

CONCEPT & DEFINITION OF IMPERIALISM

- There is no one standard definition of imperialism. Imperialism refers to
 - the process of capitalist development which leads the capitalist countries to conquer & dominate pre-capitalist countries of the world.
 - the system of political control exercised by the metropolis over the domestic & foreign policy & over the domestic politics of another polity (countries at the margins of the economic hierarchy).
 - designate the international practices & relations of the capitalist world during the distinct stage of mature capitalism that begins in the last quarter of the 19th century.
- All these definitions, portrays imperialism as a modern phenomenon and distinctly different from pre-modern forms of conquests and political domination.
- In this context four important characteristic features of imperialism are:
 - sharp increase in international flow of commodities, men & capital,
 - interdependent set of relations between countries at different levels of industrial development.
 - advanced & superior technology in imperialist countries, and
 - competition between advanced capitalist countries

Imperialism Versus Colonialism

- The history of imperialism is different from the history of particular colonies.
- Imperialism is a specifically European phenomenon whereas colonialism is the system prevalent in the colonies.
- Since European imperial history had a basic unity – therefore to study an empire in isolation would be pointless.
- While studying the imperialism – the impact of empire on the metropolis is evaluated, whereas colonialism refers to the impact on the colony.
- Various scholars have attempted to explain imperialism from various perspectives but also differentiate it from terms like colonialism.
- The stress is also on the ways in which imperialism adopted different forms at different historical junctures
- The advantages of the empire to the mother country ranged from the colonial wealth

- which financed the industrial revolution
- the evolution of superior military technology
- mechanisms of control such as the army & bureaucracy
- disciplines such as anthropology

MODES OF IMPERIALISM

- Imperialism can be both formal & informal.
- Formal imperialism involves annexation & direct rule – while informal empire means indirect rule by local elites who are independent legally but politically dependent on the metropolis.
- Similarly, there are three broad types of empires which have either existed in a linear chronology, one succeeding the other, or also co-existed with each other at a particular historical juncture
- These types are:
 - trading empires which took the initiative in early conquests but eventually lost out in the era of industrial capitalism, such as Portugal & Spain.
 - industrial empires with full-fledged colonies, such as Britain & France.
 - industrial empires without, or with few, formal colonies, such as Germany.
- There are different historical stages through which capitalist expansion took place leading to the formation of empires.
- The changing nature of imperialism was dependent upon the stages of capitalist development.
- Capitalism may be said to have gone through five stages, mentioned below:
 - end of 15th to mid 17th Century — rise of commercial capital & rapid growth of world commerce
 - mid 17th to latter 18th Century — commercial capital ripens into a dominant economic force
 - late 18th Century to 1870s — the era of industrial capital
 - 1880 to World War I — rise of monopoly capital, division of globe, etc.
 - Post World War I — socialism, decolonization, rise of multinational corporations.
- The stages of imperialism coincide with stages of capitalism
- Stage of capitalism Imperial Powers
 - 1) Merchant capitalism Portugal & Spain
 - 2) Industrial capitalism Britain, France & Netherlands

3) Finance capitalism Britain, USA & Germany

- The history of the European colonial empires falls into two overlapping cycles.
- The first began in the 15th Century and ended soon after 1800, the second in the late 18th Century lasting into the twentieth.
- During the first cycle America was important as a colony—in the second Africa & Asia

THEORIES OF IMPERIALISM

- The theories of imperialism can be grouped into two broad types, economic (J.A. Hobson, Hilferding, Rosa Luxemburg and Lenin) & political (Schumpeter, Fieldhouse, Gallagher and Robinson).
- They can also be distinguished as metrocentric (Schumpeter, Lenin, Hobson) & pericentric (Gallagher and Robinson, Fieldhouse).

