The stability and breakdown of empire: European informal empire in China, the Ottoman Empire and Egypt

Jesse Dillon Savage
Northwestern University, USA

Abstract
Most theories of empire and international hierarchy have implicitly or explicitly posited disparities of power between the core and the periphery as a sufficient condition for the stability of imperial arrangements. While power is a necessary condition, it is not sufficient. Peripheral actors can resist despite power disparities, and such resistance can destabilize imperial institutions. Given this fact, the preferences and beliefs that motivate peripheral actors to seek either accommodation or to resist are of central importance for explaining empire and hierarchy. These preferences can be explained by analyzing the complementarities between the imperial order and domestic political institutions in the periphery. This will be demonstrated through comparison of European informal empire in China, the Ottoman Empire and Egypt.

Keywords
colonialization, empire, International Relations, limited sovereignty, sovereignty

Introduction
In 1882 the British colonized Egypt after a combined, but failed, effort with the French to reform Egypt’s domestic political and legal institutions. As with China and the Ottoman Empire, Egypt until then had been controlled by European powers through a system of informal empire for much of the 19th century. The occupation of Egypt raises a puzzle: why were Britain and the other European powers able to maintain informal empire in the Ottoman Empire and China, while similar arrangements broke down in Egypt leading to formal empire? This article explains why in some instances resistance emerges in the periphery, destabilizing institutionalized relationships of imperial control.
causing shifts in hierarchical form, and why in others similar relationships endure through accommodation.

Doyle (1986: 19) provides a widely agreed-upon definition of empire as an asymmetric power relationship where one state controls another without annexation. Empire can be understood as an authority relationship between states. ‘When political authority is exercised, the dominant state commands a subordinate state to alter its behavior, where command implies that the former has the right to order the latter to take certain actions’ (Lake, 2007: 50). The authority relations that constitute empire can take two forms: informal empire and formal empire.

Informal empire exists when an authority relation exists between two states but the subordinate state retains de jure sovereignty (Wendt and Friedheim, 1996: 245). Formal or colonial empire is more all-encompassing: imperial intermediaries are not rulers in their own right, but servants of the imperial core. Authority relations extend potentially into all issue areas (Abernathy, 2000: 22–25). Under informal empire, imperial intermediaries possess greater autonomy than in formal colonial settings and the authority relationships between the core and periphery only concern a limited set of relations (Nexon, 2008: 306).

The above definition of informal empire is abstract, and can perhaps be confused with high levels of influence. Indicators of informal empire must therefore demonstrate a persistent and institutionalized relationship of control by one state over another. Informal empire and the authority relations that constitute it are manifested during the 19th century in a similar way in many parts of the non-European world. One indicator of informal empire is extraterritoriality, which is ‘certain rights, privileges and immunities which are enjoyed by the citizens, subjects, or protégés of one state within the boundaries of another, and which exempt them from local territorial jurisdiction’ (Fishel, 1952: 2). Another indicator is control over a limited number of government organizations in the subordinate state.

The existence of extraterritoriality and control over a number of government organs leaves most sovereign authority in the hands of subordinate states but assigns certain crucial powers to the dominant state. This control over institutions in the periphery constitutes informal empire when they are of political and economic significance. For example, the Ottoman Administration of Public Debt, in effect a European agency within the Ottoman state, at one point controlled 27 percent of Ottoman revenue (Hanioglu, 2008: 135–136). A similar relationship existed in China, through the Chinese Maritime Customs and the Salt Administration. Where such institutions significantly curtail the authority of the subordinate state to act as it ordinarily would, informal empire can be said to be present.

Because informal empire does not involve territorial control, multiple states can possess informal empire of a given subordinate state (Osterhammel, 1986). For this reason when discussing informal empire during the 19th century it is possible to talk of European informal empire. The privileges that one European state took over the Eurasian empires were often matched by another, institutionalized through most favored nation clauses.

In contrast, formal empire requires territorial control and assumes control over both external and internal policies of the periphery. Formal empire can take two forms: direct and indirect colonialism. Direct colonialism creates links between the metropole and the colony right down to the local level. ‘The legal-administrative institutions of indirectly ruled colonies differed considerably from those of directly ruled colonies. Indirect rule
was based on a tripartite chain of patron–client relations linking the colonial administration to the population via chiefs’ (Lange, 2004: 907).

While divide and conquer strategies exist in both informal and formal empire, they emerge under formal empire through greater levels of coercion and through the combination of previously independent units. Further, there exists at the state level an administration controlled by the core that continues to influence these interactions.¹ Informal empire is different, better understood as control between states where the subordinate state maintains formal independence. In a formal imperial setting, divide and conquer is dictated by the imperial power and the colonial state that the dominant power establishes and maintains. Divide and rule in informal empire relies on the choices of peripheral actors already in positions of power.

Most theories of empire have explained imperial control and stability using explicit or implicit reference to power disparities between the core and the periphery as a sufficient condition. However, the historical record does not bear out these assumptions; resistance is a choice made by actors. Often, peripheral actors with the seeming power to resist have accommodated empires, while much smaller groupings of actors have put up fierce resistance to expansion or predatory behavior, destabilizing imperial arrangements. The preferences and beliefs of peripheral actors that lead them either to seek accommodation or to resist imperial encroachment are crucial to explaining the stability of imperial structures.

This article develops a causal explanation that relies on the elucidation of the mechanisms through which the relevant independent variables influence the dependent variables (Elster, 2007; Falleti and Lynch, 2009). More specifically, I argue that domestic politics shapes the choices made by peripheral elites, and the subsequent reaction of the imperial power. While previous explanations of imperial stability have rightly identified relationships between divide and rule strategies and crises in the periphery, they are yet to completely explain the correlation between these factors and a stable or unstable imperial regime. Their focus on power disparities means that they have incorrectly identified the causal mechanism that allows stable informal regimes. The cases discussed in this article demonstrate that divide and rule strategies are effective not because of power disparities that they create, as posited by most theories, but because of the way in which domestic politics shapes the preferences and strategies of peripheral actors.

Once empire is established, continuity or destabilization depends on the degree to which the incentives and opportunities provided by the domestic political structures of the periphery correspond to the incentives and opportunities provided by imperial institutions. The predicted relationship is that the more decentralized the political structures of the periphery, the more incentive peripheral actors have to support informal empire. The limited benefits, such as profits from trade, provided by empire can appeal to them more because they benefit less from autonomy than they would in a unified political system.

