



Preventing the Exploitation of Developing Nations from Neo-Colonialism

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Introduction

The last half of the 20th Century saw waves of colonized states gaining independence from their colonizers. Independence meant a new government, currency, political institutions, and a spot on the international stage. Despite breaking away from their colonizers, this does not mean that the colonized states broke all relationships with their colonizers. Most, if not all, former colonized states still depend on their former colonizers for aid and funds, making them dependent and in debt to them; this kind of relationship is called *neo-colonialism*.

Neo-colonialism is the continuation of colonial like rule by a state over another state. This dynamic usually involves a colonizing state asserting power and control over a formerly colonized state that has gained independence. Unlike traditional colonial rule which consists of direct military control, neo-colonialism rules a former colonized state through indirect economic and political influence.¹

What is it?

The term neo-colonialism originated in France in the mid-1950s. It gained wider recognition from Kwame Nkrumah, the independence-leader and President of Ghana.² He used the term in regard to the process of de-colonization that

Africa went through during the 1960s. In 1995, neo-colonialism was used to describe the foreign intervention that states in Africa and Asia were facing at the Asian-African Conference.³ This eventually led to the Non-Aligned Movement which is currently a bloc of 120 states who do not have any formal alliances with any major power.⁴

Neo-colonialism is the use of economic, political, and psychological pressure to control and exploit a developing country while maintaining the facade of national sovereignty. Developed nations have been exploiting developing nations through this process, which has led to a dependency on developed nations, erosion of democracy and human rights in developing nations, and a lack of understanding and empathy.

With the roots in colonial control of their territory by a former colonial ruler—Belgium, France, Germany, Portugal, Spain, the United Kingdom, or the United States—these countries are trying to overcome the effects of years, sometimes centuries of colonial exploitation.⁵ In the most extreme cases, like Belgian rule of today's Democratic Republic of Congo (often called DRC), they were used exclusively for exploitation for natural resources, their people treated as virtual slaves. Others had more ambivalent colonial experiences. What all share is a fight for independence in the Twentieth

¹ <https://en.wikipedia.org/wiki/Neocolonialism>

² Ibid.

³ Ibid.

⁴ https://en.wikipedia.org/wiki/Non-Aligned_Movement

⁵ 'List of former European colonies', Wikipedia, n.d., https://en.wikipedia.org/wiki/List_of_former_European_colonies



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Century and problem of underdevelopment left from their colonial years.

For many of these countries, the effects of colonial rule have never been overcome. The continue to be seen in low education, low income, poor health and future prospects. To many leaders and advocates of these countries, these lingering effects are *neo-colonialism*, as former colonial states continue to benefit from unequal terms of trade and other disadvantages that enrich the former colonial rulers, and hold back their victims.⁶

In the United Nations General Assembly, these issues are especially important for the 120 Member States, 137 including observers, of the Non-Aligned Movement (NAM). The Non-Aligned Movement is the UN's largest voting bloc. Above all, they seek recognition of their colonial experience and its neo-colonial effects today, including restitution for the economic, environmental and humanitarian effects.

In recent years, the NAM have been joined by other Member States, such as the former republics of Imperial Russia and the Soviet Union, especially the Baltic States and others like Ukraine with grievances over their rule after they were conquered by Imperial Russia and the Soviet Union. China is an observer in the NAM, due to its history of occupation in the Nineteenth and early-Twentieth Century by Western powers led by France, Germany, Japan, Russia and the United Kingdom.

History

Neo-colonialism refers to the economic and political control of developing nations by developed nations through means other than direct colonization. This process has its roots in the 19th century when European powers began to colonize and exploit countries in Africa, Asia, and the Americas. The exploitation of resources and labor in these colonies led to the development of the colonizer nations and the underdevelopment of the colonized nations.

After World War II, many colonies gained independence, but the exploitation of developing nations by developed nations continued through neo-colonialism. Developed nations use their economic and political power to control the economies and politics of developing nations, often through trade agreements, foreign aid, and political interference (Global Policy Forum, 2020).

In recent years, the issue of neo-colonialism has been addressed by the United Nations and other international organizations through different means, such as The United Nations Declaration on the Rights of Indigenous Peoples, which the General Assembly adopted in 2007 to affirm the rights of indigenous peoples to self-determination and to the protection of their lands, cultures, and resources (United Nations, 2007). Former colonizing states direct much of their foreign development assistance toward their former colonies.⁷

⁶ Elliot Ross, 'The past is still present: why colonialism deserves better coverage', *The Correspondent*, 9 October 2019, <https://thecorrespondent.com/32/the-past-is-still-present-why-colonialism-deserves-better-coverage>

⁷ Cécile Barbière, 'Europe's former imperial powers continue to target aid to ex-colonies', *Guardian*, 22 April 2015, <https://www.theguardian.com/global-development/2015/apr/22/europes-former-imperial-powers-target-aid-ex-colonies>

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The United Nations Guiding Principles on Business and Human Rights, which the Human Rights Council endorsed in 2011, provide guidance on how businesses can respect human rights in their operations and supply chains and can help to prevent the exploitation of developing nations by multinational corporations (United Nations, 2011). The United Nations Framework and Guiding Principles on Land Governance, which the General Assembly endorsed in 2012, provide guidance on how to ensure the responsible governance of land and natural resources and can help to prevent the exploitation of developing nations by developed nations and multinational corporations (United Nations, 2012).

