The growth of the British Empire was due in large part to the ongoing competition for resources and markets which existed over a period of centuries between England and her Continental rivals, Spain, France, and Holland. During the reign of Elizabeth I, England set up trading companies in Turkey, Russia, and the East Indies, explored the coast of North America, and established colonies there. In the early seventeenth century those colonies were expanded and the systematic colonization of Ulster in Ireland got underway.

The first British Empire was a mercantile one. Under both the Stuarts and Cromwell, the mercantilist outlines of further colonization and Empire-building became more and more apparent. Until the early nineteenth century, the primary purpose of Imperialist policies was to facilitate the acquisition of as much foreign territory as possible, both as a source of raw materials and in order to provide real or potential markets for British manufactures. The mercantilists advocated in theory, and sought in practice, trade monopolies which would insure that Britain's exports would exceed its imports. A profitable balance of trade, it was believed, would provide the wealth necessary to maintain and expand the empire. After ultimately successful wars with the Dutch, the French, and the Spanish in the seventeenth century, Britain managed to acquire most of the eastern coast of North America, the St. Lawrence basin in Canada, territories in the Carribean, stations in Africa for the acquisition of slaves, and important interests in India. The loss in the late eighteenth century of the American colonies was not offset by the discovery of Australia, which served, after 1788, as a penal colony (convicts like Magwitch, in Dickens's Great Expectations, were transported there). However, the loss influenced the so-called "swing to the East" (the acquisition of trading and strategic bases along the trade routes between India and the Far East). In 1773 the British government was obliged to take over for the financially troubled East India Company, which had been in India since 1600,
and by the end of the century Britain's control over India extended into neighboring Afghanistan and Burma. With the end, in 1815, of the Napoleonic Wars, the last of the great imperial wars which had dominated the eighteenth century, Britain found itself in an extraordinarily powerful position, though a complicated one. It acquired Dutch South Africa, for example, but found its interests threatened in India by the southern and eastern expansion of the Russians. (The protection of India from the Russians, both by land and by sea, would be a major concern of Victorian foreign policy). At this time, however, the empires of Britain's traditional rivals had been lost or severely diminished in size, and its imperial position was unchallenged. In addition, it had become the leading industrial nation of Europe, and more and more of the world came under the domination of British commercial, financial, and naval power.

This state of affairs, however, was complex and far from stable. The old mercantile Empire was weakened during the late eighteenth and early nineteenth centuries by a number of factors: by the abolition in 1807 of slavery in Britain itself, a movement led by the Evangelicals; by the freeing in 1833 of slaves held elsewhere in the Empire; by the adoption, after a radical change in economic perspective (due in large part to the influence of Adam Smith's The Wealth of Nations), of Free Trade, which minimized the influence of the old oligarchical and monopolistic trading corporations; and by various colonial movements for greater political and commercial independence. The Victorians, then, inherited both the remnants of the old mercantile empire and the more recently acquired commercial network in the East, neither of which they were sure they wanted, since Smith maintained that "under the present system of management Great Britain derives nothing but loss from the dominion which she assumes over her colonies."

During the Victorian Era, however, the acquisition of territory and of further trading concessions continued (promoted by strategic considerations and aided or justified by philanthropic motivations), reaching its peak when Victoria, at Disraeli's instigation, had herself crowned Empress of India in 1876. Advocates of Disraeli's imperialist foreign policies justified them by invoking a paternalistic and racist theory (founded in part upon popular but erroneous generalizations derived from Darwin's theory of evolution) which saw Imperialism as a manifestation of what Kipling would refer to as "the white man's burden." The implication, of
course, was that the Empire existed not for the benefit — economic or strategic or otherwise — of Britain itself, but in order that primitive peoples, incapable of self-government, could, with British guidance, eventually become civilized (and Christianized). The truth of this doctrine was accepted naively by some, and hypocritically by others, but it served in any case to legitimize Britain's acquisition of portions of central Africa and her domination, in concert with other European powers, of China.

At the height of the Empire, however, growing nationalist movements in various colonies presaged its dissolution. The process accelerated after World War I, although in the immediate post-war period the Empire actually increased in size as Britain became the "trustee" of former German and Turkish territories (Egypt, for example) in Africa and the Middle East. The English-speaking colonies, Canada and Australia, had already acquired dominion status in 1907, and in 1931 Britain and the self-governing dominions — Canada, Australia, New Zealand, South Africa, and the Irish Free State — agreed to form the "Commonwealth of Nations." The Dominions came to the aid of Britain during World War II, but Britain's losses to the Japanese in the Far East made it clear that it no longer possessed the resources to maintain the old order of things. The Americans were in any case ready, and indeed anxious, to replace British influence in many areas of the world.

Britain's hold on India had gradually loosened. India achieved qualified self-government in 1935 and independence in 1947. Ireland, which had at last won dominion status in 1921 after a brutal guerrilla war, achieved independence in 1949, although the northern province of Ulster remained (as it is today) a part of Great Britain. The process of decolonization in Africa and Asia accelerated during the late 1950s. Today, any affinities which remain between former portions of the Empire are primarily linguistic or cultural rather than political.