Controlled comparative analysis and process-tracing will demonstrate how the hypothesized causal mechanisms work in practice by focusing on Egypt, the Ottoman Empire, and Qing China as key examples (Collier et al., 2004: 96–98; George and Bennett, 2005). The Ottoman Empire has been selected because it is an important case of informal empire. Egypt was originally part of the Ottoman Empire and thus subject to informal imperial control by Britain. After Egypt gained autonomy from its Ottoman rulers, Britain initially established informal control there but had to gradually shift to
formal empire. This contrasts with China and the Ottoman Empire, where informal empire persisted for decades longer.

Comparison of the Ottoman Empire with Egypt is thus relevant for two reasons. First, because of Egypt’s initial incorporation into the Ottoman institutional structure, it presents a crucial case of the least likely variety (Gerring, 2007: 233–237). It is a least likely case for an institutional explanation of colonialism because Egypt for a time existed within the Ottoman Empire and adopted many of the same institutional structures. Consequently, it should have been subject to many of the same dynamics as the Ottoman Empire.

However, the British established only informal empire over other domains of the Ottoman Empire, whereas it established formal empire in Egypt. Synchronically, by comparing British rule in Egypt with British informal empire over other Ottoman areas and China, it is possible to isolate key causal factors. Diachronically, by tracing developments in Egypt we can see why Britain had to retreat from informal empire and shift to formal empire.

Comparison across cases synchronically and diachronically allows one to dispel rival explanations for different forms of empire. Regime type can be dismissed as a potential cause given that both Egypt and the Ottoman Empire were patrimonial, while colonialism was established in Egypt and not in the Ottoman Empire. It also allows the systemic variable of multipolarity to be held constant given that the system was multipolar during periods of informal and formal empire in Egypt. Furthermore, the relative power of the various states involved cannot be the cause, because while European power increased in comparison to both the Ottoman Empire and Egypt, only Egypt was colonized. Additionally, Egypt’s power did not significantly vary across time. Also both states were primarily agrarian economies, ruling out economic factors as the primary cause.

While China does not differ enough from the Ottoman Empire to serve in a pure most different system of analysis, it does vary sufficiently to provide sure basis for theory testing. The security issues in the Chinese case differ from those of the Ottoman Empire where Russia was seeking territorial aggrandizement. Moreover, cultural factors emanating from the periphery can be dismissed, as Confucian culture differs significantly from the Islamic identity of the Ottoman Empire. Combined, the cases of China, the Ottoman Empire and Egypt allow a rough approximation of the method of difference with the method of agreement, which in combination provide a stronger basis for causal inference than either individually (Mahoney, 2003; Skocpol and Somers, 1980).

However, the level of external validity depends on how representative the selected cases are of a broader population of interest (Gerring and Seawright, 2008). For informal empire to be viable it must be possible for one state to conduct its business in and through the other state without transforming the subordinate state’s political, legal and economic institutions. Consequently, the relevant population of cases is states that have reached a level of development such that there are institutional compatibilities with the European powers. For instance, informal empire would not be possible in a tribal situation where the peripheral polity lacks institutions to protect property or enforce diplomatic agreements.

The three selected cases capture many of the dynamics of the broader population. Egypt is typical of the cases in which informal empire became unstable. Thirty or 40 years’ duration seems to be the norm for informal empires that become unstable during the 19th century. For example, informal empire established in the early or mid-19th
century failed in Tunis in the 1880s and Japan in the 1890s. China and the Ottoman Empire are typical of stable informal empire in their duration and the manner in which informal empire ended in the early to mid-20th century, and similar cases are Persia and Siam. The failure of informal empire in these states is clustered around the exogenous shocks of the World Wars.

Hierarchy and empire

Systemic theories primarily explain the demand for empire. They explain why empires expand but not, in specific cases, how. In systemic theories the structure of the international system, defined by the distribution of power and anarchy, determines a state’s predilection both to expand and to hold onto assets once gained (Gilpin, 1981; Waltz, 1979). Simply put, if the metropolitan state is powerful enough, it will expand. The theoretical problem is that different outcomes result from the same mechanism. While balancing plays a role, it is, of itself, indeterminate. Systemic theories cannot explain varied outcomes, such as the continuation of informal empire in some places and the imposition of colonialism in others, as systemic factors are constant across cases.

A related theory concerns the balance of power and threat. States dismember other polities to balance against each other (Fazal, 2007). Under such assumptions, one might conjecture that Britain established formal empire in Egypt to prevent expansion of other powers and to protect the Suez Canal and the route to India. With such concerns absent in China and the Ottoman Empire, Britain lacked the motivation and need to establish formal empire.

The evidence from the cases confirms that balancing does not much affect the form of empire. The difference cannot be explained by the Suez Canal, oft cited as the reason for British colonialism. Evidence shows that the British sought to resolve Egypt’s domestic political troubles for years, with French cooperation, before intervening. This is not consistent with an immediate concern about outside intervention. Moreover, statements and evidence are rather mixed regarding whether the Canal was a motivating factor or an ad hoc justification (Hyam, 2002). Further, Disraeli made the statement that there was no difference between controlling Egypt or Constantinople, both were potential routes to India (St John, 2005: 168).

Beyond power politics, international society is a crucial element of the international system (Bull, 1977; Vincent, 1974; Wight, 1977). Bull and Watson (1984: 1) define an international society as ‘a group of states (or, more generally, a group of independent political communities) which not merely form a system, in the sense that the behaviour of each is a necessary factor in the calculation of others, but also have established by dialogue and consent common rules and institutions for the conduct of their relations, and recognize their common interest in maintaining those arrangements’.

International society does not explain the rapid shift from one form of empire to another. International society sets the scope conditions, those that could be engaged through informal empire and colonialism; it does not explain the variation between the two forms of empire. Subordinated polities of similar historical and cultural origins such as the Ottomans and Egypt were treated differently, and this cannot be explained through reference to identity and society.
In contrast, metrocentric theories have shown that the character of the metropole largely drives demand for empire (Snyder, 1991; Spruyt, 2005; Zakaria, 1998). Empires do not always expand or retrench in correspondence to the costs related to systemic factors or factors in the periphery. Instead the political structures of the metropole determine how much cost–benefit analysis decision-makers heed. They explain why Britain had a sensible policy regarding the retrenchment or expansion of empire when necessary, while Imperial Germany did not. They cannot explain the behavior of the periphery. Implicitly, power is the determining factor; once political issues in the core are resolved, where a state has the power to expand and hold territory it will.

