

Local Elites vs Central Powers: Government Resource Allocation in the British West Indies (1838-1938)*

Luisito Bertinelli, Fabio Gatti, Eric Strobl

January 2025

*"...where Imperial money is given there should be Imperial control. In other words there should be Crown Colonies.."*¹

Abstract

Even after the abolition of slavery in the British West Indies in 1834, plantation elites continued to dominate local governments, directing public spending toward maintaining public order and protecting their property. These elites, who controlled local parliaments, resisted any reforms that threatened their power, while the black population—constituting over 90% of the islands' inhabitants—faced repression and segregation. A pivotal shift occurred following the 1865 Morant Bay Rebellion in Jamaica, which prompted Britain to intervene. By the 1860s and 1870s, most of the West Indian Assemblies were abolished, and the Colonial Office in London assumed direct control of the Caribbean island-states governance. This paper challenges the view that Britain's intervention was motivated by humanitarian concerns, arguing instead that economic interests drove the decision to intervene. Our analysis is based on public accounting data from 18 Caribbean islands between 1838 and 1938, confirming that, after constitutional reforms, there was a significant increase in fiscal capacity and public expenditure. We tested econometrically how London favoured spending on infrastructure and bureaucracy over social services such as education and health care. The findings provide new insights into the economic history of Caribbean colonial governments and suggest that Britain's actions were more economically driven than previously understood.

*Preliminary draft, please do not quote without permission of the authors.

¹from the Report of the West Indian Commission, October 1897

1 Introduction

When slavery was abolished in the British Empire in 1834, the West Indies government were classifiable as fiscal-military states. On those island, an elite of plantation-holders controlled the local parliaments contrasting any influence that the Motherland, through its appointed Governor, tried to bring into the colonial politics. Those elites retained a strict control on the fiscal revenues and expenditures of the colonial states, and their reactionaries policies was just aimed at the mantianment of the status quo, with the colonial public expenditure mainly being aimed at maintaining the order, protecting their property and repressing any attempt of revolt from the blacks who, although living in segregation, constituted more than 90 percent of the islands' population. One of the claims of this paper, is to show how this state of things continued for around three decades after the emancipation act, in most of the Caribbean colonies, this because the economic and political grip of the planters elite resisted any try of reform even in front of the will of the, now freed, majority of population. Through "tail twists" that succeeded in limiting suffrage and eligibility based on income criteria, plantation owners held the majority of the assemblies until the 1860s when a major revolt in Jamaica, the "Morant Bay Rebellion", which ended in around 500 deaths, convinced the Motherland to take over the colonial governments in the region. In the 1860s and 1870s the majority of the West Indian Assemblies were abolished, while the Colonial Office appointed the whole executive and legislative powers on the islands. Starting from this constitutional change, the fiscal-capacity of the 16 island-states considered in this research significantly increased, as well as the public expenses in Education, Health and Infrastructures. The quest remains open on which was the main motivation which brought the Motherland to takeover the administration of those territories, and in this paper we show how arguments based on humanitarian reasons should be discarded while an utilitarian view, aimed at the economic convenience of Britain should be preferred. In order to test such hypothesis, and confirm the second, we digitized, copied and reclassified public accounting data from 18 Caribbean island-states over the period 1838-1938, and we economically tested the impact of the said Constitutional reform on the resources yearly allocated for eleven different expenditure categories, finding how the expenses in Infrastructures and Bureaucracy consistently outnumbered

those in welfare services.

2 Historical Background: Colonial Government in the British Empire

2.1 The Old Representative System

The Old Representative System blossomed in the British Colonies after a first period "of confusion following the first settlement" (Wrong, 1923, p.28) in which the earliest transatlantic colonies were ruled by the private adventurers and enterprises which first settled there (Higman, 2011, Wight, 1946). The "proprietary government systems" put in place by such private corporations consisted in a multitude of different institutional systems in the overseas territories, with the only clause that "no colonial legislation shall be counter to the laws of England" (Wrong, 1923), as stated in a letter patent promulgated by Queen Elizabeth in year 1578. The different overseas legislation and institutions which blossomed in the overseas territories naturally developed as local self-governments and in such systems the fulcrum of the local authority gradually shifted from being a private company enjoying a "patent" or "grant" from the Crown, to a representative assembly drawing its responsibilities on the consent of the free-mens in the colony. In August 1620 was opened the general assembly in Saint George, Bermuda, which is considered as the oldest representative body in the overseas British dominion.

The defining feature of the Old Representative System was the existence of a legislative Assembly elected by the local settlers of the Colony, with the Motherland making "an irrevocable grant of its legislative powers" (Wrong, 1923, p.20) and effectively ceding these prerogative to the colonial elites. The elective Assembly was complemented by a Governor, appointed by the Crown, who served as the head of the colonial government (Ayearst, 1960), acting as a mediator between imperial interests and those of the local oligarchs (Wrong, 1923).

Completing the Colonial Government Framework was the Executive Council, whose members were typically appointed by the Crown, but usually chosen among the notable citizens of the Colony, resembling the House of Lords in this miniature replication of

Britain's system where the Governor symbolized the Monarch and the Assembly mirrored the House of Commons (Ayearst, 1960).

In this framework, the Legislative Assembly was, in the facts, a direct representation of the local, oligarchic, elite, usually holding conservative views on taxation and spending policies (Ayearst, 1960), with little interest in investing in services or infrastructures for the broader welfare of the colony's general population. Also the members of the Executive Council (ranging from half a dozen to 18-20 for the largest colonies(Wrong, 1923)), invested with executive powers, and typically chosen from among the wealthiest men in the colony (Wight, 1946), reflected the same interests expressed in the Assembly. On the other side of the scale, there was only the Governor who acted as the King's representative (Ayearst, 1960) and was the conduit for Britain's policies in the colonies.

On monetary matters, the legislative process in this framework typically operated as follows: the Executive initiated budget laws (money bills), presenting them to the Assembly on behalf of the Crown (Wight, 1946). Assemblies, which ranged from around a dozen to 50 members in the Caribbean colonies, held financial powers² akin to those of the House of Commons in England (Wrong, 1923). Money bills were never approved for more than a year, ensuring regular meetings and effectively limiting the Executive's prerogatives. Colonial parliaments held veto power over money bills and, when approving them, often passed appropriation acts so meticulously detailed that they left no room for discretion by the Governors. Planters' representatives frequently attached additional, ad hoc proposals to essential supply bills, effectively forcing their acceptance by the Executive. Moreover, all proposals involving public expenditures had to be approved by the Assembly so that it was even convenient, times, that planters directly "invaded" the Executive's domain by appointing the Treasurer themselves, ostensibly to expedite the financial law-making process in their favor. The public finance of the Colonies were so, in this set-up, highly managed by the assemblies, and by the extractive elite they represent(Carvalho and Dippel, 2020, Graham, 2017, 2018, Wrong, 1923)

As political ideas at the heart of the empire began to shift away from mercantilism, with economic liberalism and humanitarian arguments gaining traction(Ayearst, 1960), the Governor's directives increasingly clashed with the colonial elite's interests, usually made

²Taxes were to be "levied and employed as the said Assembly shall appoint" (Wrong, 1923, p.35)

up of plantation holders, slave traders or merchants enjoying some form of monopoly. This growing conflict between central and local interests made colonial governance increasingly difficult, eventually leading an ungovernability which has been at first addressed with the introduction of a fourth political body: the Legislative Council. This new structure, a "bridge" (Wight, 1946) between the Assembly and the Executive Council was first introduced in New South Wales in 1823, containing members appointed by the Crown would have had the finality to bring the law-making power closer to the Governor's side and more distant from the planters. The inagibility of this system paved then the way for the replacement of this political system by the "Crown Colony system."

2.2 The Crown Colony System

The first Crown Colony Government in the British Empire was set up in the province of Senegambia in 1765: starting from the racist presumption that the African colony had no civilized population, the impossibility of an elected assembly was declared, and the Crown decided to exert a direct control through the appointment of the Governor and of the Council, here having both legislative and executive power, while the British Parliament was in charge of parts of the finance legislation of the colony(Wight, 1946).

After few years, Senegal went back to France and Gambia was assigned at the proprietor rule of a Merchant Company ending this first experiment of a complete "centralized take over" of a colonial government.

The Quebec Act of 1774 was indeed the true milestone in the establishment of Crown Colonies in the Empire(Ward, 1976) with the British Parliament promulgating the constitution of the Quebec colony, and concentrating all the powers on the figure of the Governor and on the (fully) nominated Council(Wight, 1946). In this institutional framework legislation and administration of the colony were completely kept under the control of the Home Government (Wedderburn, 1881) with a Governor and a Council³ not answering to the political interests of any local oligarch, but (mostly) resembling the directives from London. In this framework the law-making process, and especially on financial matters, was much faster, insomuch that the Legislative council had only "formally" any legislative

³There may be a single council or two separate ones: one Legislative and one Executive, both nominee by the Crown(Wrong, 1923) in total or in largest part

prerogative, just giving its consent on the Executive's proposal(Wight, 1946), resulting so in a great outburst of legislative activity (Wrong, 1923)

2.3 The Colonial Office

In XVIIth and XVIIIth centuries the Homeland interlocutor of colonial governments was the King, who sent letters patent and promulgated charters and permissions under the proprietary system, and appointed and instructed the governors under the old representative system. Dealing with the colonies was also the Board of Trade which, founded in year 1696, was competent in commercial matters. It was not until 1801 that a new Secretaryship of State "for the War and the Colonial Department" was established. In 1854, when the War Office became a separate Department, the famous Colonial Office was officially created (Ayearst, 1960).

The bureau was headed by the Secretary of State for the Colonies (Green, 1991), which was appointed by the Monarch on advice of the Prime Minister (Xu, 2018) and had an average duration of three years. As head of the Colonial Office, the Secretary of State for the Colonies was responsible for overseeing the Britain's overseas possession (Montgomery, 1837), ensuring that colonial governments properly implemented the metropolitan directives (Ayearst, 1960). The Office was also in charge of the appointment of the mass of colonial functionaries which, ranging from the Governors (whose mandate lasted 6 years(Xu, 2018)), to the Judges and accountants, constituted "His'Majesty Colonial Service"(Jeffries, 1938)

The effectiveness of the Colonial Office in guiding and supervising local politics in the overseas territories varied significantly between Crown Colonies and those administered under the Old Representative System (Montgomery, 1837). In the latter case, when appointed officials encountered opposition from locally elected representatives, the resulting clash led to a legislative and executive deadlock within the colony.

