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Neo-Colonialism and the Question of National Autonomy

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Abstract

The focus of this paper is to critically analyze the place of national autonomy in a neocolonised state. National autonomy– the ability of a nation–state to make and enforce decisions which shape its political and economic future, has greatly been subjugated by neocolonialism- the efforts of the former colonial and new powers to maintain colonial control over independent 3rd world states by other means, such as, the international financial institutions and their globalization propaganda. The concept of neocolonialism first originated in Africa, probably with Nkruma, and received collective recognition at the 1961 All-African People's Conference. While critics of these institutions argue that the advance nations profits from cheap labour and raw materials in the underdeveloped states, others accept that it ultimately does serve as a positive modernizing force for development. Therefore, it has always been the case that strategies of development conceived in the developed countries have been accepted by the 3rd world nations, despite their inappropriateness. The paper expresses the view that a poor country that rejects interconnectedness based on the IMF and other international financial institutions conditionality, must also find new means of relating itself to other countries, for the autonomy of the 3rd world states has become a phenomena that the advance states can no longer afford to

grant. It concluded that 3rd world leaders must therefore realize that the present world order is part of their problem and not the solution.

Introduction

The twentieth century marked the end of colonialism and the emergence of its twin form, neo colonialism. This concept implies the effort of former colonial nations to continue the control of the colonies by subtle means. It is the establishment of a form of control without the encumbrance of physical possession or actual colonial rule.

The term originated in Africa, soon after the process of decolonization, following WW II probably with Nkruma, and received collective recognition at the 1961 All-African People's Conference (AAPC). It was particularly popularized in the wake of decolonialisation largely through the activities of the elites of the newly independent African states, and the Pan-Africanist movement. In their resolution on Neo colonialism, they cited the landmark for having arrived at what the concept implies, its main features, and seen as a primary collective enemy of these independent states (Graf, 1980: 601).

The independent of African states from their colonial powers is but a partial liberation that will be complete only when there is economic independence. African states are currently undergoing a process of neocolonialism – a new style of colonial rule masterminded by the colonial powers to give the former colonies the illusion of freedom.

African leaders argue that the international economic arrangements created by the former colonial masters are still being used to maintain control of the former colonies after independence. They frown at the survival of the colonial system in spite of the former recognition of political independence in emerging states which have become victims of a subtle form of domination. Some of the neocolonialists today were in fact previously colonies, such as the United State. But it has become a major neocolonialist as it influence the 3rd world nations by its economic authority exercised through its control or preminent influence on such agencies as the World Bank and the IMF. This manifest destiny within the 20th C. bespoke a kind of arrogance since it claims for the US a superior system of government, culture, and race destined to take mankind to the highest pinnacle of attainments.

Capitalism is also seen as part of this superior culture and capitalism like neocolonialism, implies imperialism. Though neocolonialism and imperialism may seek same ends, but they have a distinct and separate

existence. Economic penetration of underdeveloped states has become a competitive replacement for colonialism and is absorbing the energies of the former colonial nations. Added to this form of exploitation of resources and capital controls is a new element- the oil rich Arab nations that have emerged from colonial states and exhibited all the systems of nationalism and desires for political power they condemned in their former colonial masters. Colonialism may virtually be dead, but neo-colonialism and imperialism continues as those nations with the economic or military power to perpetuate it have refused to give up the practice.

One variant of neocolonialism is the cultural colonialism which has to do with the alleged desire of the wealthy nations to control other nations' values and perceptions through cultural means, such as language, religion, media, education, etc purported ultimately for economic purposes. It is all these attempts to have subtle control and perpetuate colonialism while preaching the sovereignty of states at the same time that is referred to as neo-colonialism. To Nkruma, neo colonialism is associated with

...the invisible government... a loose amorphous grouping of individuals and agencies drawn from many parts of the visible government... (they) includes also many other units and agencies as well as individuals, that appear outwardly to be a normal part of the conventional government. It even encompasses business firms and institutions that are seemingly private (1965:240).