Alternatively, pericentric theories use the internal structures of the periphery for determining different outcomes. For example, Doyle argues that decolonization occurs with the emergence of ‘a central political organization to coordinate and control the national movement and organize effective resistance to the metropole and divisive tendencies in the periphery’ (Doyle, 1986: 371). A stable periphery is more likely in low cohesion regimes because they are less powerful, and consequently less able to organize effective resistance.

Others have focused on the relationship between peripheries and meso-level characteristics of empire to explain stability or lack of resistance (Barkey, 2008; Nexon, 2008; Nexon and Wright, 2007). The power advantages that divide and conquer strategies provide the core explain differences in imperial stability and accommodation or resistance. Once these divide and conquer strategies fail, and networks build up between peripheries, the power advantages that the core gained from isolating these actors dissipates, resulting in instability.

The emphasis on power in these different approaches is problematic because of the numerous examples that exist where resistance to empire and subsequent instability occurs in the face of enormous power disparities. For instance, emphasis on power disparities cannot explain why the Aztecs and Incas crumbled in the face of the advancing conquistadors while the smaller, less differentiated, tribes of northern Mexico put up fierce resistance for two generations (Elliot, 2006: 60–61). In this case power or the ability to mobilize large groups cannot have been the decisive factor determining the stability of Spanish colonialism in that region. Resistance is a strategy; it is not an automatic result of shifts in power but a product of actor choice. In order to explain resistance, it is necessary to explain the emergence of preferences for autonomy and opposition to empire.

A further argument about the stability of informal empire regards crises and contingencies in the subordinate state (see Robinson and Gallagher, 1961). The argument is that while the subordinate state remained strong, it was able to control its populace. Because the population was under control, the dominant state was able to rule through the subordinate state facilitating informal empire. Where the subordinate state weakened and uprisings against the imperial order manifested, the dominant state needed to take direct colonial control.

While such approaches usefully draw attention to domestic politics in the periphery, they are ultimately unsatisfying because they fail to account for the differences between cases. This is particularly evident in the case of China and Egypt. China was perhaps the longest-run case of informal empire, with aspects of it such as extraterritoriality existing well into the 20th century. In Egypt informal empire broke down and was replaced by formal control far more rapidly. Both, however, featured nationalist uprisings.
In Egypt, the Arabi uprising preceded British occupation, but it is better understood as symptomatic, and part of a long-run failure of informal empire. It followed, and did not precede, the removal of the Khedive, the ruler of Egypt. China, too, featured numerous rebellions, warlordism and uprisings, notably the Boxer rebellion. However, at no point did these factors lead to removal of Chinese sovereignty beyond those conditions already in place. The social and political context in which such nationalist uprisings occur determines the response to them, and these political conditions need to be illuminated.

While these varied approaches recognize important dynamics regarding empire, they fail to identify the correct causal mechanisms that explain stability or instability. Without correctly specifying mechanisms, causal explanation is inevitably incomplete (Elster, 2007). By focusing on the nature of conflict and institutions in the periphery one can improve on explanations of informal empire and the stability of hierarchical arrangements.

**The stability of empire**

In contrast to the previous approaches that emphasize exogenous facts such as power and crisis, I propose that the form of empire can be explained by examining endogenous processes. The different possible forms of empire and their persistence or breakdown can be accounted for by analyzing the interests of actors. It is only through explication of preferences and actor choice that peripheral accommodation, and the relative stability that accompanies such a choice, can be explained. Domestic institutions in the periphery and how they complement the imperial order are crucial for determining the strategies and the purposes of actors in the international system and help to explain both imperial form and stability.

Drawing from contracting approaches to hierarchy, this theory assumes that the core states that guide the establishment of imperial interactions are interested in maintaining empire while asserting as little control as possible because of the extra governance costs involved in more extensive imperial control (Lake, 1996). This leads to the assumption that, where possible, dominant states prefer informal empire over more coercive and costly strategies such as colonialism. Consequently, if the core states and the interests they represent are able to achieve their aims through informal empire, then that will be the default position.

The level of accommodation or resistance from the periphery is the intervening variable that determines whether or not a particular imperial regime is stable or unstable. Where resistance is high, the order is likely to break down, either through increased intervention and coercion resulting in a more extensive form of empire — for example, the shift from informal to colonial regimes — or through imperial retrenchment. When resistance to informal empire erupts, the metropole faces the choice of establishing direct control and formal empire, or surrendering its control altogether. Where there are high levels of accommodation, the imperial order should be relatively stable, with informal empire continuing to characterize metropolitan–peripheral authority relations — absent overwhelming exogenous factors.

The cohesiveness of political authority in the periphery is the independent variable that determines whether the type of empire chosen is stable and resistance from the periphery is low. Political orders do not exist independently of each other, but rather the nature of
the interactions between multiple orders affects the stability of these orders. Lieberman argues that: ‘where friction among multiple orders is prevalent, the likelihood of significant, extraordinary political change (as opposed to ordinary variation) will increase’ (Lieberman, 2002: 703). Each order potentially contains different incentives, benefits and drawbacks, which creates tension and space, motivating actors to make choices regarding change or continuation.

Institutional orders structure the flow of resources and power in different ways. The pay-offs of one institution can affect the view of pay-offs in another (Greif, 2006). Where institutional orders can be used to balance relative or absolute losses, accommodation to the institutional order should be more likely and consequently provide greater levels of stability. If one institutional order increases the relative or absolute losses for an actor, then that actor should be less inclined to support that order, leading to resistance to it and, as a result, higher levels of instability and change.

Empire involves the interaction of three political orders: the domestic authority and social structures of the core, the domestic authority structures of the periphery, and the nature of the hierarchical relationship between the polities. Focusing on the stability and breakdown within empires as the explanandum, I hold the domestic political structure of the core constant and can consequently discount it as a reason for change in the synchronous comparison. The important causal variable is the varying relationships between empire and the domestic authority structures of the periphery.

The level of political cohesion has been highlighted as a crucial factor in constituting the preferences of states (Moravcsik, 1997; Snyder, 1991; Spruyt, 2005). Political cohesion includes the relationship between the center, regions and social actors in terms of capacity and informal relationships, in effect the ability of the state to control actors. Where the central government possesses a high degree of capacity to control the provincial regions, or societal actors are tied to the center or have little capacity to mobilize themselves to counteract the interest of political authorities, a more cohesive polity exists. Where there are a large number of important societal and political actors, a polity is more agglomerate.

In order to explain the relative stability of empire, the importance of political fragmentation is not the expression or enabling of already constituted groups, but rather how the political institutions serve to structure or constitute actor interests in either supporting or opposing empire. It is the relationship between the incentives and potential flow of resources from the imperial relationship and the domestic structures of the periphery that determines the outcome of stability or breakdown.

