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Lenin's *Imperialism* nearly 100 years on: an outdated paradigm?

Abstract: Lenin's *Imperialism. The Highest Stage of Capitalism* formed part of the canon of mainstream Marxist writing for much of the twentieth century, and also represented a critical reference point for Marxist attempts to interpret international relations for much of the same period. At one and the same time both a stinging condemnation of the betrayal of the European working class by their political leaders in 1914, and a synthesis, with some original elements, of existing contemporary Marxist theory on imperialism, Lenin's 'popular outline' subsequently (from around the time of the 'New Left' onwards) came under increasing fire for being both incoherent, irrelevant, and overrated. This article revisits both the contemporary genesis of the text, and the question of its longer term pertinence and relevance in the light of capitalism's current crisis.

Keywords: Lenin, Bukharin, Hilferding, imperialism, war, capitalism, landgrabbing, arms race, World War One, oligarchs, crisis theory

In 1916, during the height of the First World War, V.I. Lenin in Zurich wrote *Imperialism The Highest Stage of Capitalism*. Placed near the centre of Soviet foreign policy for much of the Cold War, particularly under Stalinism, the pamphlet has also since gone on to be reassessed several times by those on the left. As early as 1962, International socialist leader Michael Kidron wryly remarked that 'fate was unkind' to have singled out Lenin's *Imperialism* as the 'most pervasive' of his writings, given the extent to which it no longer fitted the facts of how the world had actually evolved. Such criticisms were repeated from different perspectives by others—for example by Giovanni Arrighi, or by Charles W. Lindsey in 1982. By 1990, one leading academic study of all existing Marxist theories of imperialism concluded that, in retrospect, 'Lenin's pamphlet has been treated with a reverence it does not deserve.'¹ The new consensus on this, one of Lenin's undoubted key texts, appears to have become that what was original in Lenin's writing was either not clear, was underdeveloped at the time, or was open to misinterpretation; and moreover that what *was* clear was not original, being no more than a digest of Bukharin or Hilferding's writings.

More recently as well, efforts have been made to revisit Marxist theories of imperialism in general, efforts which to a greater or lesser degree endeavour to revise or overthrow the suppositions contained in the texts of Marxism's 'Golden Age', of which Lenin's work is undoubtedly one.² In light of these growing challenges to this once-orthodox text, this article seeks to explore and revisit both the influences that helped shape Lenin's original pamphlet, the actual content of the work itself, and the question of its legacy and longer term relevance. In doing so, I will by proxy also explore the debate around imperialism within European social-democracy in general at the time, an area recently covered in Richard B. Day and Daniel Gaido's excellent edited collection *Discovering*

¹ Michael Kidron, 'Imperialism-Highest Stage but One.' *International Socialism* N.9 Summer 1962, available at: <https://www.marxists.org/archive/kidron/works/1962/xx/imperial.htm> Charles W. Lindsey, 'Lenin's Theory of Imperialism.' *Review of Radical Political Economics* 14:1 (1982), pp.1-9, Anthony Brewer, *Marxist Theories of Imperialism. A Critical Survey*. Second Edition (London: Routledge, 1990), p.21.

² See for example: David Harvey, *The New Imperialism*. (Oxford: 2003), Alex Callinicos, *Imperialism and Global Political Economy*. (Cambridge: Polity, 2009), M. Hardt & Antonio Negri, *Empire*. (Cambridge, MA: 2000).

Imperialism, and also the eternally vexed and relevant question of where the concept of imperialism fits more generally within a Marxist theory of crisis, given the absence within Marx's own work of the once-promised book on the 'world market'.³ In my conclusions I endeavour to argue that aspects of imperialism noted by Lenin in his own day at the empirical level are in fact being revived in some regards, though in different shapes and forms; whilst on the other hand the arguments often made against Lenin are not necessarily always as strong as they first appear.

The Text in Context

There are generally taken to be three classical direct influences on Lenin's own work of 1916- J.A. Hobson's 1902 text *Imperialism*, Rudolf Hilferding's 1910 work *Finance Capital*, and Bukharin's 1915 text *Imperialism and World Economy*, which Lenin read in its draft format, and for which he wrote the foreword. However it is also clear from volume 39 of Lenin's collected works, which collates Lenin's notebooks compiled for the writing of *imperialism*, that executing the study involved a considerable degree of additional independent research by Lenin as well, not least into the statistical handbooks of the day and the contemporary press (including, from the British side, *The Daily Telegraph* and *The Economist*).⁴ The 21 notebooks on the topic of imperialism alone assembled in the collected works edition run to some 728 pages, not counting the assorted miscellaneous notes from the period between 1912 and 1916 at the back of the same edition, or additional materials available only in the *Leninskii Sbornik*. Furthermore, it is clear that the sub-text behind the whole work, which was obviously not present in Hobson or Hilferding's efforts, was Lenin's ongoing revulsion at the betrayal of Kautsky and the German SPD in general in signing through war credits in 1914.

For Lenin, as for many others in the socialist movement at the time, the questions of imperialism and revisionism were therefore deeply intertwined; the fact that Eduard Bernstein was one of the earliest defenders within the pre-war SPD of the so-called 'progressive' role of imperialism tallied exactly, and was in Lenin's eyes of a piece, with his 'revisionist' heresy arguing for the parliamentary road to socialism.⁵ What was particularly repellent for Lenin of course was the gradual movement of Kautsky himself towards Bernstein's own positions after 1908. Bernstein in 1907 had already argued with Kautsky that colonialism merely reflected 'the right of peoples with a higher

³ On Marx's original plan, see: Roman Rosdolsky, *The Making of Marx's 'Capital'*. Volume 1 (Eastbourne: Pluto Press, 1968/77), chapter 2.

⁴ On the press, see for example: V.I. Lenin, 'Notebooks on Imperialism.' *Collected Works* 39, (London: Lawrence & Wishart, 1968), pp.277-8.

