



Issue: Establishing legislation to inhibit neo-colonialism

Forum: General Assembly 4

Position: President

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Introduction

Neo-colonialism was also called the 'Last Stage of Imperialism', by former president of Ghana, Kwame Nkrumah. It is rather a 'sneaky' kind of colonialism letting it seem as if states that are subject to this new age colonialism are independent, which on paper they are, however their economic system is often dependent on the outside and therefore their political policies are influenced from the outside.

According to the War on Want research group the situation is "no less devastating in scale and impact than that which it suffered during the nineteenth century." Natural resources are deprived, and it is said that it keeps certain States 'artificially poor', benefiting the West.

While Brexit and the Mexican wall are the West's shrill cries for national sovereignty, it seeks to hollow out the same in Africa through "voluntary colonisation" - M. Tharoor

This time the oppressing powers aren't necessarily states, it is often through (trans)national companies that this new form of imperial power is executed. Above standing quote of journalist M. Tharoor underlines the hypocrisy with which western states demand to stay powerful over their own countries whilst taking this power from others. It is appalling that countries in Africa, Latin America and parts of Asia are still dealing with dependency on the West and oppressing and exploiting countries and companies. This should be abolished once and for all by establishing legislation that inhibits any form of this new age 'Neo-colonialism'.

Definition of Key Terms

Charter Cities

Is a concept thought of American economist Paul Romer that pleads for the implementation of 'charter cities' which are in essence special economic zones (SEZ's) in developing nations that

would be administered by either rich countries or powerful companies. These charter cities would offer the security of “rules” that incentivise profit, attracting foreign investment.

Neo-colonialism

Is a political term that originates from the '70s of the 20th century. It is nowadays used to describe the exploitation of less economically developed (or stable) countries (LEDC'S), by multinational companies with headquarters based in high economically developed countries. The old division of power has not changed, the oppressed are often former colonies whilst the oppressors are often former imperial powers.

Voluntary colonialism

An ideology, based on the Charter Cities ideology of Paul Romer, argues that developing nations (in Africa, Latin-America or Asia) should consider leasing portions of their countries to western states or transnational institutions in order to speed economic development and create prosperity. Which would eventually also solve the refugee flow to Europe as there would be new destinations to go to for people trying to improve their lives.

National sovereignty

This indicates the full power of a nation over itself. This is challenged by foreign influence, opinions or international laws.

Extractivism

Has had a changing definition over time. In this case, it is the extraction of materials from (under) surfaces. That may or may not cause environmental degradation. Typically these are taken out of a country without further processing.

Royalty rates

A royalty rate is a payment made by one party, the licensee (the user of assets), to another party, the licensor (the owner of assets), for the use of assets owned by the licensor. Royalty rates are often expressed as a percentage of the earnings obtained using the owner's property; however, they can also be expressed in other terms (including a fixed value), depending on the specific characteristics of the licence agreement. In the context of Africa's natural resources being used by foreign companies, the implementation of royalty rates could mean the country could share in profits.

General Overview

Developing nations are believed not to be entirely sovereign on certain areas or independent on loans and investments from more developed countries. Some say countries are 'kept poor' by

governments and (trans)national corporations of developed countries. In this overview, it is described what developments are in this issue.

In debt / dependent situations

In 2000 after a long time of bond strengthening the Forum on China-Africa Corporations (FOCAC) was concluded. China and Africa have been in consultation on the situation in Africa, infrastructure & development ever since publishing a new three-year plan when the previous period of three years is over.

This does not go without criticism from other countries saying China has 'colonial' intentions. Arguing that countries would be too deep in debt to the Chinese government to function on its own.

“Critics say the (African) country is now too deep in debt to Beijing.”

- Reuters (international news service)

However, the agreement seems to be a win-win situation, something officials of both parties underline. China offers knowledge on developing and anti-poverty aid projects and investment loans while getting access to a part of the natural resources and the markets of Africa in return. Details on the deals made between nations are lacking but arguments critics make can be refuted. The Forum calls accusations of colonialism propaganda since nothing is taken away with violence, merely exchanged in a profitable manner. It is said that China is controlling Africa's resources however many of the raw materials are still being exported to Western countries and by helping Africa create its own infrastructure it would make the countries less dependent on those importing western countries and companies.

In the following paragraphs, it is described how developing countries are still dependent and oppressed by (trans)national organisations from more developed countries.

