

Imperialism and capital export

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September 2025

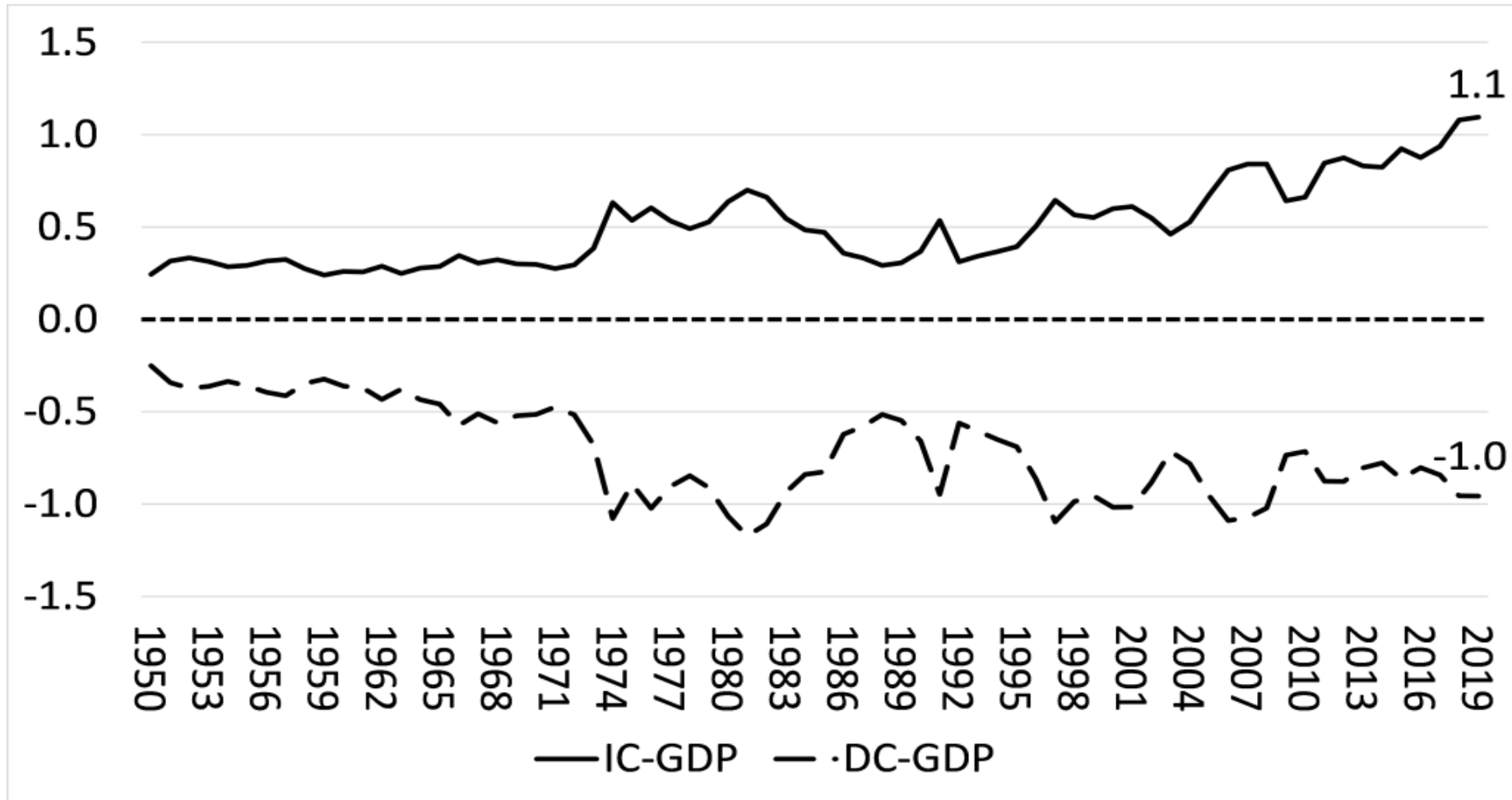
Lenin on imperialism

- (1) the concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life;
- (2) the merging of bank capital with industrial capital, and the creation, on the basis of this “finance capital,” of a financial oligarchy;
- (3) **the export of capital as distinguished from the export of commodities acquires exceptional importance;**
- (4) the formation of international monopolist capitalist associations which share the world among themselves and
- (5) the territorial division of the whole world among the biggest capitalist powers is completed.
- Imperialism is capitalism at that stage of development at which the dominance of monopolies and finance capital is established; **in 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 territories of the globe among the biggest capitalist powers has been completed.**