⁵ That Lenin drew a direct line between Kautsky's concept of 'ultra-imperialism' and the emergence of revisionism ('economism'), beginning with Bernstein in the 1890s, is one of the main points made in his introduction to Bukharin's work. Bukharin equally rejected Kautsky's ultra-imperialism thesis but, as we shall see, from slightly different premises than Lenin's. See: Nikolai Bukharin, *Imperialism and World Economy*. (London: Bookmarks Publications, 2003), pp.11-12, 145-53.

culture over those with a lower culture', and would have to be accepted as a *fait accompli* by all socialists.⁶ The text of Kautsky's with which Bernstein took issue in expressing this critique however, had itself already seen Kautsky himself retreat from endorsing colonial rebellion as a futile endeavour, one to be avoided just as much as 'pointless proletarian putsches in Europe itself.'⁷ By 1912 Kautsky had then already moved further towards a merger with Bernstein, in suggesting that existing class differences and economic conflicts could be managed via a parliamentary route, one both embracing disarmament, and advancing the creation of a 'United States of Europe.' This new position, which by 1914 Kautsky came to term 'ultra-imperialism', argued that 'the competitive battle between states will be neutralised by their cartel-relationship'-in effect, a peaceful (re)division of the world.⁸ For this very reason Lenin in 1916 underlined that his pamphlet, for its part, would devote specific attention to criticizing 'Kautskyism'- 'the more so since pacifism and "democracy" in general, which have no claim to Marxism whatever...are obscuring the profundity of the contradictions of imperialism and the inevitable revolutionary crisis to which it gives rise...'⁹

Beyond being a weapon in his ongoing struggle with Kautsky and revisionism in general within the European Social-Democratic movement, it is clear that Lenin also used the pamphlet to work through his own ideas regarding the particular nature of the capitalist crisis which was then manifesting itself during the First World War. Here, it is interesting to compare Lenin's method of analysis with both Hilferding and Rosa Luxemburg's on the one hand, and Bukharin's on the other. It is clear that Lenin's own analysis of capitalist crisis was deeply influenced by Hilferding, and belongs to the so-called 'disproportionality' school; not until the 1930s, in fact, would theses around the 'falling rate of profit' begin to become influential in Marxist analyses of capitalist crisis. Hilferding's *Finance Capital*, unjustly neglected and often forgotten today, had earned near-universal praise upon its first publication in 1910, with many seeing it at the time as the most important Marxist work since Marx's own *Capital*. Lenin was amongst the book's earliest admirers, though he remained critical of those aspects of the work which in his eyes appeared to lead towards opportunism, and to a belief, for example, that the era of financial speculation was nearing its end.¹⁰

⁶ Richard B. Day & Daniel Gaido, (eds.), *Discovering Imperialism. Social democracy to World War 1*. Chicago: Haymarket Press, 2011, p.41

⁷ *Ibid.*

⁸ *Ibid.*, p.66.

⁹ V. I. Lenin, *Imperialism. The Highest Stage of Capitalism. A Popular Outline*. (New York: International Publishers, 1939), p.12

¹⁰ Hilferding's eventual personal embrace of, and belief in, parliamentary politics as the best means of securing socialism had well-known painful personal as well as political repercussions later on, during the inter-war period. An active SPD participant in the Reichstag, Hilferding rose to actually become head of the Finance Ministry before a clash with the man who became Hitler's favoured economic adviser, Hjalmar Schacht, eventually forced him to resign in 1929. When the Nazis themselves seized power in 1933, Hilferding remained convinced that they would only be able to hold onto office for six to eight weeks.

Given the influence of Hilferding on Lenin's text, there remains nonetheless a strange but persistent tradition of interpreting Lenin's own exposition as representing an 'underconsumptionist' analysis.¹¹ Lenin's earliest writings on political economy (in intellectual combat with the Russian *narodnik* movement) had explicitly dismissed 'underconsumption' as the source of capitalist crises (as indeed, in Volume 2 of *Capital*, Marx had)¹², and he similarly steered clear of Rosa Luxemburg's assumption (in her 1912 work *The Accumulation of Capital*) that imperialism arose as a result of a 'chronic problem with markets', entailing an inevitable eventual capitalist breakdown (the so-called *zusammenbruch* school). Lenin by contrast would later pointedly warn the Comintern never to count upon such a breakdown, since there was no such thing as an 'absolutely hopeless situation' for capitalism.¹³ His own most famous private comments on Luxemburg's work, to Kamenev in 1912, were that 'she has got into a shocking muddle. She has distorted Marx.'¹⁴ Following Hilferding relatively closely, Lenin in his 1916 text therefore traces both the absolute transformation in the nature of capital since Marx's day-the transition from 'the domination of capital in general to the domination of finance capital'-and the corresponding problem of uneven development. In critiquing Luxemburg's argument that imperialism and ultimate capitalist breakdown resulted from competition over the third parties necessary for expanded reproduction to occur, Lenin -in his private notes on her text -had earlier remarked that 'The development of capital goes sometimes in breadth (foreign countries), sometimes in depth.'¹⁵ Luxemburg's concept of capitalist breakdown in short depended upon a mechanical mathematical repetition of Marx's own (intentionally abstract) reproduction schemes, not least upon a regular fixed renewal of worn-out capital stock (a

Hitler's consolidation of power instead forced Hilferding himself, as both a prominent socialist and a Jew, to flee Germany, and he eventually met his death after being handed over to the Gestapo by the Vichy authorities in 1941.

¹¹ See for example: Brewer, *Marxist Theories of Imperialism*, pp.118-19, Callinicos, *Imperialism and Global Political Economy*, pp.47, 52.

¹² The contradiction between socialization of production and the private individual character of appropriation was highlighted by Lenin as the *specific* cause of crises under capitalism, whereas '...underconsumption (to which crises are allegedly due) existed under the most diverse economic systems...' Lenin, 'A Characterization of Economic Romanticism.' (1897) *Collected Works* Volume 2, Moscow: Progress Publishers, 1972, p.167.