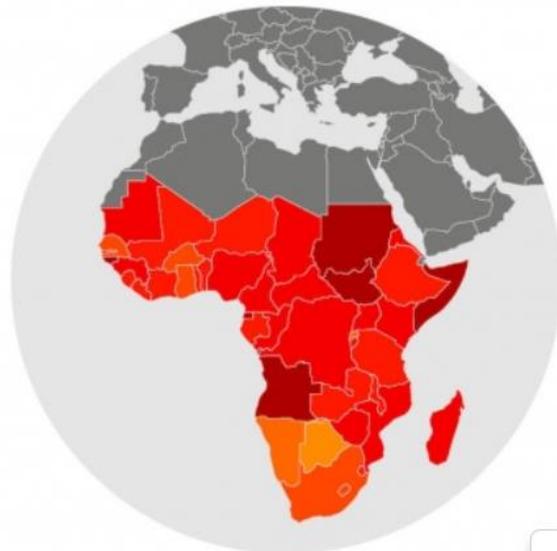
LOWEST SCORING REGION

SUB-SAHARAN AFRICA

32/100

AVERAGE REGIONAL SCORE

— SINCE 2017



Sub-Saharan Africa scores lowest on the Corruption Index by Internationaltransparency.org

Corruption is a major issue contributing to this new age colonialism. When foreign companies and countries buy influence with African governments, they have a say in the politics of the country and will influence this to their own benefit. This gives a disadvantage for all the people in the country except the people that are bribed; the highest group of society.

Tax evasion

According to the UN Economic Commission for Africa (ECA), multinational companies illegally transfer more than \$100 billion in unpaid taxes out of the continent every year. The countries that deal with this issue lack tax obligations and royalty rates (explained above) on the resources that are extracted by Northern corporations. There is a clandestine system that facilitates illicit financial flows and corporate tax avoidance through secrecy laws, tax havens and shell companies. This is a global problem which worsens the situation of developing countries as they cannot profit optimally of material extraction from their property.

Dumping grounds

This can be approached in two different ways. Markets of developing countries have long been dumping grounds of western exporters. Everything that is not sold in the mother countries is dumped in developing countries, sometimes second-hand clothing is sent to those countries with an intention to help only to actually hurt local producers and the local economy.

Extractivism and accompanying exploitation and environmental degradation is the other approach and also a huge issue. Extractivism, explained above, can have huge effects on environments, the local economy and societies. When companies suddenly leave, they might

leave a negative affected nature and environment and they leave a lot of workers unemployed which can have disastrous outcomes for the community. Besides this, they do not always treat the labourers like they are supposed to. They are literally dumping problems without looking back once they leave. Companies should not be allowed to get away with the labour violations, human rights abuses and environmental degradation that is currently taking place.

Raw material resources

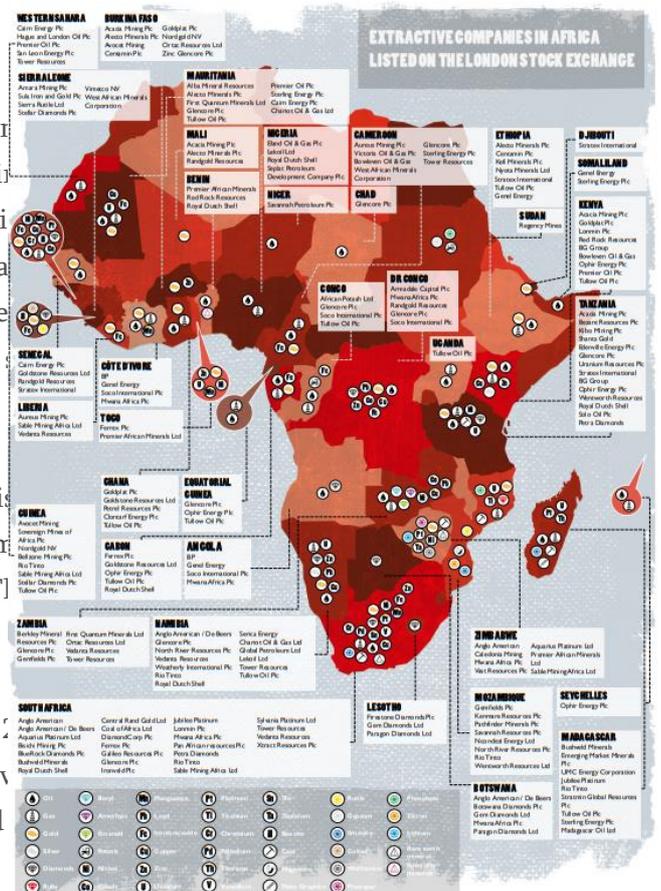
According to a research done by the War on Want organisation the exploitation of Africa's natural resources (gas, oil etc.) leaves African countries losing tens of billions every year, higher than some countries' GDP. Whilst Africa is stripped bare of its resources and of its revenues, leaving it poorer still, it still remains one of the main regions receiving international aid.