Empire offers potential benefits and drawbacks for some elite actors in the periphery. Empire allows for beneficial economic flows from the core through the facilitation of international trade, which enables well-situated peripheral actors to capture rents or gain financing. Further benefits include technology or advice emanating from the more developed core. These resources can also be used in conflicts with other domestic actors. The disincentives are loss of autonomy, potential exploitation and that economic policies of the core will benefit itself in distributional conflicts.

When a peripheral state is cohesive, both societal interests and governing elites are more likely to develop interests opposing empire. Četeris paribus indigenous elites will favor local autonomy over either informal or formal empire. In a cohesive system, the
governing elites have an interest in maintaining autonomy. In an autonomous structure, governing or state elites are able to conduct foreign and domestic policy with greater flexibility, hence more to their own benefit. The eventual result is resistance, a change in the cost and benefits for the core and a shift in the hierarchical relationship.

Decentralized or agglomerate political systems create interests in informal empire across the periphery. For governing elites, the forced sharing of power makes commitment to the overall autonomy of the state less salient; this means that they are more likely to make arrangements that are to their short-term material interests. Also, the political incapacity that emerges as a result of decentralization often forces political elites to rely on the outside resources of imperial states. Both the Ottoman and Chinese cases exhibit evidence of this process; both states relied on outside financing in order to carry out modernization programs and, in return for finance, they had to surrender some sovereignty. Ironically, nationalism, which motivated modernization in the periphery, also provided the impetus for the metropolitan power to increase informal empire, rather than grant greater self-determination.

Societal actors can benefit from informal empire as well; they have opportunities to gain through the political patrimony of domestic political elites and transnational actors from the core. The greater flexibility and openness of the society and politics allows societal actors to envisage and materialize benefits developing from empire. These new relationships and institutions do not have to be beneficial compared to the status quo ante; they can be better than the alternative (Krasner, 1999: 36–40).

By considering these different institutional complementarities, it is possible to predict when informal empire will be self-enforcing. The interests of peripheral actors that develop as a consequence of the political institutions in the periphery affect the policies of the core. Where there is a cohesive polity, resistance to empire should emerge, making informal empire unstable and leading to more coercive arrangements and territorial control or else a surrender of imperial ambitions. Where there is a competitive polity, peripheral actors should pursue a policy of accommodation, making informal empire more stable.

If the theory holds true, we should be able to observe that polities with decentralized and competitive political structures are subject to long-run, informal domination. Longitudinally we should observe that metropoles opt for informal empire first, but in cases with centralized peripheral regimes this form of rule should break down more quickly than in decentralized peripheral regimes. When informal empire does break down in decentralized regimes, it should be attributable to large-scale exogenous shocks. In contrast, the failure of informal empire in centralized peripheries should occur due to domestic factors in the periphery. Accompanying this should be evidence of accommodation to the practices of informal empire in decentralized regimes, not simply a greater ability to coerce peripheral actors into accepting such arrangements.

**Informal empire and the Qing**

China displayed all the elements associated with informal empire (Osterhammel, 1986). Chinese sovereignty was significantly reduced, but without complete control over Chinese territory ever being lost to a core state (Feuerwerker, 1976: 1). The great powers’
relationship with China was clearly marked by institutional reductions of Chinese sovereignty, principally extraterritoriality, control of administrative bodies and concessions. Along with these grants of extraterritoriality, there were several instances where complete control over government agencies was surrendered to partial European control, notably the Chinese Maritime Customs Service and the Salt Administration; these revenue-raising bodies were used to guarantee Western loans. The concessions were areas surrendered to the control of European powers (Feuerwerker, 1976). At no point, however, did all these privileges ever result in the complete abnegation of Chinese sovereignty.

**Domestic authority structures and political centralization**

The construction of the empire meant that the Chinese polity not only displayed a diverse social and ethnic character, but was also marked by the decentralization of legal and political institutions, both formal and informal (Crossley, 1999; Islamoglu, 2001), while the attempt to incorporate actors of varying origin and identity, and later the internal dynamics of Chinese political institutions, meant that: ‘indirect rule and limited formal governance were the preferred form of administration of China’ (Macauley, 2001: 340).

China, unlike the European states, was never compelled to undergo a process of political centralization because of the differing political environments, different geopolitical situations and domestic institutions (Wong, 1997). Moreover, domestic legal institutions and political powers were complementary between local authorities and central actors, which allowed the continuation of such institutions (Wong, 2001). The history of the Qing dynasty is the history of negotiations and conflict with the gentry and regions over centralization of political authority. Wakeman (1975) demonstrates that the period of European informal empire was one where centrifugal forces had led, once again, to a period of increasingly decentralized political authority.

**Chinese institutions, transnational actors and informal empire**

The relationships of the Chinese to European encroachments were ‘ambivalent’ (Hao and Wang, 1980: 172–198). On the one hand, there were actors among the Chinese elites who saw benefits from interaction with European powers in terms of technological and economic development. On the other, the exploitative arrangements promulgated by the great powers did trigger a nationalistic backlash among certain parts of the elite. Even among those who argue that local gentry played a large role in opposing empire are some who concede that: ‘The gentry who led the movement were enlightened intellectuals, not traditional local gentry whose concern usually never went beyond the interests of their own areas’ (Tu-Ki, 1989: 207).

Robert Eng describes European preferences in this manner: ‘Western imperialists generally favored working through indigenous political structures and institutions and superimposing a supervisory agency, rather than restructuring the whole political system’ (Eng, 1986: 189–190). Eng later highlights how the arrangements of the Europeans and their facilitation of global exports benefited local elites by strengthening their control at a provincial level and providing them with rents.
The institutions that first regulated European economic interactions with China had long-standing historical origins. These institutions and regulations originated with the Qing dynasty’s dealings with the Mongols and the attempt to satisfy their demands while limiting their penetration of the Chinese polity. In Purdue’s words: ‘the Canton trade system known to the Western coastal traders had been anticipated by these regulated trading arrangements on the Russian and Qinghai frontiers’ (Purdue, 2001: 295). A further traditional source of extraterritoriality and the mixed courts can be found in China proper as well. The Manchus had in establishing their regime granted themselves certain special rights, the avoidance of certain forms of punishment for their bannermen (Cassel, 2003). The operation of extraterritoriality and other aspects of informal empire were eventually enough to ensure the protection and distributional advantage of European transnational actors.