¹³ V. I. Lenin, 'The Second Congress of the Communist International' July 19-August 7 1920, *Collected Works*, 31, Moscow: Progress Publishers, 1965, p.227.

¹⁴ V. I. Lenin, letter to L.B. Kamenev, 1913, *Collected Works*, 35, Moscow: Progress Publishers, 1976, pp.93-4.

¹⁵ Lenin, *Imperialism*, p.46, 'Zamechaniia V. I. Lenina po povodu knigi R. Liukseburg "Nakoplenie Kapitala"', *Leninskii Sbornik*, XXII, Moscow: Partiinoe Izdatel'stvo, 1933, p.388. For one of the latest restatements of Marxist critique regarding Luxemburg's conclusions, see the appendix to Richard B. Day & Daniel Gaido, (eds.), *Discovering Imperialism*.

depreciation account). Such a method which was inherently artificial and unrepresentative of Marx's own intentions in developing the model. Lenin's identification of disproportionality as, by contrast, the major factor in Marx's theory of capitalist crisis was explored at greater length in his 1916 text, which underlined that even from a purely geographical perspective, 'the unevenness in the rate of expansion of colonial possessions is very marked'.¹⁶

Lenin's own analysis

The first consequence of this system of growing monopoly by finance capital which facilitated imperialism, and in which more and more companies became subsidiaries owned by financial oligarchs and cartels, was a phenomenon which Lenin noted even the 'bourgeois' press of the day picked up on-the capacity to cheat, to conceal losses, to pull the wool over the eyes of shareholders, to engage in riskier forms of speculation, to socialize losses and privatize profits.¹⁷ The growth of monopoly cartels was also noted by Hilferding to be generated by the capitalist business cycle itself; monopolies being better able to manage fluctuations in the rate of profit, as well as the growth of fixed capital requirements for expanded reproduction to occur, the ultimate outcome was a growing tendency towards the creation of a system designed around money yielding money (M-M').¹⁸ The second consequence followed from the first, namely both increasingly disproportionate profits, and increasingly catastrophic losses during periods when both sources of credit shrank (usually after initial dramatic expansion) and exchange values became rebalanced again against the actual law of value. Lenin noted that the main contradiction here remained the ever-increasing socialization of the means of production, but the retention of the increased profits so acquired by a narrow group of speculators and shareholders. The consequence was, in Lenin's view, in fact an increase in disproportionality:

'..it [monopoly] increases and intensifies the anarchy inherent in capitalist production as a whole. The disparity between the development of agriculture and that of industry, which is characteristic of capitalism, is increased.'¹⁹

The reference here to agriculture is significant, as we shall see later on, and forms part of the specific of Lenin's own analysis, Lenin having studied the agricultural question in Russia itself to probably greater depth than any other contemporary Russian Social-Democrat, whilst also being a student of

¹⁶ Lenin, *Imperialism*, p.80.

¹⁷ *Ibid.*, pp.48-50.

¹⁸ Rudolf Hilferding, *Finance Capital. A study of the latest phase of capitalist development.* (Abingdon: Routledge, 1910/1981), pp.234-5, 289.

¹⁹ Lenin, *Imperialism*, p.28.

peasant revolts in general during this period.²⁰ In periods of expansion however, the result of this system was a 'superabundance of capital'²¹ (otherwise termed overaccumulation), which required the export of capital to manage and regulate-this latter effect constituted the main feature of modern imperialism, and was what in Lenin's eyes most distinguished it from its 'classical' predecessors (which were orientated more around the export of both people-convicts, colonists, and slaves- and commodities).²² Given the close coincidence of their views, Hilferding's main errors in Lenin's view (again according to his private notes), ones which he sought to correct in his own work, remained his 'ignoring the correspondence of finance capital with parasitism', his '(nearly) ignoring the division of the world', his 'theoretical mistakes regarding money', and his 'ignoring the correspondence of imperialism with opportunism'.²³

Parasitism and political opportunism were correspondingly emphasized in Lenin's own 1916 text as the ultimate consequence of uneven development and monopoly capitalism -parasitism here being embodied and characterized as the artificial rigging of prices, the induction of stagnation and decay as a *tendency*, via monopolies ring-fencing patents on new technological innovations, the generation of a class of shareholders 'whose profession is idleness', the increased immigration of lower-paid labour (what today would be referred to the international arbitrage of labour), the growth of opportunism (as well as social chauvinism) in the more advanced sections of the working class movement in response, and the conversion of formerly cultivated land into the private playgrounds of the rich. Here, in Lenin's view, was where Hobson's 1902 text actually offered more insights than Hilferding, not least in his (and others') warnings that Europe in general risked, via imperialism, eventual conversion into a gigantic rentier state.²⁴ The ultimate result of imperialism for those countries most actively engaged in the system was correspondingly 'reaction all along the line, whatever the political system, and an extreme intensification of antagonisms in this domain also.'²⁵

Beyond emphasizing parasitism however, Lenin, like Hilferding, also embraced the emergence of monopoly capital as simplifying the transition to socialism; so extensive did socialization of the means of production now appear to have become in Lenin's eyes, that private economic relations and private property had become 'a shell which is no longer suitable for its contents...a shell which may continue in a state of decay (particularly if the cure of the opportunist abscess is protracted), but which will inevitably be removed.'²⁶ Looking back over the subsequent

²⁰ On this aspect, albeit from a critical perspective, see for example: Esther Kingston-Mann, *Lenin and the Problem of Marxist Peasant Revolution*. (New York: Oxford University Press, 1985).

²¹ Lenin, *Imperialism*, p.62.

²² *Ibid.*

²³ Lenin, 'K voprosu ob imperializme.' *Leninskii Sbornik* XXII, p.335.

