The old debate about the nature, importance and consequences of British Imperialism has been the subject of much recent research. In this short essay Tony Hopkins sets out a new interpretation of the changing forms of Britain's imperial supremacy through the eighteenth and nineteenth centuries. Acquisition of colonies and informal Empire, export of capital and free trade, finance and politics are integrated in a single historical perspective.

British Imperialism

A review and a revision

How is the Empire? George V's last words, spoken in 1936, voiced a preoccupation of monarchs and governments which sounded across three centuries of British history. Even today, there is a sense in which the empire lives on as well as strikes back. Its presence is felt not only in the imperial legacies of the Commonwealth - from the heights of the English language to the depths of the malfunctioning colonial telephone - but also in the active and sometimes discordant mixture of chauvinist sentiment and cosmopolitanism which lie so close to hand in contemporary Britain. In 1988, no less than in 1688, the need for security and the quest for opulence continue to draw Britain into the wider world, and policy-makers still strive, as they have for generations, to ensure that they do not preside over 'an insignificant island in the North Sea'.

The importance of the empire has long since elevated its study to the status of a specialisation. This badge of academic rank has encouraged historical research of wide range and deep erudition. The causes of empire-building, the means by which the empire was controlled, and the consequences of the 'imperial experience' are subjects which have generated a literature so substantial as to make even bibliographers blanch [Cain (2), Louis (8), Owen and Sutcliffe (10), Davies and Huttenback (5), Hopkins (7)]. This formidable academic advance has also erected barriers to non-specialists, who are understandably uncertain of the terms of the trade and the contours of debate. Indeed, specialisation has ensured that the study of imperialism and empire has been very largely disconnected from what is conventionally regarded as forming the 'mainstream' of British economic and social history. The purpose of this short essay Tony Hopkins sets out a new set of complexities [Cain (2)]. Flaws in the theory of economic imperialism were revealed, and attempts were made to restate orthodox approaches by presenting them in a more scholarly and less partisan way. Emphasis was placed on multicausal explanations which explored various noneconomic considerations and underlined the role of individuals, coincidence and chance. Some scholars stressed the importance of international diplomacy and the balance of power; others explored the ideological and racial impulses behind imperialism; others still examined the role of nationalism and forms of 'social imperialism' linked to urbanisation, wage-employment, and democracy.

This counter-revolution culminated in the work of Gallagher and Robinson in the 1950s and 60s [Louis (8), Robinson and Gallagher (9)]. They managed to escape from the traditional political framework which shackled orthodox studies of the empire while also avoiding the notion that the late nineteenth century was characterised by a form of 'new imperialism' arising out of an advanced stage of industrial capitalism. They drew attention instead to the underlying continuities of British imperialism. The industrial revolution had created the conditions for successful overseas expansion from an early point in the nineteenth century. Britain was indeed an expanding power. But for much of the period she was able to spread informally, by exercising commercial, cultural and diplomatic influence, whereas in the last quarter of the century new territories, principally in Africa, were incorporated into the formal empire. The underlying aim, British supremacy, remained constant. It was the means, not the motive, which changed. This happened not because World War I [Brewer (1), Owen and Sutcliffe (10)]. The alternative interpretation advanced by these commentators is conventionally referred to as the theory of economic imperialism, though recent research has revealed that there were several theories aimed at different targets. However, it remains true that the leading critics based their analysis of empire-building on what they presumed to be the central laws or tendencies of advanced industrial societies. Hence they emphasised, variously, the development of 'finance capitalism', the rise of cartels and monopolies, and the political influence of the industrial bourgeoisie, and they regarded imperialism as being an external expression of these novel domestic forces.

Earlier interpretations

There was a time when the study of imperial history lacked the complications introduced by modern scholarship. The empire was defined by the constitutional status of its parts, which were coloured red on the map of the world; and its history took the form of a political narrative animated by white heroes who symbolised the adventurous and progressive spirit of the age, whether Tudor or Victorian. This perspective was particularly congenial to the advocates of empire who promoted it. But it came under powerful attack in the late nineteenth century from dissenting liberals, such as Hobson, and from a clutch of radical and Marxist writers, whose hostile accounts of the causes and consequences of imperialism culminated in Lenin's analysis of the relationship between colonial rivalries and the outbreak of A. G. Hopkins is Professor of Economic History at the University of Birmingham. He is completing a book, written jointly with P. J. Cain, reinterpreting British imperialism in the nineteenth and twentieth centuries.
industrial capitalism entered a novel phase, but because Britain was harassed by foreign rivals (principally France and Germany) and plagued by a string of crises on distant peripheries. A final elaboration Robinson’s `excentric' theory of imperialism, shifted the explanation even further from the metropole and made the colonised collaborators in their own subordination [Owen and Sutcliffe (10)]. By redefining the concept of empire, Gallagher and Robinson were able to offer a coherent and illuminating account which made Marxist interpretations of nineteenth century imperialism appear dated and, in the eyes of some writers, redundant too.

The cartoons illustrate two of the fundamental themes of imperialism. Below, the `Present Proprietor' (the Imperial British East Africa Company), is asking the government to take over the economic burden of maintaining imperial control over its African territory of Uganda. On page seven, the bond holder - behind the screen - is seen manipulating the British government (represented by the prime-minister, Lord Salisbury), and thus determining British foreign policy in the interests of those who bought bonds and shares.

Curiously, Marxist historians were slow to respond to this challenge. They were sceptical, in principle, of bourgeois research (a feeling that was fully reciprocated by liberal scholars), and they adhered to stereotyped generalisations about the evolution of industrial capitalism and the drive to empire. A thorough Marxist account of the partition of Africa, based on the detailed research now available, has still to be written. However, Gallagher and Robinson’s thesis did provoke substantial comment and criticism from non-Marxist quarters during the 1960s and 70s. Some scholars cast doubt on the claim that Britain had established an informal ‘empire’ in the midnineteenth century; others revealed serious weaknesses in their interpretation of the partition of Africa (Louis (8), Hopkins (6)). Case studies reflecting a new sensitivity towards the history of the Third World multiplied, and the subject began to show pronounced centrifugal tendencies.

Historians teaching this topic now face a difficult choice. Traditional, Marxist-style theories of imperialism are appealingly comprehensive but run into conceptual and empirical difficulties. Non-Marxist interpretations are likely to reflect the results of recent research, but incline to fragment under a weight of detail. To conclude that `the truth lies somewhere between two extremes', is vaguely judicious, but it avoids saying why this should be the case or where the point of balance lies, and so consigns us to the place occupied by those who, as Burke put it, are `resolved to die in the last dyke of prevaporation'.

The remainder of this essay will sketch a way out of this dilemma Cain and Hopkins (3), (4)]. The presentation will necessarily be cryptic, but the absence of qualification is not to be taken as a sign that the reader is being offered the final solution to the riddle of the ages. The aim is rather to open up a line of enquiry which is intended to be a constructive and modestly interesting contribution to a long running and difficult debate.

Industrialisation and

The point of departure lies in questioning the central assumption, accepted by Marxist and non-Marxist writers alike, that British imperialism in the nineteenth century was essentially a product of the industrial revolution. Recent research suggests an alternative way of shaping British economic and social history during this period. Of course, industrialisation was of central importance; but it now clear that it was also a more protracted and fragmented process than was once thought. Moreover, the rise of industry needs to be set in the context of a broader pattern of economic development which began in London in the late seventeenth century, expanded during the classic phase of industrialisation in the nineteenth century, and continued to grow in south-east England in the twentieth century, when Britain's position as an industrial power entered a period of relative decline. This pattern of modernisation was created by a revolution in finance and commercial services which found expression in the foundation of the Bank of England, the establishment of the national debt, the rise of the stock exchange and of the major insurance companies, and in a cluster of commercial innovations which helped to give Britain a competitive edge in international trade.

These were progressive, profit-seeking activities which can properly be called capitalist. But their capitalist qualities were of a particular kind, being associated with managing men and money rather than machines, and being removed from direct contact with the world of manufacturing in the Midlands and the north. They pointed the way forward to an economic order which remains easily recognisable today, but they also proved to be compatible with the existing social hierarchy, and thus enabled change to be combined with stability. The leading representatives of the City and the service sector in the south-east not only made large fortunes, but made them in ways which were socially acceptable:

they were gentlemen as well as capitalists. This unusually favourable blend of economic and cultural attributes also conferred political privileges. Unlike their counterparts in industry, bankers and merchants in the City were able to use their geographical location and social ties to make valuable political connections in the capital, and they had the leisure necessary to cultivate them too.

Gentlemanly capitalism

The notion of gentlemanly capitalism is intended to give direction to the argument without imposing a strait jacket on the past. Gentlemen-capitalists are not to be seen as ingredients in a new conspiracy theory, for they were close to the structure of authority (where they were not already part of it), and their views were openly canvassed. Recognising the links between economy, society, and politics avoids determinism; identifying specific phases in the evolution of the gentlemanly capitalist order counters excessive generality.

Two broad phases (each with its own undulations) can be distinguished. The period between 1688 and 1850 was dominated by an alliance of established landowners and new ‘monied men’, who defended the Glorious Revolution, profited from the patronage system and the national debt, and underwrote political stability. As the eighteenth century
advanced, this structure experienced increasing budgetary and political difficulties, at home and abroad, and after 1815 reforms were introduced which curtailed patronage, installed ‘Gladstonian finance’, and dismantled protectionism. By the middle of the nineteenth century, the transition to a leaner, fitter Britain was complete. Thereafter, during the second phase, the importance of landed power declined, and financial and service interests became the dominant elements in a realigned gentlemanly coalition which adapted, cautiously, to the dangerous world of democratic politics.

British imperialism can be seen as an attempt to shape a world system which both expressed and reinforced the gentlemanly order at home. In the eighteenth century this aim was achieved by a combination of conquest and protectionism; in the nineteenth century assertiveness was linked to the weapon of free trade, which was used to create opening for finance, commercial services and manufactures both within and beyond the established empire. The spread of sterling as the currency of world trade and the rapid growth of Britain’s overseas investments after 1850 were the chief manifestations of this trend; the increasing dependence of the balance of payments on returns from foreign investment and from associated invisible earnings was one of its most striking consequences. Industry’s needs were important; but the southern financial and service sector was the more dominant influence on Britain’s presence abroad.

Exporting capital
This interpretation can be illustrated by looking at the nineteenth century, the period which has generated the fiercest debate over the causes of British imperialism. The transition to ‘responsible government’ in the older, settled parts of the empire was designed to perpetuate Britain’s interests in circumstances which no longer favoured protectionism or direction from the centre. As Disraeli observed in 1863: ‘colonies do not cease to become colonies because they are independent.’ What needs to be emphasised, however, is that Britain’s continuing influence in the dominions came to rest increasingly on exports of capital rather than on exports of manufactures. Canada (despite the influence of the United States) and Australia remained tied to London by their borrowing requirements, and, when necessary, they raised tariffs on British manufactures in order to balance their budgets and service external debts. India, which remained fully under Britain’s control in the period before 1914, provides an even more striking example of the priority given to financial and service interests. The abolition of the East India’s Company’s rule in 1858 symbolised the shift from the world of patronage and chartered companies to that populated by the new meritocratic class, drawn largely from southern England, who staffed the Indian Civil Service. These were men who equated good government with sound finance. British exporters undoubtedly gained greatly from the imposition of free trade on India, but their aspirations were limited by the imperatives of fiscal and monetary orthodoxy. In the longer term, the growth of investment in India was accompanied by a decline in the importance of the Lancashire lobby, a trend which culminated in the concession of tariff autonomy to India in

while also emphasising the way in which sectoral differences in the development of the metropolitan economy found expression in diverse parts of the ‘dark continent’. Britain attempted to open a number of doors outside the empire too, but with limited results before the mid-nineteenth century, despite Palmerston’s forceful efforts in the 1830s and 40s. Thereafter, however, considerable success was achieved in parts of South America, notably Argentina and Brazil, where valuable markets for British capital and commercial services were developed, and, with them, opportunities for manufactured exports too. The extent to which these states depended upon the flow of funds from Britain was demonstrated by the financial crises of the 1890s, which compelled Argentina and Brazil to make domestic policy adjustments to restore their external credit-worthiness. The governing elites of the two republics conformed to the ‘rules of the game’ because they admired British values as well as respected British power. The establishment of a branch of Harrods in Buenos Aires shortly before World War I indicated just how completely the Argentine elite had accepted gentlemanly tastes.

Elsewhere, however, intentions were not matched by results. Bridgeheads were established in the Ottoman Empire and China, but advances were limited: neither the Ottomans nor the Manchus shopped at Harrods. Manufacturers wanted new customers, but could not secure government backing on the scale required; governments were anxious to defend Britain’s position in the Middle East and Far East, but were unable to compel the City to make investments which did not command the confidence of the market. The limits to British imperialism in these ‘difficult’ areas provide a measure of the City’s privileged position in being independent of governments and in having an array of attractive alternatives. London could pick and choose; Paris and Berlin had to scramble for the fragments.

The older historiography which contrasted mid-Victorian quiescence with late-Victorian assertiveness is clearly misleading: Britain was undoubtedly an expanding, imperialist power in the nineteenth century. However, British imperialism was not a product of the ‘inner logic’ of industrial capitalism. Marx exaggerated the influence of the industrial bourgeoisie, and Marxists have overestimated the role of ‘finance capital’, as the term is normally understood, because connections between banks and industry were very limited before 1914. On the other hand, Gallagher and Robinson attach
insufficient weight to structural changes in the economy during the nineteenth century, and consequently place too much emphasis on the degree of continuity in British imperialism. Britain's invisible 'empire' was more limited in the mid-nineteenth century than they suppose, and it grew rapidly after the 1870s, at precisely the time when they claim that it was in decline. Moreover, their emphasis on the periphery makes the tail wag the dog. There were numerous crises on many distant frontiers, but for the most part they were symptoms, not causes, of imperialism. These difficulties pose a problem; but the solution is not to be found in the machinations of foreign powers or in the argument, surely of last resort, that the empire was acquired 'in a fit of absence of mind'.

**Finance and politics**

The interpretation advanced here suggests that the resolution of this dilemma lies in reappraising the contours of modern British economic and social history, and specifically in giving appropriate emphasis to developments which lay outside industry and remained largely independent of it. Imperialist impulses in the nineteenth century cannot be understood without placing the development of the financial and service sector - much neglected by economic historians as well as by specialists on imperialism - at the centre of the analysis, by tracing the growth of sterling as the motor of world commerce, and by exploring the ways in which wealth generated from overseas commerce helped to underpin the celebrated continuities of the British political system.

The scope for additional research is as wide as the argument itself. As far as British history is concerned, further thought needs to be given to the competitive and complementary features of the relationship between finance and manufacturing. On the periphery, the main interest lies in reappraising the role of external impulses as causes of local crises. Finally, by way of comparison, there is room for considering whether the argument developed here can be applied to other imperialist powers in Europe or whether, in the event, its main function is to underline the peculiarities of the English.

Britain's imperialist ambitions did not come to an end in 1914, despite a widespread view to the contrary. Strenuous attempts were made to recreate the pre-war international order in the 1920s, to forge a more manageable system based on the sterling area in the 1930s, and to strengthen imperial ties in the aftermath of World War II. The gentlemanly elite even succeeded in side-stepping the avalanche of decolonisation and in adjusting to the supremacy of the United States (and the dollar) during the 1950s and 60s. But a price had to be paid for keeping London at the centre of the world's financial markets. One view holds that the cost was borne by industry; another points to the threat posed to the autonomy of established City institutions by the intrusion of transnational corporations. From the perspective adopted in this essay, recent developments may have a deeper historical significance. The new Conservative policies imposed during the 1980s constitute a sustained and seemingly successful assault on the gentlemanly values of the liberal professions and occupations. Many of the old institutions and global aspirations remain; but the personnel have changed. Future historians may judge that the gentlemanly elite which held power from 1688 met their end in 1979, when Britain experienced another constitutional revolution: that of the petty bourgeoisie.

**References**

(1) A. Brewer, Marxist Theories of Imperialism, (London, 1980).