

On NGOs and the state, social stratification and donors

From the above, and borrowing from J. Pearce (2000), we can identify four areas summarizing the current debate on development, NGOs, and civil society:

- 1) NGOs and the state
- 2) NGOs and neo-liberalism
- 3) Theory, practice, and NGOs
- 4) The roles and relationships of international (Northern) NGOs and Southern NGOs;

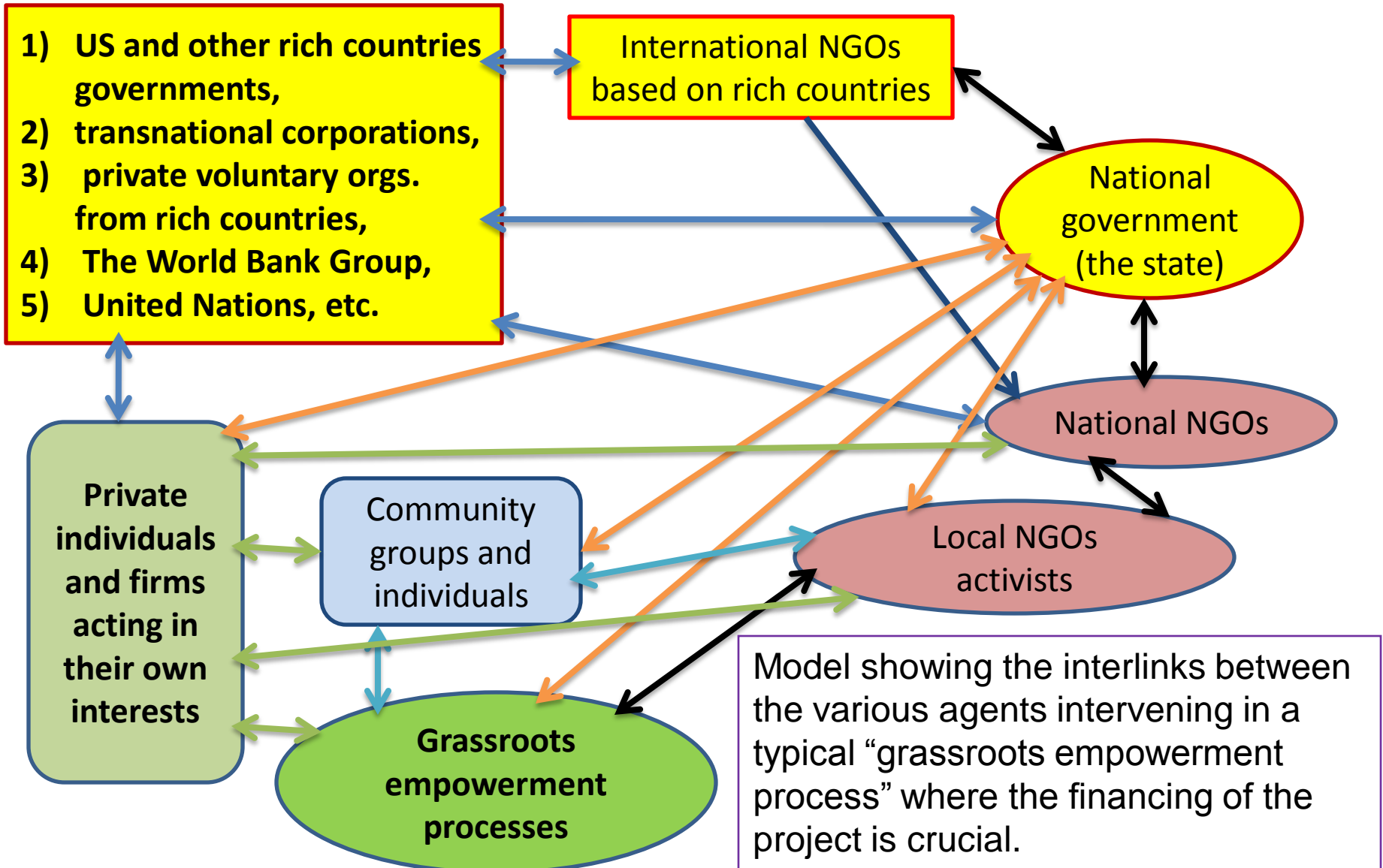
(J. Pearce, 2000, "Development, NGOs, and civil society: the debate and its future", in Eade, D. (ed.), Development, NGOs, and Civil Society, Oxfam, pp. 127-148)

NGOs and the state

- 1) Complementing the state:** by filling gaps, by providing services they are better equipped to provide than the state, or by working with the state to provide jointly a variety suited to the variety of needs among the population.
- 2) Opposing the state:** either directly by lobbying at government level or in international arenas, or indirectly by supporting local and national groups that are adversely affected by government policies.
- 3) Reforming the state:** by representing the interests of groups they work with at grassroots level to government and working with government to improve policies”.

