

Re-understanding of the Marxist Monopoly Capital Theory in the New Period

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Abstract

Marxist monopoly capital theory originated from Marx's monopoly thought in "Capital" and other works. On the basis of predecessors, Lenin inherited and developed Marx and others' understanding of monopoly capitalism and formed a more systematic Marxist Monopoly capital theory. In the new era, monopoly capitalism has shown new characteristics: the globalization of monopoly capital has deepened; the new carrier of monopoly organizations - multinational corporations comprehensively control the global economy; antitrust with the monopoly. At the same time, the new stage of monopoly capitalism has also exposed new contradictions: the polarization between the rich and the poor is serious; the hollowing out of the real economy and the excessive expansion of the virtual economy; overproduction and insufficient demand.

Key words: Marxism; Monopoly capitalism; Financial monopoly

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INTRODUCTION

The Marxist monopoly capital theory can be traced back to Marx's masterpiece — Capital. Marx has scientifically elaborated on "monopoly" in his works. Although Marx was in the era of liberal capitalism, his idea of "

Competition leads to monopoly" opened the mystery of monopoly capital for later Marxists. Some Marxists continued to explore and develop on the basis of Marx and Engels' monopoly thoughts. Finally, Lenin formed a relatively complete Marxist monopoly capital theory and realized the systematic exposition of monopoly capital theory. His book "Imperialism is the Highest Form of Capitalism" is also seen as a collection of monopoly capitalist ideas.

To understand monopoly capitalism, we should first understand its development process before we can analyze its changing trend. Marx believes that "no matter which social form, before all the productive forces it can hold out, it will never die." The development process of capitalism for hundreds of years has experienced several different historical stages, showing different Historical characteristics, and each stage can be seen as a major change and adjustment of capitalism in order to alleviate the contradiction between productivity and production relations which exerts more productivity and prolong the vitality of capitalism. Scholars use Marxist ideas and methods, combined with the staged development of capitalism, to divide the development process of capitalism into the following stages: First, the industrial revolution stage lasted for nearly 300 years from the 15th century, Secondly, from the 18th century to the end of the 19th century, the stage of free competition, which was the peak of free competition in capitalism from the 1860s to the 1970s. After that, with the advent of the second technological revolution, electricity was widely used. Great progress has been made in science and technology, and social productivity has developed rapidly. At the same time, market competition has become more intense. Bank capital and industrial capital have been continually integrated, capital concentration has increased significantly. Bankruptcy and mergers have occurred frequently and monopoly organizations have emerged.

Thus, capitalism entered the stage of monopoly capitalism, and some scholars called it the stage of imperialism. At this time, the contradiction between private monopoly and socialization of production continued to deepen, and the combination of state and monopoly capital appeared, that is the stage of state monopoly capitalism. This is the way in which most scholars agree.

After entering the stage of state monopoly capitalism, especially since the 1980s, the information technology revolution has been strong, and scholars have different viewpoints on the stage of monopoly capitalism. Liu Ru (2013) believe that although contemporary capitalism presents some new features, it still does not break through the framework of state monopoly capitalism, and state monopoly capitalism is still in the stage of exploration and adjustment. Some scholars believe that monopoly capital is expanding wildly in the world, and multinational corporations have gradually become the main form of capitalist monopoly. From this, it is judged that capitalism has entered the stage of international monopoly capitalism.

Gu Hailiang (2001) divided the development of capitalism into three stages according to a stage of 120 years. At present, it is the highest form of capitalism developed on the basis of private monopoly and state monopoly, namely the stage of international monopoly capitalism. Yan Huiming (2006) believes that capitalist society is a process from low-level to advanced stage, and the essence of capital is to pursue profits, so capital has the characteristics of infinite expansion. Economic globalization not only provides a realistic foundation for the development of international monopoly capitalism, and it is also the main symbol of the development of capitalism into the international monopoly stage.

On this basis, Qi Lan (2003) proposed the concept of monopoly capital globalization. She believed that economic globalization at the end of the 20th century was the basis for the globalization of monopoly capital, and the content of monopoly capital globalization covered and greatly exceeded the global economy. Zhou Miao (2014) believed that modern capitalism cannot simply be regarded as international monopoly capitalism. It has entered a new stage—the stage of international financial monopoly capitalism, which is the highest ruling power in the world. Wang Bo (2014) divided contemporary monopoly capitalism into four stages. On the basis of state monopoly capitalism, international monopoly capitalism and financial monopoly capitalism, capitalism formed social capitalism through self-sublation, its main performance is the socialization of capital possession, and points out that socialism will be nurtured in the mother of capitalism and eventually replaced.