ECONOMIC EXPLANATION

- The economic explanations offered by Hobson, Hilferding, Rosa Luxemburg and Lenin had a common feature — a political agenda.
- Hobson's purpose was to alert the British public to "the new plutocratic phenomenon that was hijacking British foreign policy" — to the expansionist agenda that was extracting a heavy price from the ordinary people merely to satisfy the financial capitalists
- Hilferding was a German Social Democrat who was Finance Minister and paid with his life for being anti Nazi.
- Rosa Luxemburg, born in Poland, was a fiery revolutionary Social Democrat leader in Germany.
- Vladimir Lenin, the prominent Bolshevik leader and maker of the Revolution in Russia in 1917, wished to convince the Russian people that World War I was an imperialist war which they would do best to stay out of.
- In Imperialism (1902) Hobson explains imperialism as an outcome of the capitalist system.
- The key concept used is underconsumption. Industry looked for foreign markets as it cannot find domestic markets for its goods, wages being low.
- With major industrial powers competing for foreign markets there was a race for colonies which would serve as captive markets. Underconsumption also leads to oversaving as domestic investment does not make sound economic sense when there is little purchasing power.
- Thus Hobson concluded that "...the dominant directive motive" behind imperialism "was the demand for markets and for profitable

investment by the exporting & financial classes within each imperialist regime."

- He dismissed other motives as secondary, be it power, pride & prestige or "trade follows the flag" or the mission of civilizing the natives.
- Rudolf Hilferding, in his work, *Das Finanzkapital*, (Finance Capital) published in 1910, demonstrated how big banks & financial institutions control industrial houses in this last stage of capitalism, better known as finance capitalism — Monopoly capitalists looked to imperialist expansion as a way of ensuring secure supplies of raw materials, markets for industrial goods & avenues for investment — As each big European power was a monopoly capitalist, economic competition soon became political rivalry, which in turn escalated into war.
- Rosa Luxemburg in 'Accumulation of Capital' (1913) highlighted the unequal relationship between the imperial powers and the colonies — The European powers gained captive markets and secured profitable avenues for investment — the colonies were merely suppliers of raw materials & foodstuffs
- Lenin in 'Imperialism, The Highest Stage of Capitalism' (1916) argued that advanced capitalist countries invest in backward countries because the limits of profitable domestic investment have been reached — To invest at home would require development of the economy and better standard of living for workers, neither of which was in the interest of the capitalists — imperialist interests lay behind the rivalries between European powers that culminated in World War I — His intention was overtly political — to expose the capitalist designs and convince the people of Russia that they should not participate in the War.

NON-ECONOMIC EXPLANATIONS

- Schumpeter's — 'Imperialism & the Social Classes' (1931) broke away from the leftist paradigm which located imperialism & capitalism on the same grid.
- For Schumpeter, imperialism & capitalism were seen as clearly separate phenomena.
- Imperialism was atavistic, generated by pre-capitalist forces (pre-modern in essence).
- In contrast, capitalism was modern, innovative & productive and did not need control on a territory in order to prosper
- Whereas the writers on the left saw imperialism as an economic system, for Schumpeter, "Imperialism is the objectless disposition on the part of a state to unlimited forcible expansion."
- However, the problem with the usage of a conceptual attribute like 'disposition' is that it

can not be empirically tested and can, therefore, never be proved or disproved.

