“Neocolonialism” Revisited: An Empirical Enquiry into the Term’s Theoretical Substance Today

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ABSTRACTS

Der Begriff des „Neokolonialismus“ geht davon aus, dass auch nach der formalen Unabhängigkeit ehemaliger Kolonien von den europäischen Empires weiterhin eine ökonomische Abhängigkeit der Staaten von den Metropolen und Institutionen des Westens fortbesteht. In den 1960er und 1970er Jahren hat sich der Begriff zu einer zentralen Analysekategorie antikolonialen Denkens entwickelt und wird im Zeichen der gegenwärtigen Globalisierung heute erneut als Erklärungsfaktor verwandt. Der vorliegende Aufsatz testet den analytischen Gehalt des Terminus, indem er ihn an zwei konkreten historischen Beispielen überprüft. Es handelt sich um die ökonomischen Interventionen des Britischen Empire im indischen Bengal zwischen 1870 und 1930 und das Eingreifen internationaler Finanzinstitutionen im zentralafrikanischen Sambia im Rahmen sogenannter Strukturanpassungsprogramme in den späten 1970er und 1980er Jahren. Trotz gewisser Kontinuitäten in den ungleichen Wirtschaftsbeziehungen über die politische Dekolonisation hinaus, so argumentiert der Aufsatz anhand der beiden Fälle, ist das Konzept des„Neokolonialismus“ als analytisches Werkzeug wenig hilfreich. Es vernachlässigt die Agency lokaler Akteure, übersteigert die Macht der imperialen bzw. neokolonialen Metropole und ist blind für die tatsächliche Wandlungsfähigkeit internationaler Wirtschaftsbeziehungen. Der Aufsatz plädiert stattdessen für den Begriff des „globalen Kapitalismus“, der die ambivalenten Motive und Folgen ökonomischer Interventionen besser erfassen kann, ohne existierende Machtungleichgewichte zu verschleiern.

The term “neocolonialism” refers to the situation of former colonies remaining dependent on the metropoles and institutions of the West even after they achieved formal independence from the old European empires. In the 1960s and 1970s the term became a central category of analysis for anticolonial thought and even today, in the face of another wave of globalization, it serves as an explanatory factor. This essay examines the term’s analytical power by confronting

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it with two specific historical case studies. These are the British Empire's economic intervention in Indian Bengal between 1870 and 1930 and the engagement of international financial institutions in central African Zambia in the name of structural adjustment during the late 1970s and 1980s. Notwithstanding certain continuities in unequal economic relations beyond the point of political decolonization, the essay argues that the concept of "neocolonialism" is not helpful as an analytical tool. It neglects local agency, overemphasizes the power of the imperial or neocolonial metropole and ignores the actual transformation of international economic relations. Instead, the article advocates the term "global capitalism", which better grasps the ambivalent motives and consequences of economic interventions without disguising existing power differentials.

Neo-colonialism is […] *the worst form of imperialism.*
For those, who practice it, it means power without responsibility
and for those who suffer from it, it means exploitation without redress.
Kwame Nkrumah, 1965

As a concept Neo-colonialism is as disempowering as the conditions it portrays.
Robert J. C. Young, 2001

Neocolonialism came up with the experience of post-colonial economy. The term seemed to catch the very situation of many former colonies in Africa, the Middle East and Asia after formal independence in the 1950s and 60s. Their new political sovereignty did not go along with economic autonomy, but seemingly was accompanied by a perpetual economic dependence on the former metropoles in the West.[1] For Kwame Nkrumah, anticolonial leader and first president of Ghana, who coined the term in 1961, invisible modalities – economic, ideological, political, and cultural – secured an ongoing control of the former imperial centres over nominally independent nations, above all through new forms of corporate and financial forms of capital: "The essence of neo-colonialism is that the State which is subject to it is, in theory, independent and has all the outward trappings of international sovereignty. In reality its economic system and thus its political policy is directed from outside."[2] Nkrumah's personal experiences had been crucial for developing the concept. In 1957, when his country had just achieved political inde-

1 See for the term's connotation and definition: International Encyclopedia of Human Geography, Amsterdam 2013, p. 360 ff.; The Encyclopedia of Global Human Migration, ed. by I. Ness, vol. II, p. 523ff; see also the entry "neoliberal globalization and migration", ibid., vol. II, p. 2290ff.; B. C. Smith, Understanding Third World Politics. Theories of Political Change and Development, chapter 3, The Politics of Neo-Colonialism and Dependency, pp. 54–76, 3rd ed. Bloomington 2009; R. J. C. Young, Postcolonialism. A Historical Introduction, chapter 4, Neocolonialism, pp. 43–56. For an introduction into dependency theories, closely related to the concept of neocolonialism, see, for instance, W. L. Bernecker/Th. Fischer: Dependency Theories, in: Itineriario 22 (1998) 4, pp. 25–43; A. Ziai, Development discourse and global history: from colonialism to the sustainable development goals, London 2016.

2 Kwame Nkrumah, Neo-Colonialism. The Last Stage of Imperialism, London 1965, p. ix. Nkrumah first used the term in idem, I speak of Freedom. A Statement of African Ideology, 1961; for similar statements on inde-

pendence, he had been overly sanguine. Now that the former Gold Coast was liberated economic development would quasi-automatically follow, as he believed. The former student of theology at Lincoln University in Pennsylvania phrased his famous motto in biblical terms: "Seek ye first the political kingdom, and all things shall be added upon you", and he promised to turn Ghana into an industrialized paradise within a decade. A few years later, however, his ambitious development schemes had failed, not the least due to depressed prices cocoa, Ghana's main export commodity, fetched on world markets. Also, Ghanaian attempts at industrialization had brought important parts of the economy into the hands of multinational companies. Now his training as an economist and his contact to Marxist influenced intellectuals, like C. L. R. James, during his years in the United States seemed of greater importance. Obviously referencing Lenin, in 1965 Nkrumah explained economic failure as the result of neo-colonialism, "the last stage of imperialism".[3]

The concept of neocolonialism soon became an integral part of African and Latin American anti-imperial theorizing and with time a constituent of broader left-wing analyses of the Third World's political economy and critical development work up to the 1980s. Afterwards it fell out of fashion due to the dominance of economic principles as marketization and liberalization and the fragmentation of Third World unity facing debt crises and the success of the Asian "tigers".[4] With the advent of globalization in general, and the obvious failure of structural adjustment programmes in Africa and elsewhere, the term is experiencing a new renaissance since the late 1990s, not always in wording, but certainly in substance. Anti-globalization movements put their critique of corporate power, the enlarged role of finance capital in the impoverishment of the Global South and of the "imperialistic" role of multilateral development institutes as the International Monetary Fund (IMF) or the World Bank in the centre of their protest. On the website of the World Social Forum, founded in 2001 as a network to coordinate anti-globalization movements, neocolonialism is prominent and its use is entirely consistent with Nkrumah's definition.[5] The political and cultural meanings of the term loom even larger in todays' anti-globalization critique, focusing on fields like land concessions and pros-

pendence, see Africa and the West. A Documentary History, vol. 2, From Colonialism to Independence, 1875 to the Present, Chapter 5, pp. 149–183.

