During the twentieth century, millions of people living under colonial rule were directly or indirectly involved in ‘national freedom’ struggles. Between 1945 and 1980, nearly all the parts of Asia, Africa, Oceana (islands in the western Pacific Ocean) and the Caribbean that had been under European, Japanese and American rule won freedom and organized themselves into new, independent nation-states.

During the Second World War (1939-1945), the imperialist and expansionist goals of the defeated powers, Germany and Japan, were thwarted. Even the victorious colonial powers, Great Britain, France and the Netherlands, were unable to keep their imperial commitments, and their leaders faced growing pressure to ‘decolonise’—not only from their colonial subjects and national citizens but also from the two new ‘superpowers’, the U.S.A. and the U.S.S.R. Most of West Africa, the Philippines (an Asian colony of the U.S.A.) and some other places achieved independence without much violence after 1945. In Algeria, Indochina, Malaya, Angola, Mozambique and other places only years of armed struggle by freedom movements led to national independence.

Political independence did not immediately bring all the benefits colonised people had dreamed of. New states faced problems of economic development and modernisation that they needed to solve in order to resist ‘neocolonialism’. Standards of living in most of the new independent states did not match those of the ‘developed’ countries of Western Europe and North America, and many people today argue that forms of colonial domination or old patterns of exploitation still remain in the world of formally independent nation-states.

**OBJECTIVES**

After studying the lesson, you will be able to:

- learn about some national freedom movements;
- analyse global political forces affecting the decolonisation process;
- discuss relationships of dependency and inequality in the post-colonial world and
- identify some of the problems of national development and some proposed solutions.
26.1 MODELS OF NATIONAL LIBERATION AND NATIONAL DEVELOPMENT. BEGINNINGS OF DECOLONISATION

Models

Leaders of national liberation struggles of the twentieth century were inspired by earlier examples of national liberation and development which had introduced the modern idea of *citizenship*—that all members of a nation should enjoy equal rights and responsibilities.

The American war of independence was followed by the emergence of stable, democratic governing institutions in the new United States of America, and the gradual extension of rights of full citizenship to *all* members of the American nation. Also, the American military remained small and did not often interfere with the working of civil institutions. This was very attractive to people in colonies in Asia and Africa where the military was regularly used to control the population.

The French revolution in 1789 did not begin as a struggle against a foreign power, but the revolutionaries launched a campaign to spread ‘universal principles’ of Liberty, Equality and Fraternity to other parts of Europe. The French revolution inspired people in Europe and in the French *colonies* to revolt against French domination—in the name of these principles. Not all of these national revolutionaries believed deeply in democracy or equality, but most believed that ‘the people’ needed to be mobilised to fight against foreign domination.

There were other reasons why people under colonial rule admired the *American* model of national freedom and development. Americans developed the world’s largest economy between 1865 and 1950, based on capitalist agriculture, heavy industry and mass consumer spending. Many people around the world believed that the U.S.A. was sincerely committed to self-governance through democracy on a *global* scale, and that it would act as a force against colonialism, perhaps by directly assisting colonial subjects in their national liberation struggles.

The Russian (Bolshevik) Revolution of 1917–1921 had a huge global impact. The Bolsheviks argued that different ‘nationalities’ all over the world have a right to independence and to decide their own future. The Russian revolution also presented an alternative model of rapid social and economic ‘development’ different from that of the capitalist Western states. Many Soviet citizens in 1941 enjoyed a higher material standard of living than had their grandparents.

The Soviet leaders gave ‘moral’ and material support to people of many politically- and economically-dominated countries and colonies. Marxist theory taught that small peasants and proletarians around the world shared the same interests and needed to cooperate to defeat the bourgeoisie and the imperialists. Some colonial nationalists visited or studied in the U.S.S.R. in order to learn to organise national freedom struggles. These included the Vietnamese nationalist Ho Chi Minh, the Chinese nationalist leader Chiang Kai-Shek (1887–1975), and Jawaharlal Nehru, the Indian National Congress leader who believed in democratic socialism and thought that aspects of the Soviet command economy might be imitated by India.

