

Geography N20

Week 2 – 7/14/2015



Colonialism & Imperialism:
Setting the Terms of the Global Economy

CURRENT EVENTS

- China – Stock Market Update
 - Stock Market recovering for second day
 - Verdict: govt measures seem to be working
 - Dissent from others (Larry Summers)
 - Investors seeking ‘safety’ in foreign real estate
 - Government report: Trade Slump in 2015
 - Fall in commodity prices
 - Exports up 2.1%, but flagging due to lack of foreign demand
 - Yuan appreciating re dollar/euro/yen – exports uncompetitive
 - Imports down 6.9% - lack of domestic demand
 - GDP growth ‘only’ 7% in beginning of year
 - Investigation into foreign brokers & manipulation of stock prices
- Other News?



CURRENT EVENTS

Greece/Eurozone Crisis – Agreement reached (??)

- 17-Hour ‘marathon’ meeting (!)
 - Mental ‘waterboarding’, ‘crucifixion’
 - German demands / Grexit plan
- ‘Agreekment’ announced
 - Significant concessions
 - Pensions, VAT, energy
 - Privatize 50bn in state assets
 - Debt Restructuring?
- Syriza in crisis
 - Tsipras faces revolt
 - New elections?
 - Left Platform mutiny
 - New Unity Govt.
 - General Strike - Weds



Tsipras faces Syriza mutiny after capitulating to demands

Prime Minister Alexis Tsipras returned to face a mutiny within his coalition after he surrendered to European demands for action to qualify for up to 86 billion euros

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CURRENT EVENTS

- Greece/Eurozone Crisis
 - Hegemony & Discourse
 - German demands 'fiscal sovereignty'
 - #ThisIsACoup – trending worldwide
 - Varoufakis speaks out on EU talks
 - "It's not that it didn't go down well – it's that there was point blank refusal to engage in economic arguments. Point blank. ... You put forward an argument that you've really worked on – to make sure it's logically coherent – and you're just faced with blank stares. You might as well have sung the Swedish national anthem – you'd have got the same reply. And that's startling, for somebody who's used to academic debate... The other side always engages. Well there was no engagement at all.

*It was not even annoyance,
it was as if one had not spoken."*



Tara Palmeri
@tarapalmeri



Here's the list of reforms in the #Eurogroup draft that Greek government has to pass by Wednesday to get bailout

1. Streamlining VAT
2. Broadening the tax base
3. Sustainability of pension system
4. Adopt a code of civil procedure
5. Safeguarding of legal independence for Greece ELSTAT — the statistic office
6. Full implementation of automatic spending cuts
7. Meet bank recovery and resolution directive
8. Privatize electricity transmission grid
9. Take decisive action on non-performing loans
10. Ensure independence of privatization body TAIPED
11. De-Politicize the Greek administration
12. Return of the Troika to Athens (the paper calls them the institutions)

EU DICTIONARY

Democracy, n. A system of government under which a country's future is decided by the EU and the IMF.

Austerity, n. A technique for siphoning money from the poor to the well-off, the banks etc. Used to make the vulnerable pay for the mistakes of others.

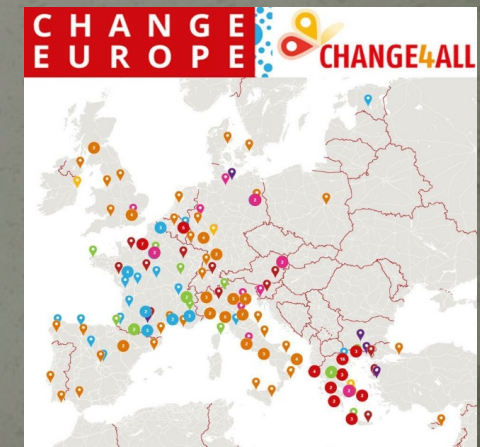
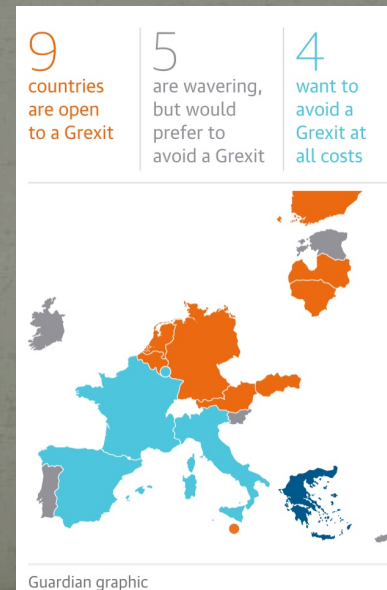
Referendum, n. 1. A popular vote which is only valid if it goes your way.
2. An evil crime against your true rulers which must be punished by even more austerity.

Debt relief, n. A total impossibility even though it would allow Greece to recover but it ain't going to happen as it means admitting austerity is wrong and the 1% do very nicely out of austerity thank you and how dare you even mention the fact that a large part of Germany's debt was cancelled in 1953 allowing them to become the great nation they are today.

Agreement, n. A chance to completely humiliate a country so as to cause even more misery for ordinary people and, hopefully, bring about regime change so no-one will ever question your right to make money again.

CURRENT EVENTS

- Greece/Eurozone Crisis
 - #ThisIsACoup trends worldwide
 - ‘neocolonialism’
 - Grexit – Europe divided
 - N. Europe – for Grexit
 - S. Europe – avoid Grexit
 - Political Stakes
 - France, Italy, Spain, Portugal
 - USA vs. Russia
 - Left vs. Right (*across Europe*)
 - EU as project / Euro identity
 - Geography of Consent
 - Debtor vs. Creditor Nations
 - Social Democrats/welfare states



Why Colonialism?

