

Dependency: From Colonies to Neo-Colonies?

During the Colonial Era :

Colonies:

- export raw materials: i.e. tobacco, sugar, coffee, cacao, hides, dyes, silver
- mercantilistic restrictions lead to them purchasing manufactured goods
- politically controlled
- no **sovereignty**-ability to chart their own affairs



“Mother Country”:

- imports raw materials from colonies
- sells manufactured goods to the colonies
- political control over the colonies

Post-Independence (especially after nations have opened themselves up to world flows of investment by the late 19th and early 20th centuries)

Latin America

(and 3rd World nations in general, often called “periphery”):



Metropolis

Metropolitan powers: England to late 19th C, and U.S. late 19th to early 20th C.

-“Specializes” in the production of raw materials: tobacco, sugar, coffee, cacao, dyes, silver, hides, and now too: bananas, henequen, guano, copper, iron ore, oil

-fledgling local manufacturers “swamped” by international competition, thus import manufactured goods (machinery, capital equipment, etc...)

-“Laissez Faire” (free trade and investment reinforces this relationship

-Do not set the rules, nor can they significantly alter them

-Investors pour into this region

-what happens when Brit. or U.S. investments threatened?

investors will appeal to their home country (the metropolis)

-often lose control over their nations natural resources

-when try to regain them, will be invaded (“bandits”, then “Bolsheviks”, then “communists” are words cast about) and occupied

-Greater Caribbean area invaded over 30 times by U.S. from 1898-1930’s now to “protect” U.S. investments.

-Backlash/ Emerging Wars for “National Liberation”

-How much sovereignty will they have in this relationship?

-How much capacity will local elite have to change their country’s political situation?

-I.e. What will happen if they want to “nationalize” copper or oil, for the “good of the nation”?

-Lastly, this pattern of development reinforces inequalities in most nations (Mexico, Cuba, Guatemala, El Salvador, to name a few).

Will lead to increasing class conflict manifesting itself in the form of rebellions, attempts at revolution, etc...

-These “home-grown” conflicts will be seen as the work of “outside agitators” by the U.S. The U.S. will then seek to squelch them by arming and supporting the military dictatorships that will be ruling in an alliance with the landed elite.

-Buys those raw materials that Latin America “specialized” in

-Sells Latin America manufactured goods

-Hegemonic powers “set the rules of the game”

-Source of investment capital

-multinational corporations investors in L.A.

-will often “clear the way” (invade) to secure raw materials

-when investors threatened, will appeal to metropolis to invade

-Bankers will lend to L.A. gov’ts; if default-> invade to recoup investments

-“Dollar Diplomacy”-U.S. will encourage U.S. bankers to purchase Lat. Am. loans that English, Germans hold to those nations won’t invade to recoup their losses if a L.A. nation defaults. U.S. gives self right to invade these nations

Multiple U.S. invasions of Lat. America throughout 20th century