

An Analysis of the Financial Gains from Colonialism of Great Britain

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Abstract: The British Empire is known for its large territory ranging all the way from the Americas to Oceania, with dozens of colonies that brought the empire great wealth and capacity to industrialize and mass produce. Based on data and information on the amount of British colonial production, this article focuses on calculations and estimations of the total colonial gain of the empire above. By estimating the amount of production in selected significant colonies, and then converting the results into the desired unit of measurement, a calculated value of colonial wealth can be achieved. The resulting values reveal that the British Empire is estimated to have generated more than 35 trillion British pounds, 56 million pounds of tobacco, 54 million tons of sugar, 173 million tons of rubber, 39 million tons of wool, and 26 million Terawatt hours of oil. Through calculations of the total colonial gains of the British Empire, the effect of colonization on the mother country and its influence on the modern world can be more easily and directly seen.

Keywords: colonialism, British Empire, financial gains

1. Introduction

The first effort made by Great Britain to obtain overseas territories was during the 16th century, while the empire flourished in later centuries of history. The vast empire encompasses North America, the West Indies, Africa, Oceania, and Asia. Notable colonies such as the thirteen colonies of America and the “Jewel in the Crown” of India are both significant members of this empire. Beginning in Newfoundland, part of nowadays Canada, in 1583 and concluding with the end of colonial rule in Hongkong in 1997, the empire saw a history ranging from over 400 years of history [1]. The entity had exhibited mercantilist colonial approaches which resembled the empire prior to itself—the Spanish empire—but later shifted to a rather liberal approach, promoting the free-market system argued by Adam Smith after the American Revolution [1]. Before the publication of *Wealth of Nations* (1776) written by the famous economist Adam Smith, Britain had followed the path laid down by its predecessors, imposing an abundance of trading restrictions, and establishing a closed economy between the colonies and the mother country [2]. Nonetheless, either mercantilist colonialism or liberal colonialism allowed Great Britain to extract enormous wealth from the overseas colonies. Therefore, an evaluation of the financial impact due to the practice of colonialism is meaningful in considering the general impact of imperialism on the mother country and the formation of the modern world.

This article aims to estimate the extra wealth Great Britain generated through the practice of colonizing and exploiting its overseas possessions. The article is based on several past researches on the topic of British colonialism and arrives at a numerical estimation of the wealth of Great Britain that resulted from colonialism. By sorting the number of British colonies into groups, and estimating the average value of wealth generated in the region annually with the limited amount of data, an estimation of the value of British colonial wealth accumulation can be calculated.

2. Case Description

The British colonies can be sorted into seven portions: British North America, British West Indies, British Africa, British India, British Straits Settlements, British Middle East, and British Oceania. The colonies are sorted in this way to provide convenience for further analyses and calculations.

Although the colonies are sorted into seven parts, the colonies that comprise the different portions had their introduction to British colonialism in differing years. In the following list, different member colonies are listed under one of the seven portions that they belong to geographically with their length of being colonized and leading colonial business listed in the form of the colony, length of colonisation in years.

2.1. British North America

British North America can be sorted further into Canada (comprised of several different British colonies which later joined to form the Canadian Confederation), which leading business was the fur trade, and the thirteen colonies of America, which leading business was tobacco plantation. The length of the colonies being colonized is shown in Table 1.

Table 1: British North American Colonial Possessions and the Time Duration of Colonisation [3].

Colony	Length of Colonisation in Years
Canada	104
Virginia	170
Massachusetts	147
Maryland	144
Rhode Island	132
Connecticut	114
North Carolina	113
South Carolina	113
New York	112
New Jersey	112
New Hampshire	97
Pennsylvania	95
Delaware	72

2.2. British West Indies

This set of colonies is known for its sugar plantations and intensive labor. Caribbean sugar was also known after the name of colonial good [4]. The length of the colonies being colonized is shown in Table 2.

Table 2: British West Indies Colonial Possessions and the Time Duration of Colonisation [3].

Colony	Length of Colonisation in Years
Bahamas	190
Barbados	339
Bermuda	383
British Guiana	152
Belize	183
Jamaica	307
Leeward Islands	312
Trinidad	69
Windward Islands	146

2.3. British Africa

These colonies had planted cash crops such as cocoa, peanuts, cotton, palm oil, and groundnuts [5]. The length of the colonies being colonized is shown in Table 3.

Table 3: British African Colonial Possessions and the Time Duration of Colonisation [3].

Colony	Length of Colonisation in Years
Anglo-Egyptian Sudan	58
Bechuanaland	81
British Cameroon	45
Kenya	77
Uganda	69
British Somaliland	76
British Togoland	35
Nigeria	76
Gambia	77
Gold Coast	83
Northern Rhodesia	74
Southern Rhodesia	85
Nyasaland	73
Sierra Leone	174
Swaziland	74
Tanganyika Territory	43

2.4. British India

Although this colonial possession of Great Britain is comprised of several modern countries, in this specific piece of essay, this possession can be treated as a single entity in later calculations. The length of the colony being colonized is shown in Table 4.