3 Institutional Evolution in the British West Indies

3.1 The XIXth century until the Morant Bay Rebellion

The British West Indies consisted of two mainland colonies (Belize and British Guiana) and several islands forming an arc between them. The official number of these possessions changed over time due to administrative groupings and mergers among the different island governments. In this paper, we consider 16 states as independent entities between 1838 and 1938. Trinidad & Tobago⁴ and St. Kitts & Nevis⁵ are treated as single states, while the colonies grouped under the Leeward Islands (Antigua, St. Kitts & Nevis, Grenada, Montserrat, Dominica, and the Virgin Islands) are considered separately throughout the entire period. The first difference between these colonies is between those which were originally settled by Englishmen⁶ and those which were conquered from other Colonial Powers⁷. The first British step-in in the region was the settlement in Bermuda in years 1612 while the expansion of the Empire in the region ended in 1803 with the capture of St. Lucia and Guyana (Wrong, 1923). Before the first "Crown Colonies Systems" were established in Trinidad in 1797 and in St Lucia in 1803 (Higman, 2011), all the British Colonies in the Caribbean regions (the "West Indies") were governed according to the "Old Representative System", which survived until the XXth century only in three former colonies: Barbados, Bahamas and Bermuda (Wrong, 1923). At the start of the century, the West Indies were predominantly slave-based economies, focused on producing crops, especially sugar, for export to the mainland (Dookhan, 1975, Wesseling, 2004). These societies were deeply segregated, with white plantation owners controlling nearly every facet of life, while the vast majority of the population, composed of people of color, remained enslaved and tied to the plantations (Green, 1991).

The inhumane conditions in which slaves were kept on plantations resulted in extremely low reproduction rates, while mortality rates remained very high. To maintain the plantation system, plantation owners had to rely on an ongoing supply of slaves from

⁴officially merged in year 1889

⁵officially merged in year 1882

⁶Bahamas, Barbados, Bermuda, Belize, Turks & Caicos Islands, Antigua, St. Kitts & Nevis, Montserrat and the Virgin Islands (Wrong, 1923)

⁷British Guyana, Jamaica, Dominica, Trinidad & Tobago, Grenada, Saint Vincent and St. Lucia (Wrong, 1923)

the international slave-market.

This reliance caused the first attempt to the West Indies economy in 1807, when the transatlantic slave trade was officially abolished (Higman, 2011, Wrong, 1923) and the cost of maintaining plantations further increased with the Emancipation Act of 1833 (Ayearst, 1960, Green, 1991, Higman, 2011, Wrong, 1923), which abolished slavery across the British Empire. To help planters in this transition, a four-year transitional period (1834-1838) was allowed, in which slavery was maintained under the guise of "compulsory" apprenticeships for former slaves. After the apprenticeship system ended in 1838, a new social order began to emerge. While some individuals continued to work on plantations as salaried laborers, many newly emancipated citizens acquired small pieces of land known as "freeholds." Some founded new "free" villages, while others ventured into retail commerce and opened small shops (Holt, 1993). In few decades, in the biggest Caribbean Colony, Jamaica, happened a "phenomenal shift from a society in which most of the working population was employed by sugar or coffee estates to one in which most were freehold proprietors" (Holt, 1993, p.146). These "new citizens" of the Caribbean were, on paper, granted the same economic, civil, and political rights as the white population. However, a twofold restriction in the electoral system prevented them from being truly represented in the local parliaments of their colonies. (Holt, 1993) In the Jamaican Assembly, the first barrier was a suffrage qualification that excluded a significant portion of the black population from voting. More importantly, a much higher economic requirement was necessary to be elected to a seat in the Assembly. This ensured that the plantation interests, represented by the "Plantation Party," continued to dominate Jamaican politics, and this while the black population was largely represented by white assemblymen from the "Town Party." (Holt, 1993) Statistics of the time clearly illustrate the stark contrast between the ethnic composition of the island's population and that of the local assemblies. In Jamaica, according to the official census of 1844, the white population numbered 15,776, while the black and brown population amounted to 361,657 (Holt, 1993), making up more than 95% of the total population. Yet, during this same period, Afro-Jamaican assemblymen held, on average, only a quarter of the seats in the Jamaican Assembly, as shown in Figure 1.

While the Town Party of Jamaica, proponent of more liberal ideas, grew in numbers during the two decades following the end of apprenticeship, black participation in the

Assembly also increased, reaching 40% by the late 1850s. However, in 1859, the Plantation Party succeeded in passing a new election law that expanded the suffrage franchise, further restricting the chances for the black majority to gain meaningful representation in the island's parliament (Holt, 1993). In other Colonies, like Dominica, the black population already expressed the majority of the Local Parliaments as soon as 1838 (Boromé, 1969), but still in such cases the white elite held a real grip on the island economic and social system, and reached constantly to block any welfare measure the majority of the Assembly tried to carry out even in accordance with the Governor and the Metropolitan guidance. (Boromé, 1969)

In an effort to resolve the political impasse on the islands and shift the legislative pendulum towards central interests, the Colonial Office, under the leadership of Earl Grey, pressured the Governor of Jamaica to introduce constitutional reforms aimed at reducing the Assembly's financial powers. This initiative culminated in the establishment of a Legislative Council in 1854, which included partially Crown-appointed members. This model was subsequently replicated in Tobago, Saint Kitts, Saint Vincent, and Antigua in the following years. However, rather than improving the efficiency of the legislative process, these changes merely added complexity to the machinery of government, with little to no tangible progress in resolving the underlying issues (Ayearst, 1960, Wrong, 1923).

By the 1860s, this lack of a real and effective representation, combined with the unfair fiscal and judicial systems and the continuing dominance of the planter class in the Caribbean politics paved the way to the Morant Bay Rebellion in Jamaica: on 11th October 1865, a protesting crowd of coloured people captured and burnt a Court House, killing 18 people and realising prisoners from the local jail. The rioters took controls of two villages in the east part of the Island until the Martial Law was declared on 13th October. The riot ended up with almost 450 execution of which much without trial, also a coloured member of the Assembly get hanged (Moore and Johnson, 2004, Wrong, 1923).

After this tragedy the unsuitability of the Jamaica institutional system was no more possible to hide, and while the Island's Governor asked the Secretary of State to abolish the Local Assembly (Wrong, 1923) the assemblymen themselves voted to surrender their powers to the Crown (Ayearst, 1960): An Act of the Parliament was passed on June

1, 1866 making Jamaica a Crown Colony: elections were abolished, and the House of Assembly of Jamaica, which started its activity in year 1663 was completely emptied of its powers(Wrong, 1923).

3.2 From Morant Bay to the Eve of World Word I

The Jamaica case was not isolated, and in the second-half of the XIXth century the impossibility of the Local Parliaments to represent the majority of (freed) population on the Caribbean islands, as well as to follow any Metropolitan directive when this collided with the economic interest of the oligarch-planters class on the islands necessitated the abolition of the legislative assemblies on almost all the islands, and the transformation of these into Crown Colonies(Dookhan, 1975, Higman, 2011). In some colony this final institutional shape arrived after an intermediate phase in which Council and Assembly were merged, transforming a double-chamber system into a one-chambered one, like the case of Dominica (Boromé, 1969, Wrong, 1923) and/or gradually increasing the number of officials nominated by the Colonial Office respect to those elected by the local voters, as in the case of the Virgin Islands (Wrong, 1923). This institutional evolution interested the majority of the West Indies Colonies, and by the end of XIXth only Bermuda, Barbados and Bahamas retained the Old Representation System. The case of Belize was particularly analogous to that of Jamaica, as the straw that broke the camel's back was the Maya rebellions and the threat they posed to British settlers (Bolland, 2003). During the 1860s, defense and military expenses surged to protect the settlers against the Maya revolt. The assembly, which retained control over financial matters, was unable to reach a consensus on taxation. Planters and merchants had conflicting preferences regarding the type of tax to impose—whether land taxes or import/export duties. Pressured by the urgent need to fund its security, the assembly ultimately "committed political suicide" by surrendering its powers to the Crown in 1870. Financial matters were behind the Dominica' Assembly surrendering of 1898, there also, the introduction of Crown appointees in the Legislative body in 1864 didn't sort any relevant effect and the Secretary of State bargained in the late 1890s with the Assembly a grant of 30'000 £ in exchange of the Imperial control over the island. On 13 June 1898, a first act to amend the constitution was passed with 8 votes in favor (all Black members) to 6 against (all White members). The amendment was reaffirmed

on 8 July, despite the Governor receiving a memorial opposing constitutional changes, which bore 350 signatures, predominantly from planters and professional men (Boromé, 1969) and from that point onward, legislative powers were vested in a nominee Legislative Council. While a financial grant was the immediate reason for the transition to Crown Colony status in Antigua as well (Boromé, 1969, Wrong, 1923), the case of Guyana stands out as unique and worthy of attention. Guyana was the last British Caribbean colony to adopt the Crown Colony system. A.R.F. Webber, a former journalist and leader of the local Popular Party, won the election on a platform promising infrastructural development in the colony's hinterland. His victory alarmed the planter elite, who feared significant changes to the status quo. However, Webber, in collaboration with the Governor, implemented policies that restructured Guyana's institutional arrangements, ultimately transitioning it to a Crown Colony.(Ayearst, 1960).

Under the pure form of a Crown Colony Government, there were no elections in the islands: white and blacks were all disenfranchised (Moore and Johnson, 2004), and this setting lasted, with minor modifications, until these islands reached the Independence (Lewis, 1967). Despite continued lobbying by the planter class for the restoration of some form of electoral representation on the islands (Will, 1970b), Jamaica was the only case of 'partial retro-cession' within the Crown Colonial system before WWI. In 1884, a minority of elected representatives were allowed into the island's cabinet, though they were not sufficient to outnumber the officials appointed by London(Dookhan, 1975).

With this new government form, not only the politics but also the judiciary system changed in the British West Indies: the Colonial Office wanted to professionalize the magistracy taking the courts away from local potentates and introducing professionals appointed from the center of the empire(Philipps, 1995), virtually assuring a more uniform application of the law, and making the judiciary impersonal and law enforcement reproducible and predictable(Philipps, 1995)

3.3 The Inter-War Period and the Colonial Development Act

The outbreak of the First World War in August 1914 had a remarkable economic impact on the British West Indies, particularly via sugar production. The war caused a halt in the export of beet sugar from Central Europe, leading to a tripling of sugar prices on the

London market (Dookhan, 1975). This stimulus boosted the production of cane sugar in the Caribbean region; for instance, Jamaica's sugar output increased from 13,233 tons in 1914 to over 40,000 tons by 1920 (Sires, 1957). The demand for cane sugar was so high that by 1920 its price in London had risen tenfold compared to 1913 (Dookhan, 1975). The prices in London also accounted for the augmented transportation and logistic costs caused by the war and indeed the export prices in the colonies rising "just" by three to four times respect to pre-war levels (Havinden and Meredith, 1993, Wesseling, 2004): the West Indies enjoyed a significant trade surplus in the war years (Havinden and Meredith, 1993).

The war also raised the costs of imports to the Caribbean region, and in Jamaica, the import price of rice in 1920 was more than four times higher than its 1901–1913 average, while flour prices tripled.