- Original regime of 'globalization'
- How is it relevant to today?
 - 'Flattening' of world – why uneven in the 1st place?
 - *Historical* (rather than *deterministic*) analysis
 - Economic – history of expansion/physical structure
 - Circuits of trade, commodities, people, capital
 - Discourse – 'West and the Rest' / 'Development'
 - Implied norms, values, systems of meaning
 - Not inevitable, but historically produced (Hall)
 - 'Political Economy' – Power struggle & rules of the game
 - Not natural evolution of market, but *political choices & struggles*
 - **Hegemony** - Who decides? Who benefits from setting the terms?
- *Sovereignty* – as watchword
 - Question of democracy and territory/scale (international > national)
 - How is sovereignty undermined in different places, times, contexts?
 - Nationalism, Populism, and Double Movement



The Great Divergence

- The World in the 1400s
 - 'Races' & 'Civilizations'
 - Categories/Dichotomies ('less/more developed' ; 'traditional' / 'modern' ; etc.)
 - Did not exist at this time
 - Early regional trade routes
 - Europe -> Asia (*Silk Road*)
 - Iberia -> N/S Africa (*Ceuta*)
 - E. Africa -> India (*Monsoon Exchange*)
 - N -> S America (*various*)

Native America, 1492 A.D.

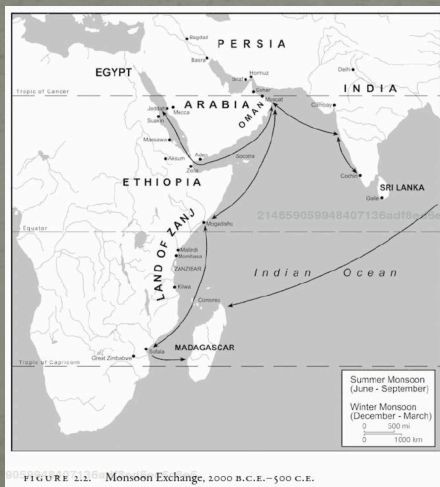
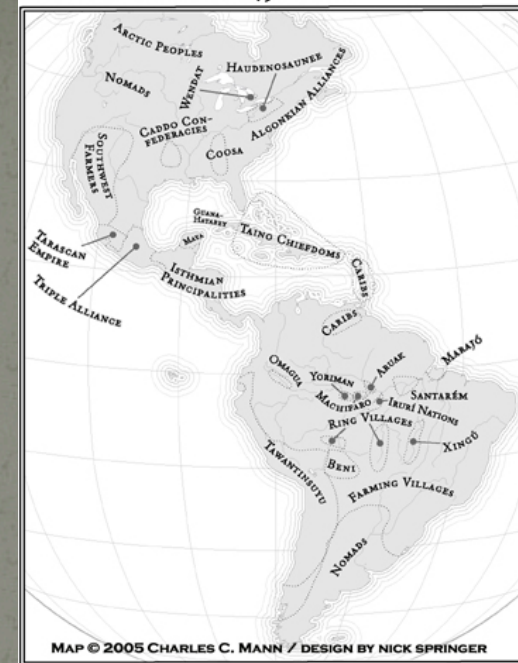
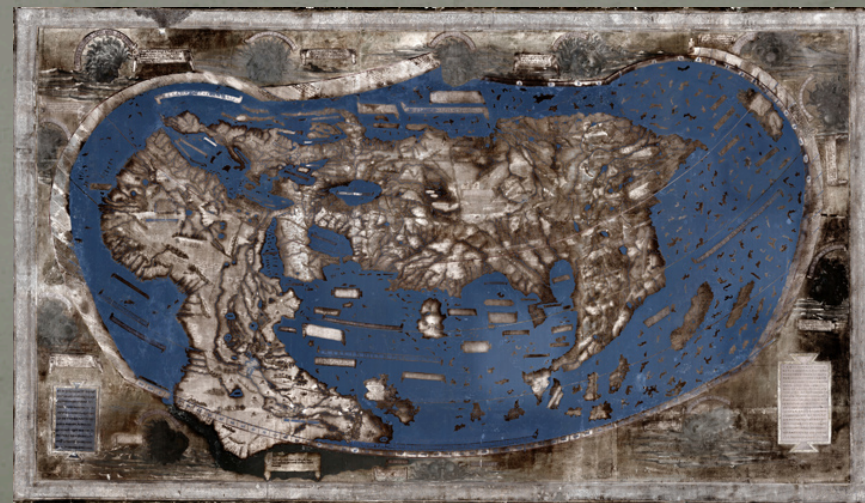


FIGURE 2.1 Monsoon Exchange, 2000 B.C.E.-500 C.E.