The object of these innumerable incidents as said earlier is to perpetuate colonialism while preaching independence. This in political or economic terms is a threat-often more apparent than real but nevertheless action provoking-which foreign investment poses to local autonomy with which man seeks to retain a sense of differentiation and identity, a feeling of control, even when the apparent cost of the identity and the control seems out of all proportion to its values. Those who oppose the activities of the MNCs in the 3rd world spend little time analyzing psychological propensities for autonomy, since they are convinced that the effects of those strategies of the Northern capitalism are not to facilitate economic growth but to retard it. Increase national autonomy is an essential step toward hastening economic progress. While the sense of autonomy and control are psychologically gratifying, the main concern should be to explicate and document the

retarded effects of asymmetric interconnectedness usually characterize as imperialism.

Theoretical Conceptualization

The basic economic theory in favour of the concept of neo colonialism is the Marxist dependency theory. The assumption of this school of thought is that the peripheral states are satellites of, the center nations as a result of the fact that their economies have been structured to serve international capitalism. The natural resources of the satellites are therefore exploited for use in the center in order to sustain their economic growth. The means of production are owned by foreign firms who devise different means to transfer profits out of the developing states rather than invest them in the local economy. So what these states experience is the advancement of underdevelopment.

The central conception here is that poverty of the countries in the underdeveloped nations is the result of the manner of their integration of the world system, a position that is contradictory to the liberalist economists who argue that such states are progressing on the path of full integration (Timamy, 2007).

Instruments of Neocolonialism

Faced with the militant peoples of the colonial territories... imperialism simply switches tactics. Without a qualm, it dispenses with its flags, and even with certain of its more hated expatriate officials. These means; so it claims, that it is giving independence to its former subjects, to be followed by "aid" for their development. Under cover of such phrases; however, it devises innumerable ways to accomplish objectives formerly achieved by naked colonialism (Nkrima, 1965:239).

There is a tendency to view African underdevelopment solely in terms of the subjugation by the advance nations, and the dry conspiracy by the Northern states, to ensure the Southern states perpetual subordination. African participation in their development crisis is discounted in favour of the position that blames the western countries as being responsible for such acts. The truth is that these western powers still control African nations whose leaders are either willing puppets or involuntary subordinate of these western gimmicks.

Contemporary neo colonialism is also linked to the continuing close and unbalanced relationship between France and its former African colonies. The French leaders provided for a forty year post independence relationship with former African colonies, allowing for French military troops to maintain forces on the African states and often used by such African leaders to quell revolts. Such troops were also used to ensure monopolies on foreign investments by the French corporation in the form of extraction of natural resources. Unfortunately, such troops have been found to be involved in coup d'états leading to African regimes acting in favour of France and to the detriment of the African interests. Such African leaders mostly pointed out as agents to neo-colonialism include- Omar Bongo of Gabon, Eyadema of Togo, Idris Deby of Chad, among others (Whiteman, 1997).

In the British relations with her former colonies, it is claimed that African states are benefiting from the civilizing, progressing, and modernization forces of the British government. This has made it possible for continued military and economic dominance in some former colonies e.g. Sierra Leone. Both previous colonial masters and new industrialized states maintain a presence in the economies of former colonies, particularly when the questions of raw materials are involved.

The strategies adopted included that the fact these developed nations dominate the 3rd world nations through economic, financial, and trade policies resulting to a de-facto control over targeted states. The choice to obtain loans from the World Bank by the 3rd world nations is limited to the clearance from the IMF indicating full compliance/ implementation of IMF neo-liberal conditionality.

Institutions associated with this neo colonist and neo imperialism include the World Bank, International Monetary Fund (IMF), World Trade Organisation (WTO), G-8 countries (OECD states), etc (Timamy, 2007). These institutions have been criticized for the effects of their policies which demands currency devaluations as condition for refinancing loans, while at the same time insisting on repayments of loans in dollars against which the 3rd world currency have been devalued, thereby increasing the respective debt in physical financial terms. This amounts to ensuring that the 3rd world states are in perpetual indebtedness, impoverishment and neo colonial dependence. The neo colonialists achieve their objectives through insidious means such as evangelism where there has been a veritable riptide of religious sects particularly from the Americans. For instance, after the independence of

some African states, the Jehovah's Witnesses instigated conflict in some developing countries by teaching their members not to salute the new national flags.

