**Topic 2: Assessing the Existence and Application of Neo-Imperialistic Practices in a Globalized World**

**Introduction**

Since the beginning of human civilization, mankind has strived to increase the amount of resources it has access to. The term Neo-Imperialism, first used in the context of African countries undergoing decolonization in the 1960s, refers to “the practice of using capitalism, globalization and cultural imperialism to influence a developing country...” The derivation comes from the idea that, while traditional imperialism in the past relied on the conquering of land or the set-up of puppet governments that would rule on behalf of a foreign power, Neo-imperialism generally avoids any kind of direct political rule, instead focusing on the control of the natural resources and the means of production of other countries. Common characteristics of Neo-Imperialism and Western Imperialism include political manipulation, economic domination, and the willingness to cease trade deals and agreements that one nation depends on. In many former colonies, control over natural resources is often in the hands of entities with interests outside of those countries.

It is common practice for neo-imperialist powers to aim to control the natural resources and industry of another nation through the use of third-parties, namely international corporations. This allows a nation to hold power over another, without the involvement of the neo-imperialist nation’s government and under the protection of globalization. An example is the influence of the British diamond colossus De Beers corporation with its unparalleled control of the diamond trade in Africa. With such corporation involvement, neo-imperialist nations will often overlook actions and practices that would otherwise be illegal in their own country, in effort to allow the third party to remain dominant in the resource market of other countries.

The use of the global community to maintain rules and regulations that protect such corporations, and allow them to remain in control, is not uncommon. Measures such as protecting international drug patents on pharmaceuticals needed to save lives, do not look at the human cost of preventing cheaper alternatives to exist. For example, AIDS medication in Africa is heavily protected by international patent law, allowing the international corporations that produce them to avoid competition in price with cheaper alternatives. This forces the countries to continuously strain under the economic power of the Neo-Imperialist power.

Such corporate hegemony would not be as detrimental to the development of a host country if it were for a few factors. One clear way is that foreign companies that work in these nations generally avoid setting up any industry and will focus on extracting the national resources out of the nation and send it to already existing industry in other nations. Nations with poorer infrastructure have problems promoting investment within their nation, and encounter greater costs to produce goods and services. This leads to the nation lacking the capital to build the financial and physical infrastructure needed for a robust foreign investment effort. Since companies are profit maximization entities that put the short-term profit of the company before the long-term potential of a developing market they rarely see the need to put full industries in under developed markets. Compounded with this is the fact that corporations rarely reinvest money into the economy of the host nation. This leads to a lower economic growth and prosperity in the nation and greatly increases their dependency on the economic super powers, furthering the cycle of dependence and exploitation.

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Topic History

The idea of an “empire” has been around since 2000 BCE, with the Akkadian Empire being widely considered the first empire in history. Through the centuries, many more empires formed and dissolved, but the total economic domination and long-term change of the culture of a region did not start until the “Age of Exploration” when the first colonies that extended over oceans were born. The Spanish and Portuguese were the first to extend their influence across the Atlantic Ocean, and through the spreading of diseases and waging of wars, the colonialists eradicated the preexisting indigenous American nations. These indigenous communities were replaced by European colonies mercantilism, a national economic policy that is designed to maximize exports, was prioritized.

More often than not, with this idea implemented, colonies would export raw minerals back to their overlord nations, to be refined or used as inputs in further manufacturing. Cash crops, crops that are produced for their commercial value rather than for ingestion, namely cotton, were planted and exported in colonies with the aim of gaining the colonial power greater revenue at home. This naturally drained the resources and land of colonies away from the production of goods integral to survival and development, reducing the likelihood of the colonial territory to become self-sustaining in the future. Furthermore, with mercantilism, slavery become commonplace in the colonial territories, with an overarching goal of extracting the natural resources of the colonial territories, and creating as much revenue as possible for the colonial power.

After the independence of the American colonies, there was a shift in the philosophy in how colonies were run. Colonial powers moved to a more aggressive, direct method of power exertion – the rule of territory and local populations with direct armed personnel. The Dutch East Indies were taken over for direct economic and territorial control, rather than for the resettlement of European colonialists, and the British East India Company forcibly annexed regions of India, and forced alliances with rulers of regions they could not directly conquer. With this shift in colonial methodology, it is worth noting that at its height, the British East India Company had an army of 260,000 (twice the size of Britain’s standing army). The economic formula for profit was still the same however - take the natural resources and wealth out of the colonies and send them back to the homeland. It can be argued that this was the initial infrastructure to gradual shift to allowing more indirect colonial rule that would later be characterized in Africa.

During the conquest of Africa, the European powers designed borders to mix up diverse groups to facilitate “divide and rule” colonial policies. It was aimed that such policies would break up centralized indigenous power into smaller portions which could be controlled by colonial powers more easily. Such policies would eventually increase tensions and disputes among local ethnicities, by allowing minority groups in colonial regions to have more power in exchange for cooperation with the colonial power. Using this minority but powerful rule, the European powers had to exert less political control over the area and could focus their efforts on exerting a greater economic control over the regions especially when very valuable natural resources were found. The British still had to use their military to exert control on occasion, namely when a local ruler or people started to organize resistance.

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The India rebellion of 1857, Chilembwe uprising, and the “Malayan Emergency”, are good examples of the previous point.