Table 4: British Indian Colonial Possessions and the Time Duration of Colonisation [3].

Colony	Length of Colonisation in Years
British India	90

2.5. British Straits Settlements

The British Straits Settlements are known for their abundance of rubber exports, although the plant itself was not original to the region [6]. The length of the colonies being colonized is shown in Table 5.

Table 5: British Straits Settlements and the Time Duration of Colonisation [3].

Colony	Length of Colonisation in Years
British Malaya	90
Singapore	140
North Borneo	96

2.6. British Middle East

The British colonies of the Middle East are most well known for their abundance of oil deposits which are discovered c.1901 [7]. The length of the colonies being colonized is shown in Table 6.

Table 6: British Middle East Colonial Possessions and the Time Duration of Colonisation [3].

Colony	Length of Colonisation in Years
British Egypt	53
Emirate of Transjordan	24
Mandatory Iraq	12
Mandatory Palestine	30

2.7. British Oceania

The two significant colonies that are of this article's focus are British Australia and New Zealand, known for their wool production industry. The length of the colonies being colonized is shown in Table 7.

Table 7: British Oceanian Colonial Possessions and the Time Duration of Colonisation [3].

Colony	Length of Colonisation in Years
Australia	113
New Zealand	67

3. Analysis

The following analyses are divided into seven sections, with each section calculating an estimated value of the colonial financial gain that Great Britain had accumulated from the colonies in the section within the time range provided. The general measure taken for the estimation is to first estimate the average value of colonial production annually, and then multiply the value with the time length of colonization as listed above in Table 1-7.

3.1. British North America

3.1.1. Canada

The focus of the calculation on the Canadian colony is the fur trade seen in the region. In order for a more specific understanding, take Canada as an example to explain the specific calculation process. The specific method taken for the calculation of wealth generated through the Canadian fur trade is to first find an average of the number of fur traded annually, and then apply the result to the time range of colonial Canada. Lastly, convert the data into modern British pounds.

For reference, statistics regarding the value of fabric and furs exported monthly from Canada from 2015 to 2022 are found [8]. Although the time does not rigorously match the time frame given for colonial Canada, the data could be treated as a reference for the capacity of production.

From the reference found above, the average export value per year is 996.386 million Canadian Dollars [8]. Multiplying this resulting value with the time length during which Canada was a British colony, the final value is 103,624.114 Canadian Dollars, which is *61987.267 Pounds* [8].

3.1.2. The Thirteen Colonies

Approaching the calculations using a similar method as described above, the average amount of tobacco produced in Jamestown of Virginia from 1617 to 1622 is around 40,000 pounds per year [9]. Using this as a reference, the rough estimation of the amount of wealth created in the thirteen colonies over the time range of colonization is as follows:

Virginia—6,800,000 pounds
Massachusetts—5,880,000 pounds
Maryland—5,760,000 pounds
Rhode Island—5,280,000 pounds
Connecticut—4,560,000 pounds
North Carolina—4,520,000 pounds
South Carolina—4,520,000 pounds
New York—4,480,000 pounds
New Jersey—4,480,000 pounds
New Hampshire—3,880,000 pounds
Pennsylvania—3,800,000 pounds
Delaware—2,880,000 pounds
The total amount of tobacco in pounds: *56,840,000 pounds*

3.2. British West Indies

The focus of the calculations of the British West Indies is the production of sugarcane. The method taken is similar to the methods above. For the British West Indies, statistics about sugar production in the British West Indies in the 19th century were found, and the annual production average calculated is 236,438 tons of sugar [10]. Applying the result over the time length of the West Indies being colonized, the estimations are as follows:

First of all, since the value of 236,438 tons is an average of the West Indies as a whole, it needs to be divided by the number of British West Indies colonies taken into account in this article [10].

Bahamas—4,991,468.889 tons
Barbados—8,905,832.333 tons
Bermuda—10,061,750.444 tons
British Guiana—3,993,175.111 tons
Belize—4,807,572.667 tons

Jamaica—8,065,162.889 tons
Leeward Islands—8,196,517.333 tons
Trinidad—1,812,691.333 tons
Windward Islands—3,835,549.778 tons
The total amount of sugar in tons: *54,669,720.777 tons*

3.3. British Africa

Due to the variety of cash crops grown on the land of Africa, a different approach to estimation is chosen. With the data regarding the cash crop production in colonial West Africa, an annual average should be calculated first as the colonies analyzed above, but before any further calculations, the statistics should be first converted into the desired system of currency. Next, a final average value should be calculated to supposedly represent the value generated by any British African colony annually. lastly, this value can be used to roughly estimate the total value generated by British African possessions.

