

Topic 6.5 - Economic Imperialism (1750–1900)

Standards Alignment

Theme	Learning Objective	Key Concept (KC)
Economic Systems (ECN)	Unit 6: Learning Objective E – Explain how various economic factors contributed to the development of the global economy from 1750 to 1900.	KC-5.2.I.E – Industrialized states and businesses within those states practiced economic imperialism primarily in Asia and Latin America.
Economic Systems (ECN)	Unit 6: Learning Objective E – Explain how various economic factors contributed to the development of the global economy from 1750 to 1900.	KC-5.1.II.C – Trade in some commodities was organized in a way that gave merchants and companies based in Europe and the U.S. a distinct economic advantage.

Learning Objectives

- Explain how economic imperialism operated in Asia and Latin America
- Identify how industrialized nations gained advantages in trade
- Describe how unequal economic systems created dependency
- Analyze primary sources related to economic control and global markets

Lesson Overview

Between 1750 and 1900, industrialized nations expanded their global influence through economic means as well as political control. Economic imperialism allowed powerful states to dominate trade, investment, and markets without always establishing formal colonies. This system reshaped global economic relationships and created lasting inequalities between industrialized and non-industrialized regions.

Essential Vocabulary

- **Tariff control:** The ability to set import/export taxes, often used to favor foreign trade
- **Market penetration:** Entry of foreign businesses into a local economy
- **Commercial privilege:** Special economic rights granted to foreign merchants
- **Capital export:** Investment of money into foreign economies
- **Trade imbalance:** Unequal exchange of goods between regions

Background Reading

Industrialized nations required both raw materials and new markets for manufactured goods. As production increased, European and American businesses sought ways to ensure access to resources and consumers. In many cases, they achieved this through economic agreements that favored their interests.

In China, unequal treaties forced the government to open ports and grant special privileges to foreign merchants. These agreements limited China's ability to control its own economy. Similarly, in Latin America, foreign investment shaped economic development. Countries exported raw materials and imported finished goods, creating dependency on industrialized nations.

Economic imperialism often avoided direct political control but still had powerful effects. By controlling trade, investment, and production, industrialized nations shaped the economies of other regions in ways that benefited themselves while limiting local development.

Primary Source 1

Source: *Treaty of Nanjing* (1842), ending the First Opium War
<https://sourcebooks.fordham.edu/mod/1842nanjing.asp>

It being obviously necessary and desirable that British subjects should have some port whereat they may careen and refit their ships when required, and keep stores for that purpose, His Majesty the Emperor of China cedes to Her Majesty the Queen of Great Britain the island of Hong Kong, to be possessed in perpetuity by Her Britannic Majesty, her heirs and successors, and to be governed by such laws and regulations as Her Majesty shall direct.

The Emperor of China agrees that British subjects, with their families and establishments, shall be allowed to reside for the purpose of carrying on their mercantile pursuits without molestation or restraint at the cities and ports of Canton, Amoy, Foochow, Ningpo, and Shanghai. British merchants shall enjoy full liberty of trade, and consular officers shall be stationed at these ports to ensure the protection of British commercial interests and to facilitate communication with Chinese authorities.

It is further agreed that a fixed tariff shall be established for imports and exports, and that indemnities shall be paid by China to Great Britain for expenses incurred during the conflict and for claims made by British merchants. These provisions establish conditions under which British traders gain predictable access, legal protection, and commercial advantage within China's economy.

Guided Questions

1. What is the **historical situation** that led to this treaty?
2. Identify **TWO** provisions that benefit British economic interests.
3. What evidence shows the unequal balance of power between Britain and China?
4. How does the treaty structure China's participation in global trade?
5. How does this document illustrate economic imperialism rather than direct colonization?

Primary Source 2

Source: John A. Hobson, *Imperialism: A Study* (1902)

The economic root of imperialism lies in the desire of industrial societies to secure markets for their surplus goods and profitable opportunities for the investment of capital. As production increases beyond the capacity of domestic consumption, manufacturers and financiers seek external markets where they can sell goods and invest profits at higher returns than those available at home.

This outward movement of capital is not accidental but is driven by organized economic interests that influence national policy. Financial and commercial groups

advocate expansion into foreign regions where labor is cheaper and resources are abundant. Governments, in turn, support these ventures through diplomatic pressure, trade agreements, and, when necessary, military force, thereby aligning political power with economic ambition.

The consequence of this process is the integration of less industrialized regions into a global economy structured to meet the needs of industrial powers. These regions often become dependent on exporting raw materials while importing manufactured goods, limiting their ability to develop independent industries and reinforcing patterns of economic inequality that persist over time.

Guided Questions

1. What is Hobson's main argument about the causes of imperialism?
2. How does he connect economic motives to political actions?
3. What is Hobson's **point of view**, and how does it influence his argument?
4. How does this source explain global economic inequality?
5. How does Hobson's argument help explain the Treaty of Nanjing?

Economic Imperialism in Practice

Region	Mechanism	Example	Outcome
China	Unequal treaties	Treaty of Nanjing	Foreign trade dominance
Latin America	Foreign investment	British railroads	Export dependency
Ottoman Empire	Debt control	European creditors	Reduced sovereignty
Africa	Resource concessions	Mining operations	External profit extraction

Change / Continuity / Comparison

- **Change:** Expansion of economic control without formal political rule
- **Continuity:** Continued extraction of resources for external benefit
- **Comparison:** Some regions were politically colonized, while others were economically dominated

Key Takeaways

- Economic imperialism allowed control without full colonization
- Industrialized nations gained advantages through trade systems
- Unequal agreements created long-term dependency
- Economic systems reinforced global inequality
- Political and economic power were closely connected

Practice Section – SAQs

SAQ 1 (Stimulus-Based)

Stimulus: Treaty of Nanjing

- A. Identify ONE provision that benefits Britain.
- B. Explain ONE way the treaty reflects unequal power.
- C. Explain ONE consequence for China's economy.

SAQ 2 (Stimulus-Based)

Stimulus: Hobson excerpt

- A. Identify ONE cause of imperialism according to Hobson.
- B. Explain ONE way economic interests influenced state policy.
- C. Explain ONE effect on less industrialized regions.

SAQ 3 (Causation/CCOT)

- A. Identify ONE change in global economic systems during this period.
- B. Identify ONE continuity in economic relationships.
- C. Explain ONE cause of economic imperialism.

Primary Source Citations

- Treaty of Nanjing (1842):
<https://sourcebooks.fordham.edu/mod/1842nanjing.asp>
- Hobson, John A. *Imperialism: A Study* (1902)