Informal empire was able to function because there existed a means to ensure the operation of European economic relationships and interests, allowing a commitment to the territorial integrity of China. While this informal empire was to become more competitive and exploitative as power relationships shifted, it never reached the point of territorial partition (Lee, 1989; Petersson, 2002). In the end, European powers were for the most part satisfied with informal control facilitating their economic interests.

European trade and institutions brought benefits to the central Chinese government by increasing revenue from foreign trade, and income tripled from commerce over the second half of the 19th century. Moreover, the guarantees of the Maritime Customs allowed the government access to loans necessary to put down rebellions in the north and to build railways (Wong, 1997: 155–156). This increased revenue was an important factor in the central state’s short-term functioning and reform process (Horowitz, 2005: 471).

Conservative Chinese nationalism was a complex phenomenon as well, one that, paradoxically, partially aided the cause of informal empire. Centralization of the government was the aim of nationalist bureaucrats and this was partially supported by the increased administrative capacity that European involvement in Chinese administrative organs brought about. Feuerwerker writes that the Salt Administration was part of ‘the political current of bureaucratic centralization whose interests for a time paralleled those of the foreign syndicate and which gladly made use of such pressure against local, centrifugal forces as foreign pressure might provide’ (Feuerwerker, 1976: 76).3

The relationship of political financing and control occurred at multiple levels. Horowitz (2006: 559–561), states that provincial governors had access to loan guarantees, and he provides a telling example of provincial governors benefiting from informal empire and the guarantee of loans to gain financing. He documents the provision of a loan to the governor of Jiangnan and Jiangxi to finance a campaign against Muslim rebels. Another example is the Viceroy of Chihli threatening to seize British mining concessions. In the end, an agreement between various governments and interests was struck whereby a Chinese company and the British established a profit-sharing relationship (Phimister, 2006: 749–754).

Informal empire had broad effects on Chinese society. European and international actors dominated finance and foreign trade, but made up only a small proportion of the overall Chinese economy. Relationships with economic and provincial actors were symbiotic and organic. The provinces benefited from European economic penetration beyond
the treaty ports, but these benefits were mainly distributed through Chinese actors. Moreover, control of actual production remained in the hands of local gentry who used the rents from their privileged connections to foreign trade to shore up income. European entry into Chinese social networks triggered an expanded role for the local gentry in Chinese informal institutions of control (Wong, 2001: 403).

Eng (1986: 190–192) shows that local gentry in the Canton delta were able to gain from informal empire through increased exports of silk and the consequent increased value of land. They were able to use the profits from this increased trade to pay off the peasants, keeping resentment at a minimum when they were negatively affected by the vagaries of the world market, and increasing local control and stability. The buyers and Chinese merchants also benefited from their comprador relationship with Western factors because it gave them extra bargaining power.

The benefit to certain actors from engagement with the West is regularly commented on in terms of imports as well as exports. The limited penetration of Western economic actors into the hinterland provided opportunities for Chinese actors. Chinese merchants were able to take the imports from the treaty ports and then expand them into regions not dominated by European actors. Using their local knowledge and connections, Chinese merchants could take advantage of European importers and supply the rural regions (Feuerwerker, 1995).

Overall, European informal empire brought short-term gain to a small number of actors in both the central government and the provinces. The decentralization of power and politics was a crucial factor in the persistence of the informal domination because of the effect it had on the distribution of resources and power. The central government’s lack of power meant that it was often forced to ally itself with European actors to constrain the centrifugal pressures from the provinces.

Provincial political and economic actors also gained from engagement with Europeans. Local gentry could use the rents from foreign trade to increase control and stability, and provincial governors were able to gain access to finance from Europe. Important economic actors could use their local knowledge and networks to function as intermediaries for the Europeans outside the treaty ports, gaining economically in the process. This freedom of action by non-state actors can only be understood in the context of decentralized political institutions providing social actors with the space to make choices that allowed the continuation of hierarchy.

It is hard to imagine the long-term persistence of informal empire in China without the decentralized social and political structures constituting the interests of Chinese actors in a manner that led them to support such arrangements. This is most clearly the case with the central government, which required the benefits that the Europeans brought to counterbalance the centrifugal pressures the state faced in the 19th century. Further, Chinese regional and economic actors, if they had been better integrated into a centralized authority, would certainly not have engaged with the Europeans in the same fashion.

The Chinese case demonstrates how the relationship between a hierarchical order and decentralized polity creates both incentives and opportunities for peripheral actors to behave in a manner that leads to the long-term persistence of informal empire. The trappings of informal empire in China were to continue until they failed due to external factors such as the Japanese invasions and World War II (Clifford, 1991: 284). Internal
dynamics had allowed informal empire to persist for close to a century beginning in the mid-19th and ending in the mid-20th century.

**The Ottomans and informal empire**

During the 19th century the Ottoman Empire succumbed to the pressures of European expansion resulting in informal empire (Pamuk, 1987; Robinson and Gallagher, 1961: 5). As with China, Europeans forced free trade agreements on the Empire and controlled parts of the Ottoman government. Furthermore, European merchants were permitted to operate outside of the Ottoman legal system. The limited ability of the Ottoman Empire to determine its fate independently of the wishes of the great powers is indicative of the extensive hierarchical control that the European powers possessed in the Ottoman Empire during this time. However, the great powers never assumed formal control and the Ottoman government retained a certain amount of authority.

**Transnational expansion, the capitulations and the origins of informal empire**

Trade was crucial for the cohesion of the Ottoman Empire, and related to this were the institutions and nature of the trade patterns initially established in the 17th but primarily in the 18th century that positioned European actors to take advantage of Ottoman decline (Panzac, 1992). Of particular importance for European actors in the Ottoman Empire were the capitulations. The capitulations were agreements between various states and the Ottoman Empire that codified the conditions and arrangements that allowed foreign merchants to live and operate in the Ottoman Empire (Van Den Boogert, 2005).

The capitulations provided benefits to European actors in three areas: law, economics and the conditions under which they could reside in the Ottoman Empire (Susa, 1933: Ch. 4; Van Den Boogert, 2005: 7–9). The first privilege relates to the jurisdiction under which a citizen of a country with capitulatory rights could be tried or could bring legal action. The advantage of such a condition is that it provided legal protection for the European merchants involved, as they could seek the protection of their consul in legal matters and be tried according to their own legal system.

The second benefit relates to issues of taxation. The European merchants of capitulatory countries were exempt from paying certain types of taxes and benefited from a reduction of customs duties (Van Den Boogert, 2005: 32–33). This positioned the European merchants favorably in comparison to the domestic merchants in the Ottoman Empire. These benefits allowed European merchants to out compete Ottoman traders. Significantly, European merchants were more competitive than their Ottoman rivals without having to coerce advantage through colonial control. Significantly, the advantages enjoyed by European actors under informal empire meant that they did not need colonialism to coerce advantage for them and thus were less likely to agitate for colonialism.