Dating back to the early sixties, the U.S had persistently propagated an ideological, plan for invading the 3rd world countries and utilizing as its facilities from the press to peace and business corps (Nkruma, 1965:247). There can hardly be any doubt that this corps are the U.S. intelligence organization created on the initiative of the American monopolies to use Big business of espionage. Among the other instruments of the Northern neo liberalism are the intelligence agencies led by those of the U.S. invisible government, the Moral-Re Armament (MRA), the U.S information Agency (USIA), and NATO whose propaganda agencies were to keep in close contact with U.S embassies in their respective countries. With virtually unlimited finances, there seem no bounds to its inventiveness in subversion and the challenge to National autonomy. Another strategy of the neo colonist is the application of high and exorbitant interest rates. The 3rd world nations spend huge sums on interest and services charges on foreign loans and aid. Thus, aid turns out to be another means of exploitation, a modern method of capital export under a more cosmetic name. the means of penetration by economic aid has also soared into preeminence in the form of multilateral aid through international financial institutions- the World Bank, WTO, IMF, all significantly having U.S capital as their major backing.

These agencies have been involved in compelling intending borrowers to subject themselves to various neo liberal conditionality, including subjecting their national policies and plans to world bank's review and accepting the agency supervision on the use of loans.

The World Bank expects the African countries to follow the specifications contained in the private sectors development strategy... This neoliberal scheme demands the use of the Output –Based Approach (OBP) which, in effect, grant multinational companies the licenses to finance and established government approved projects on terms that maximize their involvement. The OBA mechanism is underpinned by the assumption that an African government's main interest in any domestic private sector investment is the delivery of services. This means that a

government's technological policy which... seeks to influence the rate and direction of domestic technological change would be rendered impotent (Timamy, 2007: xix).

About one-third of the U.S foreign investment is located in the developing states and most of the major MNCs have subsidiaries in these states. Such international economic interconnection presents the 3rd world nations with a threat to their national autonomy.

Impact of Neo-Colonialism on National Autonomy

...MNCs are nothing but instruments of neocolonialist profit seeking capitalism which absorb more local capital than they bring in from abroad; transfer in older, obsolescing technology... manipulate international differences in prices, licensing, interest rates, and other economic factors for their own interest of the host country (Dougherty and Pfaitzgraff, 1997:245).

Evaluation of the role of neocolonialism on national autonomy in fostering economic progress depends on the evaluation of the effects of international corporate investment. If by means, the economic and social effects of the increased economic involvement of the MNCs in the 3rd world nations are considered as beneficial, then the nation-states cannot help but appear as an anachronistic impediment to further rationalization of the international economy. Two major sets of consequences emerge from the extension of corporate production across borders. The first set is economic consequences and is held almost universally to be beneficial. The second set is phrased in political or psychological terms- the threat which foreign investment poses to local autonomy. With the increase dominance of the MNCs, many 3rd world nations' economic actors become responsible to foreign superiors and stockholders; a situation that could have led their nations to be deemed as colonies, if such a chain had existed in public organizations. But since the MNCs are private economic organization, chains of command leading outside the nations may multiply without ostensible loss of political sovereignty; yet national autonomy; the ability of a nation-state to make and enforce decision which shapes its political and economic future, has been diminished.

