its predecessor.

American inflexibility in the face of British plasticity has some outstanding military determinants. The United States has forged a military structure that goes qualitatively beyond anything established by England. It has assumed a role of protection of world capitalism that the British never adopted. That unprecedented power reduces its ability to maneuver in the context of the contemporary multipolar scenario.

Britain knew its limits to maintaining world leadership and resigned itself to the loss of its empire through decolonization. America has closed off the paths to replicating that retreat. That is why it engages again and again in unsuccessful operations to rebuild its leadership.

England was able to process its departure from the foreground without giving up external interventionism. It has participated in countless military operations since 1945 and maintains 145 military bases in 42 countries (Pilger, 2020). Under Thatcher it even carried out naval raids of colonial reconquest (Malvinas), to shore up its internal onslaught against the working class and unions.

But those actions are framed in association with the North American imperial substitute. That is why the corollary of the military operation against Argentina developed under

Blair's command in a more subordinate accompaniment to the US wars in the Balkans, Afghanistan and Iraq (Anderson, 2020).

Washington cannot emulate that British course of secondary military action complementary to that of the imperial leader. No partner replaces it in its pre-eminent role and in the global function that it continues to exercise.

These differences affect the variable application of the informal empire concept. That notion fit perfectly with the UK, but it is of questionable relevance to the North American case. The United States has dominated since the postwar period not only with economic primacy but with unprecedented military blackmail. True, it has never based its power on occupation nor has it built areas of domination or colonization. But it has used its firepower like nobody else.

Britain did not lead crusades on behalf of capitalism as a whole against popular revolutions or threats of socialism. It adapted to the postcolonial context in return for favourable economic agreements. The Pentagon manages the largest arsenal in history and is barred from that course.

The concerted imperial replacement taken by the Anglo-American model is not applicable to the current tension with China. That is why the United States needs to update its primacy with displays of force, but amidst increasingly more adverse results.

Finally, the ideological peculiarities of both powers are also shifting. Although in its heyday England administered a quarter of the planet, it always was explicit in the defense of its economic interests. True, it invoked "civilization" as its purpose, but more often resorted to messages of national superiority based on some founding myth of its own history. It did not abuse its mandate of salvation of the overseas subordinates.

In contrast, the United States forged itself as a nation without ancient roots and extended its domination using universalist ideologies. It has always masked its imperial action with pleas that it was coming to the relief of humanity. That self-deception not only contrasts with British flexibility. It empowers all the ingredients of megalomania that now snarl Washington in a dead end. We will need to see if that impasse now extends to England, or if on the contrary Brexit embodies another episode of the British flexibility to adapt to a new era.

Two different mutations

The three models of imperialism that have ruled since the 19th century were each closely connected with the functioning of capitalism in each era. But the two dimensions are not subject to the same pattern of transformation. Imperialism ensures the continuity of the system and plays a protagonistic role in the major crises. But it operates only as a mechanism of protection for that foundation. It does not constitute, like capitalism, a mode of production or a defining structure of the governing rules in society.

It is important to recognize these differences between the system and its mechanisms, to note how imperialism conforms to each historical period of capitalism. It does not form one of those stages. It only adapts its modalities to the required changes in the system. Capitalism has always included colonial or imperial modalities and has used changing forms of oppression to exercise its growing dominance.

That is why the geopolitical and military dimension of imperialism is so relevant. It helps us to understand how capitalism deals with its own crises and how it responds to popular resistance and revolutionary challenges.

Imperialism presents economic and ideological contours akin to the prevailing mode of capitalism, but its specific imprint is marked by the militaristic aspect. The current identification of the term imperialism with war, occupations and massacres expresses an accurate perception of its meaning. It applies as well to the international scope of its actions.

Certainly there is a peculiar economic facet of imperialism that must be studied in its specific form. That inquiry has led to important discoveries in recent decades. It has demonstrated how the capitalists of the centre appropriate the resources of underdeveloped countries.

The analysis of this dispossession corroborates the contemporary weight of imperialism, but it involves only one component of the phenomenon. The principal firms in advanced countries capture rents and profits from the periphery, based on the geopolitical-military domination that its states exercise globally. The epicentre of imperialism is located in that control. Before investigating the complex mazes of imperial economy it is necessary to clarify those military and state pillars of the arrangement. That is why we have begun our evaluation of 21st century imperialism using this dimension.

Understanding this arrangement requires clarifying the recent economic transformations of capitalism. It is necessary to clarify the changes in the dynamics of surplus value, accumulation and the rate of profit. The initial evaluation of imperialism has proceeded along another path, however. Before investigating foreign investment, the terms of trade or differential rates of exploitation, it is necessary to determine how and by whom geopolitical-military domination is exercised at the global level.

