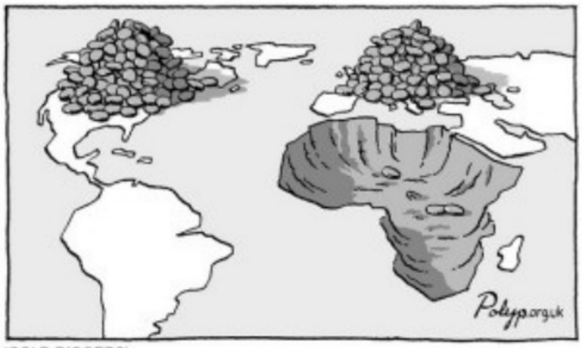
Neocolonialism in Africa

NEOCOLONIALISM



'GOLD DIGGERS'

Introduction

It is no secret that much of Africa is desperately poor. The latest estimates from the World Bank suggest that the share of the African population in extreme poverty stands at 43 percent in 2012. At the same time, Africa's population continues to expand rapidly. As a result, the absolute number of people living in extreme poverty has increased by more than 100 million since 1990. These are staggering numbers.

Neocolonialism in Africa

Neocolonialism, defined literally as "new colonialism," is a concept in which political, socioeconomic, and cultural influences are used to continue a model of colonialism that allows one state to control another state, the latter of which has usually been formerly colonized. The term was coined by Kwame Nkrumah, the first president of Ghana, who postulated that the concept of neo-colonialism applies directly to Africa and that it can explain Africa's poverty. According to this view, while the colonial system that dominated Africa in the 19th to 20th centuries no longer exists, the deep political, economic, social, and cultural ties that foreign countries made with the continent do, resulting in the continuation of the negative effects of colonialism without the official control of African states. The debate around neocolonialism is heavily polarized. On one hand, those who supposedly suffer from neocolonial influences, most of them being formerly colonized countries in Africa, believe that not enough is being done to address the topic. On the other hand, those who qualify as neocolonial powers question the idea of neocolonialism and challenge its existence. Regardless of what individual country views on neocolonialism are, though, clearly defining what neocolonialism is, exploring how it manifests itself and remediating its negative effects is imperative.

It is also crucial to note that while this topic has a regional focus on the African continent, the entire international community has the ability to make an impactful difference in the fight to end neocolonialism. By emphasizing cooperation and compromise across the globe and thinking critically about the political implications of neocolonialism and its accompanying problems, it will be possible to productively and effectively address this topic.

Key concepts

The term neocolonialism was first coined by Kwame Nkrumah, the first post-independence president of Ghana. Nkrumah realized that the independence and sovereignty of his country were only token, stating:

> *"Neo-colonialism is…the worst form of imperialism. For those who practise it, it means power without responsibility and for those who suffer from it, it means exploitation without redress. In the days of old-*

fashioned colonialism, the imperial power had at least to explain and justify at home the actions it was taking abroad. In the colony those who served the ruling imperial power could at least look to its protection against any violent move by their opponents. With neo-colonialism neither is the case."

Nkrumah believes certain elements are inherent in neocolonialism:

- The controlling state continues to actively interfere in the affairs of another independent state

- The colonial state exerts economic or monetary influence on neocolonised territories, either by targeting those territories as destinations for goods or through other actors, such as international financial organizations

- The ruling elites in the neocolonised territory prioritize the demands of the colonial master over the needs of their own populations

Others see neocolonialism in different contexts. For Robert Young, neocolonialism is advanced through "development and dependency theory." Young argues that is very difficult for Third World states not to be influenced by Western nations, and once they do become influenced —economically, politically, culturally — they then become perpetually dependent.

Timeline

1624 — England colonizes Barbados and St. Kitts.

1950–1960 —Decolonization efforts are launched in Africa.

1965 — At Algers, Che Guevara speaks about the continued presence of colonial practices in underdeveloped countries, declaring "as long as imperialism exists, it will, by definition, exert its domination over other countries. Today that domination is neocolonialism."

1965 — Kwame Nkrumah coins the term neocolonialism in his book The Last Stage of Imperialism.

1974 — The UN General Assembly passes Resolutions 3201 and 3202.

1997 — The International Monetary Fund intervenes by providing billions of dollars in loans to help with the financial and economic crisis sweeping across Asia.

2008 — Daewoo, a South Korean company, secures 1.3 million hectares of land in Madagascar.

