



Mains Practice Question

Q. In place of colonialism as the main instrument of imperialism we have today neo-colonialism. Comment (250 words)

11 May, 2019 GS Paper 1 History

Approach

- Define imperialism and colonialism.
- Explain the new modes of neo-colonialism through which imperialism is being extended today.
- Give conclusion.

Introduction

- Imperialism is a system in which a rich and powerful country controls other countries, or a desire for control over other countries.
- Colonialism is the practice of establishing territorial dominion over a colony by an outside political power characterized by exploitation, expansion, and maintenance of that territory.
- European colonialism began in the fifteenth century. Decolonization of European colonies took place in the years after World War II. However, the exploitation of former colonies is still undergoing through new instrument of neo-colonialism

Body

Neo-colonialism as new tool of imperialism

- **Net importer:** Developing countries exported primary commodities to the developed countries, who then manufactured products out of those commodities and sold them back to the developing countries, thereby continuing to accumulate profit through unequal terms of trade and reducing developing countries to net importers.
- **Dependent economic structures:** These non industrialized countries are caught in a post colonial down spiral. They continue to specialize in one, or a few raw material exports. These nations are described as dependent economies and they seemed incapable of autonomously altering their economic structures.
- **International Finance institutions:** The establishment of WTO, in 1994, significantly constricted the trade policy space previously available to developing countries. Further, west dominated institutions like World Bank, IMF tend to control the economic policies of underdeveloped former colonies through restructuring of domestic economies as a precondition to bail them out from fiscal crisis.
- **Obsolete technology:** Developed countries through obsolete technological export to developing countries to keep their revenue stream running and, at the same time, keeping latter countries dependent.
- Multinational Companies (MNC's) from developed countries earn profits and monopolize markets through their deep pockets in developing countries.

Conclusion

Thus the essence of neo-colonialism is that the State which is subject to it, is independent in theory and has all the outward signs of international sovereignty. But in reality its economic system and thus its political policy is directed from outside.

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