These differences of analysis in the study of capitalism and imperialism are revealed in the dissimilar results of both inquiries. While the transformations registered in capitalism are visible, the changes in imperialism have not yet been defined. They are two processes subject to modifications of a distinct nature.

Contemporary capitalism has radically mutated under the impact of neoliberalism, globalization, digitization, precariousness and financialization. These transformations have no direct correlation in imperialism. The changes on both planes unfold at a differentiated rhythm. The economic mutation is drastic and its geopolitical manifestations are diffuse. Twenty-first century capitalism is totally different from its

postwar precedent. But imperialism at present maintains many features of continuity with the previous model. There is ample proof of this asymmetry.

Categorical transformations

Today's capitalism emerged from the great crisis of the 1970s. This upheaval ended in the new model that neoliberalism embodied. Since then low growth has prevailed in the West with a significant expansion in the East that is not enough to reboot the world economy. The decline of the United States and the rise of China — in a framework of reduced increase in global GDP — synthesize that scenario (Katz, 2020).

Globalization has impacted all areas of the system. It has modified the industrial geography by shifting production to the Asian continent. That region has become the great workshop of the planet, to the detriment of the old manufacturing primacy of Europe and the United States. This turn is based on the increase in exploitation of workers and in a novel process of productive internationalization, accompanied by significant commercial and financial correlates.

The globalization of the economy has shortened times spent on productive activity. It has reinforced the leadership of transnational companies through the international cleavage in the manufacturing process.

It has deepened a new global division of labour, propping up models oriented to exports and articulated by global value chains. These circuits enhance the weight of intermediate goods and consolidate vertical specialization and outsourcing, the relocation of investments and the fragmentation of inputs and outputs.

This drastic change in the productive profile has in turn deepened the subdivision of the old periphery between a group of emerging countries that is industrializing and another that replicates the old pattern of export of primary goods.

The new productive globalization is also based on the revolution in computing that gave birth to digital capitalism. This mutation replicates many characteristics of analogous processes of radical technological transformation that have occurred since the 19th century.

The information revolution has facilitated the cheapening of the labour force and inputs through a significant reduction in the cost of transportation and communications. It has opened the way for multi-million dollar investments in digitization processes, modifying the ranking of the large firms. The high-tech companies lead in earnings and set the pace for all players in the system.

These transformations also consolidate a new situation for labour marked by precariousness, insecurity and flexibilization. The capitalists implement these abuses taking advantage of the enormous reserves of the global labour force. They move plants to regions with weakened, banned or non-existent unions in order to create a climate of

fear of job losses. The reconversion of jobs is conditioned by this huge geographic remodeling of industry and services.

The labour process is also registered in an internal differentiation between activities of design, development and manufacture that upset all the distinctions between manual and mental labour. Work identities have been drastically affected by this restructuring.

Financialization constitutes another visible mutation in contemporary capitalism. It includes not only the gigantic increase in financial assets but significant qualitative modifications in the self-financing of companies, the securitization of finance and family management of mortgages and pensions. The convulsions generated by this expansion of the financial universe intertwine with shocks derived from the deterioration of the environment.

Capitalist valorization has undermined for centuries the material foundations of economic reproduction. But the environmental disaster of recent decades tends to break the age-old equilibria that allowed the construction of societies based on exchange with nature. If global warming continues to deepen the ecological footprint, the looming disaster will leave all the known convulsions far behind.

The environmental debacle has some similarities with the demolition generated by the two world wars of the last century. Destructive tendencies have been forged that are beyond the control of the capitalists themselves and can lead to endless disasters.

These dangers periodically surface through capitalist crises of the 21st century. Those outbreaks were not spawned from previous downturns. They burst like market explosions from the bubbles generated by financialization. The 2008 disruption was illustrative of that variety of misalignments. It began with the default of subprime debtors and resulted in a traumatic collapse of interbank operations.

These crises differ significantly from those prevailing in the 1930s. They are not marked by deflation and bank failures. In the contemporary dynamics, they are marked by state rescue of banks and the combination of monetary expansion with fiscal austerity. This sequence confirms the enduring character of state interventionism.

When those financial crises precipitated by speculation in securities and currencies reach intensities of capital importance, underlying productive imbalances also emerge. The old and well-known overproduction is the main cause of these convulsions, but it assumes another scale in the globalized economy.

New forms of itinerant global overproduction impact on all value chains. These tensions go beyond the traditional dispute between powers over the placement of surplus goods and they provoke turbulent processes of capital devaluation.

Mutations in purchasing power, in turn, increase the effect of these contemporary crises. The old stable consumption norm has been replaced by more unpredictable procurement patterns and the erosion of purchasing power deepens income decline and job

insecurity. That retraction of consumption crowns the spiral of contradictions of today's capitalism.

