

The 20th century ended imperialism as a viable practice'. Discuss.

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At the dawn of the twentieth century, European empires dominated the globe. Stretching from the British Raj to the Caribbean, European imperial dominance seemed so absolute that journalist J.L. Garvin described it as 'an extent and magnificence of dominion beyond the natural'.¹ Yet, by the century's close, these formal colonial empires had all but disappeared. Yet the same period that witnessed this collapse of European overseas influence also saw a global expansion of American and Soviet influence through new political, economic, and military structures. This paradox lies at the heart of the debate over whether the twentieth century ended imperialism as a practical approach to foreign policy. This essay argues that formal colonial imperialism was rendered an unviable practice by the economic exhaustion of European powers, the rise of anti-colonial nationalism, and the emergence of an American-led liberal post-war global order. However, this same geopolitical order simultaneously encouraged the evolution to informal imperialism, replacing its more overt mechanisms of domination with more indirect forms of political, economic, and strategic control. Drawing on Michael Doyle's distinction between formal and informal empire, this essay defines formal imperialism as direct control over the sovereignty of another political society through territorial acquisition and colonial administration. Informal imperialism, however, refers to significant political, economic, or military influence without the assumption of direct territorial control.²

One key reason that formal empire became unviable was that its sustaining economic logic was progressively undermined during the twentieth century. Initially, chartered companies enabled governments to externalise costs of expansion, but as anti-colonial nationalism and commercial competition intensified, these responsibilities were progressively transferred to governments, increasing the political and economic costs of empire.³ While this did remain viable in the nineteenth century, in the early twentieth century the focus of many policymakers on maintaining their imperial commitments conflicted with the demands of European great power rivalries.⁴

The Belle Époque optimism of the age's underestimation of the economic consequences of a continental war ultimately accelerated the relative decline of European financial dominance. Britain's debt rose to over £7 billion in 1919, which meant it was increasingly borrowing, rather than real economic strength, that was sustaining their imperial ambitions.⁶ Furthermore, European financial institutions, which had sustained large-scale imperial commitments, were weakened by unprecedented wartime spending, making large-scale loans harder to secure. Formal empires also began to become increasingly expensive relative to competing political priorities, with pressure to expand social benefits to create a country 'fit for heroes to live in', causing a reduction in imperial defence. Paradoxically, Britain in particular gained a vast quantity of territory in the Middle East from the defeated Central Powers while significantly cutting the budget provided for colonial maintenance.⁵ However,

due to European variations on Imperial Preference — a system of mutual tariff reduction enacted throughout the British Empire in the interwar years — the status of imperialism as a valuable tool in the context of increasing global protectionism meant that it was still a viable practice.⁵

However, the Second World War arguably represented the decisive economic rupture in the viability of the empire. Britain and France not only exhausted their economic reserves in defeating Germany, but the conflict also accelerated their transition from creditor to debtor, meaning that sufficient funds were now almost impossible to raise. With both countries' share of global GDP halving between the early twentieth century and 1945,⁶ post-war politicians progressively prioritised domestic reconstruction rather than maintaining their global superpower status. Furthermore, the collapse of tariff barriers in an American-dominated world order meant that multilateral institutions and free trade blocs were better placed to ensure commercial exchange than the imperial order was.⁷ The fact that a formal empire was no longer needed to secure access to markets meant that the concept lost its rationality, as the political and economic detriments far outweighed the progressively decreasing benefits, rendering it an unviable practice.

However, the collapse of the formal empire cannot be attributed to economic decline alone; the emergence of organised nationalist movements, supported by an increasingly anti-imperialist international environment, allowed effective opposition to colonial presence. The key mechanism of imperial governance had been the use of existing ethnic divisions to imperial advantage. Ghulam Hussein Khan, an official and historian of the late Mughal era, observed in his seminal *Seir Mutaqherin* (Review of Modern Times) that 'it is in consequence of such and like divisions that ... almost the whole of Hindustan (India), have come into possession of the English'.⁸ In addition, imperial powers were commonly able to govern through local collaborators, in the form of existing figures of authority, whom they gradually transformed into a culturally assimilated, Westernised elite. This not only reduced opposition to colonial rule but also decreased administrative costs, increasing economic viability. However, an unwanted consequence, from a European perspective, of these instruments of control, was that the Westernised elite created had the potential to develop a national consciousness. In India, for example, the failure of the 1883 Ilbert Bill convinced many that British commitment to legal equality was limited by racial prejudice, accelerating nationalist opposition. The alienation of this Anglicised elite deprived Britain of one of its principal pillars of indirect rule, rendering the maintenance of imperial authority increasingly dependent upon expensive bureaucratic expansion.

