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English Essay Mock. - Oct' 2024. ①

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ECONOMIC IMPERIALISM: FACT OR FICTION?

1) Introduction:

Thesis Statement:

Economic imperialism refers to the influence of a powerful country over less powerful countries through economic means; the control over their resources, markets and trade processes. It leads to the exploitation of the less powerful countries, while the dominant country get benefitted through it. The debate is whether the economic imperialism centers on ~~whether~~ with a strategy or its a natural outcome of global economics dynamics.

2. Historical context:- i) British East India Company.
ii) American influence on Latin America.

3. Theoretical perspective: (i) Marxist theory, dependencency theory and World system theory.

4. Economic Imperialism in Modern Era:-
(i) The role of multinational Corporations (MNCs) and trade Agreements. (IMF & WB)
(ii) Debt cycle trapping the weaker nations.

5. Globalization and economic development:-
Case study of China and South Korea.

6. Effects of Economic imperialism:-

7. Conclusion.

The economic imperialism has roots in the colonial Era where Europeans powers established their control over vast territories in search of more resources and economic gains The industrial revolution is the main reason behind the race of economical gains. The large capital in the industrialized nations wanted fresh customer and larger markets and more investment opportunities, which ultimately become the driving force of economic imperialism. Economic imperialism refers to the process through which powerful nation control over less powerful nations through economic means, they control their resources, markets and trade process and this results into the exploitation of the less powerful nations. This reinforce inequalities and injustice. The economic imperialism is strategy or a natural outcome of the economic dynamic and globalization, this debate is an ongoing one.

In the 19th and 20th century the concept of economic imperialism is seen, the most common example is of the East India Company which exerted significant control over India; Similarly, other countries like the United States of America ~~extend~~ its influence on Latin America, through Monroe Doctrine and engaging its trade activities through different corporations. According to analysts, the economic motivations behind imperialism is to find new markets and to sustain their economies. The extraction of raw materials and the establishment of monopolies in the given examples are classic examples of economic imperialism. The investment opportunities and the captialists mind set led the expansion into foreign territories.

The economic imperialism is not only a phenomena which only include capitalism but also expansion and control over the territories also comes under this process. But it all starts with the economic expansion and investment.

There are different theories are developed to understand this phenomena. For example Marxist theories of imperialism is developed by Lenin & Rosa Luxemberg; argue that imperialism is an inevitable outcome of capitalism. The concentration of capital and the formation of monopolies in the advanced capitalist countries lead to the export of capital to less developed regions. This creates a dependency relationship between the powerful and less powerful nations where the less powerful and less developed countries become economically subservient to the imperial powers, who are powerful and more developed and economically very strong. The economic development of wealthy nations are at the expense of poor nations. The latter are trapped in a countinuous cycle of dependency, where their economies are structured to serve the needs of the dominant countries.

According to Immanuel Wallerstein, who proposed the World-systems theory; the world is categorized into three types such as, core, semi-periphery and periphery nations. The core nations are economically developed and have control over the global economy. Semiperiphery and periphery countries are less developed and are exploited by the core countries for their resources and services. This hierarchy perpetuates economic inequality and dominance of core nations.

Modern interpretations often focus on the role of multinational corporations and global financial institutions in perpetuating economic imperialism. Multinational corporations are often seen as the manifestation of imperialism. These corporations usually have their headquarters in developed countries, establish operations in less developed countries to take advantage of resources and services such as labor, which is cheap due to either overpopulation or less stability in the economical structure. This indirectly benefit the developed country, while host country receives minimal economic benefits. This eventually leads to other problems like, poor working conditions, environmental degradation and economic dependency. The host country is stuck in a vicious cycle of dependency on the developed country which further detoriates its stability both social and economical.

Similarly, the trade agreements, such as the North American Free trade Agreement (NAFTA) and the Trans-Pacific Partnership (TPP) have been criticized for perpetuating economic imperialism. These agreements mostly favours the powerful nations and multinational corporation at the expense of weaker nations economy and stability. They often include provisions that protects the intellectual property and investment rights of corporations, while limiting the ability of developing countries to implement policies that promote local industries. Debt dependency is another form of economic imperialism. Developing countries often rely on loans from international financial institutions, such as International Monetary Fund (IMF) and World Bank (WB), to finance their development projects which are mostly recommended by the multinational corporations, and to reduce the difference in their spending and collecting in fiscal budgets. The loans usually comes with conditions that requires the borrowing countries to implement structural adjustments which includes austerity measures, privatization of public services and trade liberalization. These conditions can lead to economic instability and increased dependency on foreign aid.

While there is substantial evidence supporting the existence of economic imperialism, some scholars argue that it is a myth or an oversimplification of global economic dynamics. They contend that economic interaction between nations are complex and cannot be reduced to a simple narrative of exploitation and dominance. Proponents of globalization argue that economic integeration and free trade benefit all participating countries. They claim that globalization leads to economic growth, technological transfer and improved living standards in developing countries. The economic disparities are explained not as a result of imperialist policies but rather the outcome of different stage of development and comparative advantage. The example of south Korea and China, that leveraged foreign investment and trade, successfully, to achieve rapid economic development. The policies implemented attracted the foreign capital while maintaining the control over key sectors of their economies.

Despite, some example of progress, the Globalization and neoliberal policies have led to increased economic interdependence, but also to greater economic disparities. MNCs and the trade agreements often wield significant power and influence over the local economies and politics as well. IMF and WB are criticized for imposing policies that benefits the wealthy nations at the expense of poorer ones. Proponent argue, that the economic imperialism is evident on the exploitation of resources and labor in developing countries by powerful nations and corporations. They point to the control over markets and policies, and interference in the politics as well, resulting in instability and social unrest leading to economic disparities. These are clear indication of imperialist practices.

In conclusion, economic imperialism is a multifaceted concept that cannot be explained through some examples. It is a lens through which we can analyze the complex and often unequal economic relationships between nations. By understanding the history and the theories presented by the scholars, we can debate over the subject and strive to explore towards a more equitable global economic system. This debate is an ongoing one. While the evidences of globalization and agency of developing countries highlights the benefits, on the other hand there is compelling evidence of powerful nations and multinational corporations exploit weaker nations for economic growth.