²⁴ Lenin, *Imperialism*, pp.100- 5.

²⁵ *Ibid.*, p.120.

²⁶ *Ibid.*, p.127.

course of the twentieth century, and the collapse of the Soviet experiment, we can only conclude that Lenin here was, at best, tragically over-optimistic. His belief in particular during 1917-18, clearly inherited from this 1916 analysis, that socialism in Russia was within reach simply through placing the capitalist tools of 'accounting and control' in the hands of all the workers themselves, resembled at one level a continuation of Hilferding's own final utopian prognostication- that the transition to socialism might be very largely facilitated simply by 'taking possession of six large Berlin banks.'²⁷

Lenin and Bukharin

If reading Lenin's notes on Hilferding and Luxemburg reveals fairly clearly what Lenin himself felt his text could add in terms of clarification to the Marxist debate on imperialism, tracing the similarities and differences between his work and Bukharin's offers a more ambiguous and narrower task, not least since Lenin and Bukharin both openly acknowledged Hilferding's text as their mutual starting point. Tony Cliff in fact opined in 1976 that Lenin's treatment of imperialism was derivative of Bukharin's-'that, in terms of the actual description of modern capitalism, Lenin is not original at all, and borrows practically everything from Bukharin.'²⁸ On one level, Bukharin's text was arguably the more thorough book, insofar as it offered a careful statistical itemisation of both the explosive growth in international trade occurring at the time, and the sheer scale and pace of technological modernization also taking place. Nonetheless there is also little difficulty in noting that Bukharin's was the more mechanistic account, expounded in a unilinear, teleological manner that Lenin would ultimately react strongly against. Rather than emphasizing the dialectical antagonisms of uneven development, the text occasionally slips into Darwinian, organic metaphors, in which, '...like all living forms, 'national economy' was, and is, engaged in a continuous process of internal regeneration'.²⁹ All parts of monopoly capitalism were engaged in 'growing together' in a manner that created a strong tendency towards the eventual emergence of 'one gigantic combined enterprise under the tutelage of the financial kings and the capitalist state.'³⁰

Given the natural, 'organic' nature of this process, what, one might ask, was to prevent the emergence of Hilferding's hypothesis of 'organized capitalism', or even Kautsky's 'ultra-imperialism'-

²⁷ Hilferding however had also argued that this step would at one bound remove the need to expropriate 'the great bulk of peasant farms and small industry', since finance capital itself dispensed with the need of 'a sudden act of expropriation by the state'. Neither Stalin, Lenin, nor the 'Lefts' in Lenin's own party between 1917 and 1929 appear to have shared this view. Hilferding, *Finance Capital*, p.368. Evidence of Lenin's early, 'optimistic' account of the growing simplicity of managing the transition from capitalism to socialism can be found in his 1917-18 texts: 'The State and Revolution', *Collected Works* 25 (Moscow: Progress Publishers, 1964), pp. 381-492, 'The Crisis has Matured.' *Collected Works* 26 (Moscow: Progress Publishers, 1972), pp.74-85, and 'The Immediate Tasks of the Soviet Government.' *Collected Works* 27 (Moscow: Progress Publishers, 1972), pp.235-77.

²⁸ Bukharin, *Imperialism and World Economy*, p.8.

²⁹ *Ibid.*, p.65.

³⁰ *Ibid.*, pp.74-5.

the Keynesian dream of demand management ultimately eliminating crisis from the capitalist system altogether? Here Bukharin offered some ultimately unpersuasive counter-arguments, based largely upon the balance of probability-that, when one considered the 'concrete possibility' of a world trust, of ultra-imperialism, the inability to arrive at a 'stable compact', the lack of equilibrium and differing nature of individual state trusts, rendered war the more likely actual outcome. Tensions between national agendas and the international nature of the cartels themselves were held up as a further contradiction that would also produce 'stubborn struggles'.³¹ Missing from Bukharin's description however was the deeper emphasis upon dialectics which Lenin was working on in his *Philosophical Notebooks* at the same time that *Imperialism* was being written-the notion that the identification of opposites is 'the recognition (discovery) of the contradictory, mutually exclusive, opposite tendencies in *all* phenomena...'

In Bukharin's exposition, by contrast, the impression was conveyed that the move towards monopoly occurred everywhere at approximately the same speed and in the same way-to the extent that one could make the generalization that '...government is de facto transformed into a 'committee' elected by the representatives of entrepreneurs organisations, and it becomes the highest guiding force of the state capitalist trust.'³² Intra-capitalist conflict at the national level was disappearing; what remained was merely the conflict over dividing the world between these state capitalist trusts. By contrast Lenin in his own text emphasized, as we have seen, the heightened contradictions between industry and agriculture already generated by finance capital even at the national level, and in 1919 he openly disagreed with such a "bookish' description of finance capitalism' since '...[p]ure imperialism, without the fundamental basis of capitalism, has never existed, does not exist anywhere, and never will exist. This is an incorrect generalization of everything that was said of the syndicates, cartels, trusts and finance capitalism, where finance capitalism was depicted as though it had none of the foundations of the old capitalism under it.'³³ The coexistence of monopoly with free competition at the national level, in short the continuing existence of conflicting economic tendencies, of both old and new, in every country on Earth, each to its own unique and specific degree, were what in Lenin's view by contrast rendered both war and capitalist crisis inevitable. When contemplating the transition from capitalism to socialism, Bukharin was therefore inclined even more than Lenin to foresee this as being a simple process of transforming one already-evolved state form into its opposite, via basic administrative steps. Accordingly, whilst Lenin after 1918 was increasingly drawn towards acknowledging the complex character of the Soviet Union as a workers' state 'with a bureaucratic twist', Bukharin by contrast retained a tendency already visible in his own earlier work on imperialism in seeing the final evolution from capitalism to socialism as eradicating such political, social and economic contradictions altogether.³⁴

³¹ *Ibid.*, pp.146-9.