**Beginnings of decolonization**

Great Britain and France were forced to respond to some of the growing agitations for self-governance and ‘home-rule’. As early as 1867, Britain started granting
effective home-rule to Australia, New Zealand, South Africa and parts of Canada, regions where Europeans had settled in large numbers since the 1600s, displacing or killing the ‘natives’. White, settler colonists in those places were allowed to make decisions about ‘domestic’ affairs through elected legislatures and parliaments, but their relations with other colonies and nation-states were regulated by imperial authorities in London. After 1910, these colonial states were referred to as Dominions or a British Commonwealth of co-operative nations. Britain also granted commonwealth status to the Union of South Africa (where Europeans were greatly outnumbered by black Africans, but the latter were not allowed to vote, etc.).

Like the British and other Westerners, many French people believed that certain ‘races’ and societies—especially their own—were ‘advanced’, whereas others were ‘primitive’. They argued that it was the moral duty of the “advanced” societies to guide or teach the more primitive societies. After 1914, small numbers of non-French people in the French colonies were allowed to participate in governing their societies by voting for or serving on legislative assemblies.

British, French and Dutch colonial rulers were convinced that people in the colonies would accept this partial independence for sentimental reasons (e.g., appreciation for European culture) or because they might enjoy economic benefits from continued association with the mother country. Many colonies did accept plans of loose federations under European guidance as a first step towards complete national independence. In some colonies, however, for example India, the nationalists continued to agitate and fight for complete independence.

We should also know that modifications of colonial rule before 1945 did not really weaken the position of European colonists and benefited only small numbers of ‘natives’ in the colonies.

26.2 IMPACT OF WORLD WAR II ON ANTI-COLONIAL STRUGGLES

World War II radicalised many people in the colonial world who had earlier been untouched by national freedom movements. In some cases, military struggles of colonised people against new invaders (principally, the Japanese) turned against the Europeans who tried to re-occupy the colonies. Africans and Asians were enlisted in colonial armies to fight the Germans, Italians and Japanese in far corners of the world, and they learned that Europeans were not undefeatable ‘lords of the earth’. About five million Indian soldiers served in British-led armies during the war. Asian and African soldiers had contact with people from other colonies and with European and American soldiers and civilians. Trained to fight German and Japanese ‘tyranny’, they presented a new kind of threat to their own colonial rulers. During the 1940s in Asia, Africa and the Caribbean, colonial subjects engaged in strikes and mass demonstrations despite attacks by police and soldiers (including their own ‘countrymen’). By 1945 many more colonised people than before the war were insisting on full citizenship rights and national liberation, and they were more confident about fighting those who opposed their demands.

Before 1939 African intellectuals, professionals and civil servants had formed the basis of nationalist movements. However, after 1945 such leaders faced greater pressure in their own lands from men and women of the peasant and laboring classes to fight for democratic reforms and independence, and to include stronger demands for economic equality in their national liberation campaigns.
In French Indochina, Ho Chi Minh tried to spread communist ideas during the 1930s. In 1940-1941, the Japanese expelled the French from Indochina and occupied the region themselves. Ho formed a ‘national people’s front’ (Viet Minh) to throw them out, and when the French were restored as rulers of Indochina in 1945, with British and American consent, Ho and the Viet Minh continued to fight the French, and gained control over much of Indochina by 1954. In that year Vietnam was partitioned into two, nominally independent states—the northern territory controlled by Ho and his allies, and the southern half of Vietnam with a growing American political, military and economic presence. The conflict cost the lives of more than 50,000 Americans and millions of Vietnamese, but the Vietnamese had forced the biggest imperialist power of the world to retreat in 1975.

In India there were mass movements against the British all over the country, under the leadership of the Congress. There were also independent movements of workers and peasants led by the Communists, and also organizations of youth, students, writers, women, lower castes. The British were forced to quit in 1947. Independence came with partition and the formation of two independent states, India and Pakistan.