- Gallagher & Robinson (Africa & the Victorians) understood the distinction between pre 1870 & post 1870 imperialism to be invalid.
- Also, imperialism of free trade or informal imperialism was seen to be as important as formal imperialism.
- Political expansion was a function of commercial expansion - "trade with informal control if possible; trade with rule when necessary."
- Gallagher & Robinson's explanation of imperialism was pericentric.
- In their view imperialism was a process driven by pressures from the peripheries - Asia, Africa & Latin Africa.
- The scramble for colonies was a preemptive move by European powers to occupy whatever territory they could in Asia & Africa so as to keep out rival nations.
- This view questioned the traditional Eurocentric explanation of the scramble for colonies in terms of the great conflicts of European diplomacy or the great thrusts of expansionary financial capitalism.
- Fieldhouse advanced a political explanation for imperialism –new imperialism was the extension into the periphery of the political struggle in Europe.
- At the centre the balance was so nicely adjusted that no major change in the status or territory of any side was possible.
- For the British this "impulse" meant protecting the route to India through Egypt and the Suez Canal – necessitated control over the Nile & a predominant position in North Africa.
- For the French & Germans the impulse meant acquiring "places in the sun" to demonstrate national prestige.
- Fieldhouse concluded: "In short, the modern empires lacked rationality and purpose: they were the chance products of complex historical forces operating over several centuries and more particularly during the period after 1815."
- Colonialism, according to AJP Taylor, became a "move" in the European game of balance of power.
- Doyle uses the term 'colonization of the diplomatic system' to describe the developments between 1879 and 1890.
- Bismarck acquired colonies in the early 1880s in the hope that a colonial quarrel with England would establish German credibility in France.
- France had to be compensated with colonies and overseas adventures in lieu of her loss of Alsace Lorraine.

- Competition for colonies led to a rift between England and Italy and Italy went over to the side of Germany.
- The economic explanation includes the factors pertaining to overproduction & underconsumption (Hobson), requirements of finance capitalism (Hilferding), unequal exchange between the imperial powers & the colonies (Rosa Luxemburg), & the highest stage of capitalism (Lenin).
- The non-economic explanations have looked at imperialism as a pre-modern atavistic force (Schumpeter); or have offered a pericentric view concentrating on the developments in the colonies rather than the metropolis (Gallagher and Robinson); or have seen it merely as an expression of political struggles within Europe (Fieldhouse)

STAGES OF IMPERIALISM

MERCANTILISM & EARLY TRADING EMPIRES

- The world in 1500 AD – Europe's dominant position could not be taken for granted. The Ottoman Empire, China under the Mings and India under the Mughals were at the same stage of development.
- They suffered from one major drawback – the domination by a centralized authority which did not provide conditions conducive to intellectual growth.
- In contrast, the competition between different European powers encouraged the introduction of new military techniques.
- For example, the long range armed sailing ship helped the naval powers of the West to control the sea routes.
- This increased military power combined with economic progress to push Europe forward and ahead of other continents.
- The growth of trans - Atlantic trade was spectacular. It increased eightfold between 1510 and 1550 and threefold between 1550 and 1610.
- Trade was followed by the establishment of the empires and churches and administrative systems.
- The Spanish and Portuguese clearly intended their empires in America to be permanent.
- The goods obtained from America were gold, silver, precious metals and spices as well as ordinary goods like oil, sugar, indigo, tobacco, rice, furs, timber and new plants like potato and maize.
- Shipbuilding industry developed around the major ports of London and Bristol in Britain, Antwerp in Belgium and Amsterdam in the Netherlands.