³² *Ibid.*, p.135

³³ Richard B. Day, 'Dialectical Method in the Political Writings of Lenin and Bukharin.' *Canadian Journal of Political Science* 9:2 (1976) pp.248-9.

³⁴ *Ibid.*, pp.250-1.

The 'problems' with Lenin's text: content and relevance.

Reviewing Lenin's famous text in context reveals both its relative originality, despite the often-made charge of its derivative nature, and also raises the question by proxy of how far it remains relevant. How does imperialism operate today, and how far can it be factored into the nature of capitalism's latest crisis? Given that free trade rather than protectionism has become, and remains- for the moment at least- the *cri de coeur* of the global capitalist class, to what extent has analysis of earlier forms of imperialism, based on rising tariffs and heightened martial competition, simply become irrelevant? Here of course an obvious starting point can be made on the three most commonly perceived 'problems' with Lenin's text-that it fails to establish linkages between its famous five-point definition of imperialism as a 'special stage' of capitalism, that it adopted a confused mixture of Hilferding and Hobson's approaches to crisis, which blended disproportionality with under-consumptionism as an explanatory discourse, ignoring the 'true' Marxist insight over the centrality of the falling rate of profit, and- finally- that it was fundamentally wrong about the export of capital as the defining characteristic of imperialism.

Given their interconnection, it will make sense to address the first and last points together. Lenin's text concludes with a five point summation of the 'essential features' defining imperialism which has aroused criticism and debate ever since:

- 1) The concentration of production and capital developed to such a high stage that it 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, which has become extremely important, as distinguished from the export of commodities
- 4) The formation of international capitalist monopolies which share the world among themselves
- 5) The territorial division of the whole world amongst the greatest capital powers is completed.³⁵

Each of these points has proven controversial, but so also has the fact that Lenin fails to decisively establish their inter-linkages. Though Lenin himself took care to qualify that any such list would remain 'inadequate' given 'the conditional and relative value of all definitions', the list has since become the source of over forty years of constant criticism. That different imperial centres pursue different structural models of accumulation-that Germany in Lenin's day was in reality as different from Britain, as Britain also was from the United States-is merely the first, and most obvious, reservation to be expressed about point one in Lenin's list.³⁶ That the views of the capitalist investment class and those who govern and manage the state will not necessarily always converge or

³⁵ Lenin, *Imperialism*, p.89.

³⁶ Callinicos, *Imperialism and Global Political Economy*, pp.69-70, 148, Brewer, *Marxist Theories of Imperialism*, p.117

coincide clearly forms a further central point of tension, though, as we have seen above, the weakness is more striking in Bukharin's work than it is in Lenin's. The fact that the list then does not establish a credible link between the growth of monopoly in points 1 & 2 and the export of capital to the colonies-the 'division of the whole world' stated in points 4 & 5- formed part of the critique of Michael Kidron in the 1960s (who at the time pointed to the relative favouring of developed, high-income countries over less developed ones for capitalist investment), and was returned to again by Charles Lindsey in the 1980s (who underlined that crises under capitalism did not depend upon monopoly).

These criticisms of course remain relevant, although they are to a degree themselves one-sided, and serve more than anything else perhaps to underline the degree of weight necessary to reading Lenin's text as a series of postulates rather than proven facts. Certainly the export of capital came to favour developed over underdeveloped countries to an ever greater degree after the Second World War than before-but Lenin himself had also previously noted, in the very text being criticised, the preference of French and German capital for investing in Europe and America.³⁷ Lenin's own text therefore does not make the error often attributed to it of assuming a 'one size fits all' model, but it does leave *under-developed*-quite deliberately-the *political* implications of these differences. Kidron argued that Lenin's view of capital flows was one of a process that shunned developed countries and rushed to backward ones; this was however something of a straw man argument, since Lenin's own text does not actually claim this, being quite explicit instead that the vast majority of foreign capital was invested in Europe and America.³⁸ Though it was to some extent inevitably hijacked and interpolated by others into the debate over the Third World and 'underdevelopment' of the 1960s and 1970s, Lenin's text is therefore not primarily making an argument about the exploitation of the global 'south' by the 'north'; it is rather pointing to the radical *multipolarity* of imperialism, whose distinguishing feature in his own day he argued was '...precisely that it strives to annex *not only* agrarian territories, but even the most highly industrialised regions'.³⁹ This is where Lenin's text differs radically from Hobson's concerns, and this is also the area that allows it to retain relevance as a 'modern' text, applicable (as we shall see) to an era of rising and declining powers whose particular spatial location is no longer overwhelmingly relevant.

If the problem of the inter-linkages in Lenin's text certainly exist (and in fact promote a healthy debate), the issue of Lenin as an under-consumptionist theorist has enjoyed a longevity that far exceeds the actual evidence available in the text itself. The argument that Lenin's theory of crisis in this work embraced a variant of under-consumptionism boils down to a single passage, wherein Lenin states that:

'The necessity of exporting capital arises from the fact that in a few countries capitalism has become 'over-ripe' and (owing to the backward stage of

³⁷ Lenin, *Imperialism*, pp.64-5.

³⁸ A glance at the table provided by Lenin on page 64 of his work underlines this. Even granting that Lenin potentially exaggerates here the distribution of foreign capital with regard to Asia, Africa and Australia, the division remains 96 billion marks for Europe and America and 44 billion for Asia, Africa and Australia.