**INTEXT QUESTIONS 26.1**

1. Name some countries that became independent or semi independent between 1867 and 1914.

2. How did the 2nd world war radicalize people in colonized countries?

3. Name some countries that gained national independence after 1945 through armed struggle.

### 26.3 COLONIAL NATIONALISM, FREEDOM STRUGGLES AND INTERNATIONAL CO–OPERATION

Some colonial nationalist leaders in Asia and Africa after 1945 asked for or received Soviet or American assistance and they hoped for honest negotiations by new international organisations like the United Nations Organisation (based in the U.S.A. from 1945). They also formed regional associations of independent states with similar interests of national freedom and development. Such associations included the Organisation for African Unity (O.A.U.), founded in 1963 to arbitrate conflicts between new states and to pressurise colonial powers to let go of their remaining African dependencies. Another important development was the emergence of the Non-Aligned Movement (N.A.M.), including China, India, Pakistan, Indonesia, Iran and Egypt, among other states. Leaders of twenty-nine states met in Bandung, Indonesia, in 1955, to condemn imperialism, national aggression, racism and atomic weapons.

The non–aligned movement expressed the need for peaceful cooperation of Third World states with one another and with both of the superpowers. Leaders of most participating N.A.M. states wanted to find and follow a middle path that was neither purely communist nor purely capitalist: there was much talk between the 1950s and

Some leaders of Saharan Africa (such as Egypt and Libya) co-operated with states of the Middle East in economic development matters, and also to force the state of Israel (formerly British Palestine) to end what they saw as an illegal, semi-colonial occupation of Palestinian lands. This was part of the Pan-Arab movement. Leaders of ‘Black Africa’ through the 1970s and ‘80s continued to pressurise white-minority regimes in Rhodesia and South Africa to end racism and discrimination against blacks; they gave aid to liberation movements (such as the African National Congress in South Africa) outlawed by white-minority governments.

Newly independent states faced difficulties of national independence and development during the Cold War era (1945–1991). Leaders who were sympathetic—or at least not hostile—to communism often won popular support. But they faced resistance when they tried to weaken the position of the old colonial ‘native’ elites.

In Indonesia, the freedom-fighter Achmed Sukarno (1901–1970) had founded during the 1920s a Nationalist Party of Indonesia (similar to the Indian National Congress). Sukarno proclaimed Five Principles of national liberation: faith in God, humanitarianism, national independence, democracy and social justice (the latter implying some central economic guidance and redistribution of wealth). Muslims (the majority religious community) agreed to rule by a centralised Indonesian state on the condition that they preserve some local control, especially in matters of religion. During the 1950s, Sukarno also worked with the Chinese-inspired communist people’s movement, but in 1959 he established a dictatorship, although he recognised the legality of the communist movement. In 1965 Sukarno’s internal enemies (mainly army officers) deposed him and clamped down on the Indonesian communists, killing hundreds of thousands of them. The U.S.S.R. stood aside as this happened, while the Americans gave covert support to the army officers. Indonesia remained a military dictatorship until very recently.

### INTEXT QUESTIONS 26.2

Match each in the left column with the corresponding meaning or term in the right column.

<table>
<thead>
<tr>
<th>(1) Idi Amin</th>
<th>founded 1945</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) Sukarno</td>
<td>includes India</td>
</tr>
<tr>
<td>(3) Non-Aligned Movement</td>
<td>African dictator</td>
</tr>
<tr>
<td>(4) United Nations Organisation</td>
<td>Indonesia</td>
</tr>
</tbody>
</table>

### 26.4 DECOLONISATION AND GLOBAL POLITICS

Thousands of men and women in the colonies suffered punishments for opposing colonialism, such as Habib Bourguiba (1903–2000), a leader of the independence movement in French Tunisia (North Africa), and Kwame Nkrumah (1909–1972), the
chief figure in the Ghanaian independence struggle (in British West Africa). However, others lived during the interwar years in the homelands of their colonial rulers, where they learned political ideas and techniques of organisation. Ho Chi Minh (1894–1969) lived in France between 1918 and 1930, where he helped establish the French Communist Party, before he returned to French Indochina to fight for Vietnamese independence. Léopold Sédar Senghor (1906–2001) was a university professor and poet in France before returning to his native West Africa to lead the Democratic Bloc of Senegal; he became the first president of Senegal, 1960–1980.

