

## Imperialism as highest stage of Capitalism: A case study of Lenin's *Imperialism, the Highest of Capitalism*.

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**Abstract:** V.I. Lenin's book *Imperialism: The Highest Stage of Capitalism* is an epic example of explanation of society through the economic prism. He explains various stages of society at their initial stages like sedentary cultivation, peasantry, slavery, feudalism etc. Then he comes to the point of Capitalism. Capitalism in its peak form raises to imperialism, on the other hand Capitalism in its initial stage co modifies land and labor. Capitalism had its seeds in surplus extraction by a community. Profit maximization is the main principle of capitalism. Gradually, surplus was extracted by the state. Monopolies created crony capitalism. This way capitalism gave birth to imperialism. This whole process is aptly described by Lenin in this book. He also described the post world war scenario. The world war changed the socio-cultural setup of the world politics. Role of Germany is important in both the wars. Profit, with time, has gone more of a exclusive thing. This way income inequality has increased.

**Keywords:** Imperialism, Capitalism, Labor, Globalization, Monopoly, Profit, Inclusive growth.

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### I. Introduction:

V. I. Lenin's *Imperialism, The Highest Stage of Capitalism* was written in the year 1916. Nevertheless, it holds its importance still in the 21<sup>st</sup> century also. Imperialism has not lost its past glory and yet has taken many new forms. The forms of imperialism are different in their modes of expression. Unlike past, colonial expansion is not limited to state annexation 21<sup>st</sup>. Technology has given many scopes of domination hitherto unavailable. The modern globalization era of the new capitalist genre, has given birth to, a new forms of imperialism. Thus, to know the past of imperialism is to understand social change.

The push towards a new economic order after feudalism was subjected to the market policies. The market determined the production process. Unlike pre-capitalist society, economic exploitation had gone stronger, Lenin verifies this with data. We can, as many noted historians like R.S. Sharma has done, term all pre-capitalist society as feudal. Transformation of feudalism into the highest stage of capitalism is the main theme of Lenin's book. Capitalist society gives birth to a phase of world order which is called imperialism. The previous system of domination by political force was changed into domination through business.

### II. Result and Discussion:

The new features of economic globalization have outdated the old order of military actions. New forms of earning wealth have led to the income inequality among the masses. Lenin warned of such consequences. Lenin also mentions about the **holding system** which empowers the monopolies. The main feature of Lenin's book is the analysis of economic aspect of the society. In doing this, Lenin has mentioned, the history of the world economic order. Working upon a society needs to be studied from the stand of economic view point also, because Marx pointed out how economic existence determines social position. Lenin sets pre capitalist societies as feudal. Before the feudalism people hunted, lived a *tribal* life and economic inequality was, obviously, less. Then the concept of private property came into existence. Gradually came the concept of money, which helped a class to become monopolist. Lenin gives important to every aspect of society; although in this book Lenin studies the relationship between the economy and society. If we look at another works of Lenin, **cultural imperialism** has also found a place. Culture according to him is an *independent variable*. Unlike classical Marxism, Lenin, has not given undue importance to the economic element. This is a progressive side of Lenin's thinking.

Nonetheless, economic element has impact upon the ideological orientation of a person. Ideology does not exist in vacuum. The 20<sup>th</sup> century that Lenin worked upon had many economic aspects, that resulted in the growth of **super-capitalism**. At the first hand, the speculative prices of land led to profits for the land owning class. Then came the phase of raw materials, where raw materials get commercialized and became 'commodity'. The export rose from the East Asian countries and China to USA and Europe. *Cultural hegemony* came

alongside economic dominance. American 'ethics' literally became 'world ethics'. Wall Street of New York became the epic center of world economy. Lenin's book covers this phases vividly. 20<sup>th</sup> century also witnessed financial crises of 1930. According to Lenin, crises are inherent in capitalist *cycle of growth*. He says that *democracy, free competition, laissez faire* are catchwords that capitalist uses to deceive the peasant and the working class.

Globalization was a product of the 19<sup>th</sup> century. The big capitalist nations naturally were export oriented nations, with or without colonies. In the phase of industrial boom, the profit of the capitalist class increases but in time of depression small industries get bankrupt. This is the general nature of globalization. In its run to 20<sup>th</sup> century, globalization, as explained by Lenin, the state itself has become a capitalist. Ideologies have their economic applications. Intellectual platform of globalization was built in the 20<sup>th</sup> century. The ideology of the capitalism presented a world order where inclusive growth was possible. But, we, in the 21<sup>st</sup> century, know that this is partially true. Lenin showed this fact in 20<sup>th</sup> century. The ideological **free trade** has its genesis in Adam Smith. *Laissez faire* policy brings poverty to a large section of people. Renaissance scholars like Erasmus gave base to *Mercantilism*. In the 20<sup>th</sup> century scholars of Universities like *Cambridge, Oxford, and Harvard* gave the ideological base to globalization. The politics of Britain, Germany, France, Russia, Japan, China etc. favored free trade across the globe. Communication allowed access to every nook and corner of the world. These are the points that Lenin highlighted. Concentration of capital, according to Lenin, is the prime feature of the capitalism. All small enterprise are merged to a single corporate which searches for *super profits*. *Super profit* is the word used by Lenin.