Except boosting exports, war's economy threatened colonial revenues, since this was depending largely upon import duties, with importation decreasing in real terms because of the inflation. West Indian bureaucracies also faced funding challenges, as they were unable to borrow on British financial markets during the conflict. To compensate, colonial governments introduced new taxes and increased existing ones, which ultimately strengthened fiscal capacity and public balances by the end of the period (Havinden and Meredith, 1993).

The post-war period saw calls for greater self-government in the British West Indies, driven by returning soldiers who were inspired by egalitarian and socialist ideals. New associations advocating for elective elements in the Crown Colony system emerged but achieved limited success. The Colonial Office maintained tight control over the region, although some colonies were allowed elective unofficial members in their legislative and executive bodies during the 1920s. These included Montserrat, the Virgin Islands, Dominica, St. Lucia, St. Vincent, Grenada, and Trinidad (Ayearst, 1960).

However, these changes did not translate into significant autonomy since the executive bodies contained an official majority which was appointed and responsible to the Crown (Jr., 1962). The (unofficial) elected members often came from the white elite and did not represent the broader black population. Despite the introduction of limited elective governance, this "modified" Crown Colony system was not addressing the interests of the

majority (black) population better than the late-XIX century version(Sires, 1957).

The revitalization of sugar production and export in 1915-1920 reverted in the 1920s and 1930s and the region's dependency on sugar ended up in two decades of economic depression. Indeed, the sugar-boom of the War years not only revitalized the existing planters but attracted in the market new capitalists, bringing to over production on the post-War era (Holt, 1993), prices were so low that the resulting income was not enough to sustain the population(Holt, 1993). Indeed in the first third of XX century took place a reorganization of the plantation economy, with estates becoming bigger via a process of concentration⁸ which reverted the peasantry fragmentation typical of the decades following the Morant Bay Rebellion(Holt, 1993). The West Indies found themselves to be again prisoners of their main crop and their planters. Unemployment and strikes became widespread in the region, with riots in Trinidad, St. Vincent, St.Lucia, Kittis, Guyana and Jamaica(Higman, 2011, Holt, 1993, Sires, 1957).

Recognizing the need for intervention, Britain enacted the Colonial Development Act of 1929, which marked the first systematic effort by the British government to support colonial development (Wicker, 1958).

The Act allocated funds for loans and grants to colonial governments, provided projects were approved by a committee in London. This funding was intended to stimulate economic growth and public works, though it primarily served to support British trade by creating markets for British exports (Stammer, 1967). While the Act symbolized a shift toward more active involvement in colonial economic affairs, its implementation was hindered by the inefficiency of colonial bureaucracies. Only a fraction of the allocated funds was utilized due to administrative challenges in the colonies (Wicker, 1958). The Colonial Development Act laid the groundwork for future interventionist policies but failed to address the systemic inequalities and governance issues in the British West Indies. The persistent economic depression and high unemployment eventually led to the promulgation of the Colonial Development and Welfare Act of 1940, which provided both financial and technical assistance to the colonies (Sires, 1957).

⁸of the 137 factories present in Jamaica in 1896, only 37 remained in 1926, producing each on average 15x times the quantity of sugar (Holt, 1993)

4 Expenditure Paths and Political Economy

4.1 Political Economies of the British West Indies

Until slave emancipation, most of the local public resources were used to assure repression and security on those islands: "assembly raised taxes mainly to protect the white elite and the plantation economy against slave revolts" (Graham, 2017, p.188). A series of "maroon wars" and revolts brought to a significant increase in military spending in the decades preceding emancipation (Graham, 2017), such that the colonial colonies in the early XIX century can be described as fiscal-military states. Our claim is that this form of state continued in the West Indies until the institutional reforms of the 1860s-1870s. Only after the Colonial Crown government installed the dimension and composition of public spending changed drastically. In Figure 2 we plot the evolution of nine categories of public expenditure in Jamaica, from the introduction of the Legislative Council in 1854 to ten years after the Morant Bay rebellion. Consequently to the constitutional change of 1866, the aggregate value of Health, Education and Infrastructures expenses increased substantially. As shown in other studies examining state capacity in colonies and former colonies, such as Albers et al. (2023) and (Frankema, 2010), the increase in state revenues for these territories was closely tied to their relationship with their metropolitan powers, as well as their access to credit and financial markets (Havinden and Meredith, 1993).

This interpretation is evident in our analysis in Figure 3, where we plot the annual per-capita taxation for 5 British Caribbean colonies, grouped into two categories: those that were always Crown Colonies (Trinidad & Tobago and Saint Lucia) and those that were never Crown Colonies (Barbados, Bermuda, and the Bahamas (Stammer, 1967)).

When comparing the per-capita taxation of the Crown Colonies with those that did not adopt this institutional framework, it becomes clear that the former, with stronger ties to their metropolitan powers, experienced a much steeper increase in state capacity in the aftermath of slave emancipation, as measured by the capacity of such states to extract revenues from the population.

Figure 4 shows how the island-states which were always Crown-Colonies lived a steep increase in their population in the post-slave emancipation period, whereas the population on islands governed by representative institutions remained relatively stable. When

combined with the data on per-capita taxation, these trends highlight the creation of fiscal states that could mobilize far greater resources in colonies under metropolitan control compared to those dominated by the planter elite.

4.2 Clash of Elites: Why did metropolitan powers take control of island governments?

Debates and discussion on the metropolitan role in the colonial administration as well as on the economic role of the colonies inside the empire, flourished in England in the second half of XIX-century, when a part of the public opinion was persuaded that a non-interventionism policy was more suited to the overseas territories. The Royal Colonial Institute was founded in 1868 opposing these widespread opinions, while advocating the idea that the Motherland should actively-enter the local governments and invest in the development of its colonies in order to gain an economic advantage from them (Bruce, 1910a). Also, as for the cause for the abolition of slavery, part of the British public opinion was up to intervene into the colonial administration as driven by humanitarian motivations. Here the reason for intervention would have been to counter the unrepresentative nature of local colonial parliaments, aiming to provide broader representation for the colony's population.

Interventionist currents eventually prevailed, leading to the installation of Crown Colony systems in most of the Caribbean islands in the 1860s and 1870s: with these reforms the Metropolitan powers substituted the local planters elite in the management of the island government, justice and finances (Will, 1970b).

While for the abolition of slavery (Lewis, 1967) these reforms were fairly attributed to humanitarian motivations and progressive ideals (Ayearst, 1960), here at least two hypotheses can be advanced.

The first hypothesis, is that the Colonial Office identified its interests with those of the broader population of the West Indies and aimed to represent and advance the general welfare of the Caribbean settlers, according to this interpretation, the abolition of the local assemblies was done to carry out the interest of the black-population, which made up more than the 90 % of the islands' population. The theoretical justification of a Crown Colony government was in this sense that of being a benevolent autocracy aimed at the

general progress of the population (Will, 1970b, Wrong, 1923).

The second hypothesis is that the reorganization of political power in the West Indies was driven by utilitarian and economic objectives. This hypothesis founds on the decline of the plantation economy which followed the equalisation of sugar duties in the 1840 and the complete opening of England to free trade in 1854 (Ayearst, 1960, Havinden and Meredith, 1993). According to this view the Colonial Office adapted to the end of the mercantilism view upon which the economies of the West Indies was previously built and, on the wave of economic liberalism, tried to promote an economic modernization in the islands, by first taking the political powers away from the local elites and their reactionary policies(Lewis, 1967) aimed at the maintaining of their plantation interests.

4.3 The Humanitarian Hypothesis: Health and Education first

In the first decades after the emancipation, the Local Assemblies evaded the problem of providing welfare services such as education, poors reliefs and medical care to the new mass of freed people(Dookhan, 1975). Colonial government little financed private Charity organization for the help of the poors, while leaving the education mostly to religion institutions (like the Moravian, Wesleyan or the Baptist Missionary Societies). The provision of medical services was instead mostly financed by the planters, which financed "estate hospitals" available only for their employees (Dookhan, 1975). The Humanitarian explanation for the Motherland takeover of the West Indies local governments bases on this "welfare shortcomings" of the colonial politics, considered as not suited to provide a good government in the interest of their general population(Ward, 1976, Wrong, 1923), or even incompatible with general welfare (Egerton, 1918). In favour of this thesis it's worth noting how the medical expenditure raised in the Caribbean region in the aftermath of the institutional change, passing from an annual expenditure of 18'166£ in 1865-66 to already 33'328£ in 1872-73 and 51'457 £ in year 1881-2 in the case of Jamaica (Norman, 1884), with the same sort of acceleration regarding the expenses in education which passed from around 3'700 £ annually on average in the early 1860s to 23'400 £ in the late 1870s, with the number of school children doubling in less than 20 years (Norman, 1884).

In the Crow Colonies, further re-organization of the educational system were enacted, and usually under impulse of the Motherland-appointed Governor and implemented by

other English officers (Bruce, 1910b). Also the judicial system on those colonies lived systematic reforms when the Caribbean islands became Crown Colonies, with jurists from the Motherland cooperating to bring systematicity to the local laws via the principles of consolidation and codification of the legal systems, in theory, it can be said, to assure a more equal and fair application of justice (Bruce, 1910a). A worth noting work in this direction has been the start of construction of a unique Penal Code for all the Crown Colonies which started in year 1869 (Bruce, 1910a)

According to such humanitarian interpretation, the increase in the colonial balances, clearly piloted by Britain, was done so in the interests of the broader (black) population, this being proved also by the fact that the planters didn't stop in conceiving this increase in the public budgets as "extravagant" (Will, 1970b, p.5), while on the other hand the blacks were generally in favour of the Colonial Crown form of government (Will, 1970b).

4.4 The Utilitarian Hypothesis: Infrastructures and Economic Diversification

In the post-emancipation decades, the sugar-based plantation economy of the Caribbean region, took a hit from the end of the mercantilism policies which protected the price of the islands' sugar respect to those of the other regions of the world. From 1854 the West Indian sugar had to compete on equal terms with that of Cuba, Brazil and India, it resulted a sudden drop in prices and exports.

The core-principle of the "utilitarian hypothesis" is that the Motherland had to takeover the political administration of those colony in order to allow for an economic modernization and diversification on those islands, this in order to ultimately benefit the Metropolitan economy. Also, London was willing to find an help in covering the defense costs in the region, while the colonial assemblies were reluctant to financially contribute to the construction of strategic and defensive infrastructures (Havinden and Meredith, 1993, Will, 1970b).

An economic transition on these islands, along with the construction of large defensive and strategic infrastructure projects, clearly required political, administrative, and judicial reforms. These reforms were essential not only to increase the islands' fiscal capac-

ity—allowing them to raise local funds⁹ for infrastructure investment—but also to attract private capital from the Motherland to finance new entrepreneurial ventures. Additionally, these reforms were necessary to secure grants and loans from Britain¹⁰, which would help finance public works and drive the modernization of the region’s transportation and economic systems. Under the Old Representative System, the plantation elite didn’t had any interest into bettering the poor transportation infrastructure, which consisted of only a few inadequate roads connecting plantations to the main towns and ports, leaving small producers under-served (Dookhan, 1975, Havinden and Meredith, 1993) and contrasting so any form of economic modernization and diversification. If, as stated before, education and health expenses increased with the Crown Colony installation in many island, we observe how also the expenses related to the management of the Colonial State (constituted not only by Executive and Legislative Councils, but also by numerous ministries and administrative branches) and the construction and maintaining of Infrastructure rocket after the Motherland takeover. In Jamaica the annual expenses for the Audit Office raised by 20 % in the 1870s, same for the costs of Justice¹¹ while the Treasury department became 40 % more expensive on the same period (Norman, 1884).