The Great Divergence: 1450-1700

- Paradigm Shift in Europe: Feudalism -> Mercantilism
 - Renaissance / Enlightenment
 - Development of science: Galileo, Copernicus, etc.
 - God -> Humans determine world order/fate
 - Commodities & Trade
 - Luxury items: Ivory, Spices, Gold, Slaves (Sugar)
 - India/China, Sub-Saharan Africa
 - Trade routes dominated by Islamic empires
 - Growing commercial economy / power of merchants
 - City-states (Italian peninsula): Venice, Florence, etc.
 - Development of money, credit & banks (de Medici)
- Age of Exploration: 'God, Gold, & Glory'
 - Competition among European nobility/merchant class
 - Need/Desire to expand spheres of trade: commodities, labor, markets
 - Expansion of 'Christendom' (Catholic vs. Protestant vs. Islamic)

Spanish/Portuguese Expansion

- Reconquista (1415) – defeated Islamic occupiers at Ceuta
- Portuguese expansion in Africa (1430)
 - Sugar economy (relied on slave production)
- Columbus & the Americas (1492)
 - Looking for Western route to India -> ran into Hispaniola
 - Sugar, slaves, & *encomienda* (Mintz)
 - Treaty of Tordesillas (1494) : Pope divided Spanish & Portuguese claims

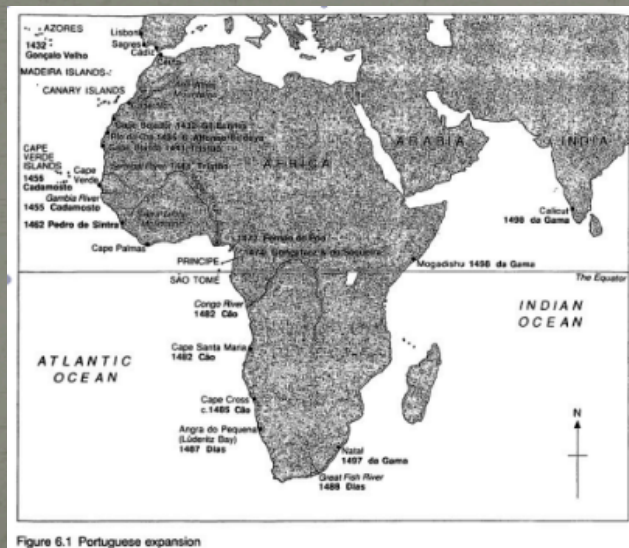


Figure 6.1 Portuguese expansion

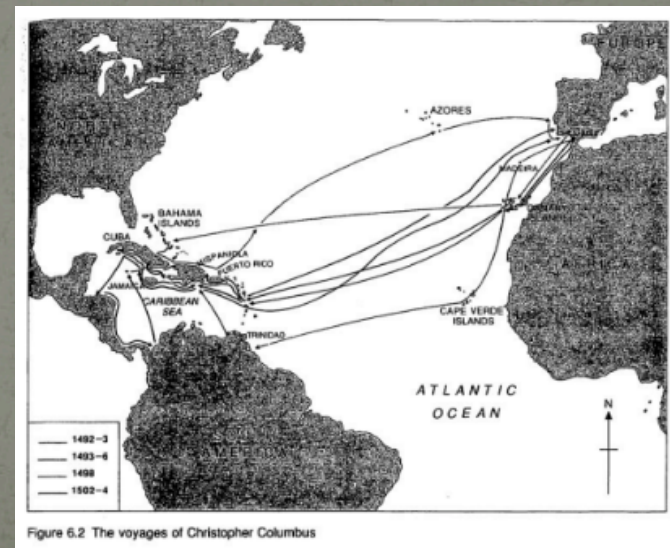


Figure 6.2 The voyages of Christopher Columbus

Early Colonial Regime (1450-1750)

- Dominated by Spanish & Portuguese ; English & Dutch
- New Commodities: Columbian Exchange
 - Mann, Carney readings
 - Raw Materials: indigo, wood (pau brazil), cotton
 - Precious Metals/Money: gold, silver, diamonds
 - Drugs: tobacco, sugar, tea, coffee, cacao
 - Staple Foods: corn, rice, potatoes
 - Human labor: African slaves
- New Markets for European goods & manufacturing
 - Guns (Africa) ; Livestock ; Artisanal products
- Other exchanges: animals & pathogens
 - Mass pandemic/die-off of indigenous peoples in Americas
 - First 50-100 years after contact
 - Gave impression of 'primitive' societies in European eyes
 - Malaria & tropical diseases: nemeses of European colonizers

Early Colonial Regime (1450-1750)

- Encountered different states, powers, environments
 - Could only establish enclaves/toeholds in most territories (except Americas)
 - Dependence on local middlemen, consent/cooperation of local elites
- Colonial Division of Labor
 - ****Differential integration -> Uneven development****
 - Core / Periphery (world-systems theory)
 - Proto-forms of racialization/racial difference (Heathens & Cannibals)
 - Colonies -> Europe: Raw Materials, Crops, Slaves
 - Europe -> Colonies: Finished/Manufactured Goods, Capital
- Imperial 'Repertoires' (*forms of rule*)
 - Territorial Administration (*Spain/Portugal*) : Paternalism towards land, natives
 - Settler Colonialism (*Britain*) : Property rights, genocidal policy for natives
 - Merchant Enclaves / Trade (*France, Holland*) : Indigenous systems intact
- Institutions & Agents of Empire
 - Colonial Armies & Navies
 - Pirates & Profiteers
 - Joint-Stock Companies (*ex. Dutch East India Co.*)
 - Religious Institutions (*Priests, Missionaries, Outlaw Sects*)

