18.1 Introduction

If Imperialism is what happens in the metropolis, then colonialism is what happens in the colonies. The same system of capitalism that produced development in the Western world created underdevelopment in the colony. In this sense imperialism and colonialism are two sides of the same coin.

In the previous Unit, you were familiarized with imperialism as a modern phenomenon directly related to capitalism. You also learnt how the process of conquest, expansion and domination brought wealth and prosperity to the economies of the European countries. This Unit is a discussion of what this process meant to the economy and society in the colonies. It will provide a definition of colonialism and prepare a typology of colonies (colonies of settlement and of exploitation, inland colonies and overseas colonies, colonies under direct rule and colonies controlled only indirectly). It will then go into a discussion of the stages of colonialism and see how these stages functioned in different colonies.
Expansion of Europe

South Africa, Australia, Canada were colonies of white settlers whereas India and Indonesia were colonies exploited economically and politically over centuries. There was a process of colonization which took place through inland expansion (as in Russia) while there were many cases of overseas colonization as in the case of China. In this Unit we shall be studying colonies of exploitation.

Similarly colonization could happen both through direct and indirect rule. Direct rule meant a colonial state as in the case of India; indirect rule meant control over the politics, economy and society without taking on the onus for ruling the country as was the case in China. In this sense, colonialism could be both absolute and partial in terms of political control. Hence, **colonialism and semi-colonialism were different in basics.** In the case of a semi colony like China control was over the economy rather than over the polity. Also, no one imperial power had a monopoly of control as it was exploited by many powers unlike the case of India, where it was mainly Britain which retained absolute political control.

Again, **neo-colonialism** is the continuation of colonialism by non-formal means. Economic policies were dictated and military might was harnessed by the imperial power. The US was the foremost neo-colonial power in the later phase.

**18.2 APPROACHES TO COLONIALISM**

There are mainly two approaches to the understanding of colonialism. The successful liberation movements of the 1960s and the Cuban and Algerian revolutions led to a plethora of writings on colonialism. Andre Gunder Frank’s major contribution was followed by those of C. Furtado, Theodore Dos Santos, Paul Prebisch, Paul Baran, Samir Amin, Immanuel Wallerstein, Arghiri Emmanuel and F. Cardoso. According to the dependency school (Andre Gunder Frank, Samir Amin etc.) a colony would continue to be economically dependent even after achieving political freedom, as long as it remains a part of capitalism – as the capitalist class was incapable of undertaking the task of development. Wallerstein’s world systems approach divided the capitalist world into the centre, periphery and semi-periphery, between which a relationship of unequal exchange prevailed. The core economies of the centre produced high value products and had strong states. The periphery was constrained by low technology and low wages, the state was weak as was the capitalist class and the economy was dominated by foreign capital. The countries on the semi-periphery, like India, were marked by greater control of the state in the national and international market. Economic nationalism was the hallmark of such states, which were able to negotiate a stronger position for themselves in the world system. Cultural aspects of colonialism were highlighted by Amilcar Cabral, Franz Fanon and Edward Said. Bipan Chandra analysed colonialism in terms of colonial structure, colonial modernization, stages of colonialism and the colonial state.

**18.2.1 What is Colonialism?**

Colonialism is as modern a historical phenomenon as industrial capitalism. It describes the distinct stage in the modern historical development of the colony that intervenes between the traditional economy and the modern capitalist economy. It is a well structured whole, a distinct social formation in which the basic control of the economy and society is in the hands of a foreign capitalist class. The form of the colonial structure varies with the changing conditions of the historical development of capitalism as a world wide system.
It is best to look upon Colonialism as a specific structure. What took place during colonialism was not merely the imposition of foreign political domination on a traditional economy, as argued by some scholars. Nor was it merely the outcome of a vast confidence trick that relied on the docility, cooperation or disunity of the colonized, buttressed by the racial arrogance of their better-armed white governors. The view that ‘Empires were transnational organizations that were created to mobilize the resources of the world’ (Hopkins, 1999) is also incomplete; it focuses on the metropolis, not on the colony. Neither was a colony a transitional economy which, given time, would have eventually developed into a full blown capitalist economy. It is also incorrect that the colony suffered from “arrested growth” because of its pre-capitalist remnants. Many apologists, for example, Morris D. Morris, portrayed colonialism as an effort at modernization, economic development and transplantation of capitalism which could not succeed because of the restricting role of tradition in the colonies.