Senegal's average colonial value—is 316,017,688.663 pounds [11, 12].
Gambia's average colonial value—is 86,532,988.116 pounds [11, 12].
Gold Coast average colonial value—50,889,048.015 pounds [11, 13].
Nigeria's average colonial value—is 164,544,829.083 pounds [11-15].
Overall average colonial value (annually) = 154,496,138.469 pounds
Anglo-Egyptian Sudan—8,960,776,031.217 pounds
Bechuanaland—12,514,187,216.009 pounds
British Cameroon—6,952,326,231.116 pounds
Kenya—11,896,202,662.132 pounds
Uganda—10,660,233,554.378 pounds
British Somaliland—11,741,706,523.663 pounds
British Togoland—5,407,364,846.424 pounds
Nigeria—11,741,706,523.663 pounds
Gambia—11,896,202,662.132 pounds
Gold Coast—12,823,179,492.948 pounds
Northern Rhodesia—11,432,714,246.725 pounds
Southern Rhodesia—13,132,171,769.886 pounds
Nyasaland—11,123,721,969.786 pounds
Sierra Leone—26,882,328,093.650 pounds
Swaziland—11,432,714,246.725 pounds
Tanganyika Territory—6,643,333,854.178 pounds
The total value of the African colonies: *185,240,869,924.632 pounds*

3.4. British India

It is said that the total wealth Great Britain had withdrawn from British India is 45 trillion dollars, according to Utsa Patnaik's paper published in 2018 [16]. Therefore, the only process left for the calculation is the conversion of currency.

45 trillion dollars=*35.672 trillion pound*

3.5. British Straits Settlements

The British Straits Settlements is known for being one of the largest exporters of natural rubber [6]. The approach taken is still similar to those above. It is first to take an average of rubber production in the region per year, and then multiply the value by the time length of being colonized.

For the statistics of reference, data regarding the rubber output from 2000 to 2021 Malaysia is taken, and the average of the values provided is 868,773 tons of rubber per year [17].

British Malaya—78,189,570 tons

Singapore—121,628,220 tons

North Borneo—83,402,208 tons

Total amount of rubber in tons: *173,219,998 tons*

3.6. British Middle East

The British Middle East is the most prominent in its rich oil deposit. Statistics ranging from 1962 to 2021 on Iranian oil production are taken for an average calculation, which shall be multiplied by the time lengths of colonization of different British Middle East possessions to estimate the colonial gains Britain had extracted from the region [18].

The average amount of oil annually, which is 260,539.435 Terawatt hours, is calculated from data on oil production in the Middle East from 1965 to 2021 [18].

British Egypt—8,858,340.79 Terawatt hours—Note: Since oil was discovered c.1901, the average value is not multiplied by 1935-1882=53, but rather 1935-1901=34 [7].

Emirate of Transjordan—6,252,874.44 Terawatt hours

Mandatory Iraq—3,126,437.22 Terawatt hours

Mandatory Palestine—7,816,093.05 Terawatt hours

Total amount of oil in Terawatt hours: *26,053,745.5 Terawatt hours.*

3.7. British Oceania

For Australia and New Zealand, the major business during the colonial era was wool production. The climate and environment of Australia and New Zealand are naturally suitable for sheep rearing; therefore, the business of wool production flourished in the colonies [19]. Similar approaches to calculations are performed here, too.

It is stated that the annual wool production in the region is 220,000 tons [20]. Since the aim of this article is a rough estimation of the colonial gains, it is justifiable to use this value in calculations.

Australia—24,860,000 tons

New Zealand—14,740,000 tons

Total amount of wool in tons: 39,600,000 tons

3.8. Discussion

In conclusion the figures estimated in the above seven paragraphs, a final addition of the resultant values should be performed.

- 35,857,240,931,911.89 British pounds
- 56,840,000 pounds of tobacco
- 54,669,720.777 tons of sugar
- 173,219,998 tons of rubber
- 26,053,745.5 Terawatt hours of oil
- 39,600,000 tons of wool

The estimated values calculated above have illustrated the exploitative nature of colonialism. Britain had seen its economic progress through raw materials extracted from its colonies and products exported to its possessions. The values calculated have shown that colonialism in general has a positive financial and economic impact on the mother country, but on the other hand, the exploited

colonies experienced negative economical impacts through mercantilism. Through colonialism, the mother countries have become economically prosperous countries in the modern world. For example, Great Britain as discussed in this article.

4. Conclusion

This article arrived at some numerical results regarding the financial colonial gains of the British empire, as shown above, which illustrated the enormous fortune colonization had brought to the empire. Great Britain had resulted in being notable and powerful due to the exploitative nature of colonialism—exploiting the resources of overseas territories to boost the economy of the mother country. This article is meaningful in providing an estimation that can inspire the audience about the impact of colonialism with direct numerical information. However, this article did not delve further into the costs of colonialism, nor did it calculate the colonial gains with more detailed data. These could be possible future research topics.

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