The growing interest of the Motherland in promoting an economic transition in the West Indies is evident in the reports of the royal officers sent to the islands to assess the profitability of the sugar industry, explore the potential for modernizing sugar estates, and identify other economic opportunities¹². These reports concluded with recommendations to improve infrastructure (Will, 1970a) and to establish ad-hoc governmental departments to advise prospective agricultural entrepreneurs on the risks and opportunities of colonial soils (Morris, 1897).

To conclude, the utilitarian hypothesis does not dismiss the increase in welfare expen-

⁹One of the core principles of British colonial rule was that the colonial states had to be financially self-sustaining, with no systematic transfers of tax revenues from England to its dependencies (Frankema, 2010) and with a general equilibrium between local revenues and expenditures

¹⁰Contrary to the general rule, ad-hoc transfers, loans, and grants were occasionally provided by the motherland to the colonies and government themselves started to raise loans and this especially from the 1860s, and, as for the case of Jamaica, mostly to finance road, bridges, public buildings and irrigation works (Norman, 1884).

¹¹In addition to a central Court, a system of district courts were also instituted in the aftermath of the Crown Colony Establishment on the islands, and already implemented in year 1867(Norman, 1884)

¹²Promising alternative industries to sugar included gold in British Guiana, fruit in Trinidad and Dominica, cocoa in Grenada, arrowroot in Saint Vincent and Montserrat, pineapples in Antigua, and coffee, tobacco, and fruits in Jamaica (Morris, 1897)

diture but interprets it as a strategic measure to maintain social and political stability. By reducing the need for excessive police and military spending, this approach aimed to free up resources for infrastructure investments and to create an economic environment conducive to attracting investment and new capital.

5 Data

5.1 Our Archival Sources: The Colonial Office Blue Books of Statistics

In this paper we employ the public accounting information contained in the Colonial Office Blue Books of Statistics which, stored in the London's National Archives, for their regularity of publication, breadth of coverage and longevity have no equal in the official documents from other European powers(Westland, 2022). Such books were compiled by the Colonial Office regularly starting from the early 1820s and until year 1949¹³, on the base of demographic, economic, political and environmental information dispatched by the local government of each colony, in order to meet the appetite of Britain for quantification(Westland, 2022). Starting with few dozens of pages in the pre-emancipation period, such books ended up in XX century with more than 500 for the largest colonies like Jamaica.

5.2 Our Main Dependent Variables: Yearly Expenditure Categories

The database of this paper has been built by first copying the economic information from the "Revenue and Expenditure" section of each available Blue Book for the West Indies from 1838 to 1938 (1710 different books identifying a colony-year), in order to build a panel dataset suitable for regression analysis. Other than the figures for total revenues and total expenses, we copied for each year and colony more than 40 public expenses voices, which then we grouped in 10 major expending categories: Health¹⁴, Education¹⁵,

¹³from the National Archives website: <https://blog.nationalarchives.gov.uk/blue-books/>

¹⁴includes expenses in Hospitals, Medical doctors, Board of Health, Vaccination and others

¹⁵includes Schools, Board of Education and Public Library Expenses

Public Order¹⁶, Social Expenses¹⁷, Infrastructures¹⁸, Religion¹⁹, Military²⁰, Finance²¹, Agriculture Development²² and Justice²³.

Also as a difference between the total expenditure and the ten categories above described, we generated the "Other" category, which, as it's possible to assess from the Blue Books themselves, is for the very large part constituted by the expenses for the maintenance of the Bureaucratic apparatus of the Colonial-State (i.e. the payment of salaries of Government officers, members of Councils, Administrative departments, Treasury and Customs) as well as for the payment of pensions to the island's settlers. From the monetary values thus reclassified, we then constructed expenditure category shares by dividing each of these eleven categories by the total colonial expenditure for a given year, and we used the resulting shares as our dependent variables.

5.3 Other economic-political information

In addition to the fiscal data derived from the "Revenue and Expenditure" section of the Colonial Blue Books, which serves as the primary dependent variable in the econometric specifications of this study, we transcribed and incorporated data from other sections of these documents. Specifically, from the "Political Franchise" chapter, we extracted information on the number of voters eligible for local legislatures across various colonies. Furthermore, from the "Council and Assemblies" section, we obtained data on the ratio of elected to nominated members within the Assemblies and Legislative Councils of the West Indies. This section also provided detailed insights into the composition of political bodies in Jamaica, particularly in the years surrounding the Morant Bay Rebellion. Other than the Colonial Blue Books, we sourced Public Debt information from the "House of Commons Parliamentary Papers": a series of documents produced by the British Parliament, through its various committees, departments, and affiliated offices, including the Colonial

¹⁶Includes expenses for Police and Jails

¹⁷this includes the expenses for Poors and Lunatics

¹⁸Includes a vast number of possible expenses, such as road, bridges, water works, telegraphs, tram-roads and public buildings

¹⁹yearly cost of the "ministries" of religions for a variety of christian denominations

²⁰includes various expenses for the staying of British soldiers and their equipment

²¹this is the sum of the expenses related to the repayment of public debt, passive interest on it, repayment of grant from Britain and repayment of liabilities from the public banks

²²expenses related to the Agriculture Department, the salaries of colonial botanist and chemist, and the costs related to the management of public agricultural lands and mines

²³this is basically the sum of the salaries of Judges and their clerks

Office. These papers were created to serve as formal records of parliamentary activities and to facilitate informed governance and decision-making across the British Empire.

5.4 Government Indicator Variable

To evaluate how metropolitan control affected key expenditure categories and total colonial revenues, we developed an indicator capturing the form of government for each colony-year. Drawing on the data from Wrong (1923, pp. 80-81), we defined a binary indicator which equals to 1 if an island-state was a Crown-Colony on a given year and 0 if it was not.

5.5 Descriptive Statistics & Trends

The installation of the Crown Colony system in the Caribbean island marked a political earthquake, significantly altering the environment of political power in the overseas possession. Figure 5 illustrates the persistence of memberships in Jamaica's three political bodies over 15 years, beginning in 1854, when the Legislative Council was introduced. The figure demonstrates that the year-on-year persistence of members consistently remained above 60% (even during election years), and often exceeded 80% when accounting for membership in any of the other bodies. However, with the introduction of the Crown Colony system, the Assembly (which consisted of approximately 50 members) was abolished, and the turnover rate in the two councils increased to around 50%. Figure 6 highlights the electors' disaffection in five island-states that became Crown Colonies during the 1860s. In the decade preceding this institutional change, the number of registered and actual voters either remained constant or declined. This occurred despite nearly 30 years having passed since the emancipation and the extension of political rights to 90% of the Caribbean population. The political disaffection was not solely due to the (partially) restricted franchise, which limited the right to vote or be elected, but more significantly stemmed from the perceived inertia of the assemblies in addressing interests beyond those of the planter aristocracy. This proving also how the Crown Colony installment wanted to surpass a phase of *empasse* and reactionism which infested those political bodies. The general trend in the ratio of elected members on the total of a legislature across all 16 colonial states evaluated in this paper is shown in Figure 7. Both members of the Assemblies and Legislative Coun-

cils are considered, and the graphs reveal four main macro-trends. First, the introduction of partially nominated Legislative Councils, which served as a bridge between the Assemblies and the Executive in the 1850s and early 1860s, led to a decrease in the percentage of elected members in nearly half of the colonies. Second, from the late 1860s to the early 1880s, the adoption of pure Crown Colony institutions resulted in these colonies having no elected members in their legislative processes. Third, there was a gradual restoration of partial representation, beginning with Jamaica in 1884 and extending to a broader group of islands in the 1920s. Finally, colonies such as the Bahamas, Bermuda, and Barbados retained a significant elective majority compatible with the old Representative System, even after the introduction of minority-nominated members in the late 19th century. While the expenditure shares will serve as the dependent variable in our econometric analysis of Crown Colony installation in the British West Indies, Figure 9 illustrates the trends of the eleven expenditure categories over the century of our study. The two vertical dashed lines mark critical moments of socio-political and economic change in the region: the Morant Bay Rebellion, which initiated a decade of institutional reform in the Caribbean, and the outbreak of World War I, with its inflationary²⁴ and expansionary effects on the regional economy, alongside the revitalization of the sugar industry. Examining the trends in Figure 9, alongside the expenditure shares depicted for four representative years in Figure 10, reveals four primary trajectories in resource allocation across the West Indies. First, there is a progressive decline in expenditures typical of the *ancien régime*, particularly in Public Order and Church. These were crucial in the immediate post-emancipation period, reflecting elite concerns over potential revolts and social disorder, as well as efforts to Christianize former slaves while delegating education and welfare services to religious institutions. The second trend, complementing the decline in the previous categories, is the rise in Health and Education expenditures. This shift reflects the development of state structures taking on responsibilities to care for and educate citizens, replacing the repressive mechanisms that had previously dominated. The third trend is the progressive increase in Infrastructure investments, reflecting efforts to modernize the transportation network and economic systems as the sugar-based economy declined.

²⁴In the graphs, all figures have been deflated according to the index provided by Bank of England: <https://www.bankofengland.co.uk/statistics/research-datasets>

The fourth trend involves the reduction in expenditures related to the Bureaucratic²⁵, Judicial and Military apparatus of the islands. However, this trend warrants further specification. These three expenditure shares, which made up together the Bureaucratic-Military apparatus while complexively declining, follow different trends. Specifically, there was a substantial decline in the military component compared to the salaries of public employees in the colonial bureaucratic structures.

To illustrate, consider the case of Jamaica. In 1838, Military expenses—comprising salaries for military personnel and marshals, costs of munitions, and rent for army lodgings and barracks—accounted for 25% of the total of these Bureaucratic-Military expenses. By the eve of the Morant Bay Rebellion, this figure had sharply decreased to 1.5%, stabilizing between 3% and 4% during the years 1890 and 1914. Conversely, the share allocated to state employee salaries (as well as pensions) decreased more gradually²⁶. This slower decline reflects the expanding colonial state, which required the establishment of new departments and branches alongside the broader process of state formation.

Figure 8 highlights the dual impact of the Imperial takeover on public debts. On the one hand, the establishment of a fully nominated government encouraged more rigorous management of public finances, including reforms to the taxation system to cover deficits and strengthen the financial stability of colonial states. On the other hand, this financial stability also enhanced these states' ability to secure loans from local and international markets. The figure illustrates the cases of Antigua and Dominica, which had accumulated significant debt prior to the takeover. Under centralized governance, these debts were stabilized, and their repayment was assured. Conversely, in Jamaica, while the administration ensured that public debt did not increase in the decades following the takeover, it also facilitated access to grants and investments aimed at modernizing infrastructure starting in the 1890s.