One major industry, used in this context to denote the process of extraction and trade of a good rather than its manufacturing, that has been important for economic imperialism is the diamond trade. Interestingly, diamonds are actually more common than they are believed to be by the general public. This misconception is actually a carefully constructed deception, crafted by the De Beers company, a global monopoly that controls the diamond trade. The only reason diamonds have a high value is that the monopoly restricts the supply to create an artificial shortage, while at the same time engaging in practices like advertisements that aim to increase demand. This started in the late 1870s when several mines full of diamonds were discovered and companies began to flood the markets with tons of them. Thereby causing a sudden drop in the price. The major investors in the diamond mines realized that they had no alternative but to merge their interests into a single entity that would be powerful enough to control production and perpetuate the illusion of scarcity of diamonds. Many aspects of this case study on the global diamond trade can be applied to other natural resource industries, common in Africa and parts of Asia. It is also commonplace for these expensive natural resources, namely diamonds and oil, to be the catalyst that fuels conflicts and wars in Africa.

Elsewhere, the United States, during the period after the end of its civil war, tried to exert economic influence over Latin America. Previously, U.S. corporations had been gathering raw materials and goods from Latin American nations for years, essentially making the United States the first Neo-Imperialist power. They would use their military influence to invade Latin American nations during the

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Banana Wars. The US also forced the creation of Panama as a state so that the US could build and control the Panama Canal. The US would go on to form protectorates and conquer land like a European Imperialistic nation. The increase in the US wealth and ability to control resources allowed the US to more easily exert control over the World’s markets and become the supplier of many of the world’s consumer goods, and military goods. Without this increase in imperialist methods, it is unlikely that the United States would have become the global power that it was at the beginning of the 20th century.

After the two World Wars, the ability for European powers to have any real direct influence over their colonies and protectorates had ended. With volunteers from overseas, increasing demands for independence, and the growth of ideologies that opposed imperialism, it became increasingly common for former colonial territories to become independent without a war. An example of this would be the independence of a majority of the former French colonies in Africa in the 1960s. This created issues of its own for the newly independent nations though.

Due to the ways that the colonial regions were managed by European powers, the lack of proper infrastructure and means to acquire adequate education and leadership left former African colonies ill-equipped to be stable nations. This allowed the former colonial powers, the US and the Soviet Union, to turn Africa into a major theater of conflict for influence in the years following the end of World War Two.

During the Cold War, the United States and the USSR were much more active in maintaining political control over nations in ways that would still fall under the Neo-Imperialism umbrella. The US would use coups and military intervention to make sure the governments of nations around the world were backing US policy and allowing US companies to continue to do business. Meanwhile, the USSR would back puppets that would control the nations that would share the natural resources the USSR needed in exchange for military equipment. The Cold War did not cause a change in the way the United States intervened in other nations. For example, in 1904 the US invaded the Dominican Republic to prevent a European nation from intervening to seize the debts the Dominicans owed to Europeans. This intervention was just one step in the Banana Wars wherein the US was often interfering with South and Central American nations. In the Cold War the US continued to use its military to exert influence on the governments of South and Central American nations, though now relying on the CIA for covert efforts more than more blatant military invasion. Such efforts would involve assassinations and the sowing of unrest in local populations, which would ultimately cumulate in a coup.

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Current Situation

Since the fall of the Soviet Union, without a prominent power to directly rival it, the United States, together with its allies, intervenes in nations all around the world. Just as it was during the Cold War, the US tries to work around the world and exist in a global community, whether it is to further its own agenda, or to ensure that its assets around the world are not rivaled. It uses its economic power to influence and promote change in other areas of the world, where threats of violence and military intervention may not work. One very effective bargaining chip the US uses is its foreign aid budget to cause change in policies or actions around the world. For example, the US gives a lot of money to Egypt as part of the Camp David Accords to get them to recognize Israel. Afghanistan and Iraq receive a lot of money as part of the stabilization effort to put in a stable western aligned regime.

The United States is not the only Neo-Imperialist power, it is however the most influential and longest lasting power. Former colonial empires such as the British and the French keep close economic ties to their former colonies and maintain certain aspects of the Colonial period for these nations. The People’s Republic of China has recently started to influence African Nations, by giving out loans and other means of economic influence. The Russian Federation has more directly, before the Civil War in Syria, kept the Syrian Government in line both economically and politically. These nations are searching for more

US Foreign Aid map.
https://cdn.howmuch.net/articles/us-foreign-aid-by-country-3637.jpg

The Guardian, “Europe’s former imperial powers continue to target aid to ex-colonies”
markets to sell their goods and get a greater control over the resources in the world. China needs to expand the areas in which it can buy oil from.  

Companies like the De Beers diamond corporation continue their monopoly at the cost of human rights and borderline slave labor. “[T]he Kimberley Process, an international certification system designed to reassure consumers that the diamonds they bought were conflict-free. But more than 10 years later, while the process did reduce the number of conflict diamonds on the market, it remains riddled with loopholes, unable to stop many diamonds mined in war zones or under other egregious circumstances from being sold in international markets.” The Kimberley Process doesn’t disqualify diamonds that have been mined using unfair labor practices or human rights abuses. Conflict diamonds under the Kimberley process only count if a rebel seizes it. Promoting more violence. Similarly, resources like Oil are often the first targets in civil wars and rebellions because selling these resources can be used to finance the war effort. The world has an insatiable desire for resources and without efforts to increase awareness of how they are obtained, nothing will be done to change the process for blood resources.

Directive

It is up to the committee to address the issue, and come up with solutions, not discluding the reform of patent law or international trade guidelines. The committee should explore ways to limit companies’ human rights violations and involvement in the political sphere in developing nations, as well as their abuse of international law to create monopolies in foreign markets. Furthermore, nations’ political influence and power in other nations that are developing should be a talking point in the debate that will take place in committee. Paying close attention to the conflict diamond trade in Sub-Saharan Africa, and the infringement of the sovereignty of oil producing nations, member states should be looking at ways to prevent conflicts over resources as well, as these are the cause of great violence and instability in regions around the world.

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Bibliography