Civil society organizations have been actively working to raise awareness about neo-colonialism issues and advocate for changes in policies and practices that perpetuate it. Such organizations have been publishing reports and articles, organizing campaigns, and engaging in lobbying and advocacy efforts to address the issue of neo-colonialism (Oxfam, 2020).

Elements of Neo-Colonial Exploitation

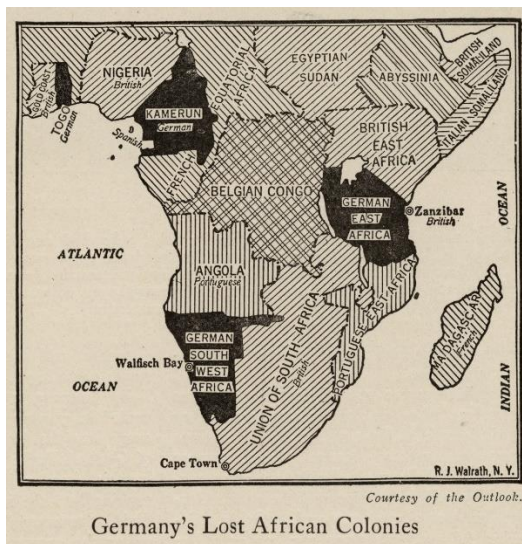
Dependency Theory maintains that resources come from a “...periphery” of poor and underdeveloped states to a “core” of wealthy states, enriching the latter at the expense of the former.”⁸ Dependency theory was created to explain the slow economic development of Latin America and Africa after their independence from their colonizers.

Dependency Theory explains the cycle of poverty that underdeveloped states struggle to escape. Underdeveloped countries offer more developed countries raw materials; developed countries buy these raw materials and make them into finished goods; the developed countries then sell these finished goods back to the underdeveloped countries for a higher price than they sold the materials, not making a profit at the end of the day.⁹ This cycle ensures that underdeveloped countries do not make money off the products they sell which keeps them poor but keeps the developed country rich.

International Borrowing: The International Monetary Fund (IMF) was created after World War II to assist countries who were struggling financially and to regulate the international exchange rates. It plays an essential role stabilizing currency value, which makes international trade possible.

In addition to overseeing the international exchange rates, the IMF now also surveils, recommends, and enacts policies in states with struggling economies in an attempt to avoid financial crises.¹⁰

In order to help countries who were going through a financial crisis, the IMF would



⁸ https://en.wikipedia.org/wiki/Dependency_theory

⁹ <https://www.britannica.com/topic/dependency-theory>

¹⁰ <https://harvardpolitics.com/neocolonialism-imf/>



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provide the country with a conditional loan. This meant that if the country were to accept the loan, they had to agree and meet the conditions within the IMF's Structural Adjustment Programs (SAP).¹¹ These conditions are made and required to follow to ensure that the country is able to increase their capital and avoid defaulting on their debt. Conditions in a conditional loan may look like raising or lowering tax rates, budget reductions in specific areas of the government, and or adjusting trade restrictions.

Although SAPs were created to aid countries in need, they have come under criticisms that they do more damage than good for underdeveloped countries. The SAP's have existed since the 1950s, but despite the length of the institution, many underdeveloped countries have remained in debt and have seen little to no progress. It is criticized that the SAPs promote "economic growth at the cost of economic degradation, political instability, and worker mistreatment..."¹²

The IMF has also been accused of upholding neo-colonialism. It is well known that neo-colonialism takes its hold on to former colonized states by ways of dependence, especially economically. The IMF consists of 190 states and membership is based on the country fulfilling its monetary quota which is decided on the size of the role it takes on in the international economic system.¹³

This system is also in use when deciding the amount of voting power a country has within the IMF. This would then mean that those who pay the most to the IMF would have the most power. So, although developing countries do play a role in the IMF, they are overlooked in the system

and their interests are underrepresented. Instead, developed countries take up the largest monetary quotas and the voting power, making them dominant over developing countries.