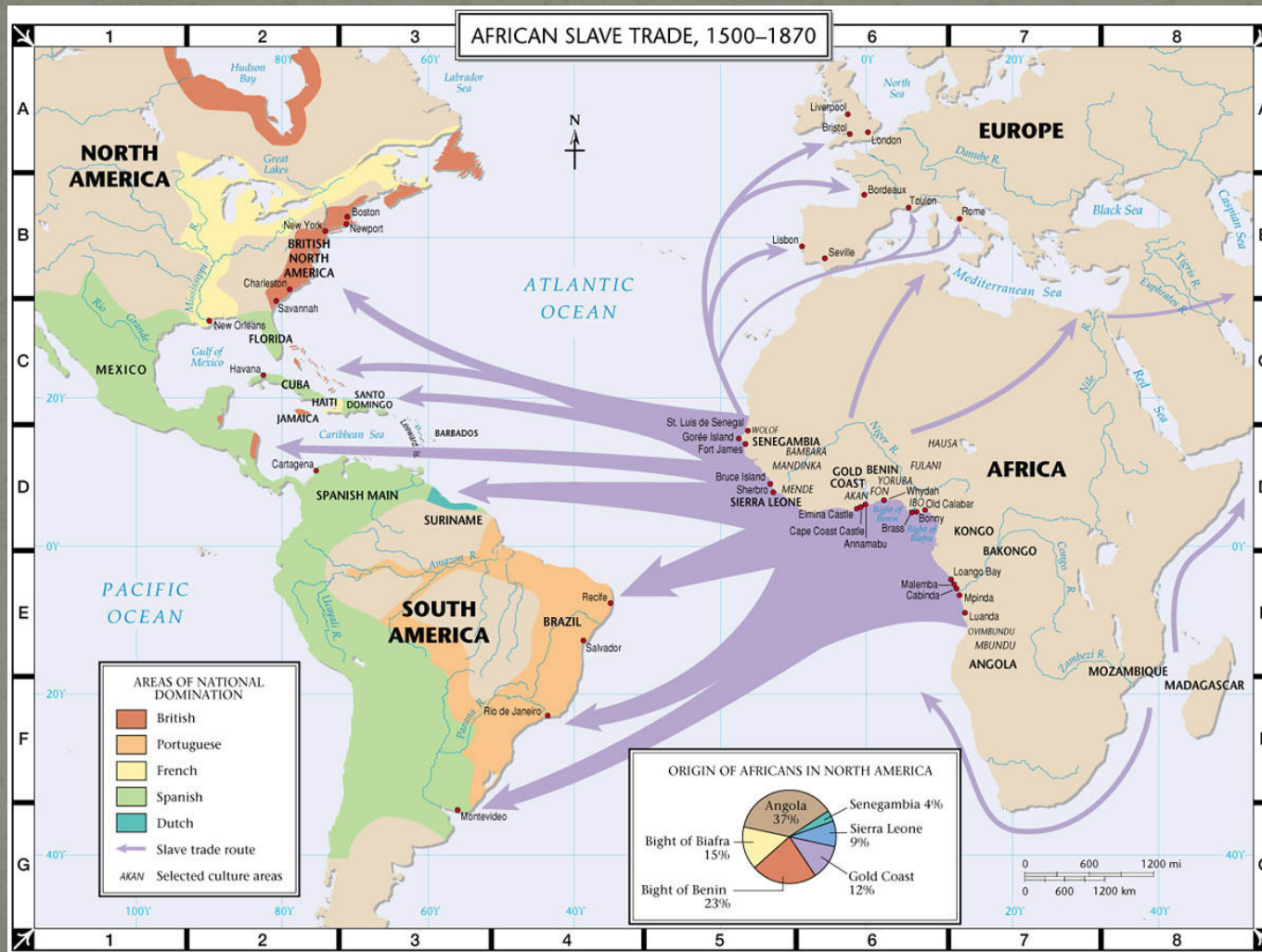
The Columbian Exchange



The Triangular Trade



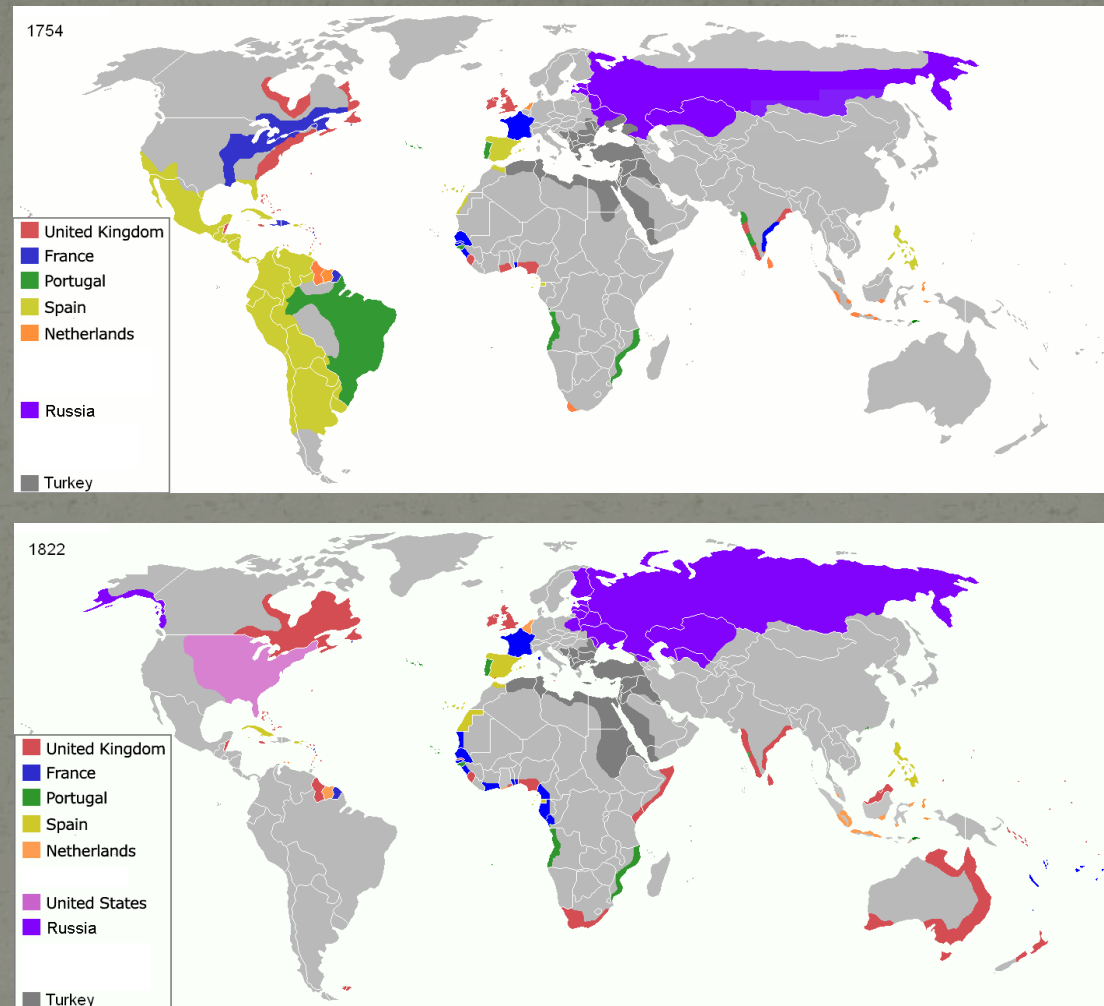
The TransAtlantic Slave Trade



'Informal Empire' (~1750-1850)

- Crises & Upheavals within Europe
 - Diverted energy & resources away from colonial conquest/admin
 - Inter-European State Conflicts
 - Seven Years' War (1756-1763)
 - Napoleonic Wars (1803-1815)
 - Bourgeois Revolutions (monarchy -> republic)
 - French Revolution (1789)
 - Revolutionary Uprisings of 1848
 - (France, Germany, Austria, Hungary, Italy, Ukraine, Poland, etc.)
 - Nation-State becomes dominant political form
- Independence movements in Colonial world
 - American Revolution (1776)
 - Haitian Revolution (1804)
 - Latin American independence movements (1806-1830)
 - Simon Bolivar

'Informal Empire' (~1750-1850)



The colonial world in 1754 and 1822. (map: Wikimedia Commons)

BREAK

“Um cafezinho,
por favor!”



Foto: Dimitri Ganzelevitch

Laissez-Faire Capitalism (mid 1800s)

