

Development - Topic Three – TNC's, NGO's and IGO's in local and global development	
<p><b>States and development</b> – Development states focus on development goals can prove successful by leading development and economic growth. Leftwich argues development states have been essential in leading industrialisation and ec. Growth e.g. Asian tigers and China. States tend to be authoritarian, but this now causes issues with aid and debt relief due to this being dependent on democracy.</p> <p>Predatory states- hinder development. Corrupt politicians and officials take money, abuse power, prey on own people and plunder their countries wealth.</p> <p>Governments in LEDC's have little wealth to help development. Neoliberals think states should reduce influence and allow development to come from private business. Whereas Marxist dependency theorists favour state led development – but the problem is that most states favour the ruling elite or wealthy countries. Socialism needed.</p>	
<p><b>TNC's and development</b></p> <p>These are hugely powerful global companies e.g. Nestle, Nike, Apple.</p> <p>Features include - operations transcend national borders, produce and sell around the world, use global supply chains, employ people in many different countries.</p> <p>Globalisation and international division of labour have encouraged their growth.</p> <p>TNC's main purpose is to get profits for shareholders not aid development.</p> <p>Export processing zones or free trade zones are set up in some countries to attract TNC investment with special inducements e.g. tax breaks and less worker's rights.</p>	<p><b>Dependency theory and the disadvantages of TNC's</b></p> <p>Weakens and exploit workers in LEDC's to strengthen capitalism.</p> <p>Exploitation of workers – child labour, poor conditions, low pay etc.</p> <p>'Race to the bottom' – term from Kernaghan to describe how LEDC's compete with each other to attract TNC's with ever worsening procedures e.g. lack of Env. Laws.</p> <p>Not always that men jobs created and best ones go to ex-pats rather than locals.</p> <p>Exploitation of the environment can be harmful to locals.</p> <p>Exploitation of local markets – miss-selling and harmful goods.</p> <p>LEDC's don't benefit financially profits are exported and taxes avoided.</p> <p>TNC's have little loyalty - they move when labour is cheaper elsewhere.</p> <p>Bio-piracy – steal traditional medicines and foods to benefit themselves and eliminate the original local firm</p> <p>Exploitation of western consumers – making false claims about their practices.</p> <p>Products for western markets – locals can't buy or afford them</p>
<p><b>Modernisation and Neo Liberalism and the benefits of TNC's</b></p> <p>Cultural change – more modern values</p> <p>Investment- money, resources, technology, jobs, expertise.</p> <p>Better education to get skilled workers.</p> <p>More jobs in local businesses that support TNC's</p> <p>More jobs for women – promotes gender equality.</p> <p>Provides infrastructure that also benefits local people.</p> <p>Encouragement of international trade opens up new markets.</p>	<p><b>Why are TNC's unethical?</b></p> <p>Economic and political power of largest TNC's lets them ensure policies are made to benefit them or their wrong doing can be overlooked.</p> <p>Often operate though smaller subsidiary companies- so they can distance themselves from wrong doing e.g. working conditions.</p> <p>Little incentive to be ethical – laws are hard to apply and enforce globally, fines are tiny in comparison to profits and will probably be passed onto consumers. Imprisonment is rare for corporate crime.</p>
<p><b>INGO's –</b></p> <p>Non-governmental organisations are non-profit or charitable organisations – they are politically and economically independent from governments and profit making organisations.</p> <p>INGO's are international NGOs' who work internationally on humanitarian, development and environmental issues in LEDC's.</p> <p>Example OXFAM – raise emergency funds for public disaster relief, most also help provide development aid for local projects.</p>	<p><b>INGOS's and the global civil society</b></p> <p>Civil society refers to the network of businesses, political groups and voluntary organisations that exist between individuals, family and states.</p> <p>Globalisation has led to the rise of the GCS including INGO's and global social movements opposed to neoliberal globalisation.</p> <p>Protesters often protest at meetings of the WTO, World Bank and IMF – all neoliberal.</p>

<p><b>Strengths of INGO's</b></p> <p>Less bureaucratic than national governments.</p> <p>Worldwide track record of helping projects with local people on a small scale.</p> <p>Good knowledge of needs due to work with local people.</p> <p>Able and willing to take risks</p> <p>Seen as trustworthy - politically neutral and independent of local power structures.</p> <p>Not driven by profit.</p> <p>Continuity – not elected like governments</p> <p>Responsive to beneficial intentions of donors – rely on for funding</p>	<p><b>Criticisms of INGO's</b></p> <p>Limited effectiveness</p> <p>Can sometimes be too closely linked to governments – rely on for funding.</p> <p>Work hampered by political agendas of governments.</p> <p>Sometimes have links to TNC's.</p> <p>Unclear accountability – who do they answer to?</p> <p>Inappropriate spending of funds – too much on administration</p> <p>Portray people in developing countries as helpless victims and objects of pity.</p> <p>Don't always prioritise the right things –faith based INGO's can focus too much on beliefs.</p> <p>Sometimes to focused on PR and building a brand.</p>
<p><b>IGO's – international governmental organisations.</b></p> <p>States cannot solve development issues alone – they cooperate to set up a number of transnational organisations – IGO's</p> <p>The United Nations – (UN)</p> <p>Wide variety of programmes and agencies – concerned with social and economic development.</p> <p>Establishes global targets for development and poverty reduction.</p> <p>Tends to be more radical and pro south than the IMF, WTO and World Bank.</p> <p>The European Union – (EU)</p> <p>This is the largest donor of development aid in the world.</p> <p>The Bretton Woods Institutions</p> <p>These are largely under the control of MEDC's – heavily influenced by neoliberalism. Their main problem is that they are accused of acting in the interests of the most powerful countries in the world.</p> <p>Including-</p> <p>The international Monetary Fund (IMF) – the last resort lender for countries. IMF loans are linked to countries accepting IMF neoliberal economic policies in the form of SAP's.</p> <p>+ Sensible to have an IGO regulate the global economy and help countries in debt. + helps access funding and expertise to help Ec. Dev. And reduce poverty. – Sticks strictly to neoliberal policies and SAPS don't help developing countries because they promote TNC's over domestic industries. They reduce employment rights and work conditions. Cut government spending on health and education. Economy focuses on export rather than domestic priorities. – imposes a one size fits all model to development. – Deals with short term economic goals rather than long term development strategies.</p> <p>The World Bank – gives loans to developing countries at low or zero rates of interest for poor countries.</p> <p>Used to be limited to lending for specific projects which were inappropriate to wider development e.g. Dams.</p> <p>Works closely with IMF and SAP's – so has the same criticisms.</p> <p>The World Trade Organisation -(WTO) – pushes neoliberal reform in terms of trade – tries to reduce trade barriers</p> <p>Poorer countries tend not to be involved in discussions.</p> <p>Tends to lead to unfair trade –developing countries suffer and have to accept SAP's – rich nations don't tend to open up their markets as easily.</p> <p>Gives free trade priority over all other considerations.</p>	