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Book Review:

Imperialism: The Highest Stage of Capitalism

Umar Abdullahi

Book Review: Imperialism: The Highest Stage of Capitalism

Umar Abdullabi¹

Introduction

“Imperialism, the Highest Stage of Capitalism” has five chapters, which Lenin perceived as five stages of capitalist development. Themes covered in the book reflect the increasing concern over the issues that surround capitalism as an approach to development, especially in Africa and other underdeveloped countries. The book established the linkage between Empire-building and capitalist competition. In the various chapters, Lenin sought to demonstrate that Imperialism was the ultimate expression of Capitalism’s demand for new markets in order to sustain continuous growth and expansion. All the issues treated in the book are treated from a unifying perspective, hence offering a more comprehensive coverage as well as richer coverage of issues. The issues covered are:

- i. Concentration of production and monopolies;
- ii. Banks and their new roles;
- iii. Finance capital and the financial oligarchy;
- iv Export of capital; and
- v. Division of the world among capitalist associates.

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In chapter 1, the author examined the “Concentration of Production and Monopolies”. The author argued, in this chapter, that the rapid concentration of production in big enterprises is one of the major characteristics of Capitalism. This motivated the author to perceive Capitalism in its imperialist stage as an approach that directly leads to the most comprehensive socialization of production. The author rightly pointed out that the foregoing drives the capitalists against their will as conscience into some sort of a new social order, a transitional one from complete free competition to complete socialization. Production becomes social, but appropriation of surplus values remains private.

In chapter 2, the author wrote on “Banks and their New Role”. The author rightly observed that the principal as well as the basic function of banks is to serve as middlemen in the making of payments. In doing so, the banks have transformed inactive money into active money, but that goes into capital, yielding a profit. The banks collect all kinds of money revenues and place them at the disposal of the capitalist class. The Stage of capitalist development is characterized by the concentration of capital, which brought about the crucial role the banking system plays in a capitalist economy. Lenin aptly captured the fact that the capitalists put their money in banks and with the increase in their deposits, at a stage, the banks are forced to sell a large chunk of their shares to the capitalists, hence the interests of banks and industry converge to finance capital.

In chapter 3, the author focused on “finance capital and financial oligarchy”. It was rightly pointed out that the rise of finance capital created a new requirement for investment, which further created the need to export finance capital to backward countries. The central assumption here is that the advanced capitalist societies can become overripe, a situation that makes them look for opportunities for investment in countries with low wages, cheap raw materials, scarcity of capital, cheap land, among others. Such backward countries are destinations for investment. From the argument of Lenin, that the export of capital from 1870 through the First World War became a bloody colonization of Africa, a continent with vast untapped resources.

In chapter 4, the author wrote on “Export of Capital” and pointed out that capitalism is commodity production at its highest stage of development. Export of

capital brought about by the development of Capitalism led to the centralization of capital as well as all revenues, transforming thousands of scattered economic enterprises into a single national capitalism, and then into a world capitalist economy. Essentially, this fourth stage in the development of Capitalism was characterized by the formation of international monopolist capitalist associations. Just as monopolists obtained more or less of total possession of the industry of their own country, so, too, would an international cartel develop with the rise of finance capital.

In chapter 5, Lenin wrote on “Division of the World among Capitalist Associations” leading to the formation of Monopolist capitalist associations, cartels, syndicates, and trusts, which first divided the home market among themselves and obtained more or less complete possession of the industry of their own country. However, under capitalism the home market is inevitably bound up with the foreign market because capitalism long ago created a global market. With the increase in the export of capital and as the foreign as well as colonial connections and spheres of influence of the big monopolist associations expanded in many ways, things naturally turned towards an international agreement among these associations and towards the formation of international cartels. Therefore, the fifth stage focused essentially on the division of the world among imperialists.

Critical Assessment of the Book

The work of Lenin on “Imperialism, the Highest Stage of Capitalism” is relevant even in contemporary time because it provides a means, not just for understanding of imperialist expansionism, but wars between imperialist states too. As Lenin was writing the book, he witnessed the First World War in the history of Mankind. Between 1914 and 1918, the global most advanced capitalist nations turned every effort to bloody conflicts, killing fifteen million people in the process. Thus, Lenin’s work on Imperialism reveals a sick logic to the “Great War”, especially with respect to the competitive dynamics of the cartel, which were reproduced in the global arena, hence making the quest for profit backed by the military might of rival states.

The work of Lenin is equally relevant in contemporary times because one of the conclusions of the book is that anti-imperialism is not an optional peace at home and its opposite abroad. This is because imperialism provides a linkage between domestic and foreign affairs.

It is a truism that “Imperialism, the Highest Stage of Capitalism” is open criticism, particularly with regard to its historical specificity. Lenin’s characterization of finance capital applied more accurately to Germany than rivals like France and Britain, especially his perception of the roles of banks as being restricted to serving as middlemen in making payments.

However, the book by Lenin under review has other shortcomings apart from the ones mentioned earlier. The book focused essentially on mono-cultural economic explanations for imperialism which contradicted the fact that capital investment during the scramble for Africa was not as high as might be expected, suggesting that there were other factors that were responsible for the scramble for Africa. Lenin failed to look at many other variables that shaped or re-shaped the character of Capitalism around the world. In this regard, Lenin did not recognize political variables that propelled capitalism, such as the need for policy internationalization, export of culture to other places with a view to dominating them politically, etc. This argument is derived from the fact that capitalism, democracy and even religious freedom are all derived from liberalism, hence imperialism should have been perceived by Lenin in holistic terms. Lenin also failed to acknowledge the fact that capitalists from backward countries can invest in another backward country for profit maximization. In contemporary times, imperialist states do not normally go to war, but settle their differences through pacific means. The logic behind this could be found in the theory of complex interdependency that has bound capitalist countries together due to their interlocking foreign investments and interests. This shows that Lenin did not envisage the benefits derivable from the globalization of trade and investments in his book.

More so, it is important to understand that colonization of Africa, in particular, has been understood as a complicated mesh of trade considerations, a desire for military strongholds and naval base, rivalry between European powers, among others, which were driven only in part by the agitation of Monopologists. This shows

that Lenin was not totally correct in his claim that colonialism in Africa was purely for economic domination of Africa for the purpose of capitalist expansionism. Therefore, colonization of Africa could be perceived rightly from the angle of politics, strategic, economic, cultural, as well as other variables that drive international politics.

Conclusion

Lenin views imperialism as the highest stage of capitalism, characterised by monopolies, financial predation, and exploitation of resources in colonised regions, the role of finance capital and its impact on global finance. While J.A. Hobson in his book, "Imperialism: A Study" argues that imperialism is driven by economic interests, particularly the need for capitalists to expand their markets and resources. He critiques imperialism for its negative financial, economic, and moral impacts on colonized societies. Said in his book, "Culture and Imperialism," also asserts that imperialism has had a profound impact on contemporary culture and politics, shaping power dynamics, identity formation, and cultural representations. Rosa Luxemburg's "Accumulation of Capital" argues that capitalist expansion is driven by the need for new markets, resources, and labour, often achieved through imperialism and violence. Finally, on the assessment of imperialism, Lenin and Luxemburg emphasised its exploitative nature, and Hobson critiqued its negative consequences. Said's "Culture and Imperialism" has significantly influenced postcolonial studies.