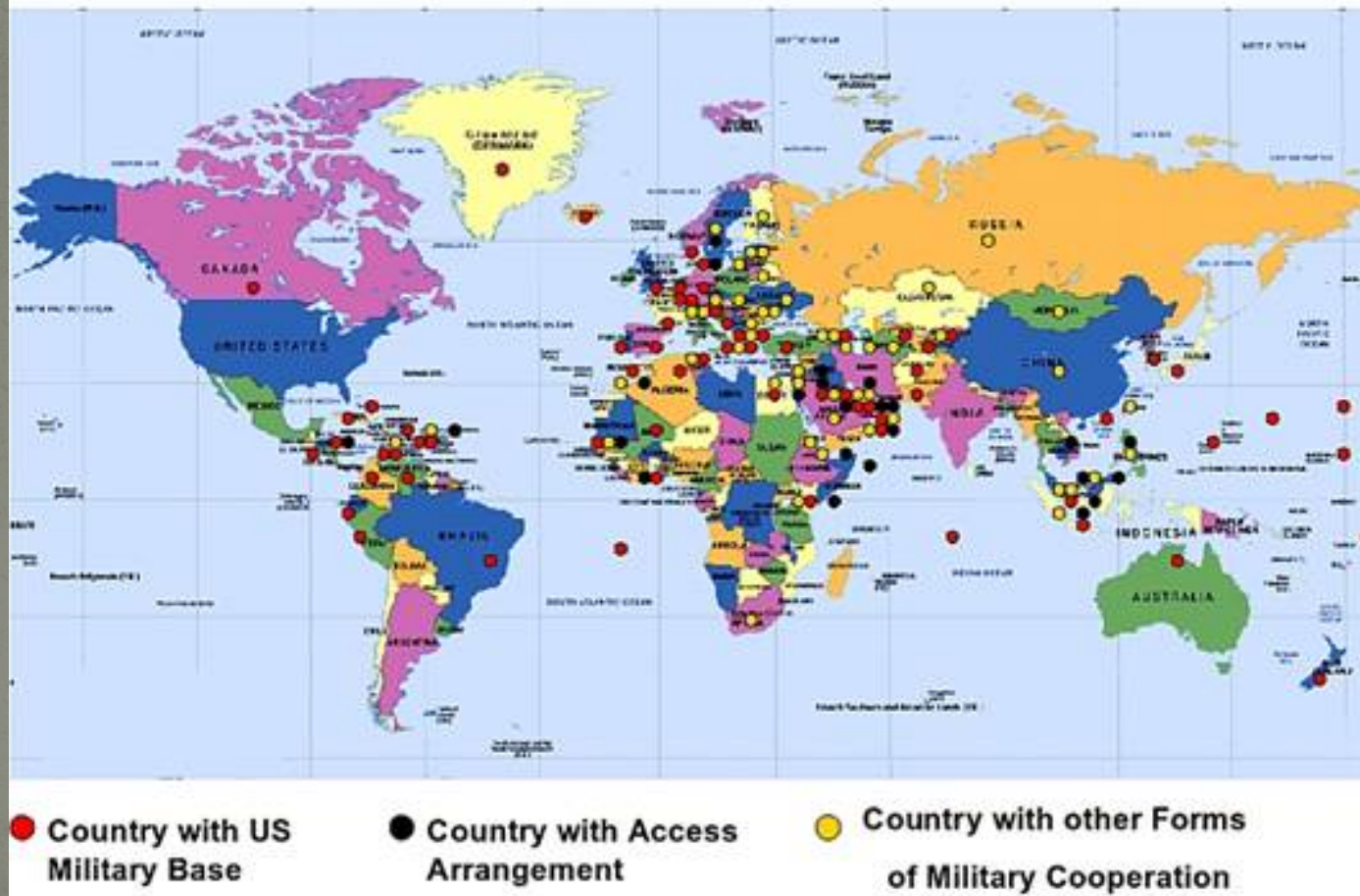
- Industrial Revolution takes off (Britain, Germany)
 - Rapid technological change -> increasing productivity
 - Discovery/use of fossil-fuel energy sources (coal, steam, oil)
 - Changes in production system
 - Increased specialization, assembly-line factory production
 - New machinery revolutionized productivity (cotton gin, etc)
 - Changes in labor system
 - Abolition of Transatlantic slave trade in Europe (1807-1850)
 - Growth of European industrial/urban working class
 - Expansion of commodity trade/production of everyday necessities (food, clothing, building materials, etc.)
- A 'global' (Euro-centric) market economy emerges
 - Boom in commodity production & trade; accumulation of capital
 - Primary commodities (food, cotton, mining, rubber, timber)
 - Manufactured/finished goods (for home markets)
 - Globalized profit-making = global risk & instability
 - More profits -> more investment; greater risk, greater reward
 - Rise of large banks; periodic crises & bank failures