The effects of the capitulations were not restricted to the direct relationship between the European merchants, their indigenous competitors and the Ottoman state. The capitulations had a broader influence on Ottoman society and created certain incentive structures that led in part to the persistence of the capitulations and a commitment to Ottoman territorial integrity by important domestic and European actors.
Kuran shows that the capitulations had a great effect on the economic structure of Ottoman society (Kuran, 2004a, 2004b). The capitulations not only gave European economic actors a competitive advantage, they also provided benefits to the economic actors among the religious and ethnic minorities of the Ottoman Empire. These actors could acquire these benefits in two different ways: they could become official intermediaries or European states could grant these actors citizenship. The benefits to these actors of the capitulations were manifold. Once they had gained capitulatory privileges, they had the same economic and legal advantages as the European merchants.

However, the effects were broader than just these benefits; they were also now able to operate under the same legal and institutional structure that had facilitated rapid European economic growth. Operating under European law, minorities could now form joint-stock companies, providing greater continuity for business; gain adequate insurance, allowing merchants the advantage of not having to remain financially liquid to cover potential losses; and operate under inheritance laws that did not divide the wealth among family members, permitting greater wealth accumulation (Kuran, 2004b). The effect was such that by the 19th century the economic equality between Muslim and non-Muslim economic actors had vanished and minorities or Europeans dominated international trade and all other non-agriculture sectors of the economy. These groups managed to maintain significant and influential connections to the politics and civil life of the Empire (Keyder, 1997: 34; Minoglou, 2002).

The result of this development was a ‘commercial elite — perhaps a would be bourgeoisie — which chose to disassociate itself from the Ottoman commonwealth through foreign protection, or as in the case of many eighteenth century Greeks and Armenians, through expatriation’ (Eldem, 2006: 335). This meant that, as disparities of power between the Ottomans and European actors increased, there was a significant and important constituency that supported continued privileges for European actors as a means of benefiting themselves.

State organizations and institutional persistence

The functioning of institutions such as the capitulations was dependent on the Ottoman state both at the center and in the provinces. These organizations possessed certain incentives to maintain the territorial integrity of the Empire while preserving the economic privileges of the European economic actors. This is a crucial element of the imperial project because, unless important political actors also have incentives or reasons to persist with these institutions, they will not function.

The Ottoman state played a crucial role in training and appointing governors at the highest level of provincial administrations. The appointment of such elites was done through the Sultan’s palace, and as the Ottoman Empire progressed, it was less likely to occur on the basis of local experience (Barkey, 1994: 77–80; Kunt, 1983). The state also provided a source of wealth and identity for local elites who were not at the top, through the sale of tax-farming rights. It has been argued that this tax farming, while leading to the Ottomanization of local elites, also led to further decentralization and the development of local identities (Khoury, 1997, 2006; Salzmann, 2004).
Eventually the use of tax farming became an inadequate and inefficient means of wealth
generation for the center. However, in the face of opposition from the local elites, the
Ottoman state struggled and ultimately failed to reform these institutions. The failure to
reform the revenue-raising system of the Empire in the face of financial necessity in part
forced the Ottoman state to rely on finance and loans from Europe (Barkey, 2008: 274–
275). Here the processes triggered by decentralization — the inability to raise adequate
resources from the provinces and local tax farmers — added to the stability of informal
empire by creating a need for the Ottoman state to rely on European support and loans.

Further, European trade provided benefits to both provincial actors and the center, even
if these benefits would not have been accepted *ex ante* or with foresight of the vulnerabilities
that the situation would create. For provincial actors, the benefits came at multiple levels,
and while they could not be taxed themselves, the European actors brought wider economic
benefits (Faroqhi, 2004: 159–160). The effects of this were to increase the tax base, at least
in the short term, as local elites could tax at least some of those who interacted with European
merchants. The added economic activity also provided some level of employment and eco-
nomic well-being that led to greater economic benefits and legitimacy for the rulers.

**Institutional refinement**

From the point of view of both the Ottomans and the Europeans, ‘economic and particu-
larly commercial activity was often considered to be subservient or even instrumental to
political priorities, a constant interaction between politics and trade was considered
rather normal’ (Eldem, 1999: 267). While persuasion was often necessary for the
Europeans to get their way, it was regularly found that ‘the political economy of the
Ottoman state was compatible with — or, at least could be adjusted to — some of their
own most basic commercial objectives’ (Eldem, 1999: 267).

The capitulations could be used to protect economic activity such as loans and invest-
ments as easily as trade. Where necessary, the European states could limit themselves
and compromise with the Ottomans in order to permit the persistence of these institu-
tions. An example of this would be the compromise reached between the European pow-
ers and the Ottoman government in the late 19th century to limit the number of protégés
once this practice had begun to cause egregious problems for the Ottoman state (Ahmad,

The result was that, as Ottoman power waned and the Europeans’ power waxed, the
Europeans still felt no need to take formal hierarchical control in the bulk of the Ottoman
Empire. The legal institutions the Europeans and Ottomans had established guaranteed
the economic benefits the Europeans sought without them having to assume extensive
and costly forms of control. European domination persisted because it provided short-
term and long-term benefits to important actors in the Ottoman Empire. The decentral-
ized and pluralistic politics of the Ottoman Empire allowed broad coalitions to be
incorporated and benefit from imperial bargains, increasing informal empire’s long-term
stability. Ultimately, the institutions that constituted the core of informal empire in the
Ottoman regions were to collapse in maneuverings associated with World War I, driven
as much by external factors as internal (Karsh and Karsh, 1999: 130–132).
The origins of Egypt’s veiled protectorate

British domination of Egypt must be understood as existing in two distinct periods. In the first period Egypt was part of the Ottoman Empire and consequently subject to the dynamics of a decentralized political system. The elites in Egypt had an interest in supporting informal empire to counterbalance their rivals in the Empire proper. During the second period, as Egypt detached itself from Ottoman influence, the system was effectively centralized and consequently became a unitary system, resulting in an unstable informal empire that ultimately broke down and transitioned into occupation and colonialism.

Following the British occupation, the governance of Egypt approached that of colonialism. British advisors were placed in all ministries and attempts by ministers to contradict the policies of these advisors resulted in the Egyptian minister’s dismissal. The British also controlled the Egyptian army and the state’s finances (Al-Sayyid-Marsot, 1999). The Egyptian state possessed very little authoritative decision-making capacity, meaning that it can be described as being under an extreme form of empire. Moreover, at times the British stationed tens of thousands of soldiers in Egypt (Edelstein, 2008: 177).