- The Dutch, French and English soon became keen rivals of the Spanish and Portuguese.
- This competition encouraged the progress of the science of navigation.
- Improved cartography, navigational tables, the telescope and the barometer made travel by sea safer.
- The discovery of America and of the route to the Indies via the Cape of Good Hope had great consequences for Europe.
- It liberated Europe from a confined geographic and mental cell.
- The medieval horizon was widened to include influences from Eastern civilizations and Western people
- Discoveries, trade and conquests, which followed them, had practical consequences.
- Every colony or trading centre was a new economic stimulus
- America was a market and American bullion increased the supply of money circulating in Europe and intensified existing economic and social developments.
- The volume of trade with America increased.
- For four centuries America satisfied the hunger for land among Europeans.
- Gold and silver stimulated exploration and conquest and attracted immigrants, who were followed close on their heels by missionaries.
- American colonies were set up by individuals; the state, patriotism and missionary impulse played little part.
- Before 1815 Spain and Portugal were the pre-eminent imperial powers.
- They were the first discoverers but that they worked out four of the five models for effective colonization which were typical of the first colonial empires.
- Both made huge profits from their colonies.
- Portugal had a huge empire in Asia and then in America and Brazil.
- Colonial revenues brought in the equivalent of 72,000 pound sterling in 1711.
- This was almost equal to metropolitan taxes.
- Portuguese made no distinction between her colonies and the metropolis.
- No separate colonial department was set up till 1604.
- France, like Spain and Portugal, carried out expansion in the Americas – in the regions of Canada and Latin America.
- This was undertaken by individual Frenchmen supported by the Crown with the aim of ensuring supplies of groceries and increasing naval power.
- The task of setting up the empire was carried out by the chartered companies.
- This worked to the advantage of the state as it was at a minimum cost.
- After 1660s the colonies became royal possessions and royal agents headed the government.
- French colonial government was as authoritarian as that of Spain.
- France was then an absolute monarchy and ruled colonies without giving them any constitutional rights.
- Local administration and law in the colonies were modeled on those prevailing in France.
- France made no fiscal profits on her colonies, in sharp contrast to Portugal.
- This was despite the fact that more than two fifths French exports in 1788 were to colonial governments.
- By 1789 France lost most of her colonial possessions in America and India to Britain.
- The crucial weakness was her inferior naval power.
- Some of the Western states developed their colonies in the tropics, in India, Africa, Latin America and Australia.
- The Europeans did not settle in Africa, they were content with slaves, gold dust and ivory.
- The colonies were crucial to the British economy, they supplied raw materials and were markets for metropolitan products.
- The French minister, Choiseul, regretted that ‘in the present state of Europe it is colonies, trade and in consequence sea power, which must determine the balance of power upon the continent.’
- Of the five big European powers, France, Britain, Austria, Russia and Prussia — Britain soon emerged as the leader.
- She had many advantages — the first was a developed banking & financial system.
- Her geographical location at the westward flank of Europe helped her to maintain a distance from the continent
- It was the first country to undergo the Industrial Revolution.
- This enabled it to dominate Europe and to acquire colonies.
- In Bernard Porter’s words, she was the first frogspawn egg to grow legs, the first tadpole to change into a frog, the first frog to hop out of the pond.
- The first empires represented European ambition, determination and ingenuity in using limited resources rather than European predominance throughout the world.

- “Christendom is also the proper perspective from which to view the religious drive behind the Spanish justification for empire.”(Doyle:110)
- Doyle further sums up Spanish & British empires: “Spain & Britain focused on trade in the east, on settlement & production in the west, and neither acquired colonies for immediate reasons of national security.”

DECLINE OF EARLY TRADING EMPIRES

- The old colonialism had its natural limits. Flow of precious metals declined.
- By the late 18th Century Spanish and Portuguese power declined and they lost their colonies.
- Dutch monopoly on shipping ended.
- Colonial rivalry between France & Britain ended in Britain’s preeminence.
- Britain was now the world leader in empire, finance and trade.
- As Eric Hobsbawm put it, “Old colonialism did not grow over into new colonialism. It collapsed and was replaced by it.”
- Europe’s conquest of America, Africa and Asia from the sixteenth century was possible only because of her mastery of the seas.
- The countries on the Atlantic seaboard, Portugal, Spain, France, Britain and Holland, had an obvious advantage because of their geographical location.
- Europe’s domination was disastrous for other peoples: the indigenous populations in the Americas were wiped out and 12 million Africans were made slaves between 1500 & 1860.
- Europe benefited vastly in this era when merchant capital controlled the world economy.
- Institutions such as the modern state and bureaucracy & the scientific revolution in knowledge laid the foundations of the modern world

INDUSTRIAL CAPITALISM : – FREE TRADE IMPERIALISM

- Hobsbawm describes the Industrial Revolution in Britain as that unusual moment in world history when the world’s economy was built around Britain; when she was the only world power, the only imperialist, the only importer, exporter and foreign investor.
- The description of Britain as the workshop of the world was literally true in the middle of the nineteenth century when she produced most of its coal, iron and steel.
- The Industrial Revolution was followed by the single liberal world economy (1860s due to the monopoly of Britain) & the final penetration of the undeveloped world by capitalism.
- The early British industrial economy relied for its expansion on foreign trade.