'Free Trade' Imperialism (~1830-1870)

- Imperial 'repertoire' in periphery
 - Focus on trade in agricultural/extractive 'primary commodities'
 - Raw materials for industry/manufacturing (*mining, rubber, cotton, etc.*)
 - Cheap food (& drugs) for workers (*starch, sugar, tea, coffee, tobacco*)
 - *De jure* sovereignty, *de facto* control
 - European presence still mostly merchant enclaves (in coastal areas)
 - Traditional social relations of production intact; traded thru middlemen
 - Local 'client' elites had formal political control (King, Raj, etc.)
- Britain as *hegemonic* (dominant) political power
 - Accounted for fully half of world trade in mid 1800s (*See map*)
 - The not-so-hidden fist of the global market economy
 - Exercised monopoly control over markets, terms of trade
 - Control of trade routes/infrastructure (railways in India, Suez Canal, etc.)
 - Enforced their interests by economic means – but also by force if necessary
 - 'Gunboat diplomacy'

(U.S. Hegemony in 2008)

US military presence overseas



'Creeping Colonization' (1839-1884)

- Needs of Industrializing Europe: Materials & Markets

- 'Spheres of Influence' – informal political control

- Expansion of 'protectorates' (French Indochina)
 - British/French incursions in Ottoman territories
 - North Africa (Morocco, Algeria)
 - The Levant (Palestine, Jordan, Iraq, Egypt, Arabian Peninsula)



- Reshaped societies in economic interest (Davis reading)

- From self-sufficient societies to client exporters/consumer markets

- Dependency -> 'Vulnerability'

- 'Orientalist' representations of Asian societies

- Opium Wars in China (1839-42, 1855-60)

- Britain - Forced opening of banned opium market
 - 'Gunboat diplomacy' - weakened Qing dynasty
 - Opened door to other colonial powers

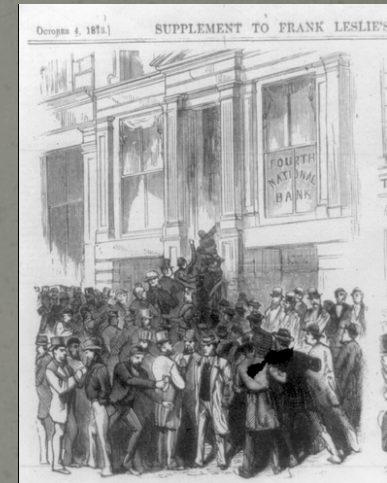
- British Empire in India (1857-58)

- Destroyed traditional textile production to create market for British mfg;
 - Moved to direct control after series of peasant revolts (1858)



Global Crisis & Depression (1873-1896)

- Financial Crash: Panic of 1873
 - Speculative boom in US railroad construction
 - Price-fixing of gold by private cartels -> currency crisis
 - Large bank losses -> acute cash/credit crunch
- Crisis of *overproduction*
 - Market glut -> dramatic collapse in world commodity prices
 - Too much fixed capital; not enough liquidity
 - Lower returns -> depressed interest rates -> lower investment
- Pressure on wages -> *underconsumption*
 - Capitalists try to squeeze more from labor to make up for declining profits
 - Decrease in effective demand; no one can buy products; need new markets
- Agricultural Crisis
 - Fall in world prices devastating to farming sector, especially small farmers
 - Increased vulnerability to natural shocks; mass famines (Davis)
 - Landless poor – Mass migration to cities or abroad (esp. to USA)
- Counter-Movements
 - Rise of agrarian populist movements (Progressive Era) ; Labor battles, strikes
 - White backlash in US South (KKK)
- Effectively ends era of classical 'laissez-faire' capitalism