Lenin has given a composite picture of the 20<sup>th</sup> century imperial system and it's functioning. Lenin regards railways as the most striking tool of exploitation of the bourgeoisie civilization. As per Lenin, as long as private possession of means of production exists, imperial war is inevitable. Lenin, further, went on to highlight the class character of the two world wars<sup>1</sup>. World war was an epic example of clash of interest among imperial players. Germany wanted to dominate the 20<sup>th</sup> century world order so as the other western European countries. Britishers were already a potent power, attaining a large chunk of the colonial pie. France provided a strong resistance to the British domination in the South-East Asia. Italy had a strong hold in African countries. He, further, writes that imperialism is the initial stage of the social revolution of the proletariat.<sup>2</sup> Workers-turned bourgeoisie have been termed by, Lenin, as *social prop*<sup>3</sup>. This *social prop* has a major role to play in turning bourgeoisie imperialism into communism. The treaty of Brest-Litovsk have been termed as dictation by monarchist Germany and so as the treaty of Versailles<sup>4</sup>. According to Lenin, 'monopoly', is the latest phase of capitalist development<sup>5</sup>. Monopolization is the main driving force of capitalism in its latest phase. Monopolization breeds inequality. That's why Joseph Stiglitz says that there is an unbalanced approach to the proponent that globalization is progress; developing countries must accept it; if they are to grow and to fight poverty effectively.<sup>6</sup>

Christopher Caudwell says about culture in one of his writings, 'the artist in bourgeois culture is asked to do the same thing. He asked to regard the art work as a finished commodity and the process of art as a relation between himself and the work, which then disappears into the market. The whole pressure of bourgeois society is to make him regard the art work as hypostatized and his relation to it as primarily that of a producer for the market.'<sup>7</sup> There is also a cultural element of imperialism which can be understood from the other works of Lenin. Imperialism, according to Lenin, always strives for annexation.<sup>8</sup>

We, according to Lenin, have reached a stage where commodity production reigns.<sup>9</sup> In this context, Lenin praises, J.A.Hobson's book *Imperialism* as an important insider to the study of imperialism.<sup>10</sup> According to A.R. Desai, 'These wealthy sections, the king, the nobility and the merchants, had a surplus of wealth to maintain; artist, philosophers, poets, painters, musicians, sculptors, architects, builders who could erect marvelous monuments, engineers who could construct magnificent palaces, astronomers and other categories of scientists, physicians etc.'<sup>11</sup> Thus commodity production determines socio-cultural constructions.

Capitalism, according to Lenin, is the highest stage of development of commodity production, where labor is itself a commodity.<sup>12</sup> As per Lenin, 'cartels can abolish the crises in globalization', is a myth spread by groups that want to show capitalism in a favorable light always.<sup>13</sup> A monopoly penetrates, into every sphere of public sector and it becomes uncontrollable by government regularity mechanisms.<sup>14</sup> This way, **finance capital** is concentrated in few hands.<sup>15</sup> Land speculation is another feature of finance capital.<sup>16</sup>

1898 is a watershed moment in the anti-imperialist journey of the USA. In that year USA waged a war against Spain and anti-imperial lobby gained popularity.<sup>17</sup> The concept of **protectorate** came into use by Lenin. Portugal was given a protectorate status by Great Britain aftermath of colonial government crushed. Lenin says that old typical capitalism is of *export of goods*.<sup>18</sup> But in 20<sup>th</sup> century, the essence of imperialism is monopoly capitalism.<sup>19</sup> Monopoly arouse out of concentration of finance.<sup>20</sup>

Thus, 20<sup>th</sup> century, according to Lenin, marks the beginning of change from old capitalism to new capitalism.<sup>21</sup> New capitalism is *crony* capitalism. Lenin makes the concept of 'world colonial policy' clear in his book.<sup>22</sup> The colonial policies across the world was same. Raw materials were acquired at cheap prices from the colonies and were exported to home countries. Finished products were again exported to the colonial states and

were sold at much cheaper rate than the indigenous handmade products. The improved machinery, military power, intellectual hegemony are the features of 'world colonial policy'. Lenin draws the example of Cical Rhodes and his connection with Boer war in the 19<sup>th</sup> century, in this context<sup>23</sup>.

### III. Conclusion:

Individual centric history writing is one of the few drawbacks of Marxist writings. As Marxist themselves admits that an individual does not creates history. Individual centric history writings lead to hero worship. Lenin, in this book, several times, makes this mistake. Further, imperial culture took over the established cultural ethos of the colony. Lenin, in this book, lacks the discussion on the issue of cultural hegemony, which is done brilliantly by historians like Antonio Gramsci. Cultural hegemony can change the social profile of a colony and thus can change the political landscape also. Further it can be said that, the economic element of the imperialism is subjected to the cultural hegemony it imposes. Yes, indeed, livelihood is an important element in the survival of the humans, but it is not the sole criterion of human existence. Lenin's book has a great relevance in the 21<sup>st</sup> century politics. Imperialism has resulted in various wars in the 21<sup>st</sup> century. In the 21<sup>st</sup> century capitalism has turned into a crony one where finance capitalism rules. Lenin warned of this kind of outcome in the books he wrote. For this we can call him a foresighted philosopher.

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