²⁵the "Other" share as said before is in majority made up by the salaries of state apparatus' employees and pensions

²⁶This decrease occurred because the colonial states increasingly allocated funds to services such as education, health, agriculture, and infrastructure investments. These outpaced the relative share of bureaucratic salaries, which was not the case in the years immediately following slave emancipation. At that time, a smaller bureaucratic structure corresponded to a even less extensive welfare state and limited involvement in the local economy.

6 Econometrics

6.1 Testing

Our aim is to test what the driving reason was behind the Colonial Office in London taking over the colonial administration in most of the British West Indies. Assuming that both welfare-related and infrastructure-related expenses increased after the installation of the Crown Colonies system, the question of whether this takeover was driven by humanitarian or opportunistic interests remains. Indeed, it can be argued that in order to support industry and commerce, health must be preserved (Bruce, 1910a), and workers should be educated and trained (Morris, 1897). To test whether the humanitarian or utilitarian view prevailed, we decided to analyze how the allocation of tax resources was impacted by the London takeover, focusing on the share of expenses in each category rather than merely on their overall increase or decrease.

6.2 Econometric Model

The econometric model is specified as follows:

$$\text{Expenditure_category}_{it} = \beta_i \cdot \text{government_indicator}_{it} + \mathbf{X}'_{it}\theta + \lambda_{it} + \gamma_t + \delta_i + u_{it} \quad (1)$$

$$\text{Expenditure_category}_{it} = \beta_i \cdot \text{early_treat} + \beta_2 \cdot \text{mid_treat} + \beta_3 \cdot \text{late_treat} + \mathbf{X}'_{it}\theta + \lambda_{it} + \gamma_t + \delta_i + u_{it} \quad (2)$$

In both equations the error term u_{it} follows an autoregressive structure:

$$u_{it} = \rho_i \cdot u_{i(t-1)} + \epsilon_{it}$$

(3)

The dependent variable in this model is $\text{Expenditure_category}_{it}$, which refers to one of

the possible eleven expenditure categories for colony i at time t . The independent variable is government indicator $_{it}$, which can take the form of an indicator 0,1 for each colony and time period. \mathbf{X}_{it} represent a vector of controls²⁷ and λ_{it} is a 0,1 indicator representing if a colony is part of a federation in a given year²⁸ additionally, γ_t represents the year fixed effect, while δ_i corresponds to the colony fixed effect. The error term in this model is denoted by u_{it} , which follows a panel-specific auto-regressive process of order 1 (AR(1)). In this error structure, ρ_i is the autoregressive parameter that is specific to each panel (or unit), and ϵ_{it} is the white noise error term, representing random shocks that affect the unit at time t .

6.3 Summary Statistics

Table 1: Summary Statistics for Share and Centralization Variables

Variable	Obs	Mean	Std. Dev.	Min	Max
Social	1,603	0.0263	0.0398	0	0.2453
Health	1,603	0.0884	0.0664	0	0.2995
Education	1,603	0.0522	0.0314	0	0.1499
Police	1,603	0.1123	0.0604	0	0.4399
Infrastructures	1,603	0.1435	0.0938	0	0.5529
Church	1,603	0.0379	0.0447	0	0.2999
Military	1,603	0.0108	0.0261	0	0.2850
Finance	1,603	0.0589	0.0776	0	0.5464
Agriculture	1,603	0.0193	0.0558	0	0.6420
Justice	1,603	0.0714	0.0712	0	0.5547
Ministries & Pensions	1,603	0.3779	0.1297	0	0.8733
Crown_Colony	1,603	0.5196	0.4998	0	1

Combining the expenditure information from the colonial blue books, we were able to create 1'603 entries for each expenditure category covering each year-colony combinations (we analyzed 1,710 books belonging to 18 islands, but then we combined data for the islands that we treat jointly, such as St. Kitts & Nevis and Trinidad & Tobago), this resulted in an almost complete and balanced panel covering the period 1838–1938²⁹. The summary statistics show how public works (14%) and state employee's salaries and pensions (38%) dominated expenditure shares, reflecting a clear orientation of those states

²⁷in some specifications we control for population and/or total revenues

²⁸this is the case of the Leeward Islands group: Antigua, St. Kitts & Nevis, Grenada, Montserrat, Dominica, and the Virgin Islands after year 1871

²⁹Blue Books for Turks & Caicos islands were available only from year 1851

for infrastructure and administration expenditure, while the sum of welfare expenditure (social, health and education) make together the 17% . Police expenses account for a high 11%, with a maximum of 44% signaling how public order was, at least in some periods and island, a clear priority and making together with Military and Justice expenses on average the 20 % of the colonial budgets. Also, it is worth noting how almost all categories show minimum values of 0, which must be thought as being primarily in the early years of the panel (1830s–1840s), reflecting the primitive state structures and higher volatility in expenditures during this formative period. Religious expenditure reached as high as 65% in some islands during this early period, reflecting the socio-political characteristics of an *ancien régime* society, where the church still played a central role in governance and society. The expenses related to the repayment of public debt and on the interests on it represent almost the 6% of the average colonial expenditure, accounting for more than the average expenses on Education. The Crown Colony form of government is observed in 52% of cases, reflecting a balanced distribution between treated and non-treated island-year units, which supports robust comparative analysis.

6.4 Econometric Results

We show the results of estimating Eq. 1 in Table 2. We see how the effect of the "Motherland Takeover" of the colonial governments resulted in a significant change in the resources allocated for many of the considered expenditure categories. The installation of a Crown Colony government notably increases the share of expenditure allocated to Infrastructures and to the Bureaucratic-Administrative structure of the Colonial State, reducing the relative share of resources devoted to many of the categories. Among these, church expenditures are most significantly affected, reflecting the sharp reduction in colonial budgets allocated to funding various churches on the islands, particularly from the 1870s and 1880s onward. Education and Social-related shares of expenditure were also significantly lower in Crown Colonies compared to territories under the Old Representative system. Health expenditures decreased as well, but this decline was not statistically significant. On the other hand, the burden of public debt lightened significantly in island states administered by the Colonial Office. Security costs also exhibited changes: military and judicial spending saw significant reductions, while police costs increased slightly,

though this change was not statistically significant.

Table 2: Regression Results

VARIABLES	Crown_Colony	Crown_Colony	Crown_Colony	Crown_Colony
Social	-0.0374*** (0.00432)	-0.0374*** (0.00432)	-0.0378*** (0.00433)	-0.0378*** (0.00433)
Health	-0.00231 (0.00645)	-0.00233 (0.00645)	-0.00242 (0.00644)	-0.00242 (0.00644)
Education	-0.0168*** (0.00337)	-0.0168*** (0.00337)	-0.0172*** (0.00337)	-0.0172*** (0.00337)
Police	0.00711 (0.0047)	0.00708 (0.0047)	0.00713 (0.0047)	0.00715 (0.0047)
Infrastructures	0.0402*** (0.00901)	0.0401*** (0.00901)	0.0392*** (0.00903)	0.0392*** (0.00903)
Church	-0.0440*** (0.00451)	-0.0440*** (0.00452)	-0.0440*** (0.00451)	-0.0440*** (0.00451)
Military	-0.0316*** (0.00519)	-0.0316*** (0.00519)	-0.0315*** (0.0052)	-0.0315*** (0.0052)
Finance	-0.0285*** (0.00922)	-0.0286*** (0.00922)	-0.0292*** (0.00921)	-0.0292*** (0.00922)
Agriculture	-0.0184* (0.0103)	-0.0185* (0.0103)	-0.0191* (0.0103)	-0.0191* (0.0103)
Justice	-0.0301*** (0.00486)	-0.0301*** (0.00486)	-0.0303*** (0.00486)	-0.0303*** (0.00486)
Ministries & Pensions	0.130*** (0.0161)	0.130*** (0.0161)	0.129*** (0.0161)	0.129*** (0.0161)
Controls:				
Population	No	No	Yes	Yes
Tot_Rev	No	Yes	No	Yes
Year_FE	Yes	Yes	Yes	Yes
Colony_FE	Yes	Yes	Yes	Yes
Federation_FE	Yes	Yes	Yes	Yes
Observations	17,633	17,633	17,633	17,633
R-squared	0.200	0.200	0.201	0.201
Number of nid	176	176	176	176

Note: Robust standard errors in parentheses. *Significant at the 10% level. **Significant at the 5% level. ***Significant at the 1% level.

To deepen our analysis, we considered a staggered effect of government takeover, accounting for instances where this occurred at different stages of the West Indies colonial experience. Specifically, we identified the decade of the Morant Bay Rebellion (1865) as a pivotal moment for the installation of Crown Colony governments in the region. We classified takeovers as "early stage" if they occurred before 1860 and "late stage" if they occurred after 1875. The results of regression equation (2), displayed in Table 3, reveal noteworthy differences.

While some expenditures characterised Crown Colonies insomuch, those territories which adopted these insitutions in different timing show different resource allocation.

Colonies that adopted a centralized form of government early had a higher share of expenditure allocated to Police, likely reflecting a security-focused priority during the initial stages of state formation.

In contrast, island states brought under Colonial Office control after 1875 exhibited a significant increase in Health expenditure, indicating a greater concern from London for the welfare of colonial citizens during this later period.

The necessity to "build up" a bureaucratic state appears to have declined over time. This is evident from the coefficient for Public Administration expenditure share in the early adoption of Crown Colony governance, which is nearly four times larger than that for the late stage, though the latter remains positive and significant.

7 Conclusion

Drawing from extensive archival sources, we constructed a panel dataset spanning 100 years, detailing eleven expenditure categories for 18 caribbean islands aggregated into 16 colonial states. Our objective was to investigate the motivations behind the Motherland's takeover of governance in the majority of the British West Indies. Following the establishment of the Crown Colony system, we observed an increase in the fiscal capacity of such Colonial states. While almost all the expenditure categories rose in nominal terms, we focused on their evolution as shares of total expenditure to econometrically assess the rationale behind this institutional change. Our findings reveal that only the expenditure shares allocated to Public Infrastructure and Bureaucracy (including salaries and pensions of the ministries, councils and administrative branches of the State) systematically and significantly increased after the institutional change. Conversely, the shares dedicated to Church, Public Order, and various welfare-related expenses generally declined. These results challenge the view that such takeovers—although occurring around the time of the Morant Bay Rebellion—were primarily aimed at establishing a welfare state for the emancipated population. Instead, our findings suggest that London's decision to strip the plantation elite of political power was motivated by the desire to create a more modern,

law-oriented state led by an efficient bureaucracy. This new system prioritized broader economic objectives, including fostering new enterprises and attracting capital, rather than protecting the interests of the sugar plantation economy. Ultimately, these results point to a utilitarian rather than humanitarian rationale behind London's institutional changes in its Caribbean dependencies during the late Victorian era.