1. TRACE THE SOURCE, THE HISTORY OF MARXIST MONOPOLY CAPITAL THEORY

1.1 Marx and Engels - the Germination of Monopoly Capital

Marx discussed monopoly in *Capital*, and he believes that free competition leads to capital concentration and inevitably produces monopoly. Monopoly capital is an inevitable outcome of the development of capitalism to a certain extent. It can be considered that the emergence of monopoly capitalism is actually a way of self-change that capitalism chooses in order to alleviate internal contradictions - the contradiction between production socialization and private ownership of production materials. As Marx said in the “Communist Manifesto”: “The bourgeoisie cannot survive unless it revolutionates the production tool ceaselessly, and a production relationship can be revolutionated, thus a revolution in all social relations.”

Regarding the process of producing monopoly, Marx made a detailed discussion. Only by continuously extracting surplus value can capital realize its own proliferation. Therefore, capitalists should maximize the extraction of the flesh and blood of “living labor” and increase the possession of surplus value by “sucking as much surplus labor as possible”. Before this, the capitalists need to put the accumulated surplus value (profit) into production, transforming it into capital and expanding production scale. Because competition is mostly determined by the price of the commodity, and only by scale production, the production cost can be reduced under other conditions.

Therefore, in the process of free market competition, capital is continuously concentrated, thus accelerating capital accumulation. Small enterprises are constantly being squeezed out and banned by large enterprises because of small scale, low capital, and poor competitiveness. As Marx said, “...The intensity of competition is directly proportional to the number of competing capital and inversely proportional to the size of competing capital. The result of competition is always the collapse of many smaller capitalists, part of their capital transferred into the hands of the winners, and part of which disappears.” In this way, through rounds of capital concentration, many small capitals are gradually annexed by a small number of large capitals, while large enterprises become larger enterprises. This leads to monopolization. Although Marx’s research on monopoly capitalism is limited by the era in which he lived, he has clearly realized that monopoly is the product of capitalist mode of production. He foresees that “the real obstacle to capitalist production is capital itself.” In reality, this

is a game of “capitalists exploiting capitalists”, the result of such a monopoly of competition will inevitably further deepen the contradictions of capitalist society, so capitalism will inevitably go extinct.

Marx and Engels discussed the organizational form of monopoly in the “Capital” and other works. Marx believes that the capitalist alliance is the earliest form of monopoly organization, he realizes the shareholding system plays an important role in the process of capitalist monopoly, and elaborates that the joint-stock company is the main organizational form of monopoly. On the basis of Marx’s thought, Engels combined the characteristics of the monopoly enterprises that appeared at that time, and conducted an in-depth analysis of the trust monopoly organizations.

1.2 Lenin - the Establishment of Monopoly Capital Theory

Based on the capital principles and monopoly thoughts of Marx and Engels, Lenin used detailed statistical data to discuss monopolistic forms. Lenin believed that financial capital is the highest form of monopoly capital. He profoundly revealed the economic characteristics of capitalism and substance, the theory of imperialism was finally formed.

1.2.1 The Five Major Economic Characteristics of Imperialism

In “Imperialism is the highest stage of capitalism”, Lenin combines several capitalist countries to analyze and expound the five major economic characteristics of imperialism:

First, it will form a monopoly when production and capital concentrates to a certain extent, monopoly organizations play a decisive role in economic life. According to the actual economic data of Germany, the United Kingdom, Lenin proved the thought of Marx about free competition produced production concentration, and “when the concentration developed to a certain stage, it naturally went to monopoly.” Because production is socialized, and capital is still private, the basic contradiction of capitalism is the inevitable condition for the formation of monopoly, and monopoly can not only solve this problem but also deepen it to a certain extent.

Second, the process which banks become intermediaries from intermediaries is the process of the integration of bank capital and industrial capital to form financial capital, and it gradually becomes the rule of financial oligarchs, which also marks the entry of capitalism into a higher stage. “The concentration of production; the monopoly that grows from concentration; the convergence and long-term integration of banks and industries – this is the history of financial capital generation and the content of this concept.” It can be said that financial capital has created an era of monopoly organizations, and these organizations that manipulate huge capital, “absolutely inevitably

penetrate into all aspects of social life”, including politics, culture and other aspects.