The Scramble for Africa: 1870-1884

Intensifying competition/rivalry among European capitalist powers

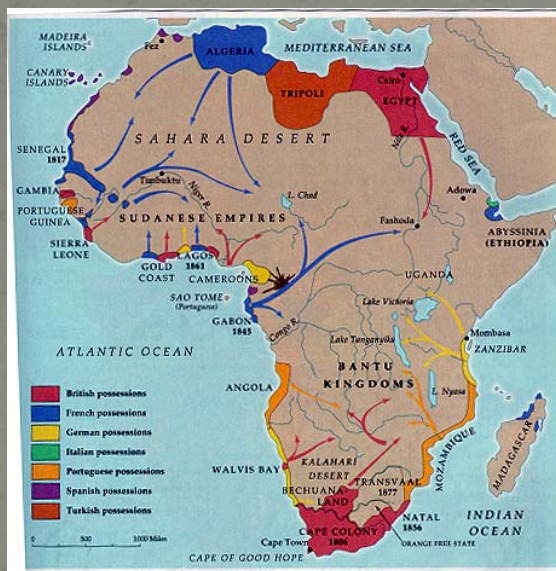
Rise of Germany as industrial power; colonial expansion in Eastern Europe

Colonial ambitions of smaller states (Belgium, Portugal)

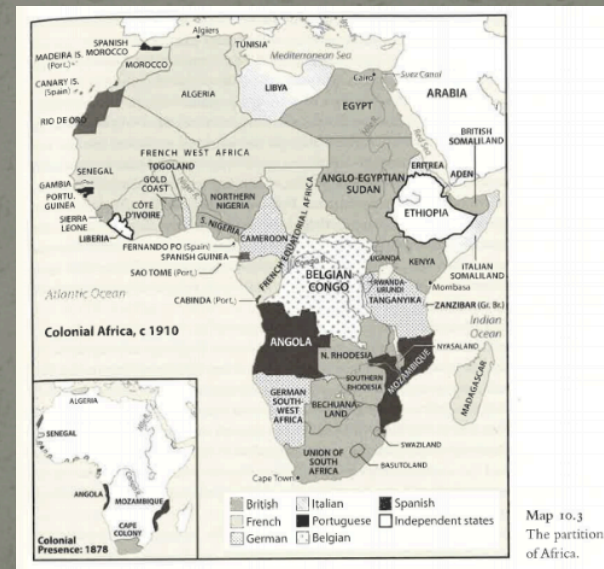
Social destabilization/conflict on African continent – result of slave trade

Treaty of Berlin / Berlin Conference (1884) – ‘Carve up Africa’

Agreement to legally partition continent & formalize European claims



European spheres of influence (pre-1884)



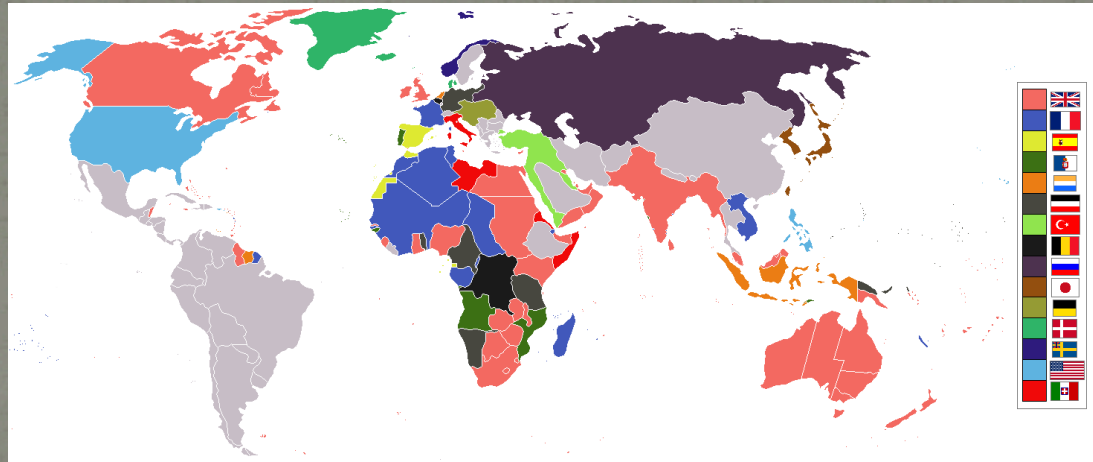
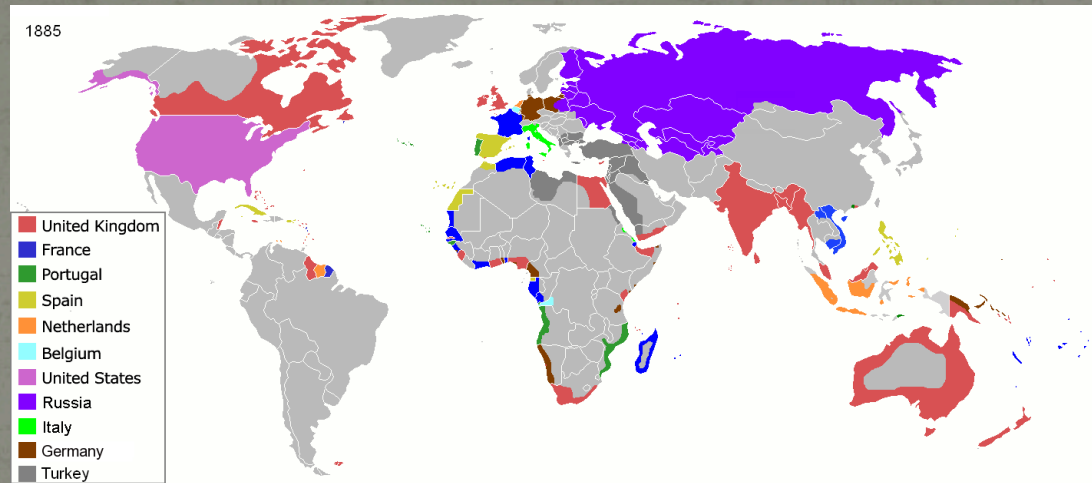
European colonies in Africa (1910)