Ways for imperialist extraction

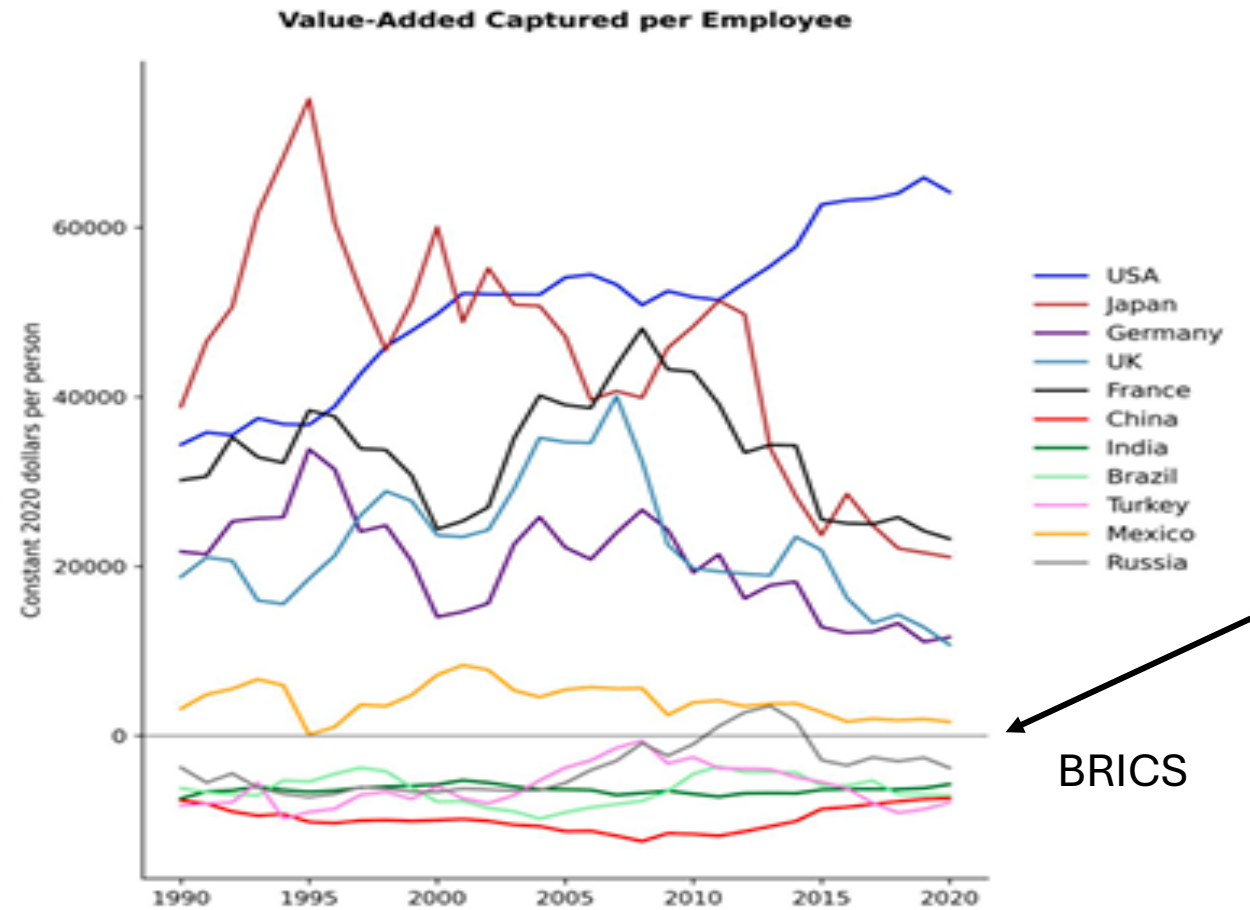
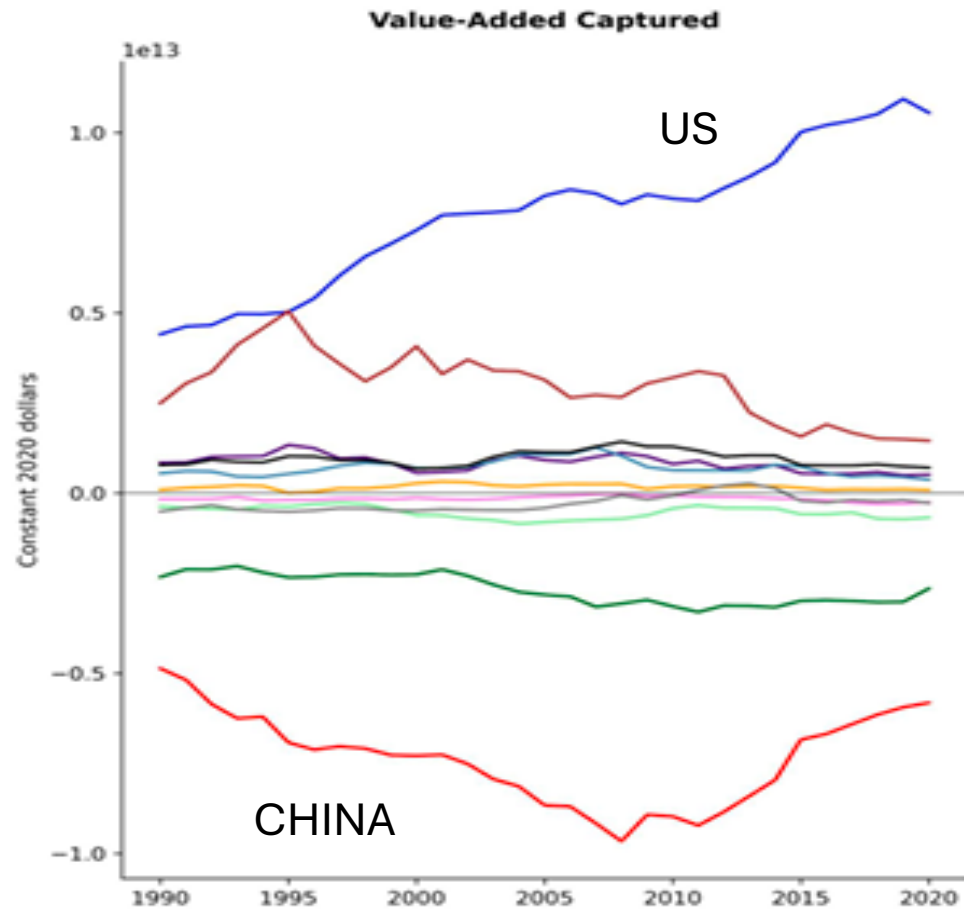
- Transfer of value through international trade (unequal exchange)
- Flows of profit, interest and dividends
- FDI flows and stock
- 'Excess yield' on net foreign assets

Transfers of value through international trade



Thomas Rotta: value captured

Value-Added Captured per Employee by Country (1990-2020)



Isikara and Mokre

- Using multi-regional input-output tables (MRIOT), they estimated value transfers for 159 industries, from 1995-2020. They found that there were international value transfers of 5.9% of gross global production annually over the period. with total cumulative transfers of over 70 trillion euros.
- The biggest net gainers were Japan, Europe and the US and the biggest losers were Brazil, Mexico, Indonesia and Russia.