3 Kwame Nkrumah, Ghana. The Autobiography of Kwame Nkrumah, London 1957, p. 164. Idem, Neo-Colonialism. On Nkrumahs biography and thought, see D. Birmingham, Kwame Nkrumah. The Father of African Nationalism, Athens 1998; B. Davidson, Black Star. A View of the Life and Times of Kwame Nkrumah, Oxford 2007; B. Lundt / Ch. Marx, Kwame Nkrumah 1909–1972. A Controversial African Visionary, Stuttgart 2016; A. Biney, The Political and Social Thought of Kwame Nkrumah, New York / Houndmills 2011, pp. 131–133. On the situation in Ghana see also F. Cooper, Africa Since 1940. The Past of the Present, Cambridge 2009, pp. 161–163; R. S. Gocking, The History of Ghana, Westport/London 2005, pp. 115–145.

4 See, for instance, G. Garavini, After Empires. European Integration, Decolonization, and the Challenge from the Global South 1957–1986, Oxford 2012, pp. 241–249; M. Mazower, Governing the World. The History of an Idea, London 2012, pp. 343–377; V. Prashad, The Darker Nations. A People's History of the Third World, New York / London 2007, pp. 207–259.

5 The Charter of Principals specifies the Forum is opposed "to neoliberalism and to domination of the world by capital and any form of imperialism". https://fsm2016.org/en/sinformer/a-propos-du-forum-social-mondial/ (accessed 4 October 2018). See also E. N. Sahle, World Social Forum: Re-imaging Development and the Global

pecting rights, multilateral aid donors, military invasions, or biodiversity. The political renaissance of the concept as an explanation of the consequences of globalization has spurred our thinking to reassess the term historically. Which definition of colonialism does the term carry and is it consistent with current historical research on colonial economy, informed by global history? Can neocolonialism adequately describe the relations between the newly independent states of the Global South and their former metropoles in the 1970s and 1980s? And finally, though only in a preliminary way, is the term a conceptual tool capable to explain the features and consequences of current globalization, as its proponents claim?

Neocolonialism as an analytical tool underwent varied critique of historians and political scientists alike. A key element is the high "level of generality" devoid of conceptual precision and historical specification while reducing the function of Third World states to external economic intervention and influences from outside.[6] This is precisely the point our analysis takes as a starting point by focusing on two distinct historic economies over time, one colonial, one postcolonial. The first example is a "classic" case of imperial intervention that is British India between 1870 and 1930, with a particular focus on Bengal and Western India under formal colonial rule. The second case takes up the example of Zambia since the late 1970s and the way the African state dealt with the "structural adjustment programmes" of IMF and World Bank, where, as one historian recently noted, "the 'hidden hand' of neo-colonialism appears to show itself in a rather concrete and threatening form."[7] Focusing on the dynamics of these two economic interventions we attempt to probe the seemingly clear-cut historiographical periodization assuming an end of colonialism after formal decolonization as much as the equally suggestive rhetoric of an informal continuity of colonial control of the Global South through agencies of the West.

The term neocolonialism following Nkrumah's lead also today refers mainly to economic intervention assumed to result in exploitative relations between states of the Global South and Western centres of capital. Given the scope of this paper with its aim to proceed historically through a vast and rich field of research, it deliberately leaves the political and cultural aspects of neocolonialism out of the analysis. Mainly three aspects define economic intervention as our prime concern. First, economic intervention contains a direct interference in the sovereignty of a foreign economic policy, often supported by political pressure or military means. Second, the intervening party often attempts to open the economy of a peripheral region for the global market. Transfers of commercially valuable raw materials and commodities from local plants in various parts of the colonial world consequently result in a closer entanglement between centres and peripheries with

South Beyond the Neo-Colonial Gaze, in: J. Blau / M. Karides (eds.), The World and US Social Forums: A Better World is Possible and Necessary, Leiden 2008, pp. 223–238.

6 See Smith, Understanding Third World Politics, p. 73. For an impressive empirical study to deconstruct "Neo-Colonialism", see N. J. White, British Business in Post-colonial Malaysia 1957–70. "Neo–colonialism" or "disengagement"?, London 2004.

7 D. Rothermund, The Routledge Companion to Decolonization, London / New York 2006, p. 274.

the intention to favour the former. Third and finally, economic intervention is often accompanied by pressure on the indigenous society to specialize on few raw materials or food crops. This way, it has the capacity to enforce a more homogenous labour force increasingly dependent on international monopolies.
With this definition of economic intervention as an operational device, our paper proceeds in four steps. It first sketches briefly the genealogy of the concept and its forerunners, particularly with regard to India in the 19th and to Africa in the 20th century. Second, forms and consequences of British economic intervention in 19th-century India concerning its manufactural system, its export situation and the labour market are discussed with a special focus on global history's new perspectives. Third, the impact of the "structural adjustment programmes" on late 20th-century Zambia imposed by international organisations are explored, looking particularly at the retreat of the state and the reopening of its economy to the world market. Fourth and finally, the question whether postcolonial economy is coined by an informal continuity of colonial control or whether alternative economic frameworks can better characterize these constellations is discussed and a preliminary answer given.

I. From "Drain" to "Neocolonialism": Criticising Colonial Economics

"Foreigners come here and in a short time earn enough to live in comfort back home, and our country is being pumped dry in the process."[8] The popular sentiment that *Jnananeshan*, the mouthpiece of the Young Bengal movement, expressed in 1834, echoes arguments exchanged since the East India Company's intrusion into Bengal around 1760 until today. The basic narrative of "drain" as the dominant paradigm for India's economic situation under British rule and thereafter maintains that imperial intervention enriched Britain's economic stability while removing resources from India capable of pushing its own modernization. The concept served basic needs of the Indian nationalistic movement since the late 19th century and has remained a core argument of subsequent postcolonial governments as well as historiography in the 20th century. The way historians applied this formula was by trying to present evidence of gains and losses between India and Great Britain, keeping data, processes, and arguments within the realm of one centre and one periphery. This way, economic questions became often renationalized by reducing a variety of agents and agencies to two camps: an indigenous, national periphery and an imperial core. The debate has been relentless, but obviously failed to come to any broadly accepted result. The strong political agenda, which "drain" carries, is probably one reason, why, as David Washbrook has put it, "the battle may […] have generated more heat than light."[9]

8 Jnananeshan, 9 August 1834, quoted in S. Sarkar, Bengali Entrepreneurs and Western Technology in the Nineteenth Century. A Social Perspective, in: Indian Journal of History of Science 48 (2013) 3, pp. 447–475, quote 447.
9 D. Washbrook, The Indian Economy and the British Empire, in: D. Peers / N. Gooptu (eds), India and the British Empire, Oxford 2012, pp. 44–74, quote p. 45.

The basic idea that Britain "drained" India's wealth leading to exploitation and impoverishment makes it appear a direct forerunner to the term "neocolonialism", appearing in the 1960s. Paul Baran, André Gunder Frank, and others discovered the Indian nationalistic texts, which presented models of colonial exploitation and used it for their own work on terms-of-trade, dependency theory and world inequality.[10] For Raúl Prebisch, the long-standing head of the Economic Commission for Latin America, raw material exports from Latin America or other poor regions on the periphery of the world economy structurally fetched ever lower prices compared to the industrial products of the metropoles. This inevitably led to the frustration of all the development plans of the world's poor countries.