- Overseas markets for products and overseas outlets for capital were crucial.
- The cotton industry exported eighty per cent of its output at the end of the nineteenth century.
- The iron and steel industry exported forty per cent of its output in the mid nineteenth century.
- In return Britain bought specialized local products such as cotton from the US, wool from Australia, wheat from Argentina, etc
- Britain’s trade increasingly became greater with the empire.
- In cotton Latin America accounted for 35% percent of British exports in 1840.
- After 1873 the East absorbed over 60% of British cotton exports.
- Britain opposed these areas being opened up to others.
- By 1815 Britain had already become the preeminent world power in, naval master, financial credit, commercial enterprise & alliance diplomacy.
- The following decades of British economic hegemony were accompanied by large-scale improvements in transport & communications, rapid transfer of industrial technology, increase in manufacturing output – stimulated the opening of new areas of agricultural land & raw material sources.
- The age of mercantilism was over – tariff barriers stood dismantled.
- The prevalent free trade brought international harmony rather than great power conflict
- Europe’s military superiority continued.
- The improvements in the muzzle loading gun, the introduction of the breechloader, the Gatling guns, Maxims and light field artillery constituted a veritable firepower revolution, which the traditional societies could not withstand.
- The decisive new technology was the gun, the symbol of European superiority in the armament factory.
- According to Hilaire Belloc, “Whatever happens, we have got the Maxim gun, and they have not.”
- Britain brooked no rivals in colonial empire- The empire grew at an average annual rate of 100,000 square miles between 1815 & 1865.
- One group of colonies comprised those acquired for strategic & commercial reasons like Singapore, Aden, Falkland Islands, Hong Kong and Lagos.
- A second group was that of settler colonies, such as South Africa, Canada and Australia.
- With the spread of industrial capitalism the need grew for colonies as markets for manufactured goods especially textiles & suppliers of raw materials such as cotton & foodgrains.

- The colony emerged as a subordinate trading partner whose economic surplus was appropriated through trade based on unequal exchange.
- This international division of labour condemned the colony to producing goods of low value using backward techniques.

LATE INDUSTRIALIZERS & COLONIAL POWERS

- By the 1860s the other countries like Germany & United States, were catching up with Britain in industrialization.
- In 1870 the figures for share of world industrial production were 13% for Germany & 23% for the United States
- The extent of the declining domination of Britain among the super powers can be understood by the table given below.

Per Capita Levels of Industrialization
Relative to Great Britain in 1900 = 100

		1880	1900	1913	1928	1938	Rank in 1938
1	Great Britain	87	100	115	122	157	2 nd
2	United States	38	69	126	182	167	1 st
3	France	28	39	59	82	73	4 th
4	Germany	25	52	85	128	144	3 rd
5	Italy	12	17	26	44	61	5 th

- In 1900 Britain was the unquestioned world leader. Her empire extended to twelve million square miles and a quarter of the world's population.
- The race for colonies speeded up from the 1880s with the entry of Germany, Italy, US, Belgium and Japan into the race for colonies.
- Backward regions were annexed in order to control their raw material supplies.
- Malaya gave rubber & tin and the Middle East gave oil.
- Empire was a cushion in a hard world.
- These imperialist rivalries which carved up the world into colonies, semi colonies and spheres of influence also divided Europe into blocs armed to the teeth, the logical corollary of which was World War I
- World War I ended in the defeat of Germany and the Ottoman Empire and redivision of colonies among the imperial powers, who were henceforth called trustees.
- The Depression of 1929 brought a change in the attitude of imperial powers.
- Gone were the days of Free Trade; protectionism was the new catchword.