The Economy of Empire (1873-1914)

- States secure markets: ‘protection at home, empire abroad’
 - Protectionism: tariffs as trade barriers to protect domestic producers
 - In periphery: secure commodity chain thru direct political control of territory
- The imperialist world economy matures (Hobsbawm)
 - The Industrial Revolution goes worldwide
 - More countries come online: Germany, USA, Russia, N. Europe
 - ‘Pluralist’ World Economy (under British hegemony)
 - Formal colonization; pace of international trade, investment at new heights
 - USA arrives as imperialist power w/ Cuba, Philippines, Puerto Rico (1898)
 - Technological revolutions = better products, higher productivity
 - Age of Innovation: cars, communications, oil, chemicals & steel
 - Taylorism & scientific rationalization of production; ‘vertical integration’
 - Capitalist Restructuring & Financialization
 - Gold Standard / development of *monopoly capital*
 - Rise of mass consumption
 - Growth in personal credit; city planning & consumer spectacle
 - Growth of service sector & rise of (white) ‘middle class’
 - Consumerism + racial ideology ties social layers to capitalist/imperial project
 - Convergence of politics & economy; gov’t interventions (post 1873)
 - Rise of social welfare policies; protectionist tariff barriers; ‘public sector’

The 'New Imperialism' (1885-1914)

1885. Euro-American colonies at time of Berlin conference



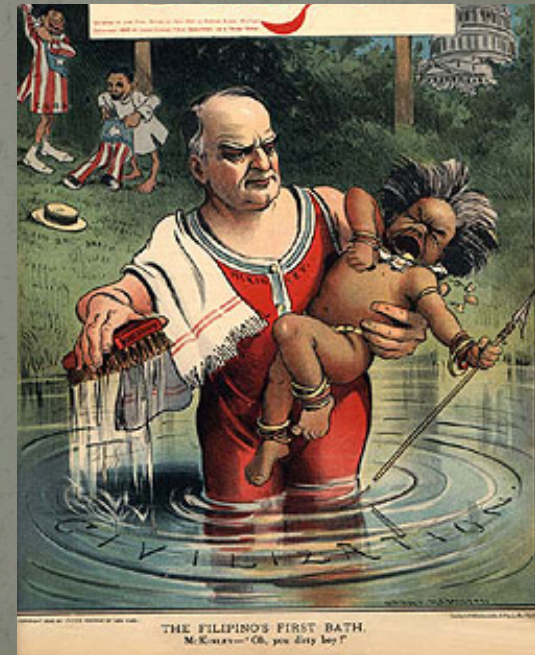
1914. Empires controlled 85% of the world by the eve of WWI

Racial Ideology & Discourse of Empire

- Domestic politics: Class struggle & democracy post-1848
 - Project of 'empire' – needed consent among national working class
 - Evolution of 'West & the Rest' discourse to justify military force
 - Scientific racism / concept of 'race'
 - Natural science & evolution (Social Darwinism) / "The Mismeasure of Man"
 - 'Whiteness' – separating domestic workers from colonized 'Other'
 - Orientalism / Tropicalism
 - Nationalism & Empire
 - Created discourse of 'imagined community'
 - Inclusion/Exclusion - 'National Interest'
 - 'Civilizing Mission' & 'White Man's Burden'
 - Rudyard Kipling, 1899 (US in Philippines):



*Take up the White Man's burden—
Send forth the best ye breed—
Go send your sons to exile
To serve your captives' need
To wait in heavy harness
On fluttered folk and wild—
Your new-caught, sullen peoples,
Half devil and half child.*



Colonialism/Imperialism: Key Points

- Commodity Chain
 - raw materials -> production -> transport -> consumption
- Colonial Division of Labor
 - The Great Divergence - core/periphery, 'West & Rest'
 - Destroyed/reshaped traditional relations of production – in what ways?
- Imperial 'Repertoires'
 - Forms of *political control* over terms of trade
- Early Colonial Regime (1450-1750)
 - Columbian Exchange
 - Triangular / Transatlantic Slave Trade
 - Mercantilism / Balance of Trade
- Informal Empire (1750-1870)
 - Industrialization / Laissez-faire capitalism
 - Hegemony / 'Spheres of Influence'
 - Economic vs. military tactics
- Crisis of 1873 > New Imperialism (1873-1914)
 - Creeping Colonization / Scramble for Africa
 - Reconfiguration of global economic 'regime'
 - Protection at home / Empire abroad
 - Discourses of empire / Racial Ideology