In the following decades, the Economic Commission for Latin America turned into the breeding ground for dependency theory, which in turn caught the attention of future African leaders, Nkrumah being among the "perhaps most influenced".[11] Although the concepts of "drain", "terms-of-trade" and "neocolonialism" differ in their temporal and regional origin, as well as in their focus on colonialism versus postcolonial times, the similarities in substance are obvious. All concepts argue that economic relations between North and South were per se exploitative serving exclusively the interests of Western centres of power and capital. This can include a forced extraction of surplus through colonial states, unequal exchange between states of the Global South and North, or intervention through transnational banks and multilateral development agencies.

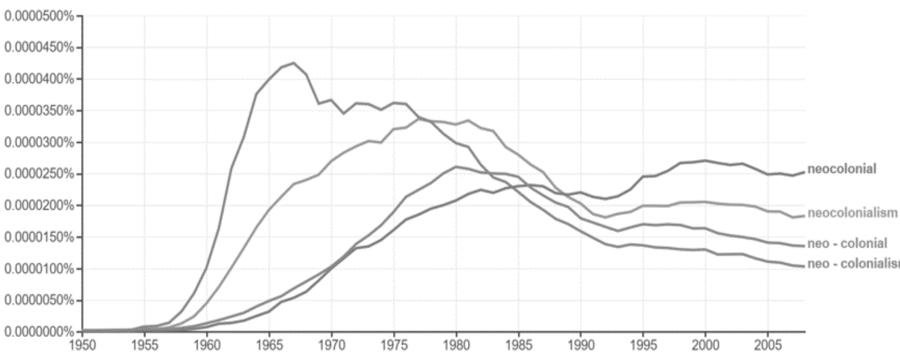
The critique which concepts like "drain" or "neocolonialism" as analytical concepts have earned centres on the static geography of power implied in which colonial or postcolonial actors exert almost no economic agency of their own. Assuming their genuine powerlessness and passivity underestimates the impact colonized actors as well as the independence movements themselves made and rather perpetuates stereotypes of helplessness while showing sympathy. The changing modes of agency, resistance, accommodation or assertion within colonial and postcolonial relations are therefore not adequately reflected in such theories. Besides, these concepts carry a moral standing, often arguing with a generic sense of unjustness, which particularly in the case of "neocolonialism" often overshadows its analytical content. Despite these shortcomings, "neocolonialism" seems to be back on the political agenda. A view at Google Ngram (see graph, next page), a tool to chart the frequency of use of any expression in the millions of books Google digitized during the past years, shows the gradual recovery of the term, which becomes even more pronounced if you limit the search to American English.

10 See T. Roy, The British Empire and the Economic Development of India (1858–1947), in: Journal of Iberian and Latin American Economic History 34 (2015) 2, pp. 209–236, at p. 212.

11 R. Vokes, African Perspectives on Development, in: T. Binns / K. Lynch / E. Nel (eds.), Handbook of African Development, New York 2018, pp. 10–18, here p. 12 f. A key text for terms-of-trade theory is R. Prebisch, The Economic Development of Latin America and Its Principal Problems, New York 1950. See also E. Dosman, The Life and Time of Raúl Prebisch, 1901–1986, Montreal 2009. And on dependency theory Bernecker / Fischer, Dependency Theories.

The terms' revivification often couched in related terms like "re-colonisation" or "neo-liberalism" as a process seems to indicate that a certain understanding of colonial economic relations informs todays' explanations of North-South relations better than current analytical terms seem capable to. Still working as a combative catchword for postcolonial elites and activists, it also recently reappeared as an analytical concept in the social sciences. Mark Langan, for instance, has very recently argued that "the concept of neo-colonialism, as originally proposed by Nkrumah, remains valid for critical assessment of African countries' position within the globalised market economy."[12] A brief and very selective account of India's economy under colonial rule and the ways Indians themselves dealt with the British intervention will provide a first historical grounding of the consequences of economic intervention and puts neocolonialism, so to say, under a historical stress test informed by global history.

Bibliometric analysis of the terms 'neocolonialism' and 'neocolonial', 1950–2008[13]



II. Indian Economy under British Rule in a Global Context

Situating Britain's intervention in India's economy has been an object of an extremely extensive historiography without coming to a consensus so far. Mainstream Indian interpretations tend to presume that market integration with the imperial economy stunted the pattern of indigenous development and tended to explain India's "underdevelop-

12 M. Langan, Neo-Colonialism and the Poverty of "Development" in Africa, London 2018, p. 27. See also A. Ziai, Neokoloniale Weltordnung? Brüche und Kontinuitäten seit der Dekolonisation, in: APuZ 44–45 (2012), pp. 23–30.

13 Google Ngram Viewer, https://books.google.com/ngrams/graph?content=neocolonialism per cent2Cneo-colonialism per cent2Cneocolonial per cent2Cneo-colonial&year_start=1950&year_end=2018&corpus=15&smoothing=3&share=&direct_url=t1 per cent3B per cent2Cneocolonialism per cent3B per cent2Cc0 per cent3B.t1 per cent3B per cent2Cneo per cent20- per cent20colonialism per cent3B per cent2Cc0 per cent3B.t1 per cent3B per cent2Cneocolonial per cent3B per cent2Cc0 per cent3B.t1 per cent3B per cent2Cneo per cent20- per cent-20colonial per cent3B per cent2Cc0 (accessed 3 October 2018).

ment" primarily through Britain's "development."[14] Recent economic research informed by global history refrains from such renationalizing of economics and rather tries to situate India "as a crucial pivot in a multilateral system of imperial economy and force", as David Washbrook has proposed.[15] Given this state of research the following remarks based on current research do no more than simply highlight selective cases with special regard to the key markers of economic intervention as defined above: interfering with a foreign economic policy, opening the economy to global markets, and pressing the cultivation of certain crops.

Britain's prime interests in India lay in military needs, revenue operation, and the expansion of overseas commerce. The backdrop of enforcing these aims with brute force was an astonishing abstinence of interest in domestic markets. A first short inquiry into India's artisan production and the role of weavers, merchants, and consumers in small towns in Western India after 1870 challenges the notion of intervention as an over-arching colonial scheme. [16] The first half of the 19th century with imperial expansion into India had brought about a disruption of pre-existing commercial networks with Indian and African states ceasing to act as main customers of cloth. A deep depression between 1820 and 1850 gave way to a changed constellation for small-scale artisans representing a major employment group and constituting around 10 million people in the early twentieth century.[17] In the Bombay presidency, the centre of India's textile industry, the availability and cheaper price of machine-made yarn often imported from England enhanced the Indian weaving family's ability to tailor its products to buyers' specifications. By flexibly using machine-made materials for their handmade cloth the production became closer associated with international capitalism, shifting the artisan economy from a precolonial global context to a new reliance on imperial networks for their raw material.

A further reason for the gradual reinvigoration of handloom weaving after 1870 were new forms of demand. The "drain" argument shares with the paradigm of "neocolonialism" the bias against analysing consumption patterns privileging production at the expense of demand. Because of the British encouraging and enforcing sedentary agriculture, peasants became increasingly consumers of the cloth market. The Indian "Adivasis", for example, a group of rural poor, came to reside in regions of sedentary agriculture developing new ideas of modesty. Men adopted the dhoti, women the sari, both made by small producers in Western India's small towns. A further source of expanded demand came from large urban centres like Bombay, Ahmedabad and Poona, where new styles of public life and new forms of social expectation triggered new kinds of buying patterns. Here, the shares of industrialized cloth in the total market of the Bombay presidency

14 See L. Chaudhary, Introduction, in: L. Chaudhary (ed.), A New Economic History of Colonial India, London 2016, pp. 1–14.