Third, capital output has become the basis for imperialist exploitation of other countries and nations. “For the old capitalism, in which free competition dominates completely, the commodity output is typical. For the latest capitalism dominated by monopoly, the capital output is typical.” Lenin believes that the premise of capital output is the imbalance of political and economic development in various countries. Since a few “developed” capitalist countries have few opportunities for profitability in the country, capitalists have to export capital to relatively backward countries to obtain greater profit margins, but in the long run, they have not only deepened the oppression and crushed of the imperialist countries against other countries, but also affected the domestic development of capital-exporting countries to a certain extent.

Fourth, the capitalist alliance divides the world. Lenin believes that the capitalist monopoly alliance divides the domestic market, and the fundamental characteristic of capitalism is to pursue profits. When the domestic market cannot satisfy the capitalist’s desires, the monopoly alliance will naturally turn to the world stage, reach a world agreement, and establish an international cartel. Concentrate production and capital around the world to form a super monopoly. “The latest capitalist era shows us that the capitalist alliances have formed a certain relationship on the basis of economically dividing the world. ...Various political alliances and countries have also formed a certain relationship on the basis of dividing the world from the territories, competing for colonies, and ‘vying for economic territory’.”

Fifth, imperialism has finished dividing the world. The “finish” here does not mean that it will not change any more. Lenin specifically pointed out that the imperialist colonial policy has occupied every land on the earth, but this is only “the world has been divided for the first time” and will be re-divided in the future. Lenin believes that the formation of financial capital is closely related to the struggle to “divide the world”. The former is the decisive force that exists in all economic relations and international relations. It can even dominate some completely independent countries in politics.

1.2.2 Imperialism Is Decadent Capitalism

Lenin believes that “imperialism is the monopoly stage of capitalism.” In this case, imperialism also has the parasitic and decadent nature of capitalism. It is a stage before the dying struggle of capitalism. First of all, “in the scope of stipulating the monopoly price, technological progress... the motivation for progress has disappeared to some extent; secondly, it is economically possible to artificially hinder technological progress.” Therefore, the monopolistic nature of the imperialist stage magnifies the inertia of the capitalists to a certain extent, making them tired of technological innovation, hindering technological progress and reducing economic benefits. Secondly, as

the large amount of money capital is concentrated in the “richier class”, they do not have to participate in business or labor and completely separate from production. They only need to rely on “cutting the coupons” and exploiting other countries for a living. “If the forces of imperialism do not encounter resistance, it will lead to decay and extinction due to this parasitic nature.

2. THE NEW DEVELOPMENT OF MONOPOLY CAPITALISM IN THE NEW ERA

No matter how the times develop, the essence of capitalism has not changed, and monopoly is still its economic foundation. However, with the progress of the times and the development of society, capitalism has moved to a new stage of development. Under the new era, the development of monopoly capitalism has shown new development characteristics, at the same time it cannot conceal the irreconcilable contradiction of capitalist society.

2.1 New Features of Monopoly Capitalism

2.1.1 The Degree of Economic Globalization Has Deepened - The Globalization of Monopoly Capital

The essence of economic globalization is the globalization of monopoly capital, and monopoly capital is dominated by financial capital. The current financial capital monopoly in the capitalist world can be called “a new type of financial war monopoly”. It can be said that scientific and technological progress provides the necessary conditions for financial monopoly. Network information and financial liberalization have enabled financial capital to achieve a dominant position in the world economy. A series of financial derivatives such as stocks, options, securities, and futures created by financial innovation are full of capital markets, and even determine the circulation of world capital and the rise and fall of the economy. Monopoly organizations constantly carry out capital expansion, capital export, and seizure of the world market for maximizing economic benefits. At the same time, monopoly capital is united with the government and gains government protection.

2.1.2 Changes in the Form of Monopoly Organization - The All-Round Rule of Multinational Corporations

In the stage of financial monopoly capitalism, multinational corporations have become the main carriers. They formed global network layouts and established global production systems through subsidiaries and branches throughout the world, gradually infiltrated its branches and veins into the markets of various countries and realizing the all-round rule of the world economy by controlling key technologies, information, capital, production, sales and markets.

In the Fortune 500 list released by Fortune 2016, Wal-Mart, which ranked first for three consecutive years, had revenues of \$482.1 billion in 2015, while the country's gross domestic product with a population of 4 million in 2016 was 471.8 billion. The US dollar ranks 149th in the world. In 2013, the world's top 500 business revenues were 30.3 trillion US dollars, twice the total US GDP. Among them, there are 132 US companies with a total operating income of 8.6 trillion US dollars, exceeding China's total GDP in 2012. In 2011, the “World's 500 Largest Economy” released by China Economic News, there are 408 multinational corporations rich in enemy countries, they are from 20 countries (regions), of which 114 companies belong to the United States. As we know, there are more than 200 countries and regions.