This is due to the fact that only the mining of raw materials is done in African countries, the processing that allows the value of the materials to rise is done by companies in Northern countries whose governments, together with institutions such as the World Bank, have effectively seen to it that Africa is only a primary resource provider. This approach to mining in Africa is centuries old and has resulted in no benefit for African economies, African workers and African communities. Mining companies are still being foreign owned.

Without being able to read what it says this image or shows the presence of foreign (western) companies in developing nations on the African continent. Based in countries including the United Kingdom, Ireland, Cayman Islands and The Netherlands. The three are known to also be home to shell companies whose true origin of the company is not 100 per cent sure.

The lists in the white squares consist of companies listed on the London stock exchange that are extracting raw materials from the lands of the different countries in Africa. The circles indicate the different sorts of raw materials.

As you can see the lists of companies vary from 1 to 2 present in one country. The different raw materials vary from 1 to 18 sorts and include gas, oil, different kinds of metals, gemstones, minerals, chemical units.



Extractivism of the high seas

Since a few years, the quality of the mining techniques to extract precious ores from the seabed has increased. While the value of these ores has risen simultaneously because the metals that can be extracted from the ores are used in the production of phones and other digital assets. A problem that started in the sixties of the last century has therefore grown. This includes companies that claim soil in the high seas, these are ocean territories that aren't necessarily owned by any country. This is on its own not directly a problem however the extraction of these minerals does not occur without negatively affecting environments. There are also people that go (whale)fishing here because it is not a regulated area. Someone should supervise these actions and demand accountability for the extraction and the damaging of the environment by the companies. Unfortunately, since these areas are not 'owned' by anyone companies can claim these new 'colonies' and proceed as they wish.

This would not seem like something you would think of when hearing the word 'neo-colonialism' but is definitely a very pressing issue of this time.

Colonial based ideologies as an attempt to help with economic development

Paul Romer, an American economist that used to work for the World Bank, advocates charter cities (Special Economic Zones with their own jurisdiction, rules and law enforcement) in developing nations. Supporters of this concept see Singapore and Hong Kong as its inspiration and success models. Romer almost convinced the Madagascar government to cooperate in 2009 until this was cancelled due to public protests. These special economic zones are being tested in Honduras since 2011 with Paul Romer supposedly closely monitoring the process. However, in September 2012 news came that the government had signed a deal with the Neumann Kaffe Groupe (NKG) business consortium that is engaged in the worldwide production and distribution of coffee. Any deal was supposed to be viewable for the 'Transparency Commission' composed by the president in 2011, the administration of this decree was never published and had, therefore, no legal basis. Many people in Honduras now believe the SEZ's only benefit the rich. Because of this scheme transparency in this very influential deal on SEZ's lacked existence.

Besides this issue of transparency, the ideas of charter cities or 'voluntary colonialism' endorsed by Günter Nooke, a senior German official, in 2018 advocate the exchange of national sovereignty for economic development. In this case, sovereignty over laws concerning labour rights and environmental laws that, when given out of hand, could allow the 'investors' to extort the area and its inhabitants, since governments lose the ability to hold corporations to account of any violations. These models that are an attempt on helping developing nations to develop, and indirectly solve the economic refugee issue, are helping corporations make an easy profit instead of truly helping the nation.

Major Parties Involved

Honduras

Made a deal with a private investor in 2011. This deal was never published and the 'Charter Cities' that were meant to emerge from the ground never did. The people of Honduras believe the deal was only beneficial for the higher part of society. The experiment of Paul Romer's ideology failed completely.