2000–2010 — Foreign investment in Africa, primary from the Middle East and Asia, spikes.

Historical Analysis

Dependency Theory

This theory is critical to understanding economic neocolonialism. Dependency theory states that the wealthiest countries at the centre of the global economy will obtain resources, including human capital, natural resources, and production output, from the poorer countries at the perimeter of the global economy, leaving the latter impoverished.

The Cold War

The tension between the United States and Soviet Union led to considerable debate in the international community about whether the two nations were using neocolonialist tactics to advance their national interests. Ultimately, this led to the formation of the Non-Aligned Movement (NAM), whose members pledge mutual non-aggression, peaceful co-existence, and are not members of any power bloc.

<u>Multinational Corporations</u>

In poorer countries, multinational corporations (MNCs) are often able to exert an undue amount of influence on a country, leading to many adverse effects, including high unemployment and poverty rates and low per capita income. Because many MNCs simply exploit the cheap labour pool instead of building lasting improvements, the host country is unable to progress and becomes dependent on the MNC.

<u>International Banks</u>

International organizations such as the World Bank, the IMF, the Group of 9, and the World Economic Forum grant loans to countries, but because these countries are heavily in debt, they are often unable to repay their loans and thus largely fall under the control of these banks. Ironically, though these organizations operate on the pretence of helping countries in dire straits flourish and prosper, in reality, the burden of debt repayment is so heavy that the original problem is only exacerbated.

Current Situation

The following countries are deeply interested in the wealth of resources on the African continent and may be considered to be practising neocolonial activities.

<u>China</u>

China is accused of being a neocolonialist power with regards to its relations with various African countries. The World Financial Review has noted that China's business model for African development has only limited benefits to the local economy, specifically criticizing:

- Chinese support to undemocratic regimes. However, China is often quick to dismiss the hypocritical moralizing of some Western governments and notes Western complicity in sustaining brutal and undemocratic regimes throughout Africa, particularly in those countries that the West regards as strategically important.
- Its disregard for environmental standards. This is exacerbated by the limited capacity of African governments to enforce regulations.
- Poor labour practices. Chinese companies have been condemned for their poor labour practices, including bringing labour from China and forcing workers to accept low pay and extremely harsh working conditions.
- Unfair competition in African domestic market: China's hyper-competitive manufacturing sector has negatively affected African local industries by displacing local manufacturing firms.

Specific examples of China's involvement in Africa are cited below:

- The Chinese have extensively involved themselves in the major industries in Africa, ranging from the mining industry in Zimbabwe and Congo to the oil drilling sector in Nigeria and Sudan. China has been making several purchases across the African continent, importing platinum, copper and cobalt from Zambia and timber from Congo Brazzaville. It is estimated that the Chinese currently have investments in 27 major oil and gas projects and they have showed no sign to decrease investments in African nations. In their trips to Africa in 2006, China's Prime Minister Wen and President Hu made promises to commit US$2.5B investment in Egypt and also extended similar promises to other African nations.

- …China's zealous enthusiasm in investing in African states, however, has been placed under scrutiny. Some have attributed the country's generous investments in Africa to the fact that China needs to obtain natural resources to sustain its rapidly growing economy. China is currently importing 30% of its oil from Africa and its state-owned giant energy enterprise China National Petroleum Corporation is the largest shareholder of the Greater Nile Petroleum Operating Corporation, the company that controls almost all of Sudan's oil fields.

France

France has deep ties with many African countries, strengthened by the fact that the primary language in large parts of Africa is French. Over a hundred French conglomerates have deals in place with African countries, and the French Development Agency provides billions of dollars in aid to Africa each year. In Côte d'Ivoire, for example, the French Bouygues group is one of the country's largest utilities and construction companies, and over half of the country's foreign investment comes from France; on the other hand, allegations of neocolonialism arose when France intervened in the Ivorian Civil War in 2002.

Germany

Germany has also established several treaties and partnerships with African countries, especially concerning energy and raw materials. However, it has also stressed in the past that it is seeking to establish symbiotic relationships that are beneficial to both parties.