15 Wasbrook, The Indian Economy, p. 54. See for an early forerunner K. N. Chaudhuri, India's International Economy in the Nineteenth Century: An Historical Survey, in: Modern Asian Studies 2 (1968) 1, pp. 31–50.

16 See for the following above the painstakingly researched study of D. Haynes, Small town capitalism in Western India. Artisans, Merchants, and the Making of the Informal Economy, 1870–1960, Cambridge 2012.

17 Ibid., p. 2 f.

declined while the handloom-made held theirs. One reason was that men tended to consume mill-manufactured cloth while women tended to wear fabrics woven on handlooms serving also as a marker of group and caste distinction. When the members of a Provincial banking inquiry interviewed the Sholapur-based entrepreneur L. K. Tikekar in 1929 about the competition from textile mills, they seemed surprised about his answer. Tikekar was very confident about the competitiveness of local weavers’ adaption to new demands.

> *You don’t think the mills will be able to compete with the handloom weavers’ asked one questioner. “No”, replied Tikekar, “because Sholapur is famous for its sarees. They require a mixed weaving which requires a special care to be taken*”.[18]

Crucial for the artisanal economy was the increasing role of artisan-capitalists, often weaver-masters who combined maintaining shops, shaping consumer choices, and selling clothes to outside localities. While ordinary artisans lived mostly under poverty, this group of artisan-capitalists often disposed of intimate knowledge of the production process, had family members or employees to forge new markets some distance away and tried to cultivate new buyers for the products they manufactured. The “karkhandars”, as they were called, combined the functions of consumption, production, management, and marketing in one entity, the artisan joint family, which was critical for the expansion of India’s informal economy. The emergence of an artisanal capitalism, located in small towns, however, could emerge as it did, through the relative absence of the colonial state. The clerks of the British Raj carried mostly a stereotype of the artisan as a traditional figure and never came to terms with the capitalist character of the artisanal economy. Half-hearted efforts to institutionalize weaver-cooperatives in order to “protect” them against the fast pace of transformation or to promote technical improvements never had a real impact on the majority of Western India’s artisans. While strongly acting in the agrarian realm the colonial administration exercised almost no real intervention into the artisans’ production, representing a major sphere of employment in 19th-century India.

In sum, the example of the artisan economy shows the agency of entrepreneurs pushing new demands, market-orientated peasants, craftspeople using their technical expertise, skilled factory workers investing extra-money into their own workshops, and traders selling outside their own localities – barely influenced by the state at all. In contrast to traditional assumptions of colonialism involving a strong economic intervention in a foreign economy, the British state exercised almost no intervention in the sphere of artisanal economy. The artisans themselves rather developed flexible modes to deal with economic changes induced by international trade. While “drain” does not capture this historic constellation adequately, “small town capitalism”, as Douglas Haynes has proposed, does rather better denote this indigenous and largely independent agency within the Raj.

18 The whole episode quoted in: Haynes, Small town capitalism, p. 110.

A second aspect of "economic intervention" relates to the enforced opening of a peripheral economy for products from the metropole with the intention to favour the interests of the core. This pattern has been extensively shown through the well-known case of the cotton industry, enforcing the exports of raw material in India while importing ready-made textiles from England in the first half of the 19th century. A less familiar example is the rise of Bengal's jute manufacturing industry into the world's leading export commodity since 1900. Jute cultivation in Bengal had resulted in a new word for the "golden fibre", as one official of the east India Company noted in 1791:

> *We are continuing our searches for a new Article for Export to Great Britain* […] *We sent Samples of clean Hemp of this country and one of Jute (we know no English name for this) the material of which Gunnies and the Ropes used in cording Bales is made.*[19]

When British entrepreneurs and agents started to install jute mills along Calcutta's Hugli River since the 1860s, the mills made large profits paying dividends of up to 25 per cent the year to their mainly English and Scottish shareholders. No British industrialist who perceived Calcutta as a sole supplier of raw jute to the mills in Scottish Dundee in these years would have imagined the product, its export markets as well as its ownership to take a different direction.

In the second half of the 19th century, almost exclusively British managing agencies adopted the Scottish technology, build up factories around Calcutta and launched a technical and commercial head-on competition with the long-standing mills in Great Britain. While handloom goods found their vent locally, machine made articles were sold predominantly abroad only to transcend imperial markets very soon. The growing global demand for jute as a packaging product led to the unprecedented growth of the Bengal industry. A prime catalyst of this development were the markets of the US, Australia, New Zealand, and China. While these markets had absorbed less than 16 per cent of Bengal's foreign exports in 1875, this figure rose to about 75 per cent in 1910.[20] Comparative advantages compared with the long-standing mills in Britain were labour costs, with wages at about 50 per cent of those of British workers, and an efficient colonial railway infrastructure lowering transportation costs considerably. Another comparative advantage came from the heavy prohibitive tariffs a number of jute manufacturing countries in Europe and North America imposed on their export goods since the 1870s. The colonial state in contrast completely refrained from any state patronage of the jute industry marking a sharp difference to the discriminatory practices employed by East India Company officials in the first half of the century. In 1911, ca. 90 per cent of the total

19 Quoted in: I. Ray, Struggling against Dundee: Bengal jute industry during the nineteenth century, in: The Indian Economic and Social History Review 49 (2012) 1, pp. 105–146, quote 106.

20 Bengal Administrative Report, 1867–77, p. 165, quoted in Ray, Struggling against Dundee, p. 125. A government report in the 1870s had already concluded: "The Indian mills now command a practical monopoly of the Asiatic and a large portion of the American and Australian markets and have in the past years largely extended their exports to China. This has deprived the Dundee manufacturers of some of the main outlets for their trade, and their demand of raw jute has consequently fallen."

global demand were supplied by India alone while Scottish Dundee, the former centre of the Jute industry, was not able to compete anymore with Indian prices and output.

The labour-intensive industry required both skilled and an unskilled workforce, bringing about substantial job opportunities for those regularly employed. A large number of employment was generated also indirectly through the forward and backward streams of the industry as well as by agriculture being closely linked to the jute cultivation. Indrajit Ray has calculated the ratio of direct employment in the factories of the Bengal jute industry versus indirect employment around 1900. He estimated around 236,000 employed workers and 8 million indirectly employed people constituting a large informal sector securing livelihoods from the Jute industry.[21]

Until 1900 primarily British entrepreneurs and capitalists profited from bringing the local product to global markets exploiting cheap labour, land, and other resources. An explosion in trading profits came with World War I, when gunny demands increased rapidly through military needs. The prosperity of the industry continued through the 1920s and early 30s and brought the emergence of Indians taking over ownership and opening up their own mills in Calcutta. A key agent in this transition were the Marwaris, an ethno-linguistic group that had migrated from Rajasthan to Bengal, acting as brokers, bankers, and industrialists.[22] They had dominated the trade in raw jute since 1900 and introduced *fatka* (speculation) making millions on the stock markets and on hedge transactions. The British interest in short-term profit played in the hands of these Indian entrepreneurs and investors who increasingly used *fatka* to buy British shares. Soon the Marwari traders accumulated so many shares of British companies that their patriarchs became elected onto British boards even before 1914. The Fort Gloster Jute Mills in Calcutta show this transition exemplarily: While 1874 witnessed 119 shareholders, among them 105 foreigners and 14 Indians, the same mill in 1890 had 73 foreign shareholders and 79 Indian.[23] Omkar Goswami has vividly pictured the different styles British and Indian businessmen employed in their business:

> *While British managing agencies maintained plush offices, quarters with tennis courts,* […] *sponsored rugby leagues and regattas* […] *and spent an enormous time sending memos to each other, the Marwaris sat in more austere premise, worked longer hours, flogged both machines and workers, executed deals on word of mouth and went about unobtrusively making (largey undeclared) money.*[24]

The tremendous profits induced a very large entry of new mills after the war owned by Indians, which were not as strong in terms of capacity as the British but steadily under-

21 Calculation ibid., p. 139.

22 See O. Goswami, Then came the Marwaris. Some aspects of Change in the Pattern of Industrial Control in Eastern India: Indian Economic and Social History Review 22 (1985), pp. 225–2549.

23 T. Sethia, The Rise of the Jute Manufacturing Industry in Colonial India: A Global Perspective, in: Journal of World History 7 (1996) 1, p. 90.

24 O. Goswami, Collaboration and Conflict. European and Indian Capitalists and The Jute Economy of Bengal, 1919–1939, in: The Indian Economic and Social History Review XIX (1982) 2, pp. 141–179, quote 154.

mined the formal structure of industrial collaboration. The grandson of Aditya Birla, a Marwari, who accumulated a conglomerate of mills in the 1920s, remembered his grandfather's first effort to break the British monopoly: "It was very difficult for grandfather to establish this jute mill. Whenever he would buy some land to establish this mill, the English and Scots would buy land and all around to prevent him from building the jute mill."[25] In 1925 the British undercapitalisation had effected in 60 per cent of the shares of all Bengal Jute companies to be in the hands of Marwaris.[26] The introduction of Jute to global markets, in sum, had first favoured predominantly the interests of British investors and agency houses. Gradually, Indian groups emerged as traders soon to take over ownership and, since the 1920s, build their own mills. A growing participation of Marwari entrepreneurs in India's largest export earner after 1918 made a European enclave into a capitalist sector whose profits favoured both British and Indian economic actors.

Given these historic constellations, "drain" as a category seems too static and too one-directional to capture the development of Bengal's jute industry. Here, the colony outstripped the metropolis and matured from a supplier of raw material into the world's leading jute manufacturer. In contrast to the cotton industry, the colonial state showed almost no sign of interference, probably because the industry generated substantial revenues in the form of income tax and served Britain in adjusting its trade settlement in the global market. Finally, "drain" neglects local agency as a decisive factor in the colonial economy. While profits in the first decades definitely favoured metropolitan elites, ownership soon changed and the majority of the booming jute industry after 1900 belonged to Indians. "Global capitalism" eventually denotes a more fitting term to capture the multiple factors and ambivalent realities of this unique story.

A third aspect of economic intervention focuses on possible colonial efforts to transform exports of manufactured goods into exports of primarily agricultural commodities. The Indian national historiography has focused strongly on such a conjectural relationship between colonial rule and decline of industries, conceptualised in the still very influential paradigm of "deindustrialisation".[27] Empirical investigations whether this event actually took place, however, remain scarce. Some current works, among them Sven Beckert's narrative of cotton as a global commodity, stress the colonial state's power to effectively coerce a change of cultivation.[28] Economic history in contrast does rather point to the limits of such coercive intervention due to a variety of interconnected factors. An exemplary case to reassess the question of economic intervention into the agrarian sphere

25 Quoted in Sethia, Jute Manufacturing, pp. 90f.

26 See Goswami, Collaboration and Conflict, p. 143.

27 See I. Ray, The myth and reality of deindustrialisation in early modern India, in: Chaudhary (ed.), A New Economic History of Colonial India, pp. 52–66.

28 See S. Beckert, Empire of Cotton. A Global History, New York 2014; L. D. Satya, Cotton and Famine in Berara 1850–1900, Delhi 1997; M. Davis, Late Victorian Holocausts. El Nino famines and the Making of the Third World, London 2001.

in the second half of the 19th century is the colonial state's effort to employ a "cotton imperialism" in Dharwar, Western India, which Sandip Hazareesingh has investigated.[29] Western India was the pre-eminent location of India's cotton production where colonial ideas to "improve" the fibre, and therewith stimulate both output for export and taxing potential of the peasants concentrated. Dharwar comprised of 4500 square miles and three different climate zones. The Dharwar peasants cultivated their land fully only, when the weather prospects seemed to support harvest, while resisting further cash crop cultivation out of fears to enhance tax charges. The crisis of cotton supplies in the face of the American Civil war in the 1860s pushed the British India Office to privilege the cultivation of American over indigenous cotton and had them set up a Colonial Cotton Department in 1863. This development denotes a more interventionist mode of organising colonial power than the British had hitherto practised in that sector. For a short time, on the height of the American supply crisis, colonial officers tried to monitor peasants to cultivate only American cotton, a different and finer fibre, instead of the indigenous Kumta cotton. Legal acts prosecuting peasants for cotton mixing and confiscating mixed varieties proved unsuccessful and showed how limited imperial capacity for economic control actually was.

Ecological constraints added to counteract the colonial improvement programme. The ever-increasing value of teak led to rampant deforestation affecting the climate of Dharwar for cotton cultivation. Overall drop in rainfall and consequently in atmospheric moisture had strong effect on the cotton plant, above all the American cotton fibre that the Cotton Department had favoured. In 1880, the Department had to admit, that "much of the land formerly devoted to exotic (American) cotton was turned to the cultivation of the indigenous fibre". In the same year the Dharwar peasants had cultivated the indigenous "Kumta" crop which was more resistant to climate change over an area of 439,251 acres while the American one covered only mere 77,121 acres.[30] A further factor interacting with the peasants' agency as well as with environmental conditions was the state's changed stand towards intervention. The global recession starting in 1873 reinforced laissez-faire doctrines and led to the dissolution of the Cotton Department altogether in 1883. In the early 1880s the colonial improvement programme seemed to have lost any impetus.

In short, the colonial state's effort to push a cotton improvement programme and broaden cultivation in line with its export interests met with a number of constraints since the 1860s. The Dharwar peasants resented the cultivation design imposed from above and preferred the indigenous fibre as part of a diverse, risk-reducing cropping system. Climatic changes plus the state's own demise from its cotton programme added to the "cotton imperialisms'" failure in 19th century Dharwar.

29 See S. Hazareesingh, Cotton, Climate and colonialism in Dharwar, western India, 1840–1880, on which the following is based.