(A. Thomas, 1992, “Non-governmental organisations and the limits to empowerment”, in M. Wuyts et al , Development Policy and Public Action, OUP)

NGOs and the international and national webs



Development and Economic theories

- (1) Development as **economic growth**
- (2) Development as **economic growth** plus **human** and **social development**
- (3) Development as **economic growth** plus **human** and **social development** plus **environmental sustainability**

Economic theories based on:

- a) unregulated markets
- b) regulated markets

On Planning (4)

Today the ever expanding globalised economy puts planning for development within a framework which is both national and international. A tentative model could be as follows:

1) **The national environment**, composed of

- 1.1.- ecological system;
- 1.2.- biological system (i.e., bio diversity);
- 1.3.- social systems, composed of cultural systems (i.e., religious, ethnic, etc.), social structure; economic system; and demographic system.

2) **The international environment**, composed of

- 2.1) dominant individual, regional and global political systems (i.e., United Nations, military agreements; economic agreements; and institutions such as World Bank, IMF, WTO, etc.
- 2.2) global and regional ecological systems;
- 2.3) global and regional economic systems (i.e., integrated international chains of production owned by transnational corporations)

On ethics and capitalist economics

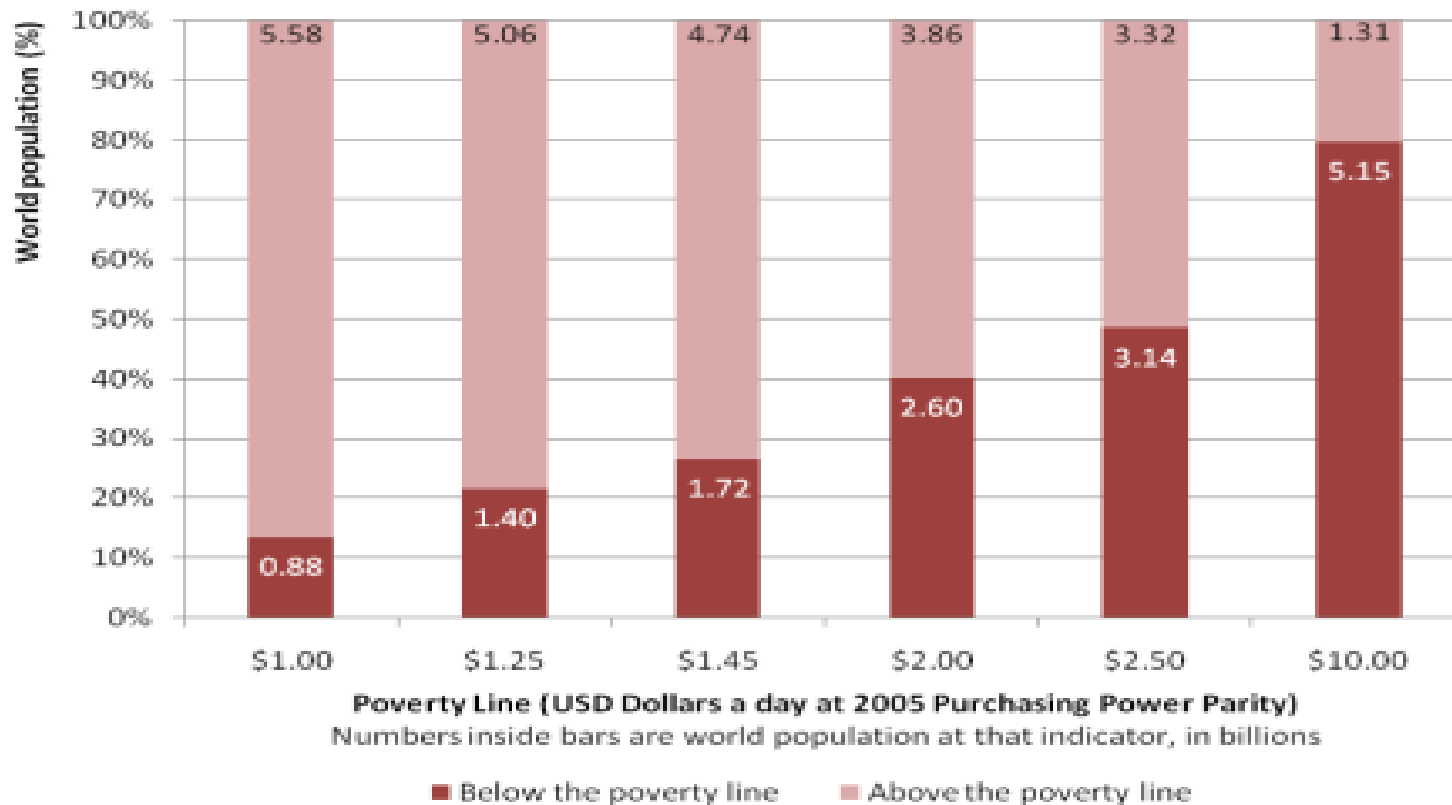
"Wherever there is great property, there is great inequality. For one very rich man there must be at least five hundred poor, and the affluence of the few supposes the indigence of the many".

[\(Adam Smith, "An Inquiry into the Nature and the Causes of the Wealth of Nations", Book 5, Ch. 1, Part II p.580\)](#)

"What may be rational for each individual corporation is irrational for society",

Robert Reich, 1996, "A hand across the great divide", The Financial Times, London, March 6, 1996. Reich was US Secretary for Labour, during Clinton Administration