Colonial economy was neither pre-capitalist nor capitalist, it was colonial, i.e., a hybrid creation. Colonialism was distorted capitalism. Integration with the world economy did not bring capitalism to the colony. The colony did not develop in the split image of the mother country—it was its other, its opposite, non-developmental side. Colonialism did not develop social and productive forces, rather, it underdeveloped them, leading to contradictions and a movement forward to the next stage.

18.2.2 Definition

Colonialism is the internal disarticulation and external integration of the rural economy and the realization of the extended reproduction of capital not in the colony but in the imperialist metropolis.

Colonialism is a social formation in which different modes of production coexist from feudalism to petty commodity production to agrarian, industrial and finance capitalism. Unlike capitalism, where the surplus is appropriated on the basis of the ownership of the means of production, under colonialism surplus is appropriated by virtue of control over state power. When one understands colonialism as a social formation rather than as a mode of production, we are able to see the primary contradiction as a societal one, rather than in class terms. Thus we have a national liberation struggle rather than a class struggle against the colonial power. The primary contradiction in society is the national one, not the class one; the struggle against the colonial power is political.

18.2.3 Basic Features of Colonialism

One basic feature of colonialism is that under it the colony is integrated into the world capitalist system in a subordinate position. Colonialism is characterized by unequal exchange. The exploitative international division of labour meant that the metropolis produced goods of high value with high technology and colonies produced goods of low value and productivity with low technology. The colony produced raw materials while the metropolis produced manufactured goods. The pattern of railway development in India in the second half of the 19th Century was in keeping with the interests of British industry. Bal Gangadhar Tilak, the Indian nationalist leader, described this as decorating another’s wife. The colony was articulated with the world market but internally disarticulated. Its agricultural sector did not serve its industry but the metropolitan economy and the world market. The drain of wealth took place through unrequited exports and state expenditure on armed forces and civil services. Foreign political domination is the fourth feature of Colonialism. Therefore, unequal exchange, external integration and internal disarticulation, drain of wealth, and a foreign political domination may be understood as the four main features of colonialism.
18.3 THE COLONIAL STATE

The colonial state is integral to the structuring and functioning of the colonial economy and society. **It is the mechanism by which the metropolitan capitalist class controls and exploits the colony.** The colonial state serves the long term interests of the capitalist class of the mother country as a whole, not of any of its parts.

Under colonialism all the indigenous classes of the colony suffer domination. No class is a junior partner of colonialism. Thus even the uppermost classes in the colony could begin to oppose colonialism as it went against their interests. It is useful to remember that big landlords led the anti-colonial movements of Poland and Egypt. This is a major difference between colonies and semi-colonies, where there are compradors, native classes that are part of the ruling class.

The role of the colonial state was greater than the capitalist one. The state itself was a major channel of surplus appropriation. The metropolitan ruling class used the colonial state to control colonial society.

The colonial state guaranteed law and order and its own security from internal and external dangers. It suppressed indigenous economic forces hostile to colonial interests. The colonial state actively fostered the identities of caste and community so as to prevent national unity. The state was actively involved in reproducing conditions for appropriation of capital, including producing goods and services. Another important task is the transformation of the social, economic, cultural, political and legal framework of the colony so as to make it reproductive on an extended scale.

There is an explicit and direct link between the colonial structure and the colonial state. Thus it is easy to politicize the struggle against colonialism. As the mechanism of colonial control lies on the surface, it is easy to expose the links with the industrial bourgeoisie of the home country. The state is visibly controlled from abroad and the isolation of the colonial people from policy and decision making is evident.

The colonial state relied on the whole on domination and coercion rather than leadership and consent. However, it functioned to some extent as a bourgeois state with rule of law, property relations, bureaucracy and constitutional space within which colonial discontent was to be contained. We shall discuss this in detail with reference to India.

18.4 STAGES OF COLONIALISM

There were three distinct stages of colonialism. Some countries went through one or two stages only. India went through only the first and second stages, Egypt only through the third stage, and Indonesia the first and third stage. These stages lasted over two hundred years. The forms of subordination changed over time as did colonial policy, state and its institutions, culture, ideas and ideologies. However, this did not mean that stages existed in a pure form. The older forms of subordination continued into the later stages.