³⁹ Lenin, *Imperialism*, p.91

agriculture and the impoverished state of the masses) capital cannot find a field for 'profitable' investment'.⁴⁰

At first glance this argument does indeed look like a recasting of Luxemburg's earlier argument, and could mislead the reader into placing Lenin within the 'underconsumptionist' school. However Lenin's own phrasing-that this is the case in 'a few' countries, and that the backward state of agriculture poses a further, and specific, problem- highlights what is in fact the essence of this thesis- uneven development. As Lenin notes in his conclusions, the general problem is not growth, for:

*'It would be a mistake to believe that this tendency to decay precludes the possibility of the rapid growth of capitalism. It does not. In the epoch of imperialism, certain branches of industry, certain strata of the bourgeoisie and certain countries betray, to a more or less degree, one or other of these tendencies. On the whole, capitalism is growing far more rapidly than before. But this growth is not only becoming more and more uneven in general; its unevenness also manifests itself, in particular, in the decay of the countries which are richest in capital..[Emphasis added]'*⁴¹

Though the modern day reader may struggle to relate to some of Lenin's own examples of decay and parasitism, there is no question that Lenin's insight into the capacity of capitalism to cannibalize itself-the paradox of both decay and overabundance of capital-continues to speak to some important modern characteristics of the same phenomenon. The capacity of capitalism for colossal waste and disproportionality-the offshoring by already rich states of heavy industry to areas with cheaper labour costs, even at the cost of losing guaranteed tax income, or the colossal visible decay of former industrial zones like Detroit into areas of catastrophic poverty and desolation, speaks to the ongoing capacity of capitalism for multipolar uneven development. It is within this context that Lenin's reference to 'the impoverished state of the masses' must be seen, rather than to an underconsumptionist argument that capitalism always and everywhere ends up becoming crippled by a lack of effective demand.

Lenin's own belief that backward agriculture formed a particular source of disproportionality also looked (in his own day) well founded. Throughout the late nineteenth and early part of the twentieth century, the relative low productivity and high risk of agriculture haunted the vast majority of capitalist economies, whilst the competition of cheap grains from the New World drove down grain prices everywhere, placing European farmers periodically in particular difficulties. Britain for example addressed the dilemma of feeding itself whilst under German blockade during the Second World War via extensive rather than intensive development, and field yields in practice remained

⁴⁰ *Ibid.*, p.63.

⁴¹ *Ibid.*, p.125

static, leading farmers to fear a return to a hand-to-mouth existence once the war was over. This reflected the fact that mechanization remained sporadic, and the scientific development of treatments to increase crop yields (via both the greater use of chemical fertilisers and gene splicing) remained in its infancy until after 1945. Only protectionism, combined with technological innovations by mid-century (the so-called 'Green Revolution') stemmed this growing pressure on European and (increasingly) Asian farmers. Perhaps more surprisingly however, the financial crisis of 2007-08 also appears set to cause the 'Agrarian Question' to make a comeback in understanding the paradoxes of contemporary capitalism, for reasons that I will explore below.

Finally, placing Lenin's *Imperialism* within the 'disproportionality' school exposes what some have since criticized as a 'gap' in Classical Era Marxism in general—the fact that neither Lenin nor many other Marxists of that era went to great effort to integrate Marx's 'falling rate of profit' thesis from volume 3 of *Capital* into their own analyses. This is certainly true, but one can also speculate that they did so due to encountering many of the same problems that continue to hamper development of this debate even today—namely, the shortage of accurate statistics on the global rate of profit, question marks over the centrality of the thesis to Marx's final arguments in general, and the fact that crises themselves represent both *the* ultimate countervailing tendency to the falling rate of profit, and do tend to *practically* manifest themselves in the explosion of previously growing forms of unseen disproportionality (such as the oil price shock of 1973 or the collapse of credit based securities in the US in 2007-08). From the point of view of clarity to the ordinary layman therefore, Lenin and Hilferding's analyses could in fact be praised as much as criticized, in so far as they do no more than attempt to describe and integrate phenomena which are unquestionably visible.

Lenin's Imperialism today: still relevant

Though it would be foolish to claim that Lenin's text is flawless, the process of rescuing the original writing from some (at least) of its more vehement critics also allows a fresh look to be taken at its contemporary relevance, particularly once removed from a 1960s-70s era 'north-south' debate over underdevelopment to which it never belonged. In terms of analysing imperialism today against Lenin's parameters, I shall now focus on three further aspects of Lenin's text which have arguably emerged with, if anything, even greater force since the financial crash of 2007. The first is the question of uneven development and the geopolitical competition that such processes generate, viewed through the prism of the current crisis in the Ukraine. The second is the question of the international arms race, which both Kautsky's 'ultra-imperialism' or Fukuyama's 'End of History' thesis predicted would become irrelevant, but which has been both sustained (though at a lower tempo) since 1991, and also fed in a fairly specific way into the current Eurozone financial crisis. The third is the revival, against all expectation, of the 'agrarian question,' and the financialization of agricultural land, which appears set to undermine many of the original assumptions that might make one assume Lenin's text was merely 'of its time', and now entirely outdated.

With regard to the Ukraine, the very real geopolitics of this conflict however has, to date, rendered difficult an actual dissection of the economic interests involved. The difficulty of ascribing direct links between economic blocs and the political actions being taken in fact had already led Lenin in his own work in 1916 (although undoubtedly also due to his consciousness of the censor) to comment that 'I shall not be able to deal with the non-economic aspects of the question [politics],

however much they deserve to be dealt with.⁴² There is no need not to believe that other factors, such as national chauvinism, individual ego, historical narratives, cultural biases and perceived vital interests (such as military bases) influence political decision makers as well. What remains essential to a Marxist analysis however is that, no matter how unfashionable the base-superstructure argument in some circles may be today, links between economics and politics do *also* exist, operate, and often even still predominate. It is clear that heavy economic and political pressure is currently being used by Russia, the EU and US to effectively territorially re-divide the Ukraine. Active participants in this process as well though are the Ukrainian oligarchs themselves, two of whom were recently parachuted in by the new government in Kiev to serve as governors in Ukraine's eastern provinces, whilst the defection of two others from the Party of Regions proved critical to Yanukovich's own downfall.⁴³ 15 leading Ukrainian oligarchs, together with the so-called 'family' around the recently ousted President Yanukovich, collectively constitute 0.00003 percent of Ukraine's population of 46 million people, but between them they also control an estimated 80-85 percent of the country's entire GDP.⁴⁴ One of the most publically visible Ukrainian oligarchs, Rinat Akhmetov, is listed by Forbes as the 46th wealthiest man in the world. His assets were estimated at between \$16 and \$26 billion USD in 2011. These oligarchs are also extensively transnationally networked, funnelling profits made abroad through offshore shell intermediary subsidiaries scattered across Switzerland, Cyprus, Bulgaria, Italy, Hungary, Austria, Russia, the United Kingdom, and the British Virgin Islands. Such networking of course also extends to political and social contacts, with Ukraine's best-known oligarch, Viktor Pinchuk, personally worth \$3.2 billion, funding ex-UK PM Tony Blair's Faith Foundation.