This coincided with broader nationalist movements attempting to transcend religious and ethnic divisions by creating a broader national consciousness, causing problems for their respective empires. However, while these movements certainly made colonial rule more problematic, and in some cases more expensive, historians debate whether they alone could have toppled the formal colonial empire. Frantz Fanon argues that the rise of a nationalist consciousness was key to the fall of empires; his perspective is arguably supported by

examples such as French Algeria, where military strength was unable to preserve the formal empire once nationalist movements gained legitimacy. Niall Ferguson, however, implies that these movements were simply a costly but relatively unimportant distraction for imperial authorities, and that the real threat came from rival empires.⁹ This essay adopts Darwin's more sophisticated framework, which while bearing some similarity to Ferguson's thesis, concludes that the decisive shift occurred when anti-colonial nationalism ceased to be merely an endogenous pressure and instead became aligned with the interests of the emerging post-war international order.⁹ This occurred when Britain's financial exhaustion after World War Two meant that both their economic stability and the survival of their empire were dependent on American assistance.¹⁰ The United States, however, regarded formal colonial imperialism as incompatible with the post-war political and economic order it intended to create; this caused its economic recovery to become tied to the dismantling of its imperial structures.¹⁰ This created a paradox: American economic backing was the sine qua non of British imperial recovery, but that same backing was conditional upon the end of empire. The Suez Crisis exemplified this, with Nasser's nationalisation of the canal triggering a collapse in investor confidence. This left Prime Minister Anthony Eden to choose between US financial aid and devaluing the sterling. His choice of the former, thus preserving economic stability, required an imperial retreat, symbolising the effective end of Britain's formal empire.¹⁰ Although Britain abandoned direct political control, many of the same interests survived through institutions such as the Commonwealth, illustrating the shift from formal to informal imperialism.

This period may have marked the decline of formal colonial imperialism, but, as historians John Gallagher and Ronald Robinson argue, 'to define imperial history exclusively as the history of those colonies coloured red on the map...is rather like judging the size and character of icebergs solely from the parts above the water line'.⁷ Their concept of the 'imperialism of free trade' challenged the traditional conception that imperialism was characterised by direct territorial control; they instead emphasised how dominant states could achieve many of the same goals through maintaining economic dependency, political influence, and strategic leverage. The administrative and military burdens connected with the formal empire had certainly rendered it increasingly economically unviable during the twentieth century, especially given the growing strength of nationalist movements and the fiscal exhaustion wrought by two World Wars. Nevertheless, the only arguable example of a major post-war formal empire, the Soviet Union, had none of the Europeans' financial exhaustion in the 1940s, but still collapsed, showing the influence of nationalist revival independent from economic weakness.¹² At the same time, the anti-imperialist global shift, solidified in UN Resolution 1514 (1960), enshrined self-determination as a legal right, meaning that member states now faced multilateral pressure to disband formal empires.¹¹

America, however, had no interest in absorbing the European empires' territory; her own myth of fighting for freedom against foreign control, and her wish to avoid further foreign entanglement, meant that this was never a viable prospect. However, the Bretton Woods

Agreement — which formalised the shifting of financial dominance from Britain to the USA by making the dollar the principal reserve currency and the anchor of the fixed exchange-rate system — ushered in a new age of American pre-eminence, which many historians characterise as imperialism.¹² This agreement caused American markets to become the centre of global finance as increased levels of international capital flowed through the country, solidifying its economic status. While the institutions created by the agreement, namely the International Monetary Fund (IMF) and the World Bank, were de jure independent of any outside influence, the US contributed substantially the largest share of funding and therefore held significant influence over them.¹² Thus the globalisation that ensued post-war, while nominally an alternative to protectionist imperial blocs, simply accelerated the transition of imperialism towards exploiting mechanisms with less financial and political cost.