Distribution capital from the developed to the underdeveloped nations is one function classically attributed to the neo colonialist institutions, but a critical

analysis of the capital flow tends to challenge this position. Critics have posited that the industrial revolution in Great Britain was fueled by capital extracted from its colonies and that the development of the colonies suffered in consequence (Baran, 1975:145). Others attribute the loss of capital by the 3rd world nations to exorbitant rates of returns on Direct Foreign Investment (DFI) in these countries. Baran noted that the profits of British, Dutch, and Belgium companies with investments in colonies of origin (228-233). A further analysis of the British FDI has confirmed the profitability of Asian and African ventures but suggest that high rates of profit were not possible without the organized political support of the home country. Even if profits rates on the FDI were not excessive in relation to domestic rates of returns the FDI might still create a drain on the capital resources of a less developed nation considering the lack of a termination date. With bonds and loans, a borrower must eventually repay more than a borrow. With DFI, the recipient looks forward to interminable remittances and no guarantee that they will be matched by inflows of new capital. Yet, the MNCs could be making profits and repatriating more capital than they invested and still contribute greatly to the economic growth of the 3rd world nations. If their organization and technology contributes to the industrialization process, then capital outflow is not an unreasonable price to pay. But it must be understood that the contribution of the MNCs; as agents of neo colonialism, lies basically in their transfer of intangibles rather than capital (Johnson, 1970:35-56).

Evidence is also accumulating that as a result of their product and process choices, MNCs from the advanced industrial countries tend to have fewer backward and forward linkages within the domestic economic... (as they) rely more heavily on external sources of technology than on the building of indigenous technological compatibilities (Fairchild and Sosin, in Mytelka, 1989: 87)

It seems plausible that that the MNCs help transmit standards of consumption which may well represent a misallocation of resources from the point of view of the welfare of the community as a whole. This case, then the distortion of consumer desires has a retarding effect on economic progress.

Reliance on development initiatives evolved in foreign lands and circumstances pose same problems as the assumption of alien standards of consumption. Greater reliance on domestic ideas may not guarantee to production of better strategies, but it increases the possibility of innovation

shaped by the particular situation of the 3rd world nation. Even if the developing countries completely reject the development ideas suggested by the devely, they would still be circumscribed in their choice of strategy by the predominance of the MNCs in their economies. The presences of these MNCs substantially limits the ability of the developing countries to shape their own industrial structures, and are often forced into more passive roles than those of the developed countries. The government of an underdeveloped state, confronted with an economy full of subsidiaries, attached to foreign-based private corporations, is much more limited in the kind of initiatives that it may take.

It has usually been inferred from this that MNCs can readily interfere, directly or indirectly, the economic and political life of host countries, and even exercise dominating influence in power 3rd world countries... by trying to influence the outcome of elections, or persuading the hosting government to alter certain policies; and they can pressure the parent state government to pursue... foreign diplomatic policies that will promote the interest of MNCs, regardless of the consequences for host countries (Dougherty and Pfaltgraft, 1997:245)

This demonstrate that investment by the MNCs enriches few in the 3rd world nations, and causes humanitarian, environmental, and ecological devastation to the populations of the host. The situation results in unsustainable development and perpetual underdevelopment such as dependency which cultivates those states as reservoirs of cheap labor and raw material, while restricting their access to advanced production techniques to develop their own economies. If economic dependency reduces political autonomy, then the 3rd world nations with huge DFI will be least likely to benefit from these investments. The experience of China in the 19th and early 20th centuries might be considered a case in point (Moore, 1967:181-201).

The predominance of DFI has political consequences which also have implications for the future economic growth of the underdeveloped states. If the country's ability to mobilize the energies of its people to bargain effectively is considered as economic assets, then the activities of the neocolonialist, through the MNCs must be seen as a threat to the effect that it undermines political autonomy. According to Peter B. Evans, advertising by these multinational enterprises effects popular attitudes in less developed

societies to the detriments to their autonomy and economic development (in Nye and Keohane, 1973: xviii).

Government lost control of their environments once those environments change rapidly as a result of large scale social forces of transnational activities. Although transnational organizations are immensely significant, governments have attempted not to maintain but also to extend their control over outside forces and events.