Decolonisation proceeded rapidly after 1945, in some areas with limited violence and loss of life. For example, French West Africa was divided into independent Senegal, Mauritania, Mali, Ivory Coast, Guinea and other states after 1958, while British West Africa was divided into the independent nation-states of Ghana, Sierra Leone and Nigeria between 1957 and 1961.

The British imprisoned thousands of Indians during the ‘Quit India’ agitation in 1942, but the Indian independence struggle thereafter involved less violence between Indians and British. However, millions of South Asians lost their lives or were displaced across borders in the ensuing partition of the subcontinent into India and Pakistan. Independence of some neighboring regions of the former British Raj occurred with less violence—in Ceylon (now Sri Lanka) and Burma (now Myanmar).

Morocco and Tunisia in North Africa separated peacefully from France during the 1950s, but neighboring Algeria gained independence (in 1962) only after an eight-year struggle in which hundreds of thousands of Algerians and thousands of French died. The people of present-day Angola and Mozambique (in southern Africa) freed themselves from Portuguese rule after more than a decade of fighting and heavy loss of life among Africans and the occupying Portuguese in 1975.

People of present-day Malaysia fought against Japanese occupation during the Second World War; the same Malayan Anti-Japanese People’s Army then resisted re-occupation by the British. Over the next ten years, as many as 100,000 British soldiers were present in Malaya at one time to fight what British leaders called a ‘communist insurgency’. Britain had to withdraw its forces in 1957 and recognised the Federation of Malaysia as a semi-independent member of the British Commonwealth.

The process of decolonisation had much to do with the politics of the Cold War, that is the hostility after 1945 between the two superpower blocs: the ‘First World’ led by the U.S.A. and supposedly upholding capitalist democracy, and the ‘Second World’ system represented by the Soviet Union and emerging socialist states like the People’s Republic of China. Some states of the newly decolonized Third World benefited from close alliances with either of the two superpowers.

After the expulsion of the Japanese from Korea in 1945, the northern part of the Korean peninsula fell under the influence of the U.S.S.R. and the People’s Republic of China, while the southern part became a dependency of the U.S.A. The Americans poured more than ten billion dollars of ‘development assistance’ into South Korea between 1953 and 1970. Economists from the 1970s were calling South Korea, Taiwan, Hong Kong and Singapore the ‘Little Dragons’ of Asia—the ‘big dragons’ being Japan and the People’s Republic of China—because of their rapidly growing economies based on production of industrial goods (e.g., steel, ships, electronic equipment) for export. The Little Dragons all benefited from massive grants and
loans as well as trade agreements with developed countries, principally the U.S.A., Japan and Great Britain.

In Africa however the European states invested only small amounts in their African possessions for education, health care and other human development needs. Even in Latin America, where there remained few formal colonies by 1900, many people remained nearly as poor, ill educated and politically powerless as their ancestors had been in the eighteenth and nineteenth centuries.

**INTEXT QUESTIONS 26.3**

1. How did the post 1945 ‘Superpowers’ express interest in anti-colonial struggles?


3. Which continents remained poorly developed after 1945.

**26.5 CHINA: NATIONAL LIBERATION, TWO STATES**

In 1911–1912, the Chinese autocratic system headed by an emperor was formally abolished and replaced by a republic, but the new republic was unable to throw off foreign domination. From the late 1920s, Communists led by Mao Zedong (1893–1976), Zhou Enlai, Deng Xiaoping and others fought against the Chinese Nationalists (Guomindang), and both groups tried to expel the Japanese, who exercised territorial and economic control since the 1890s.

Mao believed that Chinese nationalists were unwilling to bring about social and economic changes that would emancipate the Chinese masses, and that they were too corrupt to resist the foreigners. The Chinese Communists therefore not only forced the Japanese, French and British out of most of the ‘national’ territory by 1949, but also drove their opponents, the Guomindang, Chinese ‘Nationalists’, to the island of Formosa–present-day Taiwan–across a narrow strait from mainland China. Hong Kong was a British Crown Colony until 1997. Their ultimate goal remained to reunify Taiwan with the Chinese mainland, which became a separate state.