30 See for quote and numbers ibid., p. 15.

III. Zambia's Waltz with International Capital and the Question of Imperial Intervention

After independence in 1964 Zambia had no need to borrow from international capital sources, though it was eagerly trying to 'develop' its economy as so many other postcolonial countries. The central African state was home of vast copper resources and the corresponding mining industry, which generated sufficient revenue to finance the attempts of the Zambian government to diversify its economic base into manufacturing, build up a health and education sector. Also, in the late 1960s, President Kenneth Kaunda launched a "Zambianization" campaign. KK, as he was called, a trained teacher still in his forties and proponent of a moderate form of African socialism, aimed at the control of the commanding heights of the Zambian economy – i. a. taking over 51 per cent of the copper industry. Then, after a rather successful decade, the interrelated oil and world economic crisis of 1973–1975 came, effectively derailing the economy. Suddenly, Zambia's oil import bill more than doubled from $ 50 million in 1972 to more than $ 125 million in 1974. World-wide inflation additionally caused great increases in prices of imported capital goods, spare parts, and inputs to keep mining and manufacturing industries running. At the same time, recession in Western industrial countries made the demand and price for copper slump. All this seriously threw Zambia's balance of payments off track.[31]

Kenneth Kaunda's government decided to borrow money to tide over what it hoped would only be temporary problems. It took out short-term loans on the so-called Eurocurrency markets now flush with petrodollars. Debts with short repayment periods rose from $ 53 million in 1974 to nearly $ 470 million in 1975 and about $ 840 million in 1978.[32] But as copper prices stayed depressed, foreign exchange remained scarce despite outside credit, imports had to be restricted, manufacturing industries and agriculture were starved of inputs and consequently operating at low capacity. This was also true of the copper mines whose output declined from 702,100 metric tons in 1974 to 584,800 five years later.[33] Thus the economy shrank throughout most of the late 1970s and 1980s, the balance of payments problems remained, while debts mounted. By the late 1970s, Zambia was at the brink of bankruptcy. It approached Western governments, for instance asking the Federal Republic of Germany for $ 100 million "programme loan assistance" and securing another $ 100 million aid package from the United States in 1978.[34] Finally, unable to service its commercial debts, Zambia began talks with the IMF

31 J. Kreienbaum, Der verspätete Schock. Sambia und die erste Ölkrise von 1973/74, in: Geschichte und Gesellschaft 43 (2017), pp. 612–633; also M. Larmer, Mineworkers in Zambia. Labour and Political Change in Postcolonial Africa, London 2007, pp. 42–58; M. Burdette, Zambia. Between Two Worlds, Boulder / Aldershot 1988, pp. 64–132.

32 See Republic of Zambia, Financial Report for the Year Ended 31st December 1974, Lusaka 1975, p. vi; Financial Report 1975, p. vi; Financial Report 1978, p. vi.

33 Burdette, Zambia, p. 99.

34 Bundesarchiv Koblenz, B 102 / 213012, Besuch führender Persönlichkeiten aus Sambia, Dez. 1966 bis Feb. 1976, Government of the Republic of Zambia, Economic and Technical Co-operation Between the Federal Republic

on whose standby facility it had drawn in a small way since 1971.[35] But now money only came with strings attached.

The IMF and the World Bank had both been established as a consequence of the Bretton Woods talks in 1944. From the beginning IMF lending was based on the notion that debtors needed to set their "house in order" so that they would be able to repay credits. In order to assure this homework was done, the fund formulated conditions which debtor countries had to fulfil in order to get money.[36] From the late 1970s onwards conditionality grew in importance. This had to do with a broader shift in economic theory and especially development economics. Up to this point the World Bank had supported the dominant view in "developing countries" that they should use earnings from the export of primary commodities to foster industrialization. Problems in "development" seemed to stem primarily from exogenous problems, mainly fluctuating prices for raw materials.[37] In 1981 two influential reports then marked a paradigm change. The so-called Bates and Berg reports both placed the prime problems with economic "development" in the domestic arena – corruption, excessive state-intervention, and an over-reliance on industrialization were blamed.[38] This was in line with the wider turn to what was soon dubbed "neoliberalism" and its cry for privatization, free trade, and pro-market reforms. Identifying the principle problems of 'development' within debtor nations themselves, now made conditionality seem ever more important to make them ready for successful growth.

While the first minor IMF-credits to Zambia in the early 1970s had been non-conditional, this changed with the next "standby arrangement" in 1976. Now, the credit over 62 million Special Drawing Rights (SDR)[39] was based on the condition that the Zambian government would put a ceiling on money supply and credit in order to curb inflation and devalue the Kwacha by 20 per cent. A decisively bigger agreement along similar lines followed in 1978.[40] Following another oil price shock and accompanying world recession in 1979–82, which further exacerbated Zambia's economic and financial position Kaunda's government dealt out a giant 800 million SDR loan with the Fund. This credit line, the second largest to an African country, which was to be released in tranches

of Germany and the Republic of Zambia, 3 February 1976, esp. pp. 6 and 47 f.; A. DeRoche, Asserting African Agency: Kenneth Kaunda and the USA, 1964–1980, in: Diplomatic History 40 (2016), pp. 975–1001, at p. 993.

35 See C. Fundanga, The Role of the IMF and World Bank in Zambia, in: B. Onimode (ed.), The IMF, The World Bank and the African Debt, vol. I. The Economic Impact, London/New Jersey 1989, pp. 142–148, at p. 143; Burdette, Zambia, pp. 122f.

36 Burdette, Zambia, p. 122; N. Woods, The Globalizers. The IMF, the World Bank, and Their Borrowers, Ithaca 2006, pp. 39–64.

37 See the World Bank Operations Evaluation Study: G. G. Bonnick, Zambia Country Assistance Review, Washington 1997, p. 2.

38 R. H. Bates, Merkets and States in Tropical Africa. The Political Basis of Agricultural Policies, Berkeley/Los Angeles/London 2005 [1981]; World Bank, Accelerated Development in Sub-Saharan Africa. An Agenda for Action, Washington 1981.

39 An international reserve asset created by the IMF in 1969.

40 http://www.imf.org/external/np/fin/tad/extarr2.aspx?memberkey1=1080&date1Key=2018-04-30 (accessed 16 May 2018); Fundanga, IMF and World Bank in Zambia, p. 143.

between 1981 and 1984 and was mainly used to pay back foreign creditors, came along with stiffer conditions. It called for another currency devaluation, lower imports, a reduction in price controls for many staple goods, rigorous foreign exchange restrictions for Zambians while liberalizing rules for foreign company accounts and finally a limit on wage increases.[41] These conditions obviously meant a direct interference with Zambia's domestic economic policies.

Economically, however, these prescriptions did not work. As Zambian mines, industry, and also agriculture were all heavily dependent on imported inputs – machines, spare parts, raw materials, and fertilizers, a legacy of both colonial rule and post-independence import-substitution industrialization – devaluation had doubtful effects. It made imports more expensive and thus contributed to the starvation of the Zambian economy which operated at ever decreasing capacity.[42] From 1977 to 1987, the Zambian GNP per capita shrank by 26 percent.[43] Devaluation and the reduction of price controls for essential goods also led to increasing inflation, which could not be balanced with higher salaries given the wage increase restrictions. This seriously ate into average household budgets and led to a wave of strikes in July 1981.[44] With economic decline and unpopular medicines prescribed by international financial institutions, the UNIP-government was fast losing its legitimacy. It soon turned out that Zambia could neither live with or without IMF and World Bank credits. Given the constantly depressed copper prices, it could not make do without their money. But accepting the medicine from Washington entailed domestically highly unpopular policies, while also not setting the economy on a sustainable track.