Transnational organizations are used more or less openly as agents for influencing other peoples and governments. For example, although the Reagan administration placed great emphasis on military means, it also expanded U.S information Agency (USIA) activities and established the National Endowment for Democracy. The endowment lends support to groups in other countries acting in ways consistent with U.S. foreign policy (New York Time, 1986 in Kriesberg, 1992:22)

The impact of these transitional relations or interstate policies depends on the presence of transnational organization as autonomous or quasi-autonomous actors in world politics that maintain private foreign policies. Again, with regard to the activities of the international financial institutions, the 3rd world nation's are compel to take steps that are benefit to the IMF an world Bank, but detrimental to their own economies. These SAP policies have the effect of increasing rather than alleviating poverty within the 3rd world.

Neocolonialism; it is argued, permit some cartels of states such as the IMF, World Bank, WTO, G.8, among others to control and exploit the underdeveloped nations by fostering debt and the concept of globalization. In effect, the elites of these poor nations give concessions and monopolies to foreign corporations in returns for consolidation of power and monetary bribes.

...Globalization of African through the privatization of its public sector services is merely a euphemism for organized spoliation. And since developing countries would, through subtle coercion, be expected by the global oligarchy it sign on the dotted line, the WTO would then have the authority to legitimately exercise its vast new powers to prize open

the South's public coffers for the benefit of Western MNCs
(Timamy, 2007:xviii).

Transnational relations and multinational processes also threaten democratic control of foreign policies. By threatening a U.S parent or affiliate company with sanctions, the U.S government is often in a position to compel a subsidiary in another country to respond to the U.S law or policy. These could be seen from the many cases of antitrust and trading-with-the-enemy legislation, and securities regulations.

Conclusion

The unequal relations between the developed and underdeveloped nations make nations autonomy and economic progress difficult for the latter. Even the revolution, call for, by Nkruma would not be enough because of the structure of the world capitalism. Only the ending of capitalism at the centre would ensure the development and autonomy of the 3rd world states. All these prove beyond doubt that neo-colonialism is not only a sigh of imperialism's strength but also its last hideous gasp. The autonomy of the 3rd world nations has become a phenomena it cannot afford any longer to an extent that even what it claims to have granted, it now seeks to withdraw (Nkruma, 1965:253). Therefore ensuring greater autonomy essentially implies choosing to orient economic decisions around the political constituency of the nation-state instead of permitting the locus of decision making to gravitate to private, profit making corporation located in far away foreign lands. For as Nkruma noted-

In order to halt foreign interference in the affair of developing countries, it is necessary to study, understand, expose, and actively combat neocolonialism in what ever guise it may appear. For the methods of neo-colonialists are subtle and varies. They operate not only in the economic field, but also in the political, religious, ideological, and cultural spheres (239).

The dilemma facing Africans is how to deal with the overwhelming presence and power of the western civilization. If Africa's desire for modern facilities is legitimate, then we should accept the 19th C. evolutionist postulations that the Western civilization is of a higher material order to that of the Africans.

It is therefore able to meet the aspirations of Africans, which may be difficult to attain through the traditional societies. In reality, neo-colonialism facilitates the continuous exploitation of the resources of post colonial

peoples by private-foreign business companies. This economic control inherent to neocolonialism is akin to the classical European Colonialism.

Though, as some may argue, while the developed countries profit from cheap and raw material in the 3rd world nations, ultimately, it does serve as a positive modernizing force for the 3rd world nations, ultimately, it does serve as a positive modernizing force for the 3rd world development. But this is both exploitative and racist, as it is merely a justification for continues political hegemony and economic exploitation of former colonies.

A parallel can be drawn with the method by which colonialism was abrogated, for no imperial power has ever granted independence to a colony unless the forces were such that no other alternative was possible. Therefore, the 3rd world nations must be constructive in their relations with the outside world and such relations should ensure the respect and enhancement of local autonomy. African states and their leaders in particular should promote self esteem, institutionalize human dignity and entrench the values of integrity. The leaders must realize that the present world order is part of the problem and not; in any way, the solution to Africa's unending nightmare (Timamy, 2007).

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