References

- T.N.H Albers, M. Jerve, and M. Suesse. The fiscal state in africa: Evidence from a century of growth. *International Organization*, 2023.
- M. Ayearst. *The British West Indies: The Search for Self-Government*. NEW YORK UNIVERSITY PRESS, 1960.
- O. N. Bolland. *Colonialism and Resistance in Belize*. University of West Indies Press, 2003.
- J. A. Boromé. How crown colony government came to dominica by 1898. *Caribbean Studies*, 1969.
- C. Bruce. *The Broad Stone of the Empire, Problems of Crown Colony Administration, Vol I*. MACMILLAN AND CO., LIMITED ST. MARTIN'S STREET, LONDON, 1910a.
- C. Bruce. *The Broad Stone of the Empire, Problems of Crown Colony Administration, Vol II*. MACMILLAN AND CO., LIMITED ST. MARTIN'S STREET, LONDON, 1910b.
- J.P. Carvalho and Christian Dippel. Elite identity and political accountability: a tale of ten islands. *The Economic Journal*, 2020.
- I. Dookhan. *A post-emancipation history of the West Indies*. Collins, 1975.
- H. E. Egerton. The system of british colonial administration of the crown colonies in the seventeenth and eighteenth centuries compared with the system prevailing in the nineteenth century. *Transactions of the Royal Historical Society*, 1918.
- E. Frankema. Raising revenue in the british empire, 1870-1940: how 'extractive' were colonial taxes? *Journal of Global History*, 2010.

Table 3: Regression Results for yshare with Different Control Specifications

VARIABLES	Crown_Colony	Crown_Colony	Crown_Colony	Crown_Colony
Early (before 1860)				
Social	-0.0607*** (0.0161)	-0.0609*** (0.0161)	-0.0128 (0.00854)	-0.0607*** (0.0161)
Health	0.00822 (0.0229)	0.00801 (0.0229)	0.0560*** (0.0172)	0.00812 (0.0229)
Education	-0.0387** (0.0182)	-0.0388** (0.0182)	0.00919 (0.0122)	-0.0387** (0.0182)
Police	0.0267* (0.014)	0.0264* (0.014)	0.0744*** (0.007)	0.0265* (0.014)
Infrastructures	0.0795** (0.0379)	0.0793** (0.0379)	0.127*** (0.0335)	0.0794** (0.0379)
Church	-0.0480*** (0.0127)	-0.0480*** (0.0127)	-	-0.0480*** (0.0127)
Military	-0.0799*** (0.0158)	-0.0801*** (0.0158)	-0.0321*** (0.00765)	-0.0800*** (0.0158)
Finance	-0.0177 (0.0184)	-0.0181 (0.0184)	0.0299*** (0.0113)	-0.0179 (0.0184)
Agriculture	-0.0708*** (0.0169)	-0.0711*** (0.0169)	-0.0230** (0.0096)	-0.0709*** (0.0169)
Ministries & Pensions	0.251*** (0.0254)	0.251*** (0.0254)	0.299*** (0.0206)	0.251*** (0.0254)
Mid (1860-1875)				
Social	-0.0361*** (0.00697)	-0.0361*** (0.00697)	-0.0355*** (0.00695)	-0.0354*** (0.00695)
Health	-0.0188** (0.00803)	-0.0188** (0.00803)	-0.0171** (0.00806)	-0.0171** (0.00806)
Education	-0.00654 (0.00477)	-0.00655 (0.00477)	-0.00622 (0.00478)	-0.00621 (0.00478)
Police	0.0150** (0.00682)	0.0150** (0.00682)	0.0165** (0.0068)	0.0165** (0.0068)
Infrastructures	0.0184 (0.0131)	0.0183 (0.0131)	0.0186 (0.0132)	0.0186 (0.0132)
Church	-0.0506*** (0.00543)	-0.0506*** (0.00543)	-0.0488*** (0.00537)	-0.0488*** (0.00537)
Military	-0.0330*** (0.00718)	-0.0330*** (0.00717)	-0.0314*** (0.00715)	-0.0314*** (0.00715)
Finance	-0.0188 (0.0128)	-0.0188 (0.0128)	-0.018 (0.0128)	-0.0179 (0.0128)
Agriculture	-0.0151 (0.0187)	-0.0152 (0.0187)	-0.0148 (0.0187)	-0.0148 (0.0187)
Justice	-0.0441*** (0.00685)	-0.0441*** (0.00685)	-0.0427*** (0.00681)	-0.0427*** (0.00681)
Ministries & Pensions	0.174*** (0.0283)	0.174*** (0.0283)	0.174*** (0.0283)	0.174*** (0.0283)
Late (after 1875)				
Social	-0.0353*** (0.00606)	-0.0353*** (0.00607)	-0.0361*** (0.00609)	-0.0361*** (0.00609)
Health	0.0274*** (0.00898)	0.0274*** (0.00898)	0.0268*** (0.00898)	0.0268*** (0.00898)
Education	-0.00704 (0.00452)	-0.00706 (0.00452)	-0.00746* (0.00452)	-0.00746* (0.00452)
Police	0.00831 (0.00727)	0.00829 (0.00727)	0.00802 (0.00728)	0.00803 (0.00728)
Infrastructures	0.0590*** (0.0103)	0.0589*** (0.0103)	0.0580*** (0.0103)	0.0580*** (0.0103)
Church	-0.0329*** (0.0058)	-0.0329*** (0.0058)	-0.0332*** (0.0058)	-0.0332*** (0.0058)
Military	-0.0233*** (0.00748)	-0.0233*** (0.00748)	-0.0238*** (0.00749)	-0.0238*** (0.00749)
Finance	-0.0022 (0.0151)	-0.00222 (0.0151)	-0.00289 (0.0151)	-0.00289 (0.0151)
Agriculture	-0.0420*** (0.0144)	-0.0421*** (0.0144)	-0.0430*** (0.0144)	-0.0430*** (0.0144)
Justice	-0.0189*** (0.00523)	-0.0189*** (0.00523)	-0.0194*** (0.00525)	-0.0194*** (0.00525)
Ministries & Pensions	0.0890*** (0.0266)	0.0890*** (0.0266)	0.0883*** (0.0265)	0.0883*** (0.0265)

- A. Graham. The colonial sinews of imperial power: The political economy of jamaican taxation, 1768–1838. *The Journal of Imperial and Commonwealth History*, 2017.
- A. Graham. Jamaican legislation and the transatlantic constitution, 1664-1839. *The Historical Journal*, 2018.
- W.A. Green. *British Slave Emancipation: The Sugar Colonies and the Great Experiment 1830-1865*. Oxford Academic, 1991.
- M. Havinden and D. Meredith. *Colonialism and Development Britain and its tropical colonies, 1850–1960*. Routledge, 1993.
- B. W. Higman. *A Concise History of The Caribbean*. Cambridge University Press, 2011.
- T.C Holt. *The Problem of Freedom: Race, Labor, and Politics in Jamaica and Britain, 1832-1938*. The Johns Hopkins University Press, 1993.
- C. Jeffries. *The Colonial Empire and its Civil Service*. Cambridge University Press, 1938.
- J. H Proctor Jr. British west indian society and government in transition 1920-1960. *Social and Economic Studies*, 1962.
- G. K. Lewis. British colonialism in the west indies: The political legacy. *Caribbean Studies*, 1967.
- M.R. Montgomery. *Colonial policy of the British Empire*. Gilbert Rivington Printers, 1837.
- B. L. Moore and M. A. Johnson. *Neither Led nor Driven, Contesting British Cultural Imperialism in Jamaica, 1865–1920*. University of the West Indies Press, 2004.
- D. Morris. Report of the west india royal commission, with subsidiary report. *Report of the West India Royal Commission*, 1897.
- H. Norman. The public revenues, expenditure, debts and liabilities. *Report of the Royal Commission*, 1884.
- A. V. Philipps. Emancipation betrayed: Social control legislation in the british caribbean (with special reference to barbados), 1834-1876 - freedom: Beyond the united states. *Freedom: Beyond the United States*, 1995.

- R. V. Sires. Government in the british west indies: An historical outline. *Social and Economic Studies*, 1957.
- D. W. Stammer. British colonial public finance. *Social and Economic Studies*, 1967.
- J. M. Ward. *Colonial Self-Government The British Experience 1759-1856*. THE MACMILLAN PRESS LTD, 1976.
- D. Wedderburn. *British colonial policy*. Macmillan and co., 1881.
- H. L. Wesseling. *The European Colonial Empires*. Routledge, 2004.
- T. Westland. How accurate are the prices in the british colonial blue books? *ECONOMIC HISTORY OF DEVELOPING REGION*, 2022.
- E. R. Wicker. Colonial development and welfare, 1929-1957: The evolution of a policy. *Social and Economic Studies*, 1958.
- M. Wight. *The Development of the Legislative Council 1606-1945*. Faber & Faber, 1946.
- H. A. Will. Colonial policy and economic development in the british west indies, 1895-1903. *The Economic History Review*, 1970a.
- H. A. Will. *Constitutional Change in the British West Indies 1880-1903*. Clarendon Press Oxford, 1970b.
- H. Wrong. *Government of the WEST INDIES*. Oxford University Press, 1923.
- G. Xu. The costs of patronage: Evidence from the british empire. *The American Economic Review*, 2018.