The occupation was a stark contrast with the informal empire that had persisted through much of the 19th century. Informal empire in Egypt was very similar to that in the Ottoman Empire. As with the Ottoman Empire, the capitulations with their accompanying extraterritoriality and legal benefits were seen as central to the imperialist project. As late as 1908, over a quarter of a century into the British occupation, a British lawyer residing in Egypt could comment on the impossibility of Europeans doing business in Egypt without the guarantees of the capitulatory system (Scott, 1908: xi).

By this stage the capitulations were being maintained and reformed through direct control of the Egyptian state by the British, but it does indicate the importance placed on these institutions by European actors. As Cole asserts, the purpose of the British intervention in Egypt was an attempt ‘to ensure that a process of state formation did not succeed in creating a new sort of stable order that would end European privileges and threaten European property and investments’ (Cole, 1993: 17). The developments that led to the British assumption that colonialism was necessary were part of a long-term process, and cannot be reduced to a discrete moment of debt crisis, minor riots in Alexandria, or phantom French threats to the Suez Canal (Hopkins, 1986).

The beginning of a changed institutional trajectory for Egypt can be located in the growing power and autonomy of Mehmed Ali in the early 19th century. While it has become common to see the reign of Mehmed Ali as a distinct break from the past, as the moment of Egypt’s birth as a modern nation, this is not the complete story. Mehmed Ali did set Egypt on a particular path towards autonomy, but there remained important connections with the past; a past heavily influenced by institutions of the Ottoman Empire (Al-Sayyid-Marsot, 1984).

Not only did Ali continue with institutions such as the capitulations from the Ottoman era, in Egypt the capitulations were even more beneficial to the Europeans than in the rest of the Ottoman Empire (Landes, 1958: 90). Ali needed Western support to preserve his independence from Ottoman encroachment. Moreover, he was politically, economically and militarily weak when compared to the Sublime Porte. These factors placed Ali
in a position of vulnerability. The outcome of this vulnerability was that he had to accept abuses of the capitulations that the rest of the Ottoman Empire did not.

Mehmed Ali’s support for the capitulations system was not only a product of his weakness or his socialization as part of the Ottoman Empire. His desire to develop the Egyptian economy and Westernize the country were also important motivations for his decision to continue the capitulatory regime (Landes, 1958: 91). The capitulations were thus perpetuated for a variety of reasons, being both beneficial and negative for the ruler of Egypt. Both Ali’s weakness and his desire for the economic benefits that he believed European trade would bring drove his decision to support and continue the capitulations. Ali required Western factors to perpetuate the limited autonomy he had gained within the Ottoman Empire.

In 1841, this situation allowed the British Prime Minister, Palmerston, to claim that ‘we want to trade with Egypt, we want to travel through Egypt, but we do not want the burthen of governing Egypt’ (Al-Sayyid, 1968: 2). During Mehmed Ali’s reign, despite his aggressive foreign policy that led to civil war within the Ottoman Empire and his attempt to construct state monopolies, the British believed that they could securely do business in Egypt without resorting to colonial control. An important part of this was no doubt due to the commitment shown to the institutions that had regulated European trade and commerce in Egypt for generations. Yet 40 years later the British assumed the burden of governance in Egypt.

One of the first changes that helped the development of colonialism was attributable to Ali’s encouragement of international trade. Prior to Ali’s reign, Egypt had been largely dependent on trade with the rest of the Ottoman Empire. During Ali’s tenure his encouragement of international trade led to Egypt’s economic activity, primarily reliant on the cotton trade, being diverted outwards, away from the Ottoman Empire (Al-Sayyid-Marsot, 1984). The effect of this was to decouple Egypt from its economic dependence on the Ottoman Empire, beginning the process that would lead to it being treated as autonomous and able to be colonized.

Independence was to increase in the political sphere as well as the economic. Mehmed Ali, through force and diplomacy, had been able to carve a certain degree of autonomy for Egypt during the first half of the 19th century. Ali and his successors, following the intervention of the European powers and their mediation, came to an agreement with the Sultan on the levels of his power. Ali had basic autonomy, his rule became hereditary and in return Ali had to pay tribute, limit the size of his army and abide by treaties signed by the Sublime Porte. These conditions were to persist until the 1860s and 1870s when, through negotiation and an increase in the size of the tribute, one of Ali’s successors, Ismail, was to remove most of the restrictions on his power. Ismail assumed the title of Khedive, the equivalent of Viceroy, though he was in fact an almost completely independent ruler (Scholch, 1981: 11–12).

The state structure as it developed in Egypt centered on the Khedive. ‘Promotion in the bureaucratic hierarchy was not based primarily on performance or experience; more decisive were the personal relationships with the dynasty, and — closely connected with this — ethnic origin’ (Scholch, 1981: 10). This meant that political power and extensive engagement with the institutions in question were limited to the Turko-Circassian elite. Meanwhile, the bulk of the Egyptian population, who were not part of the Turko-Circassian elite, was
excluded from both the benefits of government and the potential economic benefits associated with informal empire.

Economically there was no equivalent of the minorities who benefited from the capitulations and European imperialism. Egypt was largely dependent on the cotton trade and foreign investment, activities that were dominated by the Khedive, the land-owning elite and the Europeans (Cole, 1993). These structures constituted a dual elite that excluded the bulk of the Egyptian population, creating frustration and resentment. No significant proportion of the population had reason to support the continuance of institutions such as the capitulations, in contrast with other parts of the Ottoman Empire where the capitulations had established minority merchants who were dependent on the capitulations for their competitive advantage and where provincial governors gained short-term benefits.

The situation in Egypt had reached a point where both the Europeans and the Egyptian government felt the need for reform of the capitulatory system. Egypt, because of the consular powers and legal authority possessed by various European nations, was faced with up to 15 different jurisdictions, there was no mechanism for dealing with disputes between foreigners from different nations, and the consular jurisdiction had begun to be abused to take advantage of the Khedive’s debt (Hoyle, 1991). The result was the establishment of mixed courts with the jurisdiction to deal with these problems.

These courts provided many of the benefits of the capitulatory system while avoiding many — but not all — of the problems that had developed with the capitulatory regime in Egypt (Cannon, 1972). These courts were a compromise between Egyptian and European interests and as such helped briefly to perpetuate informal empire. Ultimately the courts were to become self-undermining as they pursued the narrow interests of economic actors without adequate concern for the fiscal requirements of the state. The mixed courts favored the European debt holders over the Khedive’s financial need when the Khedive appealed to them for help, exacerbating problems and leading to political instability (Cannon, 1988).