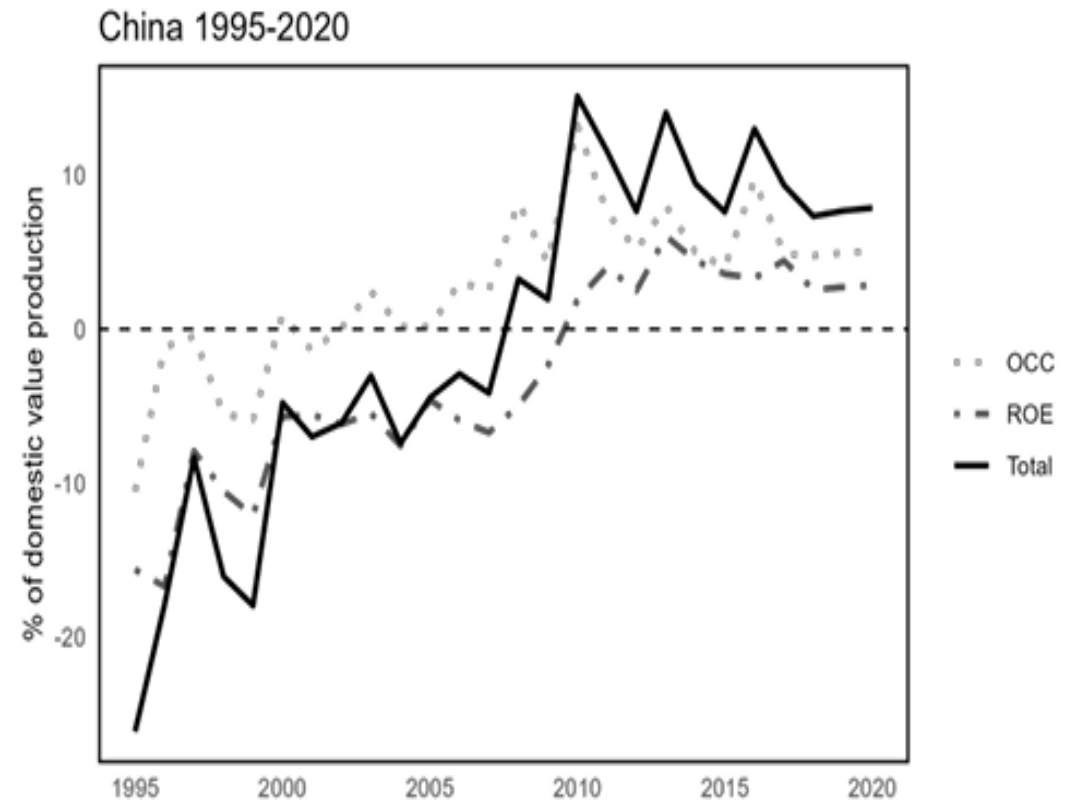
Country	Total	VCC	RSV	% MP
[Sum Positive]	5.90	3.01	2.90	100
JP	2.67	1.33	1.34	11.21
US	1.09	0.31	0.78	20.18
CN	0.90	0.90	0.01	18.63
IT	0.35	0.17	0.19	3.87
GB	0.33	0.10	0.23	3.68
BR	-0.45	-0.23	-0.22	2.51
KR	-0.47	-0.20	-0.27	2.98
RU	-0.50	-0.26	-0.24	1.98
ID	-0.55	-0.28	-0.26	1.32
MX	-1.11	-0.53	-0.58	1.92

China ending loss of value on trade

International Value Transfers (4)

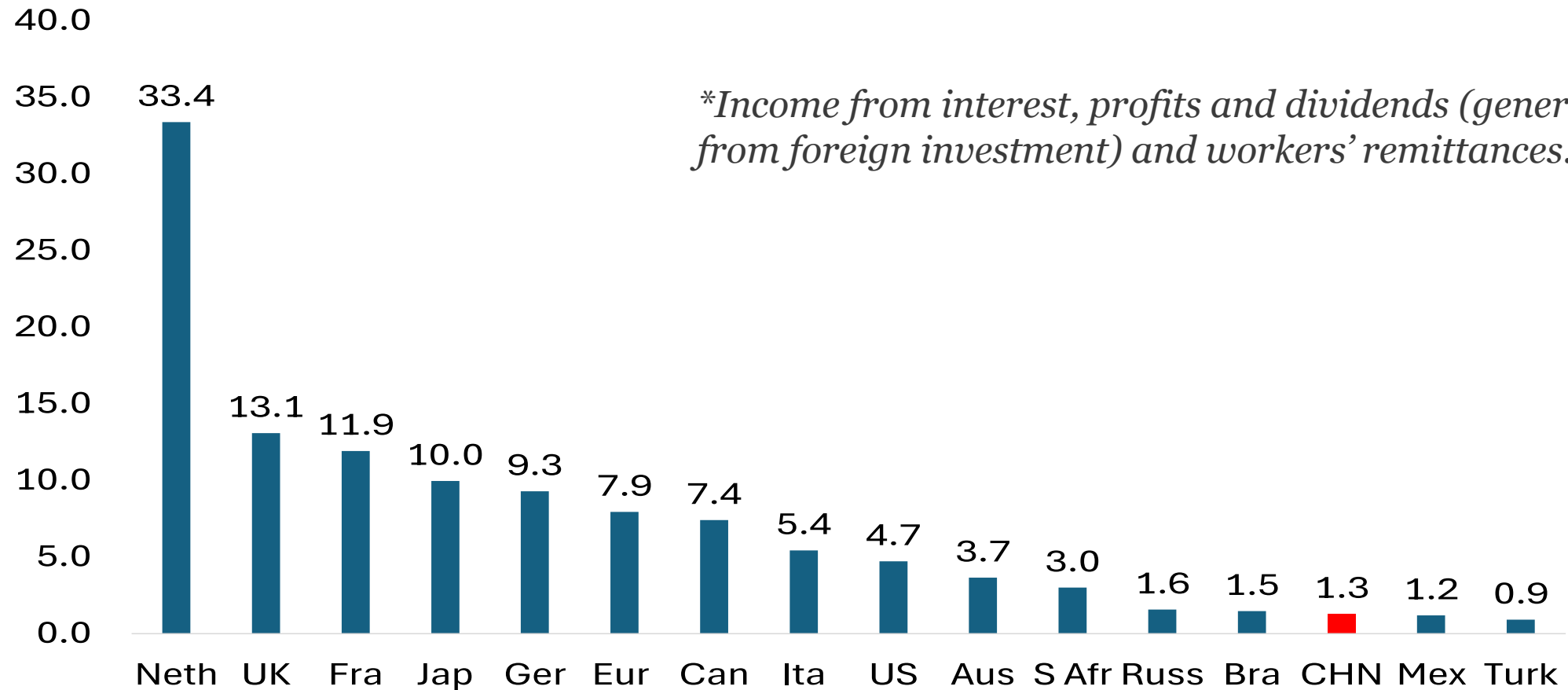
Between 1995 and 2020, China shifted from sending to receiving transfers, while US and Japanese influence declined.

The switch from net loser to net gainer was *almost entirely* due to high investment and technological advances ie a rising capital composition (OCC).