This review of changes in the functioning and stresses of that system illustrates the enormous scale of the registered mutations. The capitalism of the 21st century is radically different from its predecessors of the past century.

Uncertain alterations

The transformations in the imperial sphere do not appear as forcefully as the modifications in capitalism. In imperialism there is a crisis marked by the repeated failure of the US project to recover its world leadership.

The correlation between free-trade capitalism and English supremacy that prevailed in the 19th century or between interventionist capitalism and North American primacy in the 20th century does not exist today. Globalized, digital, precarious and financialized capitalism develops without a geopolitical-military command. The United States fails to lead it, nor are replacements in view.

The United States continues to be the system's gendarme. With its humungous military budget it rules the seas, controls the skies and manages the computer networks. The bloody air raids of recent decades are a constant reminder of the deadly warning it issued with the atomic bombing of Japan.

But that power has been undermined by the limitations of a power corroded by internal crises that paralyze its leading role in global politics. NATO remains as a behemoth affected by sharp differences over funding. The old empires continue to endure in a furtive (England) or conflictive way (France), but each power seeks to achieve its own global relocation by distancing itself from obedience to Washington.

The United States relies on regional ramifications to sustain its global power. It promotes Israel's late colonialism to control the Middle East and bolsters Australia's arsenal to guard Oceania. It retains Canada as an accomplice in its operations and consolidates the bases in Colombia to keep an eye on Latin America. Its Eastern European missiles are aimed at Russia and the weapons provided to Japan and South Korea threaten China.

But what capacity does Washington show to impose its agenda on this network of partners, appendages or vassals? In recent decades it has failed in all regions. It maintains the same formal postwar primacy in a radically opposite setting. It exhibits an enormous warlike power, without the cohesion required to enforce that power.

That is why the imperialism of the 21st century does not present a defined physiognomy. It is a category in gestation, which will only adopt a clear contour when the crisis of the United States reaches a point of resolution.

Turmoil ahead

Studies of imperialism flourished during the last century but decreased dramatically at the beginning of the new millennium. The very use of the term was excluded from the current vocabulary of the Social Sciences. Neoliberalism and globalization monopolized the attention of analysts and dominated all reflections on contemporary capitalism.

The escalation of regional wars, the drama of the refugees and the impact of terrorism reintroduced interest in the issue. Questions about imperialism were associated with the evaluation of the flagging American attempt to recover primacy.

In the past decade that inquiry included a generalized revitalization of the term empire. But that change in language did not change the substance of the problem. In fact, the way in which the two terms are handled is unclear. Imperialism and empire equally fit the role of the United States. Since World War II it no longer operated as just one more opponent on the inter-imperialist chessboard nor did it shrink from serving as a single empire in the entire system.

The United States has not confronted its rivals in war nor has it incorporated in its structure the main ruling classes or states of the planet. It stood at the top of an associated structure of collective imperialism.

As this arrangement is in the process of being remodeled, whether it is to be classified in the plural (imperialism) or singular (empire) is quite unclear. The system of current world domination does not resemble the classic era of inter-imperial battles, nor does it establish an exclusive global management centre.

Other more evaluative applications of empire and imperialism face more drawbacks. They tend to consider or denigrate the modalities of global governance. In conventional Political Science the first term is synonymous with order and the second with confrontation. Both meanings avoid investigating the connection of these variants with the functioning of capitalism or with the needs of the ruling classes.

All the questions generated by 21st century imperialism have taken on another dimension from the shock generated by the Great Confinement of 2020. The crisis of the pandemic has highlighted the magnitude of the natural disasters that capitalism promotes. The coronavirus alarms us to the looming catastrophe if climate change cannot be tempered.

The extensive paralysis of the economy and the unprecedented state aid to avoid depression converged last year with the contraction of workers' income, increased job insecurity and the reinforcement of inequality. The pandemic has portrayed the functioning of a system based on oppression. This regime could not survive without the protection that imperialism offers to the dominators.

This arrangement performs numerous functions, but it prioritizes the subordination of workers. It is a mechanism built to deal with mass popular resistance. Imperialism includes military intervention against those uprisings and the fomenting of war among the dispossessed themselves to deflect popular discontent.

The great popular revolutions were the main background for the system's militarism. These uprisings determined the course taken by classical imperialism and its postwar corollary. The current variant will also remain marked by the dynamics assumed by the rebellions of the oppressed. But the more immediate arena of definition of 21st century imperialism is located in the clash that opposes the United States to China.

Katz adds: "We will address that issue in our next text."

24-1-2020

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[\[1\]](#) For another, not unrelated attempt to analyze these disparities, see Todd Gordon and Jeffery R. Webber, “Complex Stratification in the World System: Capitalist Totality and Geopolitical Fragmentation,” *Science & Society*, Vol. 84, No. 1, January 2020, 95-125.