There remains however the need to concretely analyse how this vast and highly uneven concentration of capital came about. It did not occur, as in classic political economy, via intra-sectoral competition and the demands of expanded reproduction; it came about as part of the legacy of Stalinism in Eastern Europe, and the looting of that Stalinist-style economy by its own bureaucrats, who overnight became capitalists. The concrete specifics of the Ukrainian situation, like that of Russia, therefore remains that large sections of the industrial economy remain unreformed and inefficient, with the consequent dynamic that the oligarchs themselves frequently appear to be

⁴² Lenin, *Imperialism*. p.15.

⁴³ The two defections were those of Rinat Akhmetov and Dmitry Firtash: Christian Neef, 'Yanukovich's Downfall: The Power of Ukraine's Billionaires.' *Der Spiegel* February 25th 2014, available at: <http://www.spiegel.de/international/europe/how-oligarchs-in-ukraine-prepared-for-the-fall-of-yanukovich-a-955328.html>

⁴⁴ Olha Holoyda, 'Ukrainian Oligarchs and the "Family", a new generation of Czars-or Hope for the Middle Class?' IREX Scholar Research Brief, August 2013, p.2, available at: <http://www.irex.org/sites/default/files/Holoyda%20EPS%20Research%20Brief.pdf>

acting according to the credo of Lampedusa's famous Sicilian Prince, that 'everything must change so that everything can stay the same.' Clearly the current Ukrainian unrest, however undeniably sparked by both real local discontents, and by more extreme and radical currents like Svoboda or the Right Sector, is also therefore being shaped and guided by competing poles of external and internal finance capital, with the goal in reality perhaps being to convert Ukraine more closely towards meeting Lenin's definition of a semi-colony. Lenin in this sense has also certainly proved more prophetic than Kautsky, whose notion of the cartelization of 'Ultra-Imperialism' negating all differences between such competing poles of capital predated Francis Fukuyama's later but equally utopian 'End of History' thesis by over 70 years.

Relevant and topical as this case study may be however, two wider trends beyond the Ukraine example itself exist which may yet come to prove critical to understanding and tracking the development of imperialism in the twenty-first century. The first is the ongoing drive for greater and greater securitization of all spheres, which raises the question more generally as to whether capitalism has to manufacture a 'security race' (I use this term since an 'arms race' no longer seems entirely appropriate, given the parallel expansion of non-military assets such as police surveillance), even when there is no obvious actual military or political threat suggesting a burning need for such an endeavour. The second is the so-called 'landgrabbing' phenomenon tied to the 'new agrarian question', with capital markets since 2007 having acquired a new interest in agricultural land as a portfolio investment, a phenomena driven by the growing power of the global corporate food regime. These two trends are potentially also interlinked of course, with the securitization of farmland being the next natural step to its growing financialization. Both trends can also be linked with Marxist theories of crisis, namely the systemic problem of capitalist overaccumulation, and the need to find ever more inventive ways for expanded reproduction. Both trends also contain elements of classical imperialism, but in a now yet further transformed form, in which private security firms or even out-and-out mercenaries stand in for or supplement traditional national armies, whilst the object of territorial annexation itself becomes the fencing-off (and extraction) of the land's natural bio-wealth as well as its traditional mineral resources from other competitors.

In regard to the arms race, Lenin noted in 1916 that one of the peculiarities of monopoly finance capital and imperialism lay in the capacity to exert extra pressure:

'The most usual thing is to stipulate that part of the loan that is granted shall be spent on purchases in the country of issue, particularly on orders for war materials, or for ships, etc.'⁴⁵

During the most recent Euro crisis this phenomenon found itself replayed with eerie accuracy, with many of the states in biggest trouble financially also being those with the highest expenditures on weapons acquisition from other EU states, despite repeated NATO alarmism about a general reduction in defence expenditures. As Frank Slijper most recently detailed in April 2013, EU military expenditure in 2010 still totalled 194 billion euros, equivalent to the annual deficits of Greece, Italy and Spain combined. Greece itself was Europe's biggest spender on weapons

⁴⁵ Lenin, *Imperialism.*, pp.65-66.

procurement in relative terms, whilst Spain's military expenditure increased 29 percent between 2000 and 2008, much of it on weapons which Spanish politicians themselves recognized Spain would not require, and would never employ.⁴⁶ Even Italy, facing debts of €1.8 trillion, still spends a higher proportion of its GDP on military expenditure than the post-Cold War low of 1995. Where pressure to enact cuts have been exerted in this context, they have also fallen on military personnel rather than equipment, and Greece in fact has at the same time come under heavy pressure to honour export licences on military equipment with the Netherlands worth 53 million euros, and similar contracts with Germany for submarines, ships and tanks worth billions of euros.⁴⁷

