

ECONOMIC AND BUSINESS HISTORY 24/25

LECTURE 8 – GLOBALIZATION VS IMPERIALISM

1. Globalization & Imperialism

PLAN



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Globalization & Imperialism

The drive for Globalization (in trade and capital) belonged to the private sector in the main European economic power

Globalization also required some level of cooperation amongst states, especially bilateral cooperation (trade treatises)

Nevertheless, major powers continued to rival and had their competing geopolitical ambitions

Thus, outside of Europe and the Americas, they started to expand politically together with trade and investment

Also, the technology that gave these countries an economic edge also created a clear technological asymmetry vis-à-vis Asian, African and Pacific polities

Imperialism

- Between 1820 and 1914 Globalization was intertwined with the imperial expansion of the most successful economic powers:
- Great-Britain
- France
- Russia
- The United States
- Germany (unified in 1871)
- Belgium (founded 1830)
- Their competing interests gave rise to many 'crises', that created tensions that would ultimately destroy Globalization. A few of these are discussed here

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The 'Naval Race'



An especially relevant event was the economic (and later political) ascent of Germany

With its high levels of human capital and coal mines, Germany became a continental industrial power (in financial and fixed capital) leading in some sectors (chemical and steel)

English-German relations saw little friction during the 19th cent

However, in 1895, G sought to expand its fleet, a move that attracted the hostility of GB and their relations did not improve

German ambitions in the early 1900s led GB to become closer to F

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The 'Great Game'

Since the 1830s the British considered that their hold in India was threatened by Russia, whereas Russians feared British influence over Central Asia

GB had thwarted British ambitions before (Crimean War of 1853-6)

Thus, influence over the Asian steppes and Persia became a bone of contention between Britain and the Russian Empire

This rivalry was called the 'Great Game'



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The 'Great Game'

Russia and GB harmonised their competing interests, with a series of agreements

In 1907, the Entente with the two powers and France led them to adjust their imperial borders

A good example is modern-day Afghanistan, which was left as a buffer state between British India and Imperial Russia, and whose border was designed to separate the two major powers



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The Case of Gambia

France and GB also rivalled overseas

Gambia, a country embedded into Senegal, provides an interesting case of harmonising interest between these two colonial powers.

Whereas France controlled Senegal, British had trading rights in the river Gambia

This was important because the river allowed for access to the groundnut plantations inland, for Senegambia's main export crop

The solution was to create a colony named Gambia without harming French interests

The country's unique shape is derived from the fact that the borders were drawn using shots from gunboats. The borders corresponded to the range of the guns fired.



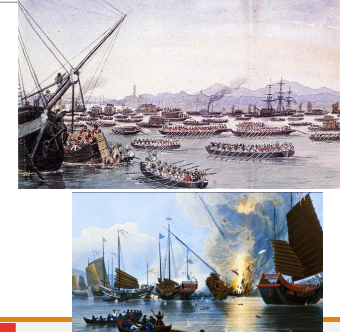
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Gunboat Diplomacy

Since the 1840s, GB also used her navy to obtain commercial advantages and/or territory

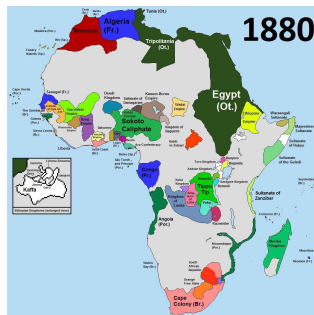
This became known as gunboat diplomacy

The better known 'success' was the Opium Wars against China, forcing the Chinese Empire to cede Hong Kong



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The 'Scramble for Africa'



1880

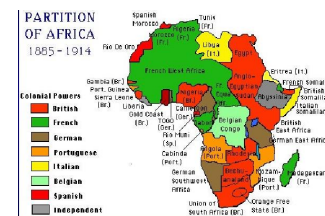
In Africa, during the 19th century, European powers (PT, GB, F and Sp) only had a few coastal possessions

Most of the continent was under stateless societies or loosely-organized polities

By 1880, F, PT and GB alleged 'historical rights' to expand their possessions and limit trade

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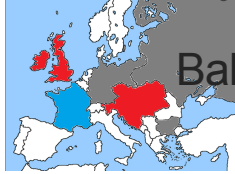
The 'Scramble for Africa' (2)



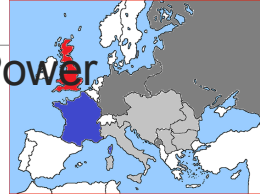
- The 1885 Berlin Conference started, after Portugal and England signed a treaty on, with Portugal closing the mouth of the Congo river to int'l trade
- As Germany, France and Belgium protested, an international conference was held in Berlin to assign the spheres of influence within Africa
- As a result, G and Belgium obtained overseas empires

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1871 – Franco-German hostility, with Russia on G side; Austria and GB rival Russia in, respectively, the Balkans and Asia, leading to 3 blocks

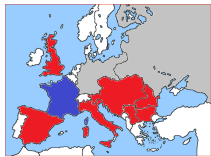


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Balance of Power

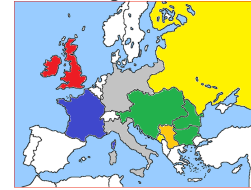
1887 – AH broke with G and R in order to support Bulgaria against Russia and created the 'Mediterranean Agreement' with GB, AH and It and minor powers



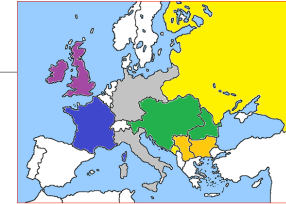
1891 – Disputes about tariffs and loans led to break between G and R; F seized the occasion to ally to Russia, using financial aid, Triple Alliance (G, AH and It is formed)



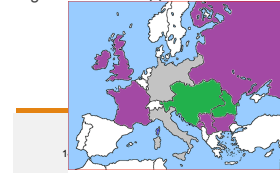
1897 – Agitation in the Balkans led to the a new break between AH and Serbia, England moved away from AH



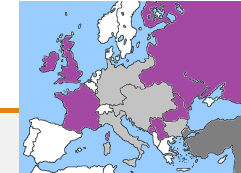
1904 – France and England celebrate an agreement, and harmonise their positions in Europe and in the world



1909 – R and GB end the Great Game, whereas the Naval Race continued. AH pursuit an independent policy in the Balkans against Russia-supported Serbia and Bulgaria



1914 – The 1912-3 Balkan War in which Russian allies beat the Turks led AH to get close to Germany again



System Failure

- Overall, the balance of power mechanism allowed the major powers to manage their conflicting interests
- Several tensions (Great Game, Morocco Crisis, the Boer War, the Balkan War) were solved with the re-alignment of alliance
- Likewise, the assassination of the heir to the Austrian-Hungarian throne, which opened the doors to more Austrian influence in the Balkan, could have been avoided.
- Nevertheless, the mechanics of modern warfare (railways ensuring mobilized soldiers arriving at the front of battle in days) meant a misstep could send the military alliances in motion
 - In 1914, one of those crisis was responded by a series of miscalculation of all major powers