Appendix

Tables

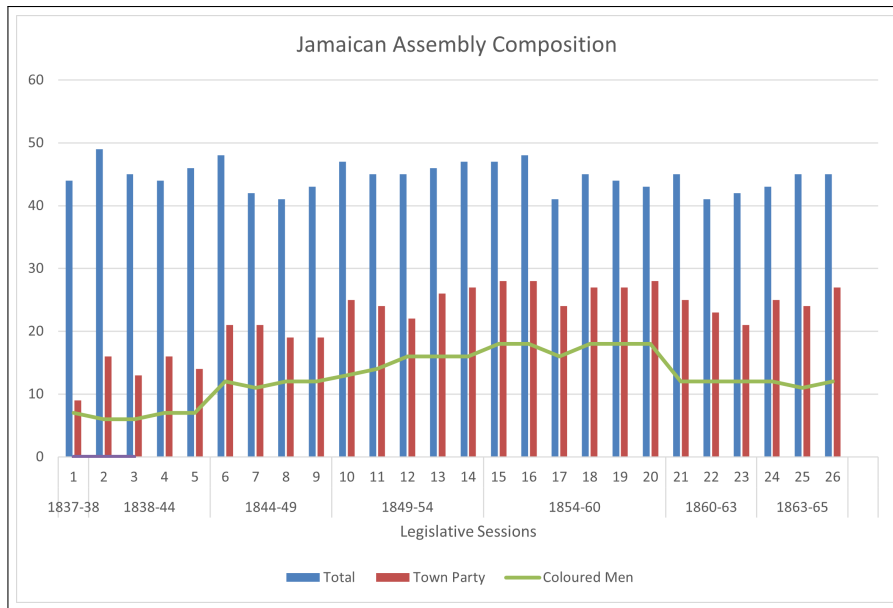


Figure 1: Composition of the Jamaican Assembly 1837-1865

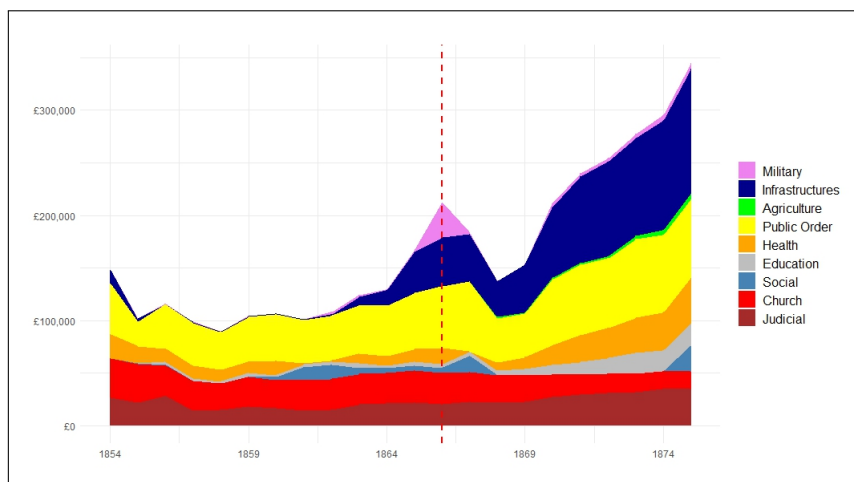


Figure 2: Expenditure Paths in Jamaica 1854-1875

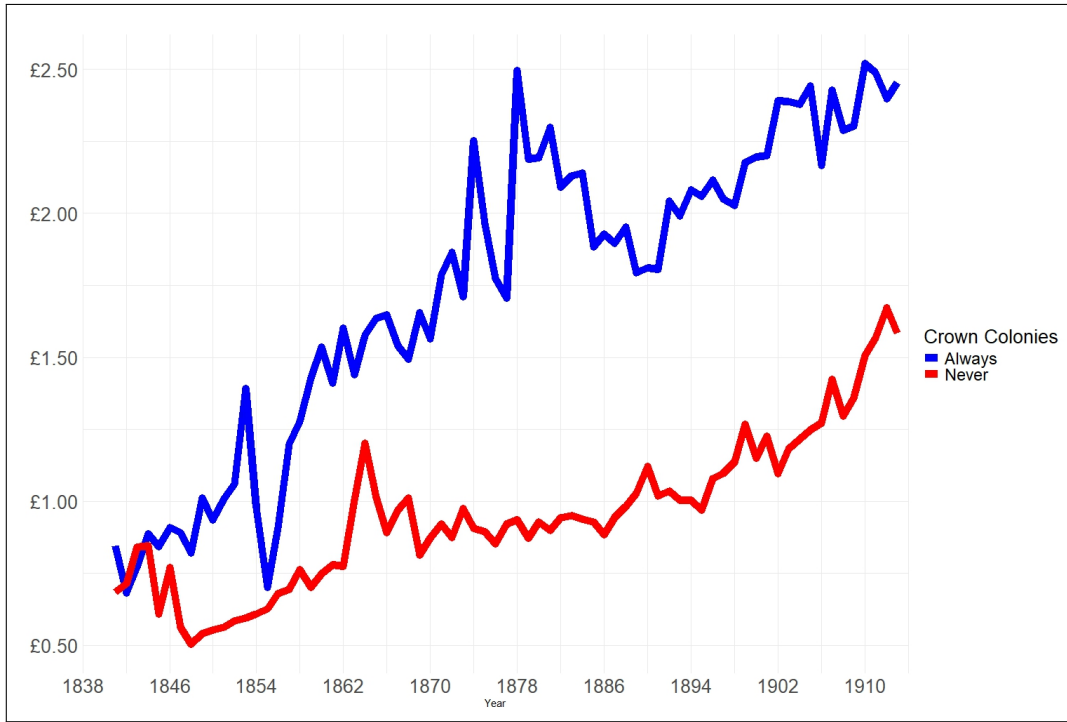


Figure 3: Aggregated Taxation per Capita up to World War I(1838-1913)

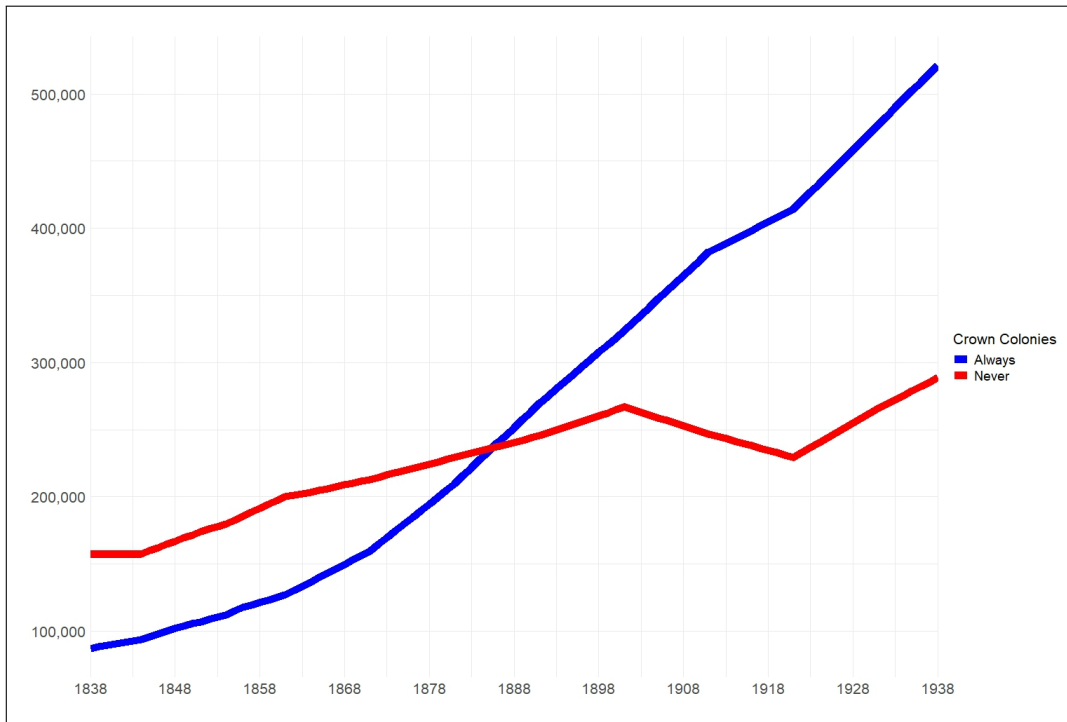


Figure 4: Aggregated Populations (1838-1938)

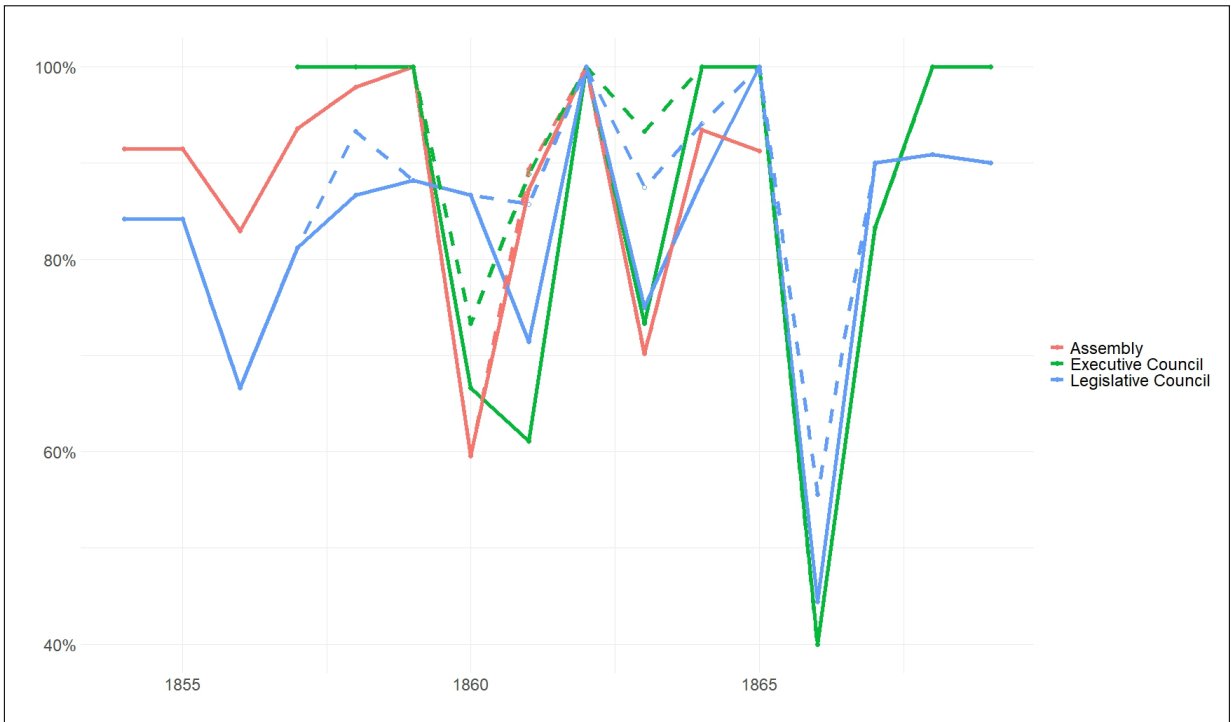


Figure 5: Year-on Year persistence of members of the three Jamaica political body. Dashed lines show also "cross-persistence", accounting for members in other bodies *Source: Blue Books of Statistics*