Developed countries;

United Kingdom

In the research done by War on Want it seems that most companies present in Africa are based in the United Kingdom. The government should stop supporting those companies and collect a tax that is paid over processing materials that are extracted in other Less economic developed countries.

France

Has companies that are active in regions in Africa especially in their former colonies.

Canada

Also Canada has some companies that are active in Africa.

The Netherlands

Is also among the list of countries that have companies working in Africa, however, this can also be because The Netherlands is home to the shell company of a company that is (again) based elsewhere.

China

Is getting more and more active in Africa, funding projects concerning infrastructure.

African Union (AU)

This is the forum of the region that deals with neo-colonialism the most and has, therefore, a major part in this discussion. For them, it is beneficial if neo-colonialism is inhibited as soon and as strict as possible.

Association of Southeast Asian Nations (ASEAN)

Singapore, Brunei, Thailand, Vietnam, *Philippines, Cambodia, Indonesia, Laos, Malaysia, Myanmar*. Of which six out of ten countries the *cursive* ones have low GDP's and are subject to this new age colonialism.

Timeline of Key Events

November 2018	Günter Nooke proposes 'Voluntary colonialism' in the African developing nations, this is dismissed by the African Union and causes resentment by the people, naming it 'hipster colonialism'
2009	Madagascar government almost cooperates with Paul Romer's Charter Cities ideology
10 - 12 October, 2000	First ministerial conference of the Forum on China Africa Cooperation (FOCAC)
10 December, 1982	The latest UNCLOS treaty: "The constitution for the oceans" was opened for signature on 10 December 1982 and entered into force on 16 November 1994.
17 December, 1970	General Assembly of the United Nations declares that the seabed with its resources is, beyond national jurisdiction, the property of mankind and thus all benefit from these seas should apply to all, disregarding the location of States.
1960	UNCLOS II, emphasizes the need for a new UNCLOS in the future
29 April, 1958	First United Nations Convention on the Law of the Sea (UNCLOS I) treaty signed, entered into force on 30 September 1962.
1955	China & African countries meet for the first time

Previous attempts to resolve the issue

The issue is widely discussed across the globe however real attempts to resolve the issue on a worldwide level by the UN or other international organisations are absent. There are partial attempts.

On the High seas, the latest convention on the law of the sea was opened for signatures in 1982 and became active in 1994. This convention regulates seabed mining and cable-laying. There are also international organisations that look after the seas but an overarching treaty that tackles all aspects of this issue is still absent. This treaty will also have to include a section on protecting biodiversity and limiting exploitation.

The FOCAC ensures development in Africa so that it can become more independent, this can be seen as a solution from the Chinese government however some might be critical about this too.

Possible Solutions

It is important to keep in mind the idea of free trade.

Tax evasion

- We should be supporting developing countries in imposing tax obligations, rates etc.
- Tax evasion system needs to be dismantled this requires global tax rules to be rewritten. For fair and transparent international tax rules to be established, countries in Africa need equal involvement.
- Pressure needs to be put on governments of developed countries to stop supporting a system that enables multinationals domiciled or listed in those countries to avoid paying taxes where they operate, which is facilitated by their tax havens.

Extractivism of raw materials

- We need to be demanding that governments enforce corporate accountability.
- High seas need jurisdiction.
- Governments should not be supporting primary resource extraction by Global North based companies.
- The focus should be on maximising the potential of resource wealth for the development of countries in the Global South. This means seeing developing countries as a producer of manufactured and processed materials, which have a higher value than raw materials instead of only a low-cost supplier of raw materials.

Extractivism of the high seas

A new treaty will have to be formed including the protection of biodiversity, the limitation of exploitation, a fairer division of the benefits of the extraction of high-value materials and assigning marine protected areas so that whale hunting can be monitored and limited.

Ideologies & western views

SEZ's and flexible rules do not necessarily contribute to the wellbeing of all inhabitants or the environment. Sovereignty is challenged by schemes that link to economic development. Positive views of charter cities and voluntary colonialism in Global Northern countries should be challenged and. Awareness of the situation and willingness change it by ending corruption, tax evasion and extortion are necessary for change.

Appendix

United Nations Convention on the Law of the Sea

http://www.un.org/Depts/los/convention_agreements/texts/unclos/unclos_e.pdf

The bibliography is in order of topic so if anyone wishes to do further research on a specific (sub)topic links can be found below.

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