The consequence was an on-off-relationship between Zambia and the international financial institutions. Domestic unrest frequently led to government criticism of their policies and non-compliance with conditions – for instance the reintroduction of food subsidies. This was in turn answered by IMF and World Bank by suspension of payments. "Facing the cutoff from vital funds", Marcia Burdette comments, "again and again the G[overnment of the] R[epublic of] Z[ambia] knuckled under and implemented more 'stabilization' policies."[45] By 1984, Zambia's foreign debt had grown to $ 4 billion and it needed 65 per cent of its foreign exchange earnings for debt servicing, making it the most heavily indebted country in sub-Saharan Africa and thus reducing its bargaining position vis-à-vis its international creditors.[46] With every new credit line conditions became more intrusive. In 1985 the IMF urged Zambia to introduce an "auction system" for the allocation of foreign exchange, with the consequence that 99 per cent were conceded

41 Burdette, Zambia, p. 122 f; J. Ihonvbere, Structural Adjustment and Democratization in Zambia, in: M. S. Smith (ed.), Globalizing Africa, Trenton/Asmara 2006, pp. 325–342, at p. 333.

42 Fundanga, IMF and World Bank in Zambia, p. 144.

43 Ihonvbere, Structural Adjustment, p. 334.

44 Ibid., p. 331 f.

45 Burdette, Zambia, p. 123.

46 Larmer, Mineworkers, p. 52; Ihonvbere, Structural Adjustment, p. 334. On the strong bargaining position of the IFIs in Africa in general, see Woods, The Globalizers.

to foreign multinational companies. Obviously, the Fund tried to re-open the Zambian economy for private capital from abroad. A year later, in December 1986, implementation of an IMF agreement led to the doubling of mealie meal prices, the local staple food. The results were strikes and widespread rioting. Kaunda decided to listen to the streets rather than the IMF, scrapping the auction system, freezing the price for essential goods again and announcing a New Economic Recovery Programme under the theme of "Growth from Own Resources". Without donor support, however, the state had no means to pay salaries to teachers and civil servants or buy drugs for hospitals.[47]

Finally, in the face of economic collapse and the sharp deterioration in standards of living, opposition mounted and UNIP had no choice but to grant the first multi-party-elections since 1973, when Zambia had become a one-party state. In October 1991, Frederik Chiluba's Movement for Multi-Party Democracy (MMD) won a land-slide victory over Kaunda's UNIP. As the long-standing chairman of the Zambian Congress of Trade Unions he had been among the staunchest critics of "structural adjustment". But only months before taking office Chiluba turned from Saulus to Paulus suddenly supporting macro-economic reform. Finally, World Bank and IMF had a willing local ally to implement "adjustment".[48] Unfortunately, the results were rather worse than better with Zambia's economic decline continuing at increasing speed. Formal sector employment halved as many of the former parastatals could not compete on open markets after privatisation and closed down. Agricultural output further declined, making the country increasingly dependent on food aid. Spending on education and health greatly diminished, while HIV/AIDS spread, reducing life expectation to the mid-30s.[49] This rapid economic downturn, to be sure, was not only the result of "structural adjustment", but first of all of the continuation of depressed copper prices and also to some extent of the siphoning off of monies by corrupt elites. However, adjustment certainly did not work out as either Washington based economists or most Zambians had hoped.

Did the intervention of international financial organisations in Zambia carry the hallmarks of earlier imperial economic interventions as identified in the introduction? To a large extent they certainly did. First, conditions attached to structural adjustment funds obviously meant serious infringements into the sovereignty of Zambia's economic policy. The devaluations of the Kwacha, the scrapping of food subsidies and the freezing of wages were highly unpopular among most Zambians and nothing the UNIP government would have enacted without pressure from Washington. In 1989, Zambia even had to accept an IMF-approved expatriate governor for its central bank in order to secure funding.[50] The leverage used, however, differed from 19th century cannon boat diplomacy or

47 Larmer, Mineworkers, pp. 52–54; Ihonvbere, Structural Adjustment, pp. 332–338; Zambia. National Commission for Development Planning: New Economic Recovery Programme: Interim National Development Plan, July 1987–December 1988, Lusaka 1987.

48 On Chiluba's turn around see Larmer, Rethinking African Politics, pp. 252f.

49 Miles Larmer, Reaction & Resistance to Neo-Liberalism in Zambia, in: Review of African Political Economy 32 (2005), pp. 29–45, here 30f.

50 Ch. S. Adam/A. M. Simpasa, The Economics of Copper Price Boom in Zambia, in: A. Fraser/M. Larmer (eds.),

direct state intervention as in the case of cotton production in Dharwar. The freezing of essential funds proved sufficient to make Kaunda's government follow the prescriptions, at least to some extent.

However, these infringements were dependent on a certain willingness to cooperate by Zambian actors. The on-off-relationship between the international financial institutions in Washington and Zambia in the 1980s was an expression of the lack of enthusiasm for "structural adjustment" within the UNIP government and of the limited power the Fund and Bank could wield without collaborators at the right positions. Deference of their prescriptions at times went so far that Kaunda openly criticized them, trying to use them as a convenient scapegoat on whom he could blame Zambia's economic ills, while trying to conceal UNIP's part in the story. This situation only changed with the triumph of Chiluba's Movement for Multi-Party Democracy in 1991. As in the case of India, and in many other imperial scenarios, what happened on the ground was at least as much shaped by local actors, sometimes serving as intermediaries, as by the metropole. While Africans appeared as powerless "pawns" in Nkrumah's writings on neocolonialism, Zambian actors, especially those in high politics, obviously possessed agency, enacting or blocking adjustment policies as it served them. Particularly in the fields of food subsidies and monetary devaluation Kaunda proved that he was not simply accepting orders from Washington.[51]

Second, despite the immediate goal to put Zambia in a position to repay its debts, IMF and World Bank conditions aimed at re-integrating the country into the world economy. These international organizations functioned as "globalizers" as Ngaire Woods has argued.[52] Their interventions reversed post-independence attempts to reduce the country's dependence on Western industrial states and especially Southern African settler regimes by diversifying the economy and nationalizing bigger businesses. Now, the parastatal sector was re-privatized including, in the 1990s, the crucial copper mines. By the year 2000 large parts of the copper industry were back in the hands of Anglo-American Corporation, one of the mining multinationals which had dominated Zambian mining in colonial times. Controls on foreign capital were scrapped and the former inward-looking strategy of import substituting industrialization was abandoned. It all served to open Zambia's formerly "closed economy"[53] to the world market.

Third, as in colonial times Zambia was supposed to be integrated into the world economy in a specific way, as a producer of a single commodity: copper.[54] It was to be a classic mono-economy, whose only other economic activity was agricultural production, largely for domestic consumption. Naturally, this decision had consequences for the Zambian work force. A small class of Zambian businessmen began to profit from Washington

Zambia, Mining, and Neoliberalism. Boom and Bust on the Globalized Copperbelt, Houndsmill / New York 2010, pp. 59–90, here 64.