The above data shows that the extraordinary dominance of multinational corporations in today's world economy, their economic strength and influence can completely compete with a considerable number of independent regimes, and even control the world political situation. In the book “Target China: Washington's ‘Slaughter Dragon’ Strategy”, American economist William Endol called the Rockefeller family, the George Bush family, the DuPont family, and the Bill Gates family “Global Carter Alliance.” They control the lifeblood of the world economy through 150 multinational corporations in their hands, occupying more than 40% of the world's wealth. In addition, they control the media and elections, making them their spokesmen and envy, coercing the government to make concessions and compromise. They even use military and political means to provoke war, interfere in internal affairs, seize strategic resources, capture ideological and cultural positions, and infiltrate and disseminate Westernization ideas. These super-enterprises have formed a network layout that controls the development of the world with their own super strength, and also exposed the greed nature of monopoly capitalism.

2.1.3 Anti-Monopoly With Monopoly

With the prevalence of monopoly capitalism, the banner of anti-monopoly is also lifted by governments and international organizations. As the name implies, anti-monopoly mainly regulates and restricts the monopolistic behaviors and trends of enterprises, and intervenes in market structure and corporate behavior.

The history of antitrust in the United States has been more than a hundred years. After the end of the American Civil War, there was a national unified market, at the same time a monopoly organization in the form of trusts was created. Mobil Oil was the first trust of the US oil industry at the time. In order to curb these monopoly organizations and safeguard the interests of consumers, the Sherman Act was promulgated in the United States in 1890, which is also the first anti-monopoly law in the world. In 1914, as a supplement to the Sherman Act, the United States successively promulgated the Clayton Act and the Federal

Trade Commission Act. Subsequently, Japan, Germany, and Italy also introduced anti-monopoly laws.

As a developing country, the anti-monopoly legislation process is relatively late. On the one hand, these developing countries, especially socialist countries, generally implement a planned economic system, enterprises cannot compete freely, and naturally there is no need for anti-monopoly. In addition, the main industrial sectors of these countries are state-owned enterprises, and it is more important to maintain their dominant position. However, with the development and opening up of the market, the advantages of free competition and private enterprises are gradually shaking the status of state-owned monopolies. Private economy and competition mechanisms can stimulate market vitality and improve economic efficiency. Countries have also joined the team of anti-monopoly legislation. China's anti-monopoly began to receive attention after joining the World Trade Organization. In 1993, China promulgated the "Anti-Unfair Competition Law of the People's Republic of China", and it promulgated the "Anti-Monopoly Law of the People's Republic of China" in 2007.

2.2 New Contradiction of Monopoly Capitalism

2.2.1 Polarization Is Getting Worse

Rich countries are richer, poor countries are poorer, and world countries are becoming more and more polarized. This is a contradiction facing the current world. To analyze the reasons, we can briefly summarize the following points: First, due to the existence of "top effect", the market mechanism of rich countries (developed capitalist countries) is perfect and the level of productivity is very high. Therefore, in the context of economic globalization, it will be suppressed. Even destroying the immature productive forces of developing countries and seriously hindering the development of relatively backward countries; second, the developed capitalist countries have aggressed by virtue of sufficient capital advantages and advanced technological advantages, possessing the superior resources, cheap labor and open market of developing countries. Developing countries can only be used as primary factories, while developed countries have mastered core technologies and earn high monopoly profits. Third, monopoly organizations in developed capitalist countries occupy the position of world economic hegemon, not only in economics, but also in the political, cultural, social and other fields are rule makers.

2.2.2 The Weakening of the Real Economy and the Super Expansion of the Virtual Economy

In the current world, the virtual economy is growing stronger and stronger. Some developed countries have even gradually turned from industrial empire to financial empire. Marx also discusses the virtual economy in Capital. He believes that virtual capital is a non-productive

proliferation result. It is the increase of monetary income generated through the "derived" process of the financial system. The moderate virtual economy is conducive to the development of the real economy and has an absolute advantage especially in the virtual economy, information transmission and other aspects of the virtual economy. However, the excessively expanding of virtual economy, which breaks away from the foundation of the real economy and even the overhead of the real economy, makes the real economy gradually hollow, which will cause a huge economic bubble. The Dutch tulip bubble, which was staged in the 17th century, and the world economic crisis triggered by the US subprime mortgage crisis in 2007, have fully proved the illusion of economic prosperity created by the virtual economy, which makes people illusory and makes irrational consumption of the virtual economy and investment. Once the capital chain breaks and the economy fluctuates greatly, the return of value will inevitably lead to the bursting of the bubble, eventually creating a financial crisis and developing into an economic crisis. In the context of economic globalization, any economic crisis may affect the economic development of countries around the world.