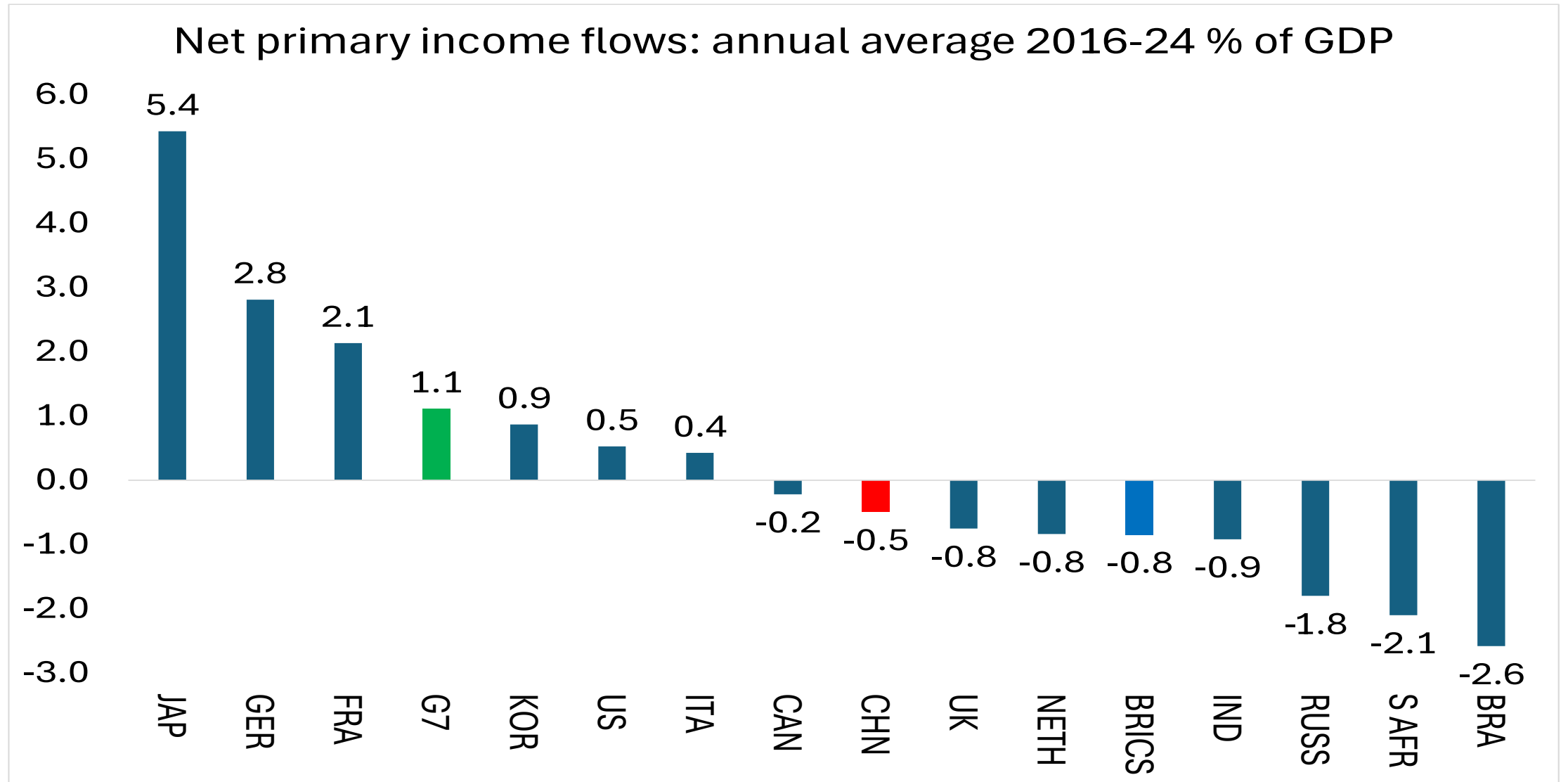
Gross primary income flows*

Gross primary income flows as % of GDP 2023

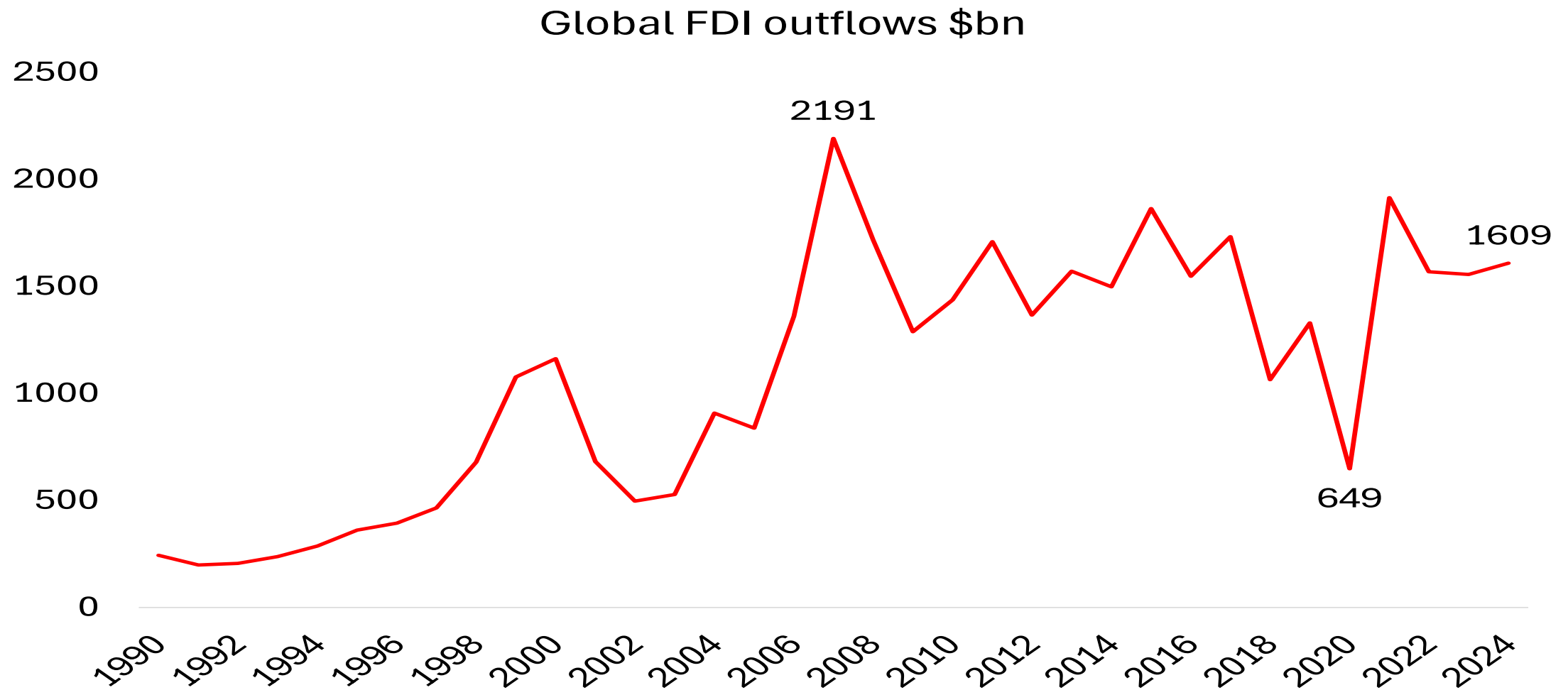


**Income from interest, profits and dividends (generated from