In terms of throwing capital into circulation which otherwise would not find a home, as well as continually redistributing debt, the global arms trade therefore remains an important safety valve for capitalism, even when (in the case of America) it has also clearly run out of control, contributing to a current US national debt running at 104 percent of national GDP (currently \$17 trillion).⁴⁸ The post-2001 security environment has thus in many ways still been a Godsend for a system which faced real cutbacks at the end of the Cold War, even whilst unsustainable expenditures by individual states have still self-evidently not been enough to avert a wider crisis itself. The hundred largest companies in the global arms trade sold arms to the value of some €318 billion in 2011, 51 percent higher in real terms compared to 2002. Bribes paid to grease the wheels of such arms contracts meanwhile are thought in some accounts to amount to \$2.5 billion annually.⁴⁹ The increasing securitization of individual states has also become a requirement for states seeking accession to the EU, with Turkey, kept on the doorstep of Europe for over thirty years, having recently undergone an extensive institutional realignment of power along these lines. The ruling AKP party (since 2003) has taken dramatic steps to increase cooperation against drug trafficking with both other EU member states (particularly Germany and the UK) and with downstream states such as Afghanistan, Somalia and the Central Asian states. This at one level serves to attract greater EU and American investment, which has led to reform and expansion of Turkey's police in particular-over 90,000 new police officers have been hired in Turkey since 2002, making it in some accounts the second most heavily policed country in the world per capita after Russia. At another level however it has also introduced destabilising new

⁴⁶ Frank Sijlper, 'Guns, Debt & Corruption. Military Spending and the EU Crisis.' *Transnational Institute*, April 2013, p.14

⁴⁷ Frank Sijlper, 'Guns, Debt & Corruption.', p.13

⁴⁸ US deficits have been falling in recent years, rendering the question of the burden of actual overall US debt dependent on the fate of interest rates, a point recently discussed in the *Financial Times*: Robert Barbera, 'Reports of US Fiscal Armageddon are wrong.' *Financial Times* April 7th 2014. There are however several other factors also at play in the US case, most notably the stability of the dollar as the global reserve currency, and the intermeshing of US debt with ongoing Chinese growth. Foreign demand for US bonds was recently calculated to have in fact a substantial, hitherto underappreciated, effect on US long-term interest rates: Francis E. Warnock, 'How Dangerous is US Government Debt? The Risk of a Sudden Spike in U.S. interest rates.' US Council on Foreign Relations, <http://www.cfr.org/financial-crises/dangerous-uzsz-government-debt/p22408> . This study demonstrates that the Euro crisis actually offered some respite from a threatened catastrophic sell-off of US bonds in 2009, by making the US Treasury market again the more attractive option for international investors.

⁴⁹ Sijlper, 'Guns, Debt & Corruption', pp.6,15.

political dynamics into Turkey itself, with wiretapping of innocent civilians a growing domestic scandal, and the army, the traditional guardian of Turkey's secular tradition, politically emasculated by high profile police investigations into alleged anti-government conspiracies by active and retired members of the military's own officer corps.

Whilst the arms trade remains a vibrant aspect of capitalism's current contradictions in a manner that Lenin would no doubt still recognize, global land-grabbing represents a new area in terms of both exporting capital, creating new financial portfolios, and again physically re-dividing the world. Given the role of spikes in world food prices in many of the recent episodes of unrest in the so-called 'Arab Spring', this will clearly be an emerging trend which students of twenty-first century capitalism will need to continue to watch closely to attempt to understand. In the 2006-2008 period, average world prices for rice rose by 217 percent, wheat by 136 percent, maize by 125 percent and soybeans by 107 percent. But by the end of 2008, prices fell just as dramatically as financial markets collapsed and investors retreated.⁵⁰ The growing financialization of every aspect of the food production chain clearly offers both the opportunity for even deeper leverage by the major concentrations of global finance capital, and the possibility of further and deeper contradictions and disproportionalities, comparable to the collateralized debt obligations which exploded and unravelled around the US property market in 2007-8.

This situation is brought about by the fact that commodity index funds are now in fact already derivatives sold by most major banks, offering investors an opportunity to gain exposure to commodity markets without being required to purchase the actual commodities themselves on the relevant exchanges. Since the 1980s, selling these products has correspondingly compelled banks to invest more in actual commodity futures as a hedge against commodity prices rising, and investors correspondingly having to be paid a larger rate of return. With the rise as well of new markets such as biofuels, large scale land investments, in order to maximize possible rates of return, have accordingly followed on high value crops such as maize, palm oil, soybean and sugarcane, with these becoming a steadily more important aspect of the financial portfolios of leading banks and pension funds. This has in turn led to relatively large land acquisitions, with the World Bank recording announcements on over 46 million ha in large-scale farmland acquisitions or negotiations between October 2008 and August 2009 alone, with two-thirds of the demanded land concentrated in Sub-Saharan Africa.⁵¹ The separation between use value and exchange value here (or as one recent review put it, the duality of a 'productive asset that moonlights as a financial asset')⁵² both corresponds to Marx's paradigm of the law of value in general, and offers echoes on Lenin's own prognosis that finance capital increases the disproportionalities between agriculture and industry. In

⁵⁰ Jennifer Clapp, 'Financialization, Distance, and Global Food Politics.' Conference Paper to Yale University, 14-15th September 2013, p.13, available at:

http://www.tni.org/sites/www.tni.org/files/download/5_clapp_2013.pdf

⁵¹ Klaus Deininger, Derek Byerlee, Jonathan Lindsay, Andrew Norton, Harris Selod, and Mercedes Stickler, "Rising Global Interest in Farmland. Can It Yield Sustainable and Equitable Benefits?" The World Bank, 2011, p.51.

⁵² Madeleine Fairbairn, 'Like Gold with yield': Evolving intersections between farmland and finance.'

Conference Paper to Yale University, 14-15th September 2013, p.2, available at:

http://www.tni.org/sites/www.tni.org/files/download/6_fairbairn_2013.pdf

this, as well as in the other ways outlined above, Lenin's imperialism therefore remains relevant to attempts to interpret the ongoing and still evolving shape and nature of imperialism in the twenty-first century.