Since 1945, China has experienced probably the greatest revolution in history, transforming itself from a peasant-majority society dominated by native elites (and by the British, French, British and Americans who controlled much of the country’s trade), into a socialist state called the People’s Republic of China (P.R.C.). A socialist state meant state owned industrial enterprises and a policy leading to collectivized agriculture, with land owned collectively.

Since the 1980s, however, the C.C.P. leadership has promoted free enterprise in manufacturing and commercial activities. By 1993, less than ten percent of P.R.C. industrial production was under central planning. The P.R.C. since the 1980s has welcomed hundreds of billions of (U.S.A.) dollars in foreign investment from countries that are China’s ideological opponents. Some economists estimate that the P.R.C. will have the world’s largest economy by 2020, as China did before 1800, but
economic liberalisation and relaxing of some government controls have also reversed the trend of 1949–1980, when the goal of the C.C.P. was to make Chinese more equal in every possible way.

While the P.R.C. condemned Western aggression and the development of nuclear weapons, it became one of the nuclear-weapon states by the early 1960s. Chinese leaders justified their military buildup by pointing to the fact that American leaders had considered dropping nuclear bombs on the P.R.C. during the Korean War (1950–1953). At the same time, P.R.C.-U.S.S.R. relations worsened during the 1950s as Mao believed Marxism-Leninism needed to be adjusted to Chinese conditions and he and some other leaders feared Soviet domination. During the 1960s and ‘70s, the Soviets gave military assistance to the Vietnamese communists in their struggle against the U.S.A., but the P.R.C. refused to support the Vietnamese communist movement. In this same period the P.R.C. was assisting pro-communist people’s struggles in Africa. Chinese development assistance was extended to many Third World countries.

INTEXT QUESTIONS 26.4

1. Name two countries identified by the C.C.P. as enemies of China since the 1930s.

2. What evidence is there that the Chinese communist leadership has modified its conceptions of socialism and development since 1980?

3. Did the P.R.C. assist or discourage the Vietnamese freedom struggle?

26.6 PROBLEMS OF ‘DEVELOPMENT’ IN THE POST–COLONIAL WORLD

During and after the Second World War, leaders of the Great Powers recognised more equitable global distribution of wealth as essential to world peace and stability. After 1945 new global institutions like the U.N.O., the International Monetary Fund (I.M.F.) and the World Bank were established in order to manage conflicts over wealth production and access to trade. The I.M.F. organises loans to states that do not earn enough from their exports to ‘balance’ their expenditure on imports. The World Bank loans money to states, often as supplement to ‘development assistance’, to pay for irrigation and hydroelectric systems, and other infrastructure improvements that are supposed to increase productivity and economic security.

Many people have however, argued that these institutions have favored the interests of the countries that were already developed. The I.M.F. has required governments receiving loans to reduce their deficits, which those governments have often had to do by reducing ‘social spending’ (e.g., funding for health, education, housing). The I.M.F. has also advised governments to devalue their currencies, which has made their export products cheaper in the world market.

The permanent Security Council of the U.N.O. after 1945 consisted of the U.S.S.R., the U.S.A., Nationalist China (until the 1970s), Great Britain, and France. During the
Cold War, Britain and France sided with the U.S.A. on about two-thirds of the issues that came up for vote in the Security Council—reinforcing American preferences and decisions about world politics, including economic issues.

To some people in Asia, Africa and Latin America, claims by leaders of developed, capitalist societies about freedom and justice often seemed a sham, and the policies designed by them appeared hypocritical. At the same time, wider exposure of people around the world to ‘Western’ capitalist lifestyles—through magazines, cinema and television—has led them to acquiesce to Western (especially American) ways of organising economic and other activity.