With the continuous opening and development of the Chinese market, the virtual economy such as finance has also experienced excessive development. The proportion of China's financial industry's added value to GDP has also shown a rapid increase, from 4%-5% in 1994 to 8.4% in 2016. This figure has exceeded the US data for the same period. Xi Jinping once pointed out: "A country must have a correct strategic choice. China is a big country. It must develop real economy, continuously promote industrial modernization, raise the level of manufacturing, and can not break away from reality." At present, the focus of China's economic work is to promote structural reforms on the supply side, and to achieve a healthy, stable and sustainable development of China's economy in the new era. At the same time, the five tasks of "de-capacity, de-stocking, deleveraging, cost reduction, and short-boarding" can guide capital to return to the real economy, reduce systemic risks in the financial industry, enhance the real economy, and enable the virtual economy to serve the real economy. It is a powerful measure to achieve coordinated development of the real economy and the virtual economy.

2.2.3 The Contradiction Between Overproduction and Insufficient Effective Demand

The basic contradiction of the capitalist system is the contradiction between the large-scale of socialized production and the private possession of production materials. Its direct result is the relative surplus of production, which also determines the inevitability of the capitalist economic crisis. Marx once pointed out: "The final cause of all real-life crises is always that the poverty of the masses and their limited consumption. In contrast,

capitalist production strives to develop productivity.” In capitalist society, the performance of this contradiction is that people have consumer demand, but they cannot afford to buy, at the same time, people want to increase their purchasing power by continuing to produce, but they cannot continue to produce because they have already produced too much. These developed capitalist countries, in order to alleviate the overproduction caused by highly developed socialized large-scale production, maintain a sustainable capital turnover, and use their developed financial system to integrate the world market into their own capital turnover cycle. At the same time, they promote the “debt” consumption to offset the current lack of demand with future demand and use financial leverage to extract higher profits for capitalists. As everyone knows, this does not fundamentally resolve the contradiction between supply and demand imbalances, in other words, capitalists do not care about how to resolve “contradictions”. Their sole purpose is to extract surplus value infinitely under limited resources. This will undoubtedly further deepen the inherent contradiction of capitalism.

Economic globalization and integration has deepened the links between the countries in the world. Every country is inevitably affected by the world economy. It is in the full recognition of the new situations of the world economy and the Chinese economy in the new era. China has proposed a series of new measures under the new economic normal. Comprehensively deepen reforms is precisely to cope with the changing global economy and ensure the sustainable development of China’s future. As the reality of overproduction and insufficient effective demand, China has implemented supply-side structural reforms to solve the problem of overproduction and insufficient effective demand, adjust the structure of the market economy, improve the competitiveness of enterprises, stimulate market potential and vitality, and promote the transformation and upgrading of China’s industry.

3. HISTORICAL MISSION-INHERITANCE AND DEVELOPMENT OF MARXIST MONOPOLY CAPITAL THEORY

The society is constantly developing and advancing, and the theory of monopoly capitalism will continue to evolve and complement with the development of capitalism. In order to survive and develop, capitalism will make corresponding adjustments and changes in every crisis, but the capitalist system cannot fundamentally overcome

its own contradictions, and its demise is its ultimate destination - although this will go through a very long period of time. In the new era, capitalism and socialism have undergone historic changes, but as Marx and Engels proposed, “the two futures, two roads, two destinies, and two powers of socialism and capitalism struggle all the time”. No matter how the times change and develop, the existence of class relations will inevitably lead to the continuation of the struggle. Capitalism cannot change its greed and decaying nature. With the continuous development of capitalism, this nature will intensify. The inherent contradictions of capitalism will also become increasingly sharp. The demise of capitalism and the victory of socialism are the final outcomes.

Although China is still in and will be in the primary stage of socialism for a long time, compared with the long history of capitalism, the superiority of the socialist system has not been fully exerted. The socialist countries are full of vigor and unlimited potential. To understand capitalism correctly, we must understand the stage, characteristics and trends of capitalism. Therefore, we must shoulder the historical mission of the development of Marxism, inherit and develop the Marxist monopoly capital theory. Combining with the actual situation of China’s economic and social development, we will establish a theory of socialist economic development with Chinese characteristics in the context of economic globalization and integration.

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