The stages were the result of four factors:

- the historical development of capitalism as a world system;
- the change in the society, economy and polity of the metropolis;
- the change in its position in the world economy and lastly;
- the colony’s own historical development.
18.4.1 First Stage: Monopoly Trade and Plunder

The first stage had two basic objectives. In order to make trade more profitable indigenously manufactured goods were to be bought cheap. For this competitors were to be kept out, whether local or European. Territorial conquest kept local traders out of the lucrative trade while rival European companies were defeated in war. Thus the characteristic of the first stage was monopoly of trade.

Secondly, the political conquest of the colony enabled plunder and seizure of surplus. For example, the drain of wealth from India to Britain during the first stage was considerable. It amounted to two to three per cent of the national income of Britain at that time. Colonialism was superimposed on the traditional systems of economy and polity. No basic changes were introduced in the first stage.

18.4.2 Second Stage: Era of Free Trade

The interest of the industrial bourgeoisie of the metropolis in the colony was in the markets available for manufactured goods. For this it was necessary to increase exports from the colony to pay for purchase of manufactured imports. The metropolitan bourgeoisie also wanted to develop the colony as a producer of raw materials to lessen dependence on non-empire sources. Increase of exports from the colony would also enable it to pay for the high salaries and profits of merchants. The industrial bourgeoisie opposed plunder as a form of appropriation of surplus on the ground that it would destroy the goose that laid the golden eggs.

Trade was the mechanism by which the social surplus was to be appropriated in this stage. In this stage changes in the economy, polity, administration, social, cultural and ideological structure were initiated to enable exploitation in the new way. The slogan was development and modernization. The colony was to be integrated with the world capitalist economy and the mother country. Capitalists were allowed to develop plantations, trade, transport, mining and industries. The system of transport and communications was developed to facilitate the movement of massive quantities of raw materials to the ports for export. Liberal imperialism was the new political ideology. The rhetoric of the rulers was to train the people in self-government.

18.4.3 Third Stage: Era of Finance Capital

The third stage saw intense struggle for markets and sources of raw materials and food grains. Large scale accumulation of capital in the metropolis necessitated search for avenues for investment abroad. These interests were best served where the imperial powers had colonies. This led to more intensive control over the colony in order to protect the interests of the imperial power.

In the sphere of ideology the mood was one of reaction. The need for intensive control increased. There was no more talk of self government; instead benevolent despotism was the new ideology according to which the colonial people were seen as children who would need guardians forever.

A major contradiction in this stage was that the colony was not able to absorb metropolitan capital or increase its exports of raw materials because of overexploitation in the earlier stages. A strategy of limited modernization was implemented to take care of this problem but the logic of colonialism could not be subverted. Underdevelopment became a constraint on further exploitation of the colony.

The third stage often did not take off. Colonialism had so wrecked the economies of some colonies that they could hardly absorb any capital investment. In many colonies the older forms of exploitation continued. In India, for example, the earlier two forms continued, even in the third stage.
18.5 COLONIALISM IN DIFFERENT TERRITORIES

So far you have seen the general pattern of colonial expansion spread over three stages. In the next two sections we will take up specific case studies of colonies.

18.5.1 Africa

The conquest of Africa took place in the last decades of the nineteenth century. Till as late as 1880 only 20 per cent of Africa had come under European rule. With the spread of the Industrial Revolution to other countries of Europe rivalries increased as did the search for colonies. The emerging industrial powers looked for a place in the sun. A continent of over 28 million square km was partitioned and occupied by European powers by a combination of two strategies, treaties and conquest.

In Africa in 1939, 1200 colonial administrators ruled 43 million Africans – through local chiefs.

Three eras of conquest

The first phase, 1880-1919, was one of conquest and occupation. The colonial system was consolidated after 1910. The second phase, 1919-35, was that of the independence movements. The third stage was from 1935 onwards. Within forty five years the colonial system was uprooted from over 94 per cent of Africa. Colonial rule lasted for a hundred years on an average. British territories in Africa consisted of Nigeria, Gold Coast, Gambia, Sierra Leone, Kenya, Tanganyika, Nyasaland, Uganda, North and South Rhodesia and South Africa. Algeria, Morocco, Cameroon, French-Congo, Tunisia, and Madagascar were some of the main French colonies.