For example, the United States "...holds so many votes that it has an effective veto over any of the IMF's policy decisions...which involve interventions in economically stricken countries."¹⁴

The basis for these criticisms lie in the fact that the IMF's SAPs are based on macroeconomic strategies which is said to work better for developed economies which would explain why developing states struggle to climb out of the debt hole. The Harvard Political Review states that the strategies that the IMF takes to assist countries in need are better suited for developed countries because they benefit those already wealthy at the expense of those who are not. In fact, a paper published by the Boston University Global Development Policy Center found that 79 countries from 2002 to 2018, the IMF's measures were associated with the "...highest earners receiving more at the expense of the bottom 80 percent."¹⁵

Multinational corporations owns or control the production of their goods in services in at least one country other than their home country.¹⁶ Multinational corporations are ridiculed for upholding neo-colonialism in developing countries. Their presence in developing countries does more harm than good; it does little for the citizens that live there and causes "...humanitarian, environmental, and ecological damage to its population."¹⁷ It's argued that the multinational corporations use the developing countries for their materials and labor, but do not allow them to expand their economies. It is

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

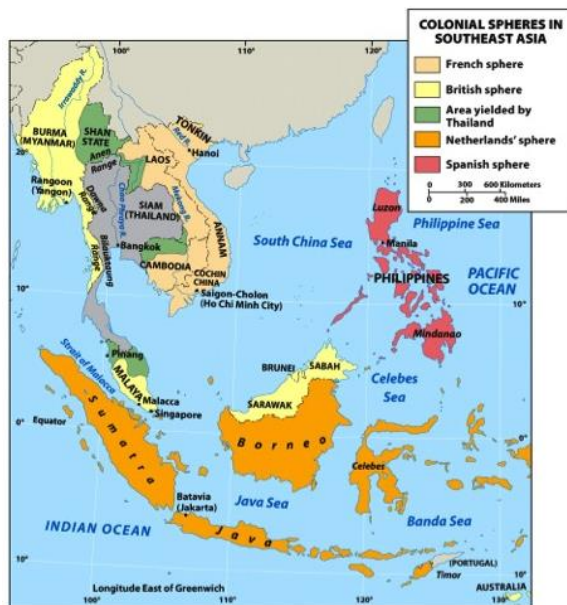
¹⁵ Ibid.

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https://en.wikipedia.org/wiki/Multinational_corporation

¹⁷ Ibid.

often the case that the presence of multinational corporations causes an increase in “...unemployment, poverty, and a decline in per-capita income.”¹⁸ Essentially, the multinational corporations reap the benefits of what the developing countries produce, while the developing countries get little to nothing in return.



The effects of multinational corporations on the local economy and the local population can cause extreme ramifications for the environment and for the local citizens. In 1979, the European Union began working on contracts with the governments of Guinea-Bissau, Senegal, and Mauritania to fish off their coasts. This eventually led to unemployment and a migration of people within the countries.¹⁹

Economic Exploitation: Developed nations, such as the United States, often use their economic power to control the economies of developing nations. This is done through trade agreements that favor developed nations, such as the North American Free Trade Agreement (NAFTA), and through the use of International Monetary Fund (IMF) loans that impose structural adjustments

on developing nations (Global Policy Forum, 2020).

Resource Exploitation: Developed nations often exploit the natural resources of developing nations for their own benefit. For example, China has been accused of exploiting the resources of African nations, such as Angola and the Democratic Republic of Congo, for its own economic gain (African Arguments, 2020).

Political Interference: Developed nations often interfere in the politics of developing nations for their own benefit. For example, the United States has been accused of meddling in the politics of Latin American nations, such as Venezuela, to maintain its influence in the region (Council on Hemispheric Affairs, 2020).

Land Grabbing: Developed nations and multinational corporations are accused of land grabbing in developing nations by taking over large tracts of land for commercial and industrial use, thus pushing out the local communities and destroying their livelihoods (Oxfam, 2020).

UN resolutions

The United Nations has been actively addressing the issue of neo-colonialism in its member states. Some relevant resolutions include:

- General Assembly Resolution 1514 (XV) on the Declaration on the Granting of Independence to Colonial Countries and Peoples, which was adopted on December 14, 1960. This resolution affirmed the right of all peoples to self-determination and condemned colonialism in all its forms (United Nations, 1960).

¹⁸ Ibid.

¹⁹ Ibid.



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- General Assembly Resolution 2625 (XXV) on the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States, which was adopted on October 24, 1970. This resolution reaffirmed the principles of the 1960 resolution and called for the elimination of all forms of colonialism (United Nations, 1970).
- General Assembly Resolution 3314 (XXIX) on the Definition of Aggression was adopted on December 14, 1974. This resolution defined aggression as, among other things, the use of economic and political pressure to control the government of a sovereign state (United Nations, 1974).

