Economic History of Empire – The American War of Independence to the First World War

Interview with Leigh Gardner

Summary:

1. **Accidental Empire, Diverse Motivations**
    - The British Empire's expansion, particularly in Africa during the "long 19th century" (post-American Revolution to WWI), was not centrally planned.
    - Motivations varied by region and included trade interests, strategic/military considerations, competition with other empires (notably France), and local crises (e.g., merchant troubles prompting British military action).
    - John Seeley famously described British imperialism as occurring "in a fit of absence of mind."
2. **Economic Costs and Benefits to Britain**
    - Historians debate whether empire provided net economic benefits to Britain. Estimates remain inconclusive due to difficulties constructing counterfactual scenarios (i.e., what might have happened without empire).
    - Direct profits for British firms existed but were difficult to measure accurately due to data limitations and survivorship bias.
    - The Royal Navy and other state costs were high and often hard to attribute solely to empire.
    - There were no major direct financial transfers from colonies to Britain (unlike, say, Spanish America); most colonial revenue stayed local to pay for administration.
    - The empire possibly provided protected markets for British manufacturers, which might have slowed innovation and productivity due to reduced competition.
3. **Effects on Colonized Regions (Focus on Africa)**
    - Economic impacts were uneven:
    - Some areas (e.g., cocoa-growing regions in Ghana) benefited through infrastructure (e.g., railways) and export opportunities.
    - Other areas (e.g., northern Ghana) became labour reserves, sending migrants to work in export regions, which could reduce local living standards and deepen inequality.
    - Infrastructure was minimal and extractive, designed mainly to transport commodities to ports, not for broad development.
    - Indigenous entrepreneurship played a major role in commodity production (e.g., palm oil, cocoa).
    - There were attempts to coerce production (e.g., of cotton), but these often failed due to weak colonial states and resistance.

4. **Development vs. Growth**
   - Colonial economic policy focused on export growth, not long-term development:
   - Little investment in education or diversification.
   - Economic benefits were highly concentrated, leading to rising inequality.
   - This had political consequences post-independence.
   - Empire may have provided short-term growth in specific sectors, but often at the cost of long-term development potential.
5. **Key Takeaway**
   - The British Empire’s economic impact was highly complex, regionally variable, and shaped by multiple competing interests.
   - For Britain, it may have provided some strategic and trade advantages, but likely not a major growth engine.
   - For colonized regions, it brought a mix of opportunity and deep structural inequality, without substantial investment in long-term development.