

NEO-COLONIALISM

In the second half of 20th century, the new states, which emerged as a result of their struggles against imperialism colonialism found themselves living the era of Neocolonialism. Even after about six decades of their independence the people of the new states continue to live under the neo-colonialism of their former imperial/colonial masters.

In this era of Neo-colonialism or New Imperialism former colonial powers (Rich and Powerful States) continue to exploit the resources of the new states through a number of means, like foreign aid, loans, grants, tariffs, monopoly over international trade, exploitive price system, control over international economic institutions, multinational corporations and some others. They have been successful in substituting their political domination by economic domination of the poor states. Such a system, in which the new sovereign states, though politically independent, continue to be economically dependent upon the former colonial powers, has come to be characterised as Neo-colonialism.

What is Neo-colonialism ?

“The essence of neo-colonialism is that the state which is subject to it, is in theory independent and has all the outward trappings of international sovereignty. In reality, its economic system and thus its political policy is directed from outside.”

—Kwame Nkrumah

“Neo-colonialism is the survival of the colonial system in spite of formal recognition of political independence in emerging countries which continue to be the victims of indirect and subtle form of domination by economic, political, social and technical forces.”

—French Marxists

In his address to the Bandung Conference of 1955, *President Sukarno* while referring to the new form of colonialism (Neo-colonialism) described it as “colonialism with a modern dress in the form of economic control, intellectual control, and actual physical control by a small but alien community within the nation.”

Generally speaking, Neo-colonialism is a system of continued economic and indirect control exercised by former colonial powers over the new sovereign states of the world. “The mechanism of neo-colonialism results is the continuing economic dependence of former colonies upon their former colonial masters, integration of the former into colonial economic blocs through capital investments, loans, aids, unequal changes and finances directly controlled by colonial powers.”

REASONS FOR THE EMERGENCE OF NEO-COLONIALISM

The transformation of Imperialism-Colonialism into Neo-colonialism took place in the post-1945 period due to several reasons :

Main Reasons :

(1) **Weakened Position of European Powers.** The two World Wars within a short duration inflicted very heavy losses upon the imperial powers of Europe. Their weakened

position made it difficult for them to maintain their big colonial empires. The rise of strong national liberation movements in the colonies further made it difficult for them to maintain their traditional empires. The emergence of decolonisation and anti-imperialism as the strongest movement of post-war international relations led to the drive towards liquidation of the colonial empires and consequently to the rise of several new sovereign states in international relations. **In this situation, the old colonial powers, realising fully the necessity of exploiting the resources of the new states for their own needs, were quick to devise new instruments of control over the new states. This led to the transformation of colonialism into neo-colonialism.**

(2) **Rise of Consciousness against Imperialism.** The imperial powers found it difficult to justify the continuance of their rule over colonies because of the spread of political consciousness, and the acceptance of the right of self-determination by the Charter of the United Nations. Further, the intensification of national liberation movements in several key countries, also compelled the imperial powers to grant independence to their colonies. **After having suffered the loss of their empires, the rich and powerful states were quick to adopt new means for maintaining a system of economic exploitation of their former colonies.**

(3) **The Needs of the Developed States to maintain hold over resources of the poor countries of the Third World.** The continued need for raw materials and markets for selling their goods compelled the former imperial powers to somehow maintain their economic domination of new sovereign states. This impelled them to maintain their interests by new, subtle and indirect economic devices. **Having been forced to abandon the old colonial system, the old imperial states decided to go in for neo-colonialism—a systematised but indirect and subtle economic and political domination of their former colonies.** The most common device which they adopted for this purpose was to break up “the former large united colonial territories into a number of small non-viable states, which were incapable of independent economic development. The new small states had to rely upon their former colonial masters for their economic and security needs.”

(4) **The Continued Dependence of the New States on Developed States.** The dependence of the new states upon the former colonial states for selling raw materials as well as for purchasing industrial goods from them, also brought into existence Neo-colonialism. **Their traditional economic dependence upon the colonial powers continued even after the attainment of independence.** Their increased needs, because of the new objective of promoting the welfare of all the people, further compelled them to accept the economic control of the former colonial powers. India's dependence on Britain and other European and Western countries acted as a factor in determining India's membership of the Commonwealth and her relations with these countries.

(5) **Impact of Cold War.** The cold war that emerged in the post-war period and the subsequent emergence of two rival blocs in international relations, made things worst for the new states. **Several new states felt compelled to join either of the two blocs for securing vitally needed economic assistance and military equipment.** Such a membership of a bloc acted as a source of outside control over their policies.

(6) **The Policies of the USA and the (Erstwhile) Soviet Union.** In the era of Cold War (1945-90) both the USA and (erstwhile) USSR wanted to expand their respective areas of

influence. For this, they decided to exploit the economic needs of the new states. **Through such devices as foreign aid, loans, supply of arms, control over international economy and economic institutions, multinational corporations etc., the super powers were successful in creating their economic dependencies and satellites.** An economic dependency is a sovereign state whose economic interests are controlled by a rich and powerful developed state. A satellite state is that sovereign state whose economy and polity stand linked up and dependent upon a rich and powerful state. American and other western powers created their economic dependencies and the (erstwhile) Soviet Union created its satellites as a means for operationalising neo-colonialism in international relations.

All these factors were responsible for the transformation of Colonialism into Neo-colonialism.