foreign investment) and workers' remittances.*

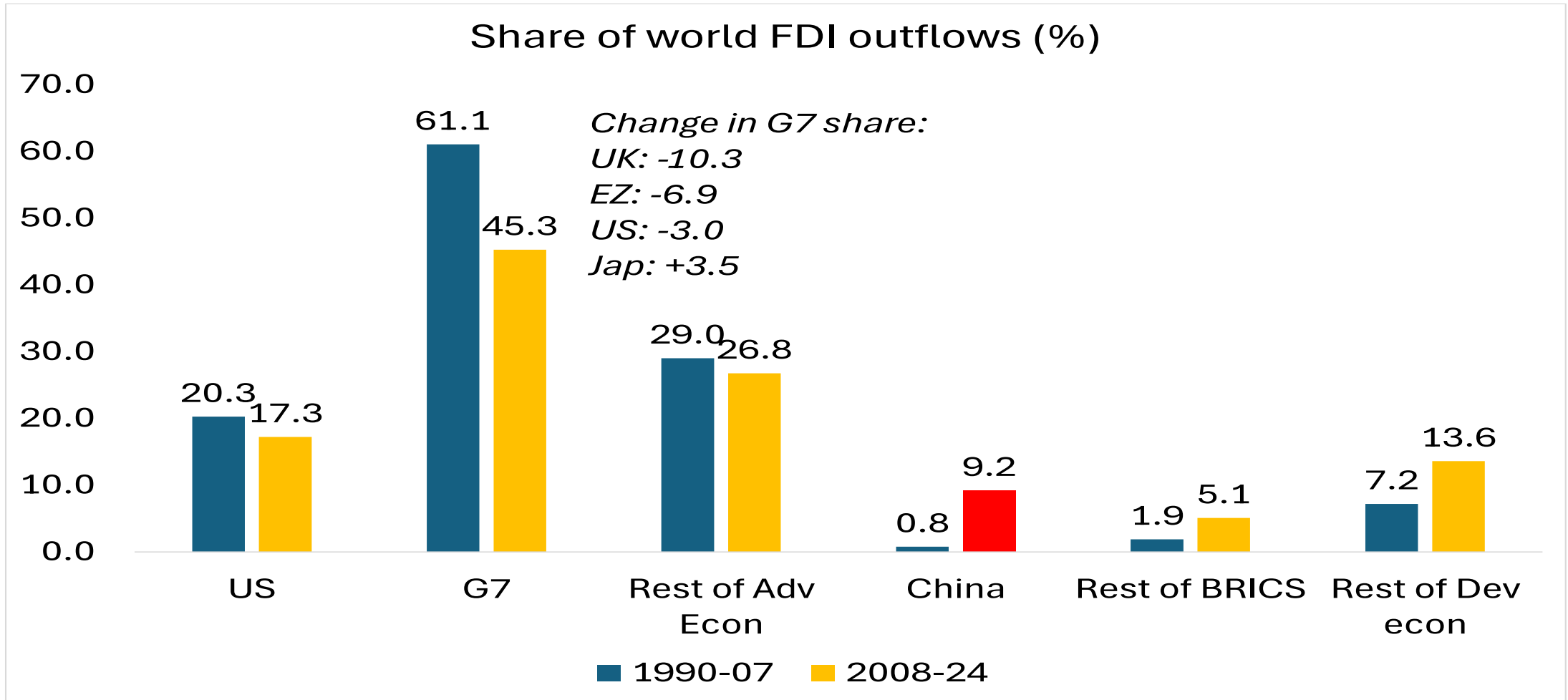
Net primary income flows



Global FDI outflows

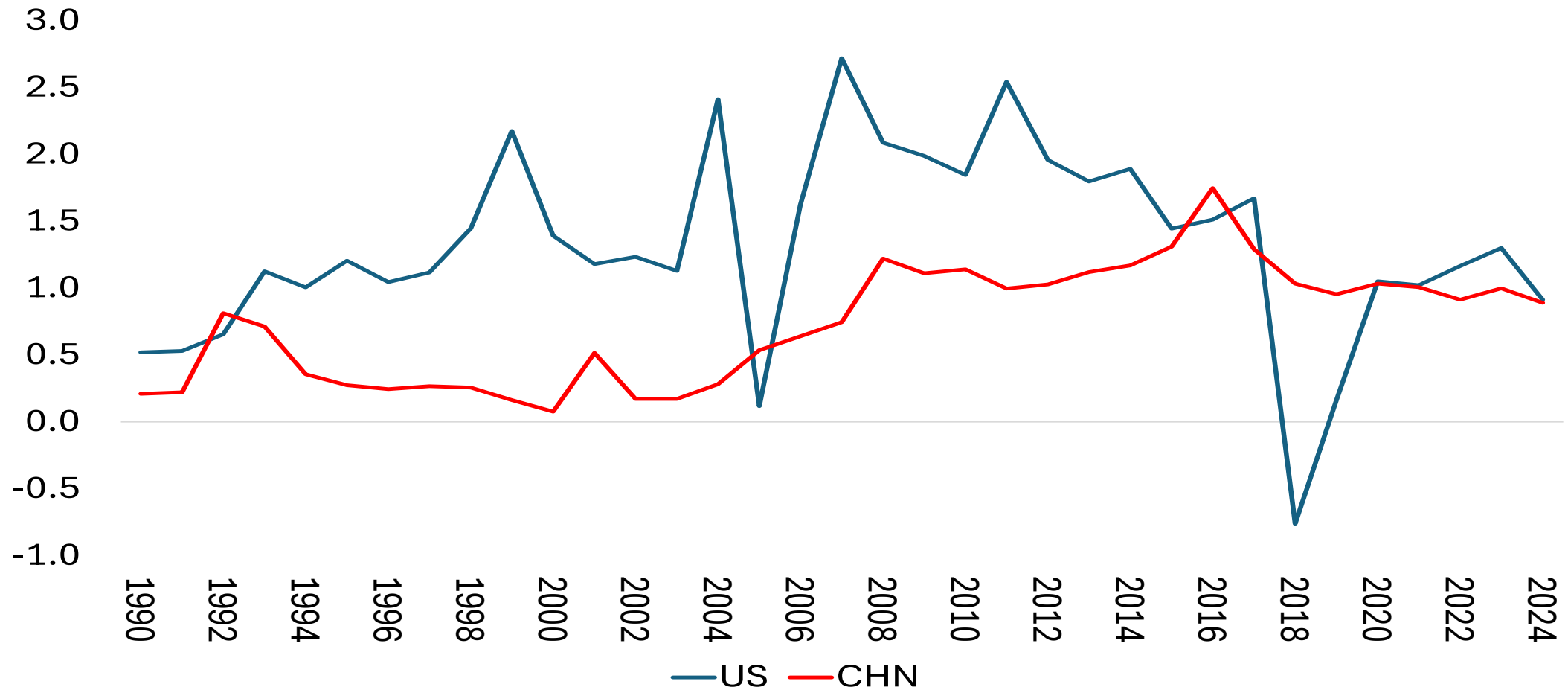


Share of world FDI outflows (%)