FINANCE CAPITALISM

- Stages of capitalism & imperialism could overlap, as in the case of industrial capitalism and financial capitalism – one did not replace the other, it was superimposed on it.

- The informal empire of trade and finance was added to the empire of industrial capital.
- Many major changes took place in the world economy after 1860.
- Industrialization spread to several countries of Europe, the US and Japan with the result that Britain's industrial supremacy in the world came to an end.
- Britain exchanged the informal empire over most of the underdeveloped world
- The application of scientific knowledge to industries led to an intensification of industrialization.
- Modern chemical industries, the use of petroleum as fuel for the internal combustion engine and the use of electricity for industrial purposes developed during this period.
- Moreover, there was further unification of the world market because of revolution in the means of international transport.
- Capital accumulation on a large scale took place because of the development of trade and industry at home & extended exploitation of colonies and semi colonies.
- This capital was concentrated in a few hands. Trusts and cartels emerged and banking capital merged with industrial capital.
- Outlets had to be found for this capital abroad.
- By 1850 Britain's capital exports were 30 million pounds a year.
- In 1870-75 this was 75 million pounds.
- The income from this came to 50 million pounds, which was reinvested overseas.
- As Paul Kennedy puts it, the world was the City of London's oyster
- The stranglehold of monopoly capital can be gauged from the statistic that by 1914
- European nations controlled over 84.4 percent of the world.
- Capital was concentrated in and channeled through first, the City of London and then New York, the centres of the international network of trade and finance.
- The metropolitan country also used empire for political & ideological ends.
- Jingoistic nationalism and glorification of empire acted to reduce social divisions in the metropolis.
- Bipan Chandra notes that the slogan — 'the sun never sets on the British empire generated pride among British workers
- Each country justified its empire in different ways – for example, the "civilizing mission" of the French and the pan – Asianism of Japan.
- Between 1870 and 1913 London was the financial and trading hub of the world.

- By 1913 Britain had 4000 million pounds worth abroad.

NEO-COLONIALISM

- From the mid-twentieth century onwards, decolonization gathered pace, as did the rise of multinational companies, international donor agencies and the entire gamut of mechanisms of international economic influence. This process is generally known as neo-colonialism

SIGNIFICANCE OF INDIAN COLONIZATION

- The conquest of Bengal in 1757 enabled the systematic plunder of India and the Industrial Revolution took off around 1750.
- The drain of wealth or the unilateral transfer of capital from India after 1765 amounted to two to three per cent of the British national income at a time when only about five per cent of the British national income was being invested.
- In the 19th Century India emerged as a major market for British manufactures and supplied foodgrains and raw materials.
- Opium from India was sold in China, enabling Britain's triangular trade with China.
- Railways were a major area of investment of capital.
- Britain's international balance of payments deficit was handled by the foreign exchange got from Indian exports.
- British shipping grew in leaps and bounds on the back of its control over India's coastal and international trade.
- British industries especially textiles were heavily dependent on exports.

- India absorbed 10 to 12 per cent of British exports and nearly 20 per cent of Britain's textile exports during 1860-1880.
- After 1850 India was also a major importer of engine coaches, rail lines and other railway stores.
- Moreover, the Indian army played an important role in extending British colonialism in Asia & Africa
- The Home Charges (India's payments for receiving "good" administration from Britain) and the interest payments on the Indian Public Debt were important in financing Britain's balance of payments deficit.
- India's trade surplus with the rest of the world and her trade deficit with England allowed England to square her international settlements on current account.
- Also India's monetary reserves helped Britain.
- India bore the entire cost of its own conquest. India paid for the railways, education, a modern legal system, development of irrigation and detailed penetration of administration into the countryside.
- After 1870 India provided both the material and the human resources for the expansion and maintenance of empire.
- Afghanistan, Central Asia, Tibet, the Persian Gulf area, Eastern Africa, Egypt, Sudan, Burma, China and to some extent even South Africa were brought or kept within the British sphere of influence by virtue of Indian men and money.