United States of America

The United States' interest, and the amount of money it has invested, in the African continent has increased considerably over the past few years — unsurprisingly leading to claims that it is exerting undue influence on other countries:

The United States has always been a leading source of FDI in sub-Saharan Africa, accounting for more than 37% of the capital flows from developed nations to sub-Saharan Africa during the late 90s. Though US investment in Africa remain a small part of worldwide total US involvement, FDIs in Africa has more than doubled since 1998, increasing from $7B to $18.5B…[Secretary of State Hillary Clinton reiterated the] US's opposition to any form of neocolonialism, [noting that the] "United States is investing in the people of Zambia, not just the elites."

United Kingdom

The UK's investments in Africa have grown considerably in recent history and have largely been centred in South Africa. Recently, a British biofuel company was granted a 99-year lease on land in Tanzania for free in return for promised investment by the company in infrastructure benefiting the local population — an example of a mutualistic relationship.

South Korea

South Korea is becoming more and more involved in Africa, whose wealth of natural resources make it attractive to technology companies and manufacturers. Specifically:

South Korean companies such as steelmaker HSG and electronics producer LG have announced their plans to build manufacturing plants in South Africa. Korean investments mainly flow into natural resource projects such as oil mining in Nigeria. 77% of total FDIs from South Korea goes to the mining sector. Headlines were made in 2008 when South Korea's Daewoo Logistics attempted to sign a 99-year land lease agreement with Madagascar involving 1.3 million hectares of arable land (half of Madagascar's arable land). The lease agreement collapsed under pressure from claims of neocolonialism.

India

Annually, India trades over 30 billion dollars worth of goods with African nations. At a recent summit, the Indian Prime Minister, Manmohan Singh, pledged several billion dollars in future infrastructure projects to improve transportation and to construct new manufacturing facilities, helping least developed countries move up the "value chain."

International Finance Institutions (IFIs)

IFIs, specifically the World Bank and the International Monetary Fund, are largely controlled by Western nations. Therefore, though organizations impartially provide aid to help countries develop, they have been criticized for actually being instruments through which Western nations can impose neocolonialist policies on others. Two other issues concerning IFIs have also emerged:
IFIs are also criticized for issuing loans with conditionality, which often calls for [the] liberalization of the economy and privatization of nationalized industries. Loans are only given when countries comply with program conditions and this is…[viewed by critics] to be neocolonialism backed by financial coercion.

In addition, the involvement of IFIs in [the] formulation of economic programs (i.e. Structural Adjustment Programs) in Sub-Saharan Africa…[has increased] because the…[requirements] for IMF and World Bank [funds] has increased and more technical advice from IFIs is provided to the African nations to support the execution of planned projects and policies.

African Countries

Unsurprisingly, many African states resent neocolonialist policies that often infringe on sovereignty. However:

Africa does realize its need for international investment, and must find ways to end agreements that are currently exploiting citizens and harming their economies. This is depicted in what is known as the "farmland grab trend" in which the country and its governments are lending land to investors and other nations in order to boost employment and infrastructure.

Possible solutions

While the United Nations generally believes that removing all foreign influences is impractical, it does acknowledge concerns about sovereignty and seeks to work towards a compromise.

Foreign investments are needed for the development of African economies, as seen by constant efforts of the United Nations Development Program to encourage foreign investments. However, neocolonialism can be a consequence of foreign investments. As such, regulations and measures to prevent neocolonialism in the aim of ensuring respect for national sovereignty should ideally be considered.

Suggested Reading

https://www.marxists.org/subject/africa/nkrumah/neo-colonialism/introduction.htm — Neocolonialism, the Last Stage of Imperialism (Kwame Nkrumah)

https://depts.washington.edu/chid/The_Anthology_Project/2007/Baker_Humanitarianism.pdf — Humanitarianism as Neocolonialism (Bradford Baker)

https://www.iep.utm.edu/neocolon/ — Neocolonialism (Internet Encyclopaedia of Philosophy)

https://www.washingtonpost.com/news/theworldpost/wp/2018/04/12/china-africa/?noredirect=on&utm_term=.943efb792e9e — "China in Africa is not Neocolonialist" (Washington Post)

https://thediplomat.com/2017/06/why-chinese-infrastructural-loans-in-africa-represent-a-brand-new-type-of-neocolonialism/ — "Why Chinese Infrastructure Loans in Africa Represent a Brand-New Type of Neocolonialism" (The Diplomat)

https://www.washingtonexaminer.com/opinion/op-eds/how-progressive-neo-colonialism-seeks-to-keep-africans-in-poverty — "How progressive neo-colonialism seeks to keep Africans in poverty" (Washington Examiner)