51 Kwame Nkrumah, Africa Must Unite, New York 1963, p. 174; also compare Biney, Nkrumah, p. 132 f.

52 Woods, The Globalizers. See also J. E. Stiglitz, Globalization and Its Discontents, New York 2002.

53 Larmer, Neo-Liberalism, p. 30.

54 Cf. Larmer, Mineworkers, p. 47.

induced reforms, especially with the privatizations of parastatal companies commencing in the 1990s. These profiteers were often former managers of said parastatals who had been able to accumulate some capital during the 1970s and 1980s and were now able to bid for these firms.[55] While they were frequently making huge personal gains, most other groups within Zambian society suffered. This was especially true for the formerly rather privileged mineworkers and those employed in public service. For many of them the new labour regime that came with economic decline and "structural adjustment" was unemployment and a struggle for survival in the informal economy. They either went back to the land or, especially women, tried to make a living from street vending.[56]

Finally, while the IMF, the World Bank, and Western governments were making very considerable sums available to help Zambia reschedule its debts and help with its "development", the net transfer soon changed direction. As most of the money was only loaned, initially often on commercial conditions, by 1985 the African country was obliged to transfer greater sums to the IMF for interest payments and debt repayments than it was receiving.[57] As Kenneth Kaunda complained, the "heavy external debt burden" had turned Zambia into a "net exporter of financial resources at a time when the country was in dire need of resources to keep the economy afloat."[58] The ghost of "drain" was still around.

IV. Conclusion

This paper aims to reassess the term "neocolonialism" by contrasting the theoretical concept with empirical inquiries into two cases of economic intervention, one colonial, and one postcolonial. What do they say about the question of postcolonial economy to be coined by an informal continuity? At first sight, similarities and differences stand out between the British colonial state's intervention in India in the 19th and international institutions engagement in Zambia in the 20th century.

First, the state as intervening actor. In 19th century Bengal the colonial state enforced serious infringements into the sovereignty of a foreign, the Mughal state, above all through tax collection and military means. The same state refrained, however, from intervention in a variety of other economic sectors, as the artisanal economy, or proved too weak to enforce its own programmes, as the failure to introduce American cotton in Dharwar in the 1860s shows. In the late 20th century, in contrast, international financial institutions were the key actors. Although former imperial powers, and especially the United States,

55 Larmer, Neo-Liberalism, p. 31.

56 J. Ferguson, Expectations of Modernity. Myths and Meanings of Urban Life on the Zambian Copperbelt, Berkeley et al. 1999; K. Tranberg Hansen, The Informalization of Lusaka's Economy: Regime Change, Ultra Modern Markets, and Street Vending, 1972–2004, in: J.-B. Gewald / M. Hinfelaar / G. Macola (eds.), One Zambia, Many Histories. Towards a History of Post-Colonial Zambia, Leiden 2008, pp. 213–239.

57 P.-A. Andersson, Foreign Aid, Debt, and Growth in Zambia, Uppsala 2000, p. 40.

58 Quotation in Ihonvbere, Structural Adjustment, p. 336.

have a lot of clout in both World Bank and IMF,[59] direct interventions of states into the domestic affairs of other formally sovereign states have become increasingly inacceptable. Equally vanished has the possibility that economic interventions serve to prepare for the formal takeover of a territory as has so often been the case during the 19th century. To re-colonize Zambia when it was unable to service its debts, as famously happened in Egypt in the 1880s, has never been an option. Indirect interventions through international financial organizations however escape these restrictions to some extent, giving the term "neocolonialism" in this respect a certain probability.
Second, the consequences of interference. While the term "neocolonialism" carries the assumption of colonial intervention to be per se exploitative, the selective inquiries into colonial peripheries rather point to the limits of intervention. The colonial state in India while acting strongly in the fiscal, military, and legal realm simultaneously left large sectors of the economy and certain employment groups to themselves. Tirthankar Roy went so far as to state, "the Empire neither helped nor obstructed the growth of trade and industry".[60] Thus, an understanding of colonialism to go hand in hand with deep and "successful" intervention faces historic realities showing rather the limits and failures of such efforts. The Zambian example confirms that observation to a certain extent in that interventions of international financial institutions hardly delivered the results sought after in Washington. Without sufficient support of Kaunda's government and in the face of popular opposition on the streets the liberalization programme devised by Western economists was only introduced reluctantly and in a piecemeal fashion. The concept of "neocolonialism" in this respect misses explanatory power because it builds on the wrong assumption that the colonial state was capable to successfully intervene in peripheral regions economically while current research rather highlights the "long arms and weak fingers" of empires.[61] Cutting off the funds from Washington, however, was a form of intervention, severely felt in Zambia. The diachronic examples from the colonial and postcolonial time point rather to the conclusion that economic intervention had a stronger impact on Zambia's postcolonial domestic markets and society than in colonial India where colonial power concentrated on fiscal, military, and legal governance but refrained from intervention in large parts of the domestic economy.
Third, indigenous agency. The cases presented here show the strong economic agency of Western Indian cloth artisans, Bengal jute investors and Dharwar cotton peasants in dealing with the changes induced by the colonial regime as by the international economy. In all three examples, the economic actors made forceful attempts to adapt to the changing character of colonialism, often closely associated with or even forging industrial capitalism while in other instances successfully resenting coercive means of crop cultivation. Equally, the different approaches of two consecutive Zambian president's to "structural adjustment" highlight the importance of local cooperation or non-cooperation. While

59 Cf. Woods, The Globalizers.
60 Tirthankar Roy, The British Empire
61 See F. Cooper, Colonialism in question. Theory, Knowledge, History, Berkeley 2005, p. 197.

Kaunda repeatedly blocked "adjustments" in the fields of food subsidies and currency devaluations when local opposition mounted, frustrating economists in Washington along the way, his successor was far more willing to follow IMF prescriptions. The term "neocolonialism" in contrast sees non-Western societies and agents predominantly as objects of Western dynamics and elites, whereas the colonial and postcolonial cases presented here rather show a situational interplay of being object to (post)colonial pressure while simultaneously acting as subjects in transforming and undermining it.

Fourth, fluidity and stasis. Paradigms as "neocolonialism" describe the relation between Western states and non-Western regions as rather static. The former are in a position of strength pushing economic development in latter regions for their own interest. The case study of the Bengal Jute industry, however, illustrates the fluidity of the situation. Colonial elites in time outstripped the metropolis making large profits from the demand of global markets and turning the old core-periphery model upside down. The Zambian case, in contrast, highlights the static elements. In the post-colonial period, the central African state remained roughly at the same position in the world economy it had occupied in late-colonial times. It was solely an exporter of copper and an importer of industrial goods, energy, know-how, and at times food from industrialized countries. The Zambian experience also holds true for most of Africa and many other parts of the Global South. Other countries, however, the richest oil states, the East Asian "tigers" and, of course, China broke with the old pattern. Frequent recent accusations of their current "neocolonialism" in buying up African land and resources testify to the fact that they have quit the ranks of the world's "have-nots" and joined the core-states of the global economy.

Given the understanding of "imperialism" and "neocolonialism" as all-powerful processes, its neglect of local agency, and the fluidity in world economic relations we hold that the concept of "necolonialism" is not helpful as an analytic device. Nevertheless, its insistence on the continuity of certain unequal economic relations between post-colonial states and former metropoles is a valid point, as the Zambian example underlines. But rather than to ascribe these continuities to the machinations of some undefined "neocolonial" forces, we understand them as a consequence of a world shaped by global capitalism in both the 19th and 20th centuries. "Global capitalism" better captures the often conflicting interplay of the state and private economic actors and takes the limits of imperial power into account as much as the extent of local economic agencies. Above all, the term provides for a better framework to explain the fluidity of economic relations between different world regions in a decisively non-static global geography of power.