W. W. Rostow, an American economist believed that former colonies could follow the paths taken by early industrial states like Britain and by expanding their agricultural production and following free-trade policies, could accumulate the capital to develop industry, and thus move into economic modernity. This concept of development is known as ‘modernisation theory’.

While countries like Argentina and later Brazil tried to follow this model and did develop some industry, many other Latin American, African and Asian countries showed signs of ‘development crisis’ between the 1960s and 1980s: stalled industrialisation, and increasing poverty. Foreign companies in Latin America after 1960 took out far more money (as profits) than they had invested there. Loans from private banks and bodies like the I.M.F. did not improve the situation: during the 1980s, Latin American states had to make loan repayments totaling more than $200 billion (U.S.A. dollars). In the early 1990s, more than sixty percent of Latin American households did not earn enough to cover basic needs such as food, clothing and shelter. In Africa, the economic situation was still worse: some African states like Zaire and Burundi experienced ‘negative growth’ during the 1980s.

Economists and political scientists in Latin America criticised the arguments made by economists like Rostow and the development policies promoted by some Western leaders. This critique is sometimes called ‘dependency theory’ or ‘underdevelopment theory’. Raul Prebisch and other ‘dependency theorists’ claimed that centuries of Spanish and Portuguese rule, followed by decades of economic domination by Britain, the U.S.A. and other states, had left most Latin Americans unable to exercise their freedom, especially with regard to material circumstances like employment and use of economic resources. Like Prebisch, Walter Rodney in Africa in the 1970s observed that colonies could not easily pull out of the ‘dependency patterns’ created during the centuries of colonialism. (See discussion of imperialism in Unit 5.1.) They claimed that agriculture would remain backward until large landowners ceased exploiting the poorer peasants and laborers: large estates (like the zamindari in India) should be broken up and land redistributed to peasantry.

Many successful political leaders in the ‘Third World’, based on experience of Soviet Union and China, have followed economic development strategies based on state ownership or control of enterprises and resources. They have also tried to prevent mass outflows of profits to foreign investors and states, and to lift up the poor through free education, more affordable health care, and so forth. For example, in Cuba Fidel Castro (1927–) led a nationalist revolution during the late 1950s, and has been following such policies that favour the interests of the Cuban people. The Castro revolution has been popular among some Latin Americans who resent continuing foreign influence and dictatorships of their countries propped up by the U.S.A. Majority of the Cubans enjoy a better standard of living than people in richer countries.
Other Latin American leaders after 1960 followed the Cuban example in some respects. Salvador Allende was elected president of Chile in 1970 as a socialist. During his brief rule he tried to ‘nationalise’ the Chilean mineral resources controlled by foreign corporations. However, he was deposed and killed in 1973 by internal enemies with assistance from the U.S.A. and replaced by a dictator (General Pinochet) until 1990. More recently, Hugo Chavez (1954– ), an army officer elected president of Venezuela in 1998, has used revenues from state-owned oil companies to lift Venezuelans out of poverty. Government spending on social programs was increased dramatically during the first years of his presidency, and he has been able to resist the US quite effectively. The rule of Castro in Cuba and the rise of Chavez in Venezuela show the strength in the parts of the developing world of nationalist and pro-people patterns of development.

INTEXT QUESTIONS 26.5

Match the terms in the left column with the corresponding terms in the right column.

1. W. W. Rostow - manages ‘balance-of-payment’ problems
2. I.M.F. - Cuba
3. Prebisch - Venezuelan national populist
4. Fidel Castro - modernisation theory
5. Chavez - dependency theory

WHAT YOU HAVE LEARNT

The world today is divided into nation-states that are formally free to conduct their own affairs. European states no longer rule territories much larger and more populous than themselves. Hundreds of national freedom struggles, some beginning before the Second World War, were successful after the war. While there continues to be aggression among nations and ‘national’ separatist movements (of people wanting to join other nations or form their own nations), there are also transnational institutions and organisations that exist to minimise such conflicts. Some of these organisations were established to help ‘develop’ former colonies and other poorer regions of the world. Yet more than fifty years after the surge of national freedom struggles, five or six states control more wealth than all of the rest combined: the debate about unequal economic power in the world also continues.