FDI outflows as % of country GDPs

US and China: FDI outflows as % of country GDPs



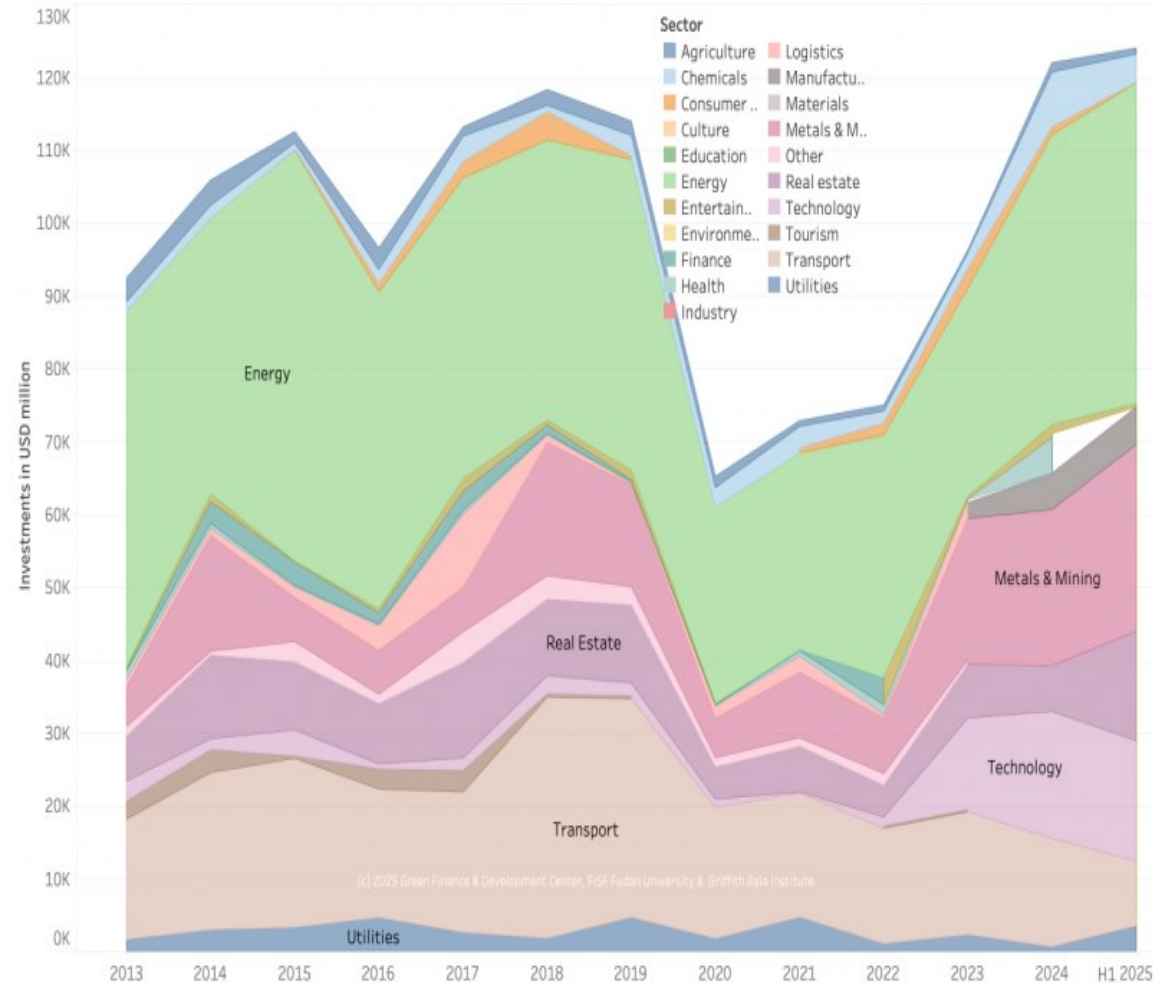
One Belt One Road (OBOR)



OBOR composition

Cumulatively, Chinese BRI engagement has reached USD 1.308 trillion since 2013 of which USD 775 billion in construction and USD 533 billion in investments.

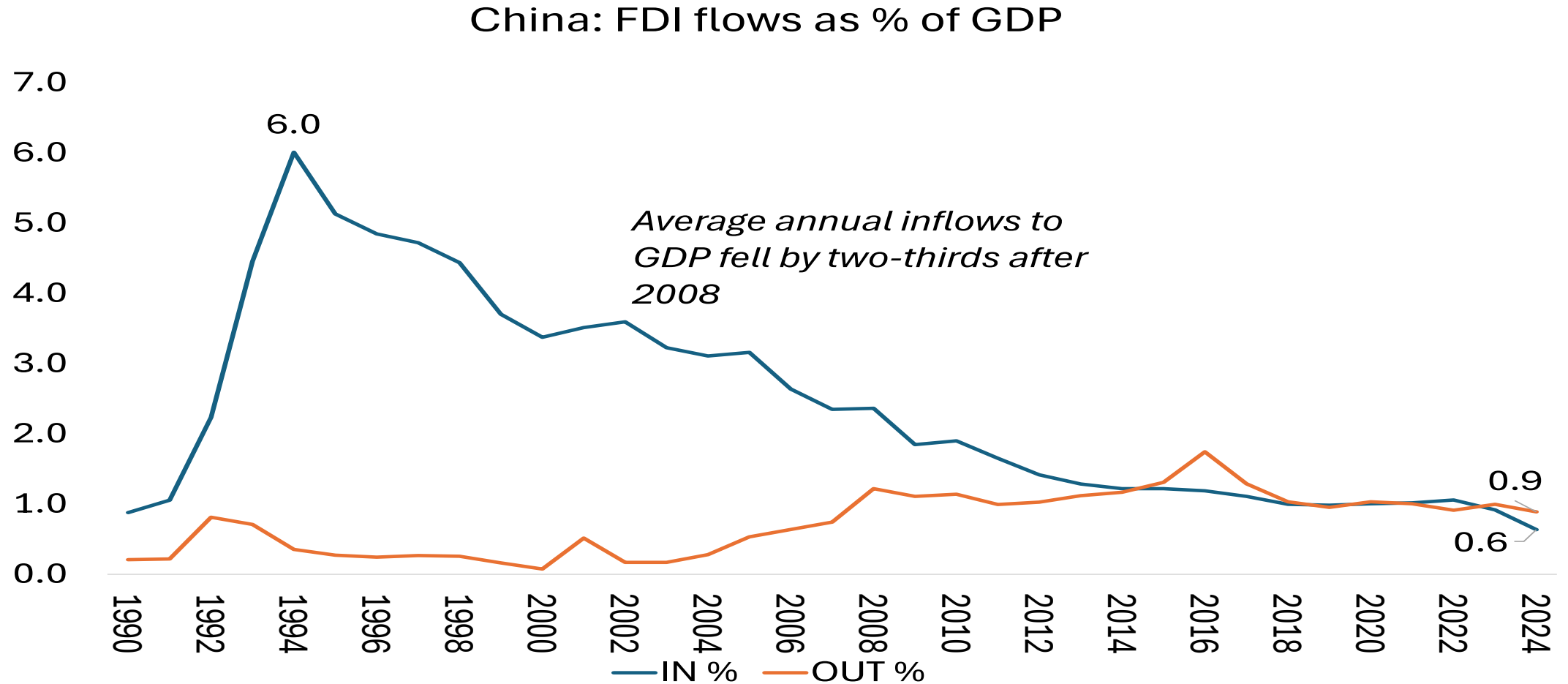
Chinese engagement in the Belt and Road Initiative since 2013