The Ghanaian political theorist, and later president, Kwame Nkrumah disagreed with this characterisation of neo-colonialism and wrote that it simply represented the 'last hideous gasp' of imperialism — proof of its 'inability to rule any longer by old methods' rather than evidence of its developing prosperity.¹³ However, many scholars disagree; among them the former US diplomat Edward Fishman, who in his book *Chokepoints* effectively extrapolates some of Gallagher and Robinson's ideas for a new political era.¹⁴ He discusses how the prominence of the dollar in the global financial system has given the United States an unparalleled degree of economic leverage — in other words, a new form of imperialism. This is because large international dollar transactions typically need to be cleared via US-based payment infrastructure, bringing them within the jurisdiction of US law and regulation. This allows Washington to use the threat of exclusion from the global financial system as a powerful foreign policy instrument.¹⁴ These mechanisms show that rather than disappearing, imperialism has simply adapted, achieving many of the same strategic objectives through economic dominance that were once secured by territorial conquest. It is not just the USA who have adopted an informal imperialist policy; the infrastructure investment through China's Belt and Road Initiative (BRI) has been labelled by many critics as being used as strategic leverage through 'debt-trap diplomacy'.¹⁵ This highlights how imperial mechanics, even with a country as powerful as China, have shifted towards creating diplomatic pressure through trade dependency rather than through military threats.

In conclusion, while the twentieth century did end formal imperialism as a practical approach to foreign policy, the post-war order increased the feasibility of informal imperialism by allowing the United States to exploit its dominance of global financial infrastructure as a coercive instrument. The fact that the rise in nationalism raised costs at precisely the moment of imperial economic vulnerability meant that its viability was destroyed, even though this decolonisation was simultaneously exploited by America to serve its own informal imperial interests. While scholars such as Nkrumah are correct that informal imperialism provides less administrative control than formal imperialism, the analysis of Fishman shows that financial architecture can produce coercive effects that are in

some domains more complete than military commitment. Overall, imperialism is better understood as a logic able to adapt its mechanisms to prevailing geopolitical conditions than a practice limited to rigid colonial institutions.

¹ J. L. Garvin, "The Maintenance of Empire," in *The Empire and the Century*, ed. C. S. Goldman (London: John Murray, 1905), p 69.

² Michael W. Doyle, *Empires* (Ithaca, NY: Cornell University Press, 1986).

³ Philip J. Stern, *Empire, Incorporated: The Corporations That Built British Colonialism* (Cambridge, MA: Harvard University Press, 2023).

⁴ Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (London: Fontana Press, 1989); Niall Ferguson, *Empire: How Britain Made the Modern World* (London: Allen Lane, 2003).

⁵ John Darwin, *The Empire Project: The Rise and Fall of the British World-System, 1830–1970* (Cambridge: Cambridge University Press, 2009).

⁶ Angus Maddison, *The World Economy: Historical Statistics* (Paris: OECD Publishing, 2003).

⁷ John Gallagher and Ronald Robinson, "The Imperialism of Free Trade," *The Economic History Review* 6, no. 1 (1953): 1–15.

⁸ Ghulam Hussein Khan, *Seir Mutaqherin (Review of Modern Times)*, cited in Niall Ferguson, *Empire: How Britain Made the Modern World* (London: Allen Lane, 2003), p36; Ferguson, *Empire*.

⁹ Frantz Fanon, *The Wretched of the Earth*, trans. Constance Farrington (London: Penguin Books, 1967); Ferguson, *Empire*; Darwin, *The Empire Project*.

¹⁰ Niall Ferguson, *Empire*; Tony Judt, *Postwar: A History of Europe Since 1945* (London: William Heinemann, 2005).

¹¹ United Nations General Assembly, *Resolution 1514 (XV): Declaration on the Granting of Independence to Colonial Countries and Peoples*, adopted December 14, 1960.

¹² Tony Judt, *Postwar: A History of Europe Since 1945* (London: William Heinemann, 2005).

¹³ Kwame Nkrumah, *Neo-Colonialism: The Last Stage of Imperialism* (London: Thomas Nelson & Sons, 1965), p253.

¹⁴ Edward Fishman, *Chokepoints: American Power in the Age of Economic Warfare* (New York: Portfolio, 2025).

¹⁵ Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap?* (Boston: Houghton Mifflin Harcourt, 2017)

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