TERMINAL QUESTIONS

1. How did the ‘old’ modern revolutions (of the USA and France) and the Russian Revolution of 1917 influence national liberation movements of the twentieth century?
2. Identify some leaders of anti colonial struggles who had lived and worked in the countries of their colonial ‘masters’.
3. Which anti colonial/national liberation struggles started from, or grew out of, the second world war?

4. Why is it fair to say that the Chinese revolution of the twentieth century has been the ‘greatest’ in history?

5. Describe some major (differing strategies) of national development.

6. What international institutions have been invented to supposedly equalize global trade and development?

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**ANSWERS TO INTEXT QUESTION**

**26.1**

1. Australia, N.Z., South Africa, Canada.

2. Mobilization of colonized peoples in ‘imperial’ armies and participation in war industries motivated colonized people to demand full citizenship rights and national freedom.


**26.2**

1. Africa dictator

2. Indonesia

3. India

4. Founded 1945

**26.3**

1. The U.S.S.R assisted a number of national freedom struggles after 1945. The U.S.A. opposed some national freedom struggles and encouraged others. The superpowers chose to support or oppose national freedom struggles depending on how it might impact their opponent.

2. South Korea, Taiwan, Hong Kong, Singapore.

3. Africa and Latin America.

**26.4**

1. Japan, USA. The P.R.C. had better relations with the USSR before 1957 then it did later. The P.R.C had poor relations with Great Britain because of the latter’s occupation of Hong Kong (until 1997).

2. During the 1980s the C.C.P. controlled a smaller part of national industry than in the previous three decades and also invited and received massive foreign investment.

3. P.R.C. did not assist the Vietnamese against the U.S.A., though according to Socialist ideals they should have done so.

**26.5**

1. Modernisation theory.

2. Manages balance of payment problems
NATIONAL LIBERATION MOVEMENTS

3. Dependency theory
4. Cuba
5. Venezuelan national populist.

HINTS FOR TERMINAL QUESTIONS

2. See para 26.4.
4. See para 26.5.
5. See para 26.6 sub para 4 to 9
6. See para 26.6 sub para 1,2.

GLOSSARY

Decolonization – The process of the reverse of imperialism, with colonies becoming politically independent states. Historically, decolonization usually refers to the period 1945-90.

Cold War – The period 1945-1990, when the two new ‘superpowers’ (USA and USSR) did not directly fight each other (‘hot war’) but instead tried to oppose each other’s expansion through proxy wars. Key conflicts of the Cold War were the USSR aiding the Vietnamese national liberation struggle and the USA assisting Afghan freedom fighters in their struggle against occupation by the USSR.

Non-Aligned Movement – An association of former colonized states since the 1950s trying to avoid new dependency on the ‘superpowers’, the USA and the USSR. NAM states include India, Pakistan, Egypt, Cuba and Indonesia. Despite pledges of non-alignment, some NAM states did become ‘dependent’ on one or another of the superpowers in matters of military defense or in trade and economic exchange.

Third World – A term invented during the early 1950s to indicate former colonial territories in need of ‘development’ (economic modernization). The First World refers to wealthy capitalist or non-socialist states including UK, USA and Canada. Second World refers (until 1990) to the USSR and others European states following its path of socialist development: for example Poland, Bulgaria.

Development assistance – Grants of money or financial loans given by wealthy states (or associations of such states) to poorer ones.
Modernization theory – A theory of economic development introduced during the 1950s by American economist W. W. Rostow. Rostow believed that economic development and modernization would involve industrialization, but that this would be preceded by capitalist agricultural development. Roughly speaking, Britain, the USA and Germany were the examples to be followed by Third World countries in their development.

Market socialism – Term used by leaders of the People’s Republic of China to describe their mixed or combined strategy of development since 1980. Instead of strong central (economic) planning and state ownership of resources (means of production) throughout the entire country, as happened before 1980, capitalists are allowed to generate profits for their investors, including foreign partners. Special ‘free enterprise zones’ are recognized in which the Chinese state allows capitalism to operate.