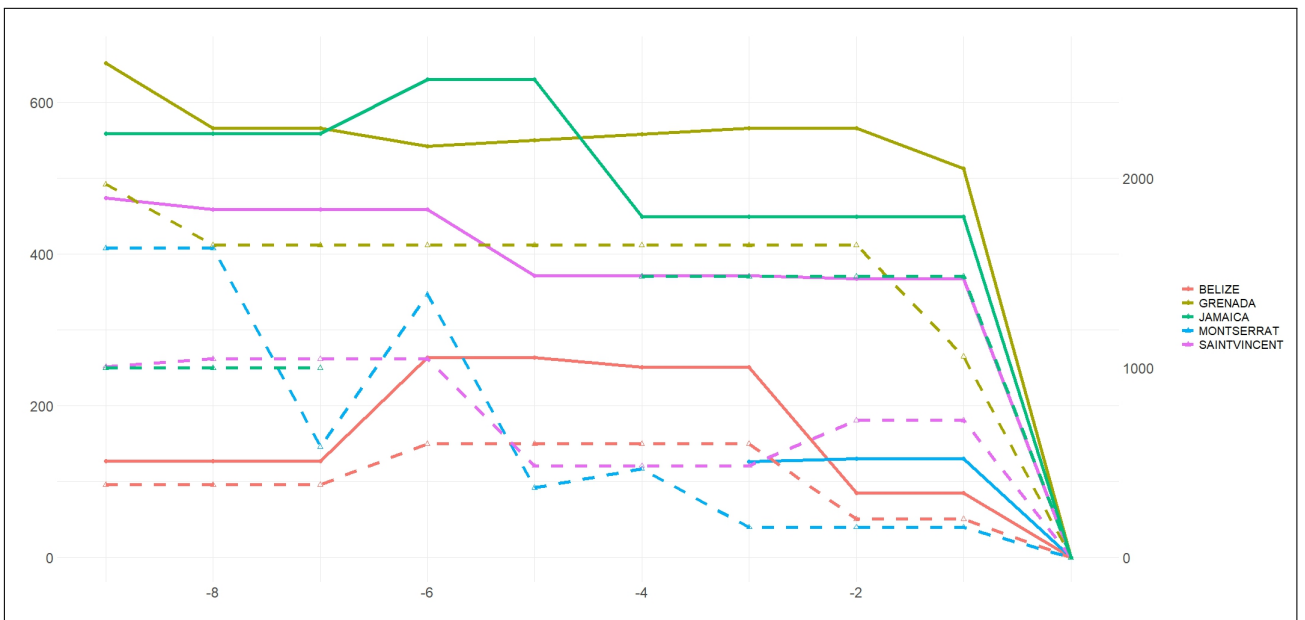


Figure 6: Registered voters (solid lines) and actual voters (dashed lines) in five colonies during the ten years preceding their institutional change to Crown Colony governance. The value scale for Jamaica is shown on the right axis, while the left axis applies to the other four colonies. *Source: Blue Books of Statistics.*



Figure 7: Shares of Elected people in the British West Indies Legislatures Source: Blue Books of Statistics.

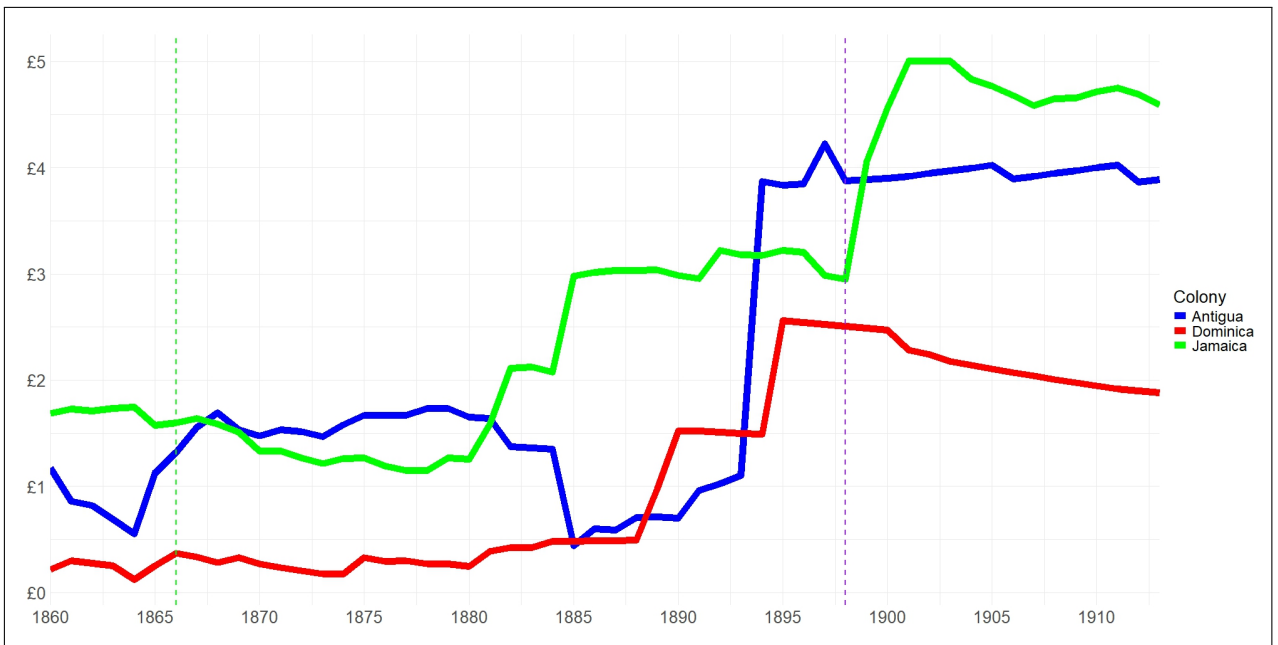


Figure 8: Public debt on Population ratio for three West Indians Colonies. Source: Parliamentary Papers. The vertical green dashed lines marks year 1866 when Jamaica became a Crown Colony, the purple one represents year 1898 when Dominica and Antigua became Crown Colonies.

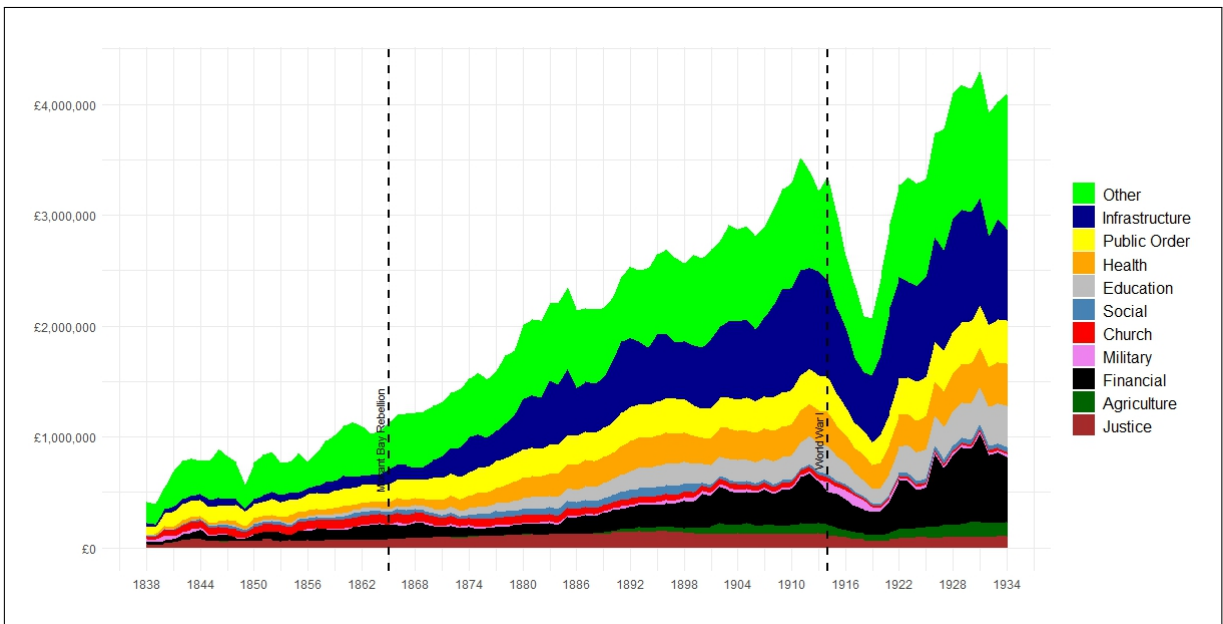


Figure 9: Aggregate (deflated) Expenditure in the 16 island-states of the British West Indies (1838-1934), Source: Blue Books of Statistics.

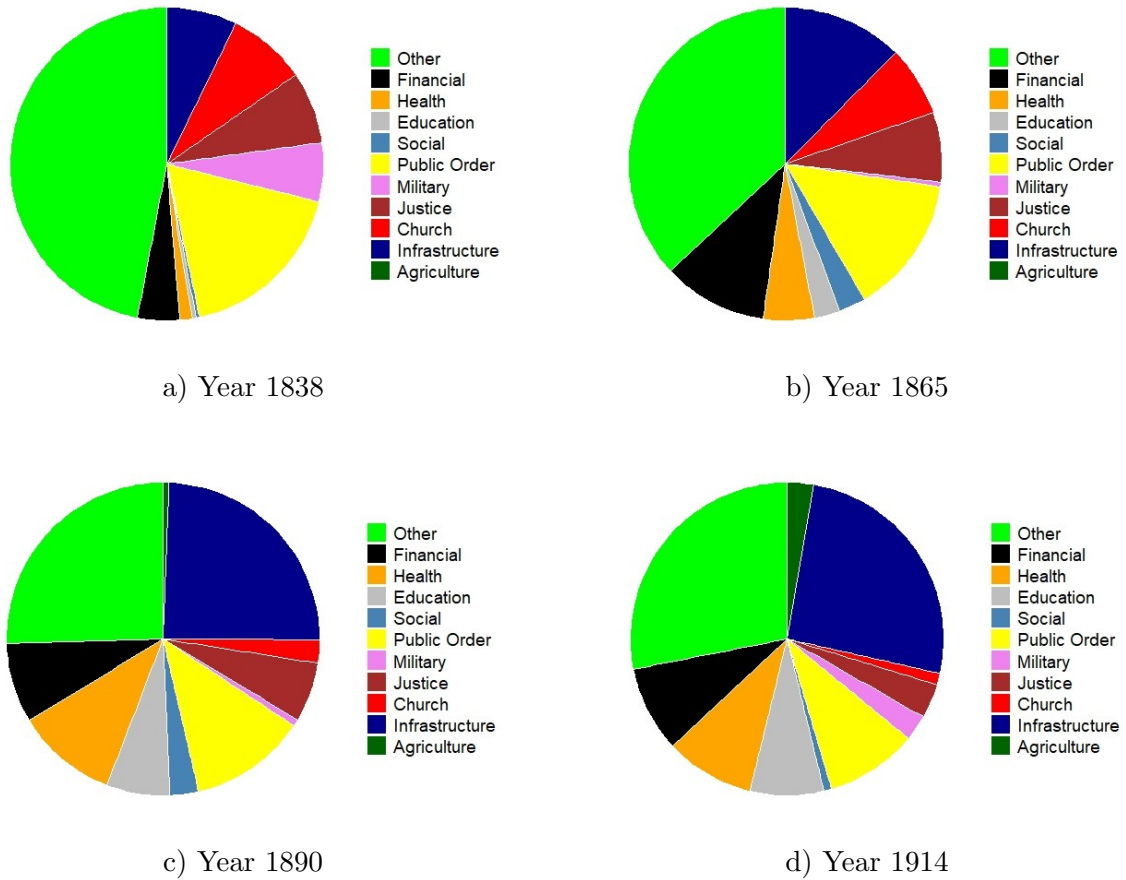


Figure 10: Composition of Aggregate Public Expenditure for British West Indies- Source: Colonial Blue Books