Previous UN action

Several existing measures are in place to prevent the exploitation of developing nations from neo-colonialism. These include:

- The United Nations Declaration on the Rights of Indigenous Peoples, which the General Assembly adopted in 2007. This declaration affirms indigenous peoples' rights to self-determination and to protect their lands, cultures, and resources (United Nations, 2007).
- The United Nations Guiding Principles on Business and Human Rights, which the Human Rights Council endorsed in 2011. These principles guide how businesses can respect human rights in their operations and supply chains and can help prevent the exploitation of developing nations by multinational corporations (United Nations, 2011).
- The United Nations Framework and Guiding Principles on Land

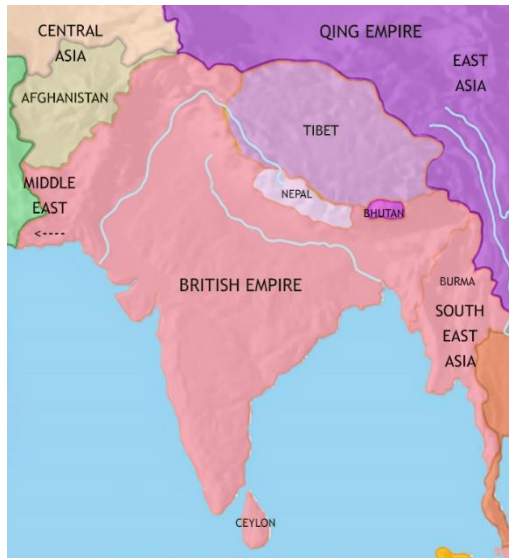
Governance, which the General Assembly endorsed in 2012. These principles guide how to ensure the responsible governance of land and natural resources and can help prevent the exploitation of developing nations by developed nations and multinational corporations (United Nations, 2012).

Recent UN action

The United Nations has taken several actions in recent years to address the issue of neo-colonialism in its member states. Some examples include:

- The United Nations Development Programme (UNDP) has been working to support the development of sustainable and inclusive economies in developing nations. This includes providing technical assistance and capacity-building support to help these nations overcome the negative impacts of neo-colonialism (United Nations Development Programme, 2020).
- The United Nations Human Rights Council has been working to promote and protect human rights in developing nations. This includes conducting country visits and investigations and issuing recommendations and decisions to address human rights abuses (United Nations Human Rights Council, 2020).
- The United Nations Environment Programme (UNEP) has been working to promote sustainable development and protect the environment in developing nations. This includes providing technical assistance and capacity-building support to help these nations overcome the negative impacts of neo-colonialism on the environment (United

Nations Environment Programme, 2020).



Proposals for Further Action

To prevent the exploitation of developing nations from neo-colonialism, several responses can be proposed.

Among the biggest questions to be faced are how much to demand? Should former-colonial countries make clear and uncompromising demands, including full-scale economic restitution or what they lost from colonial exploitation and suppression? Such demands will be politically popular at home, and may help their governments. But they also may antagonize former colonial countries, and not lead to much more than proud statements. For some NAM countries, those statements are vitally important, though.

Or should they work more cautiously, in cooperation with former colonial states, developing their relationship with those countries, seeking long-term development assistance and access to their markets? Restrain has less domestic political appeal; who wins an

election with restraint? But it might win more actual assistance and go further to solve actual problems.

Some specific proposals:

- Create an international fund for colonial restitution of colonial exploitation and neo-colonial suppression. The General Assembly can ask (it cannot force any sovereign Member States to do anything) former colonial states to pay into a common fund. How the fund would be spent is up to the GA Fourth Committee to decide. Care must be taken to ensure contributions do not reduce current foreign aid programs.
- Developed nations should create fair and equitable trade agreements with developing nations. This can be done by removing tariffs and other trade barriers that protect developed nations' industries, and by providing developing nations with the support they need to develop their own industries.
- Developed nations should provide foreign aid to developing nations without imposing conditions that undermine the sovereignty and self-determination of these nations. This can be done by providing aid in the form of grants rather than loans, and by working with developing nations to determine how aid can best be used to meet their needs.
- Developed nations should work to address the root causes of poverty and underdevelopment in developing nations. This can be done by investing in education, healthcare, and infrastructure in these nations and by addressing issues such as corruption and political instability.



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- Developed nations should work to combat negative stereotypes and misinformation about developing nations in the media. This can be done by promoting a more accurate and nuanced understanding of these nations and by supporting media outlets that provide fair and accurate coverage of developing nations.
- Ask the UN Secretary-General to study the issue and make recommendations. When unable to agree, the safest course of action for the General Assembly

often is to step back and buy time by examining the issues. Studies can be controversial. Who will be on the committee producing the report? How will they be selected? Experts are a possibility. So are delegates from governments. Will they be chosen by the Member States? By specific Member States, or by the Secretary-General? How long will they have to work? And what will be the goals of their reports? All this has to be laid out in a *mandating* resolution.



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