The European privileges, ‘while designed to remedy local “deficiencies”, tended to simultaneously unleash a tide of commercial rapacity which seriously exacerbated local problems, hindering development of local industries, destroying the trust, confidence, and sense of proportion essential to sound exchange’ (Al-Sayyid-Marsot, 1999: 653). Institutions are dependent on the beliefs and motivations of actors or else are dependent on coercion and monitoring. In Egypt there no longer survived any established actors who, for either material or normative reasons, possessed a commitment to the institutions on which informal empire depended.

State actors and the Khedive had gradually detached themselves from their Ottoman identity, both politically and economically. Local actors of Egyptian origin were largely excluded from the governing structures during the bulk of the 19th century and thus had never been incorporated into the institutions. Moreover, by the late 19th century, the exploitation of Egypt by the Europeans had created resentment in Egyptian society without ever fostering the development of countervailing interests in support of European imperialism. The result was what Cole has described as a revolution against informal imperialism by the Egyptians (Cole, 1993).

The consequence was the Khedive Ismail’s attempt to remove European influence by dismissing the European members of his government. In response, Ismail was deposed.
by the European powers — in favor of his son Tawfiq, a more pliable figure. This was followed by a general uprising by members of the Egyptian society, bureaucracy and army (Newbury, 1999: 632–635). Understanding, or fearing, that the strategies and institutions they had been using could no longer guarantee their economic interests, the British intervened (Cain and Hopkins, 2002). At this point the institutions of informal empire were no longer enough to ensure the benefits that the Europeans wished for, and Britain was forced to bear the greater governance costs associated with colonialism.

**Conclusion**

As argued above, causal explanation requires the identification of causal mechanisms. Macro correlations must be connected to their micro implications. So far theories of empire have failed to do this, relying on macro structures and power disparities while failing to account for the micro dynamics that underpin them. This article has attempted to show that the mechanism that underpins imperial stability is the preferences of actors in the periphery and their preparedness to accommodate or oppose themselves to empire. The level of political competition in the periphery can in turn explain these dynamics. Political competition in the periphery creates the incentives to support informal empire, and without these incentives colonialism would have resulted as peripheral actors resisted.

The informal empire established in the Ottoman Empire and China by the European powers is an example of the importance of institutions and strategic calculation in determining the type of hierarchy. Domestic legal institutions for incorporating foreigners provided transnational actors from the core with the protection that they required to carry out their activities. These were gradually refined to reduce the sovereignty of the peripheral polity, thus constituting informal empire.

Once these institutions had been established, the interests of both domestic and international actors converged around them. The European powers were then able to extend and maintain their position of dominance through a mix of coercion and appeals to the material interests of important actors within the Ottoman Empire and China. This was possible because the decentralized politics of the periphery in both these cases altered the interests of peripheral actors so that they sought accommodation with the hierarchical institutions.

In Egypt the opposite occurred. Initially able to achieve their aims through informal empire, the British, because of the breakdown of the institutions established by the Ottoman Empire in Egypt, were forced to assert greater levels of control in the form of colonialism. The institutions the European powers had relied on to facilitate their economic activity stopped functioning. Egypt had undergone a process of political change partly determined by European imperialism and partly an independent process. Increased centralization and independence from the Ottomans meant that the institutional complex of which informal empire was a part no longer corresponded with the incentives of domestic political order in Egypt. Ultimately, despite attempts at reform, the imperialist institutions gave way and Britain occupied Egypt through formal colonization.

The implication of these cases is that the various literatures that attempt to explain the emergence or failure of different forms of empire are inadequate. Accounts of imperial breakdown and hierarchy rely too readily on exogenously given factors such as the power differences between the core and the periphery. The persistence, change and
breakdown of imperial institutions must be explained through the endogenous interactions of empire and domestic political structures in the periphery.

India provides an example of how the theory can be extended to other cases. Briefly, the Mughal Empire is analogous to the Ottomans and China. The East India Company was able to take advantage of decentralization in the Mughal Empire to claim privileges for themselves, such as the exemption from customs duties. However, with the breakdown of Mughal authority, due to centrifugal as well as exogenous pressures, the British colonized India, piecing together different kingdoms such as the Mughal Dehli, the Mahrattas and others (Bayly, 1988: Ch. 1). This is similar to what occurred in China and the Ottoman Empire where informal empire ended due to exogenous shocks, World War I in the case of the Ottomans and the Japanese invasion in the case of China.

The extension of British colonialism produces some evidence supporting my theory in the colonization of Mysore once Tippu Sultan centralized the regime there (Habib, 2002; Stein, 1985). Another piece of confirming evidence is the continued informal domination of Hyderabad under the Nizams, with its decentralized power centers and powerful landholders (Cohen, 2007). However, the British conquest of the decentralized warrior kingdoms of the Marathas provides some disconfirming evidence (Gordon, 1993: 175–177). Overall, the various cases that constitute India are more confirmatory than disconfirming.

Power disparities between the core or dominant state and subordinate political entities are not enough to explain the stability of hierarchical institutions. By including discussion of domestic institutions, it is possible to give a better explanation of why actors made the choices they did, as institutions and the complementarities between political orders structure interaction and channel interests in particular directions. Focusing on domestic institutions also explains why empire becomes self-enforcing given its tendency to alter the economic and political structures of society, creating interests and preference in either accommodation or resistance on the part of peripheral actors.

Acknowledgments

For their insightful comments I would like to thank Hendrik Spruyt, Jim Mahoney, Ian Hurd, Jon Caverley, Victoria Hui and Dan Nexon, as well as participants at the Comparative Historical Social Science Workshop at Northwestern University. Earlier versions of this article were presented at the International Studies Association Convention 2008 and the MPSA conference 2009.

Notes

1. For discussion of the colonial state and the role it played in shaping peripheral societies see Young (1994).
2. The following discussion relies on Doyle’s (1986) distinction between metrocentric, systemic and pericentric theories of empire.
3. Feuerwerker also writes that there was a similar perception of the Customs Service (Feuerwerker, 1976: 63).
4. For further discussion of these issues see Murat Cizaka (1996) and Ilkay Sunar (1987: 74).
5. The Ottoman state exhibited concern about the Ottoman Bank taking advantage of the capitulatory privileges (Clay, 2000).
References


**Biographical note**

**Jesse Dillon Savage** is a graduate student in the Department of Political Science at Northwestern University.