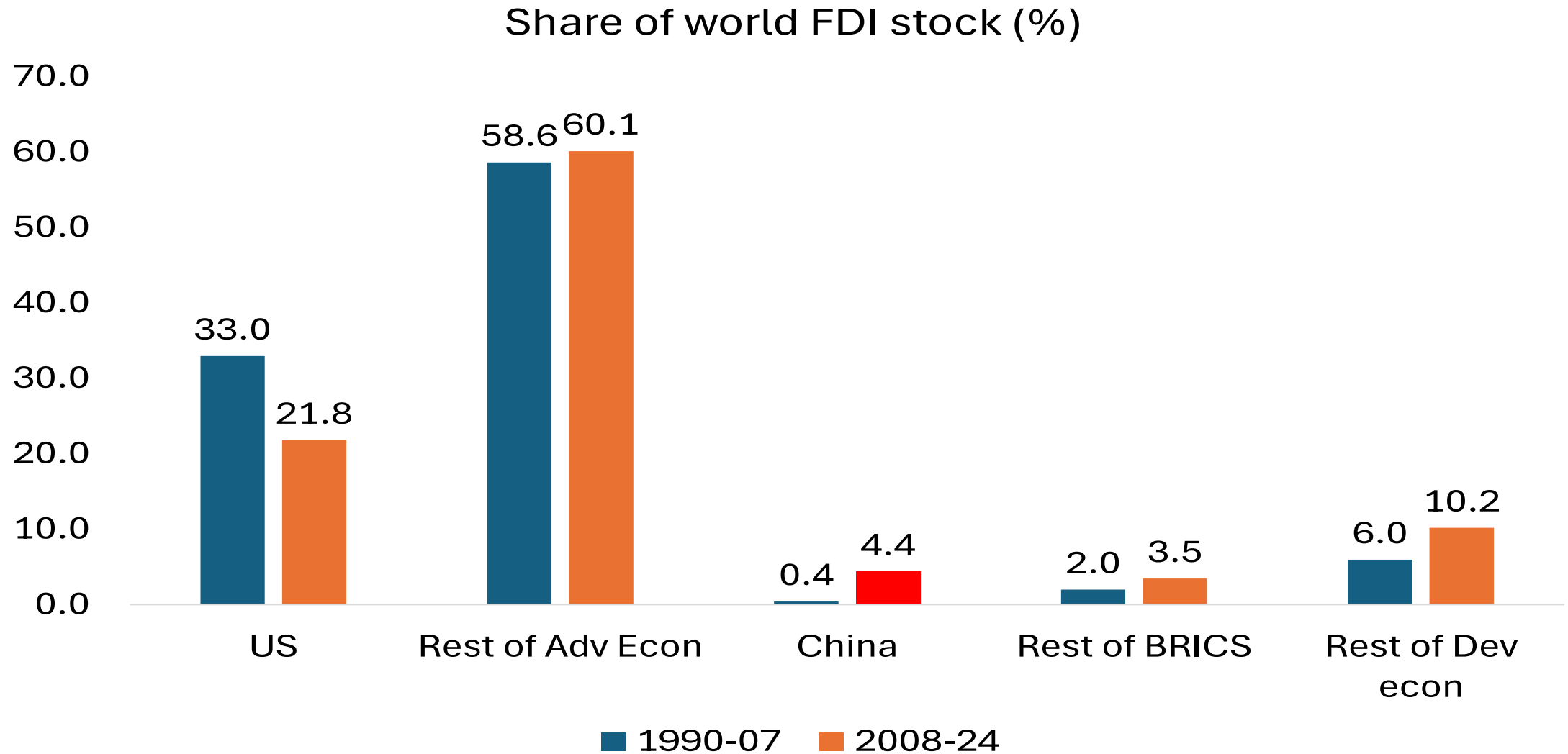
Chinese cumulative BRI engagement since 2013



China: FDI flows as % of GDP



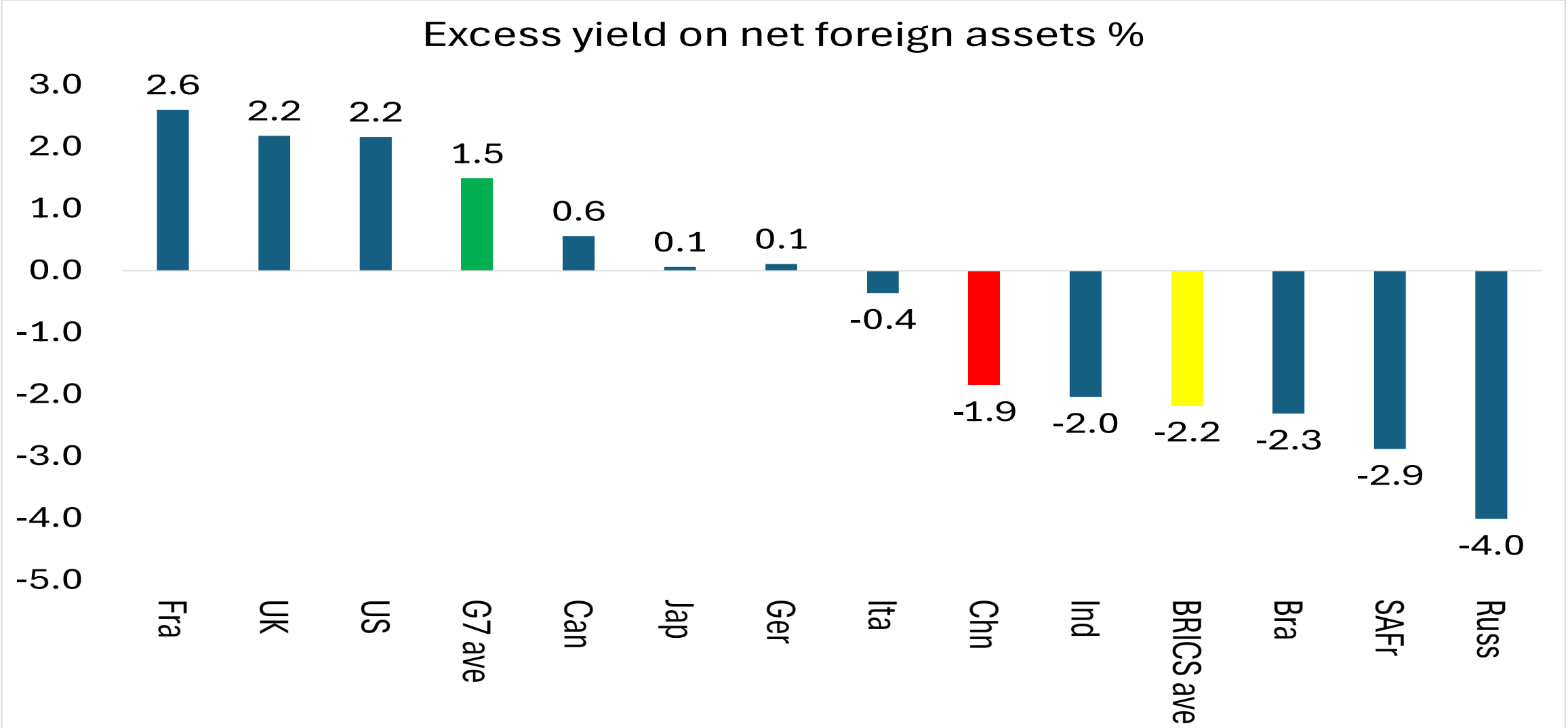
Share of world FDI stock %)



Excess yield on net foreign assets

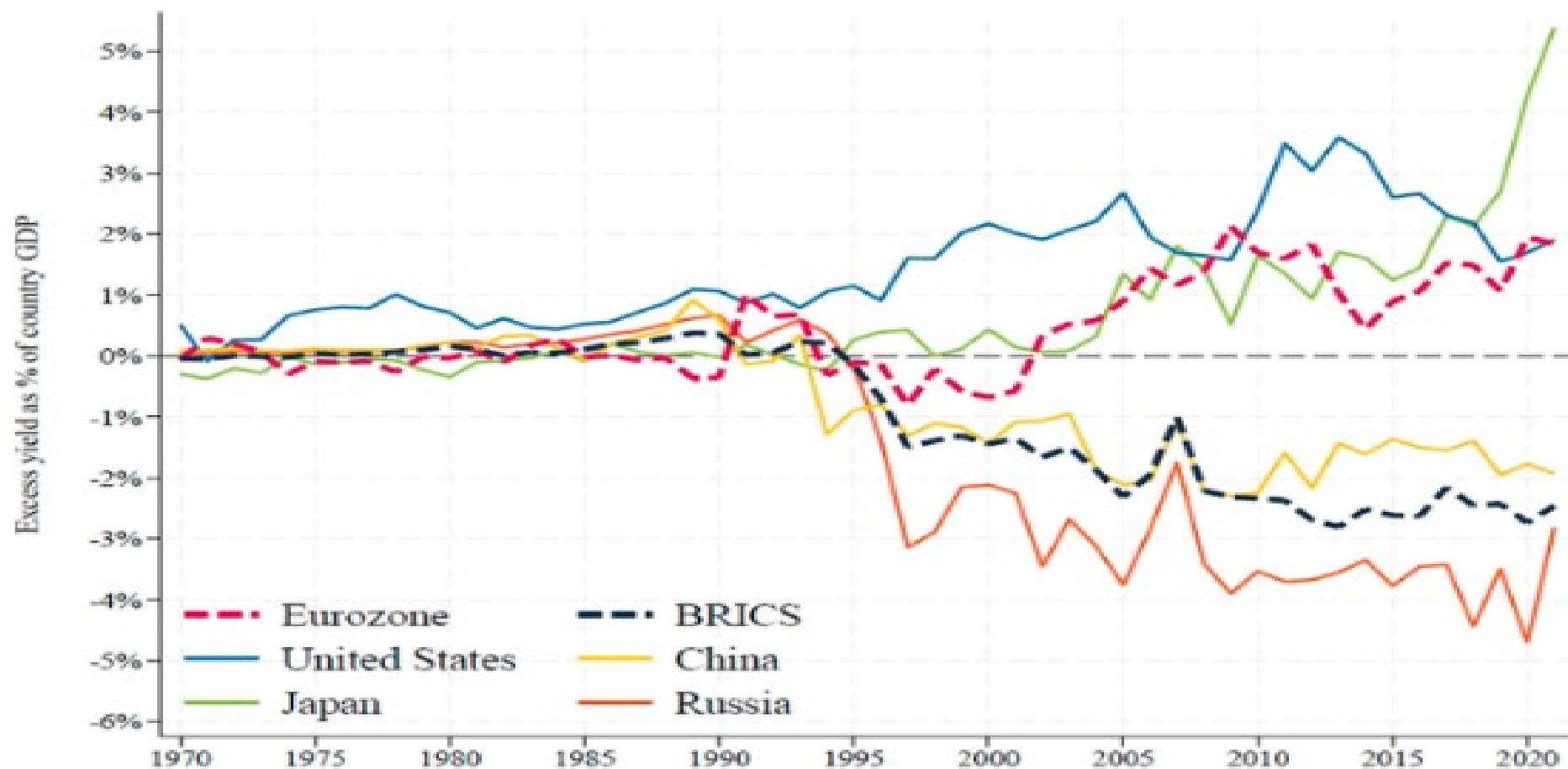
- “The richest countries have become the bankers of the world, attracting the excess savings by providing low-yield safe assets and investing these inflows in more profitable ventures. Such a privilege is translated into net income transfers from the poorest to the richest, equivalent to 1% of the GDP of the top 20% countries (and 2% of GDP for the top 10% countries), alleviating the current account balance of the latter, while deteriorating that of the bottom 80% by about 2-3% of their GDP.”
- Piketty et al from World Inequality Lab.

Average annual excess yield on net foreign assets as share of country GDP (%) 2000-22



The 'privilege' of imperialism

US privilege has become a Rich world privilege, financed by the BRICS



Conclusion

- The imperialist bloc of countries was virtually the same as those advanced capitalist economies that Lenin identified as the imperialist grouping in 1915, around 13 countries or so. There have been no additions to the club – it was closed to new members.
- Emerging capitalist economies in the last century were condemned to domination by the imperialist bloc. The study by the WID confirms that conclusion. Over the last 50 years in their survey, the imperialist bloc is unchanged and increasing its extraction of wealth income from the rest - and that includes the likes of China, India, Brazil and Russia.
- In that sense, these BRIC countries cannot be considered even sub-imperialist, let alone imperialist. And that includes China.