Impact

The impact of colonialism in Africa was tremendous. The self sufficient African economies were destroyed, transformed and subordinated by colonial domination. Class differentiation in African society occurred as a result of the impact of colonial domination. The links of African countries with each other and with other parts of the world were disrupted. European powers reduced the economies of Africa to colonial dependencies through the power of finance capital. The loans for the Suez Canal enmeshed Egypt in debt.

There are different interpretations of the impact of colonial rule. The imperialist school of thought would have it that Africans welcomed colonial rule. Social Darwinism justifies colonialism by arguing that the domination over the weaker races was the inevitable result of the natural superiority of the European race. Both colonial rulers and latter day apologists have presented colonial rule as a blessing. It is said that modern infrastructure, health and education would not have reached the colony had it not been part of the colonial system. Other scholars, like D.K. Fieldhouse, have described the effects as “some good, some bad”.

The primary motive behind colonialism was of course satisfying imperial interests. The positive effects of colonialism, if any, were byproducts; they were clearly not consciously intended. The negative impact was huge and in all spheres, with long lasting legacies. For example, ethnic conflicts which paralyze many parts of Africa today are rooted in the arbitrary superimposition of territorial boundaries on an essentially tribal society.

18.5.2 Egypt

Egypt was under the protection of both France and Britain. She became an agrarian and raw material appendage of the metropolitan countries. Two stages of colonialism were merged into one in Egypt.
Britain developed Egypt as a supplier of cotton for her textile industry. By 1914 cotton constituted 43 per cent of agricultural output. It accounted for 85 per cent of exports in 1913. Being a single crop economy was disastrous as Egypt became dependent on imports for her essential food supply. The control of foreigners over cotton was total, from owning or controlling the land it was grown on, the cotton processing and cotton cleaning industry and the steamships it was transported in. There was not a single mill in Egypt.

Egypt was also a valuable field of investment of banking capital. Five per cent capital went into industry and construction, 12.36 into trade and transport and 79 per cent into public debt, mortgage and banks. Egypt was enmeshed in indebtedness as a result of exploitation by foreign powers.

The First World War showed up the exploitation of Egypt fully. Her natural resources, manpower and economy were harnessed to the war effort. Crops were seized by the army. The British Treasury took over the gold reserves of the National Bank of Egypt. Egypt became a British protectorate in 1914.

18.5.3 South-East Asia

Colonialism in South-East Asia lasted five centuries, from the late fifteenth to the mid twentieth century. Even after the heyday of the spice trade, South-East Asia remained important as a supplier of basic raw materials like oil, rubber, metals, rice, coffee, tea and sugar. The impact of colonialism in this region was considerable, even on countries like Thailand, which did not formally become colonies. Traditional forms of government disappeared, trading patterns were disrupted and the rich cultural traditions of these regions were destroyed.

18.6 INDIA

India has generally been considered a classic colony. A study of colonialism in India can tell us a great deal about the functioning of colonialism in general. Let us see how the different stages of colonialism operated in India.

18.6.1 First Stage

In the first stage both the objectives – the monopoly of trade and appropriation of government revenues – were rapidly fulfilled with the conquest first of Bengal and parts of South India and then the rest of India. The East India Company now used its political power to acquire monopolistic control over Indian trade and handicrafts. Indian traders were ruined while weavers were forced to sell cheap. The company’s monopoly ruined the weavers. In the next stage cheap manufactured goods finished them.

The drain of wealth was admitted to by British officials. In the words of the Deputy Chairman of the Court of Directors, “Our system acts very much like a sponge, drawing up all the good things from the banks of the Ganges and squeezing them down on the banks of the Thames.”

The colony did not undergo any fundamental changes in this stage. Changes were made only in military organization and technology and at the top level of revenue administration. Land revenue could be extracted from the villages without disturbing the existing systems. In the sphere of ideology too there was respect for traditional systems in contrast to the denunciation of traditional values in the second stage. The respect with which Sanskrit was held by British Indologists like William Jones was in sharp contrast to Macaulay’s later dismissal of traditional learning as not being enough to fill a bookshelf of a good Western library.
18.6.2  Second Stage

The era of free trade saw India emerge as a market for manufactured goods and a supplier of raw materials and food grains. Import of Manchester cloth increased in value from 96 lakh sterling in 1860 to 27 crore sterling in 1900. Traditional weavers were ruined by this competition. Rather than industrialization, decline of industry or deindustrialization took place. In the middle Gangetic region, according to historian A.K. Bagchi, the weight of industry in the livelihood pattern of the people was reduced by half from 1809-13 to the census year 1901.

Estimates by Sivasubramaniam indicate that in the last half century of British rule per capita income in India remained almost stagnant. Dadabhai Naoroji calculated per capita income at Rs.20 per annum.

Railway expansion was undertaken and a modern post and telegraph system was set up. Administration was made more detailed and comprehensive so that imports could penetrate the villages and raw materials could be taken out easily. Capitalist commercial relations were to be enforced. The legal system was to be improved so as to ensure upholding the sanctity of contract. Modern education was introduced to produce babus to man the new administration. Westernized habits were expected to increase the demand for British goods.

Transformation of the existing culture and social organization required that the existing culture be denounced. Orientalism, by depriving people of the power to study their own languages, was an appropriation of the processes by which people understand themselves. The new ideology was one of development. Underdevelopment was not the desired but the inevitable consequence of the inexorable working of colonialism of trade and of its inner contradictions.

18.6.3  Third Stage

The third stage is rightly known as the era of finance capital. A huge amount of capital was invested in railways, loans to the Government of India, trade and to a lesser extent in plantations, coal mining, jute mills, shipping and banking in India.

In this stage, Britain’s position in the world was constantly challenged by the rivalry of new imperialist countries. The result was further consolidation of its control over India. Control had to be strengthened to contend with competition from rival imperialist powers.

Lord Curzon, Viceroy of India, wrote:

Other channels of investment, outside of India, are gradually being filled up, not merely by British capital, but by capital of all the wealth-producing countries of the world; and if this be so, then a time must soon come when the current of British capital, extruded from the banks between which it has long been content to meander, will want to pour over into fresh channels, and will, by the law of economic gravitation, find its way into India, to which it should be additionally attracted by the security of British institutions and British laws.

Reactionary imperialist policies characterized the viceroyalties of Lytton and Curzon. All talk of self government ended and the aim of British rule was declared to be permanent trusteeship over the child people of India.

Loosening of links

The major spurts in industrial investment took place precisely during those periods when India’s economic links with the world capitalist economy were temporarily...
weakened or disrupted. In India’s case, foreign trade and the inflow of foreign capital were reduced or interrupted thrice during the 20th Century, i.e. during the First World War, the Great Depression (1929-34) and World War II. But as the links were not disrupted, merely loosened, what took place was only industrial growth, not industrial revolution.

### 18.7 BRITISH COLONIAL STATE

That the British wielded brute force to maintain their rule in India and to crush opposition is well known. Very often, the state did not actually repress; the very fact that it had the capacity to do so was enough to contain revolt. Hence, the British considered the maintenance of a large, disciplined, efficient and loyal army to be a prime necessity, for the armed forces remained, in the ultimate analysis, the final guarantor of British interests. But generally, for the continued existence of their rule and for the perpetuation of imperialist domination, they relied on a variety of ideological instruments. It is in this sense that the British colonial state in India was, in however limited a way, a hegemonic or semi-hegemonic state. Its semi-hegemonic foundations were buttressed by the ideology of pax Britannica, law and order, the British official as the *mai-bap* of the people, as well as by the institutions of the ideological, legal, judicial and administrative systems.

The impression of the unshakable foundations of British rule, the aura of stolidity and general prestige of the Raj contributed towards the maintenance of imperial hegemony. The prestige of the Raj, by showing the futility of attempts to overthrow it, played as crucial a role in the maintenance of British rule as the armed might behind it. The prestige of the Raj was very largely embodied in its much vaunted ‘steel frame’, the Indian Civil Service (ICS), and, more specifically, in the district officer, who represented authority in the countryside: “At the centre of the ‘benevolent despotism’ that British rule in the subcontinent adopted stood the steel frame of the Indian Civil Service... and in particular the figure of the district officer himself, the physical ‘embodiment of Government’ across the Indian countryside...”

Rudyard Kipling’s ‘A Song of the English’ (1893) went thus –

*Keep ye the law*

*Be swift in all obedience*

*Clear the land of evil*

*Drive the road and bridge the ford –*

*By the peace among Our peoples let men know we serve the Lord!*

A state structure of this kind, based on “semi-hegemonic foundations”, called for certain specific policies in the political sphere. A reliable social base for the state had to be secured on the one hand; on the other, strategies had to be devised to limit the social reach and effective clout of the anti-imperialist forces. Active cooperation of ‘native allies’ in running the country was gained by a variety of techniques, ranging from the handing out of jobs, favours and positions of some authority to concessions to the ‘legitimate’ political demands of the loyalist and liberal sections. As regards the snowballing of anti-British discontent, it was sought to be neutralized by confining it within the constitutional arenas created by the political reforms. Constitutional concessions were regularly made, though under pressure, to the demands raised by the anti-imperialist forces.
18.8 COLONIALISM OR COLONIALISMS?

If we look at British and French colonial rule it is clear that they are informed by different perspectives though often the reality on the ground amounted to the same. Some scholars point to this fact of the same reality on the ground to argue that all colonialisms were the same. For example, historian D.A. Low disagrees with the view that there were different patterns of colonialism on the ground that British and French colonies achieved independence at the same time. In this section the existence of different patterns of colonialism is discussed.

Wallerstein would have it that there was a basic paternalism which ran through the philosophies of all the colonial powers. But this basic paternalism expressed itself in very different forms, depending on the history and national character of the colonial powers.

From the beginning there was a sparseness and economy about British colonial policy. The British used trading companies to acquire colonies, insisted that colonies be self-sustaining and varied the political structure in each of the colonies to suit local needs. “This, then, is the classic contrast between Africa’s two colonial powers, Britain and France: Britain – empirical, commercial, practising indirect rule, keeping Africans at a distance, verging on racism; France – Cartesian in its logic, seeking glory, practicing direct administration, acting as apostle of fraternity and anti-racism. Anyone who travels in both British and French Africa will see the grain of truth in these generalizations. The flavor of life is different; the two colonial governments have produced two different cultures. And yet, anyone who travels there well knows the severe limitations of these generalizations.”

In practice the differences were not so clear. The French often supported chiefs where they were powerful rather than rule directly. As for ‘empiricism’ versus ‘Cartesian logic’, this comparison is more the stuff of polemics than of analysis.

To contrast motives of money and glory seems even more dubious. For the British were surely proud of their empire, and the French surely profited by theirs. As for ‘racism’ and ‘fraternity’, it may be that French paternalism was based on the exclusive virtue but universal accessibility of French civilization and British paternalism on the equal virtue of all traditions but the unique accessibility of British culture. Nevertheless, in practice, there were parallel degrees of political, social and economic discrimination in two settler territories like Kenya and Algeria, and there were parallel ideologies among the settlers. There was also parallel absence of legal discrimination in non settler British and French West Africa, though until 1957 the exclusive white clubs of both areas barred Africans as members or as guests. There were differences also regarding the role of the civil service. In Britain civil servants were nonpartisan whereas in France junior civilians were political. But after independence this made little difference.

No clear distinction can be made between French direct rule and English indirect rule which allowed traditional institutions to survive when we look closely at the actual working of administration. Fieldhouse has shown that after 1929 and especially after 1932 attitudes and practices came closer together.

18.9 SUMMARY

Colonialism is as modern a historical phenomenon as industrial capitalism. While the metropolis experiences growth under capitalism the colony undergoes underdevelopment. Colonialism is more than foreign political domination; it is a distinct
social formation in which control is in the hands of the metropolitan ruling class. In short, colonialism is what happened in the colony and imperialism is what happened in the metropolis.

18.10 EXERCISES

1) Define basic features of colonialism. How is it different from imperialism?

2) What are different approaches to the understanding of colonialism?

3) What were the different historical stages of colonialism? How did it impact the Indian economy?

4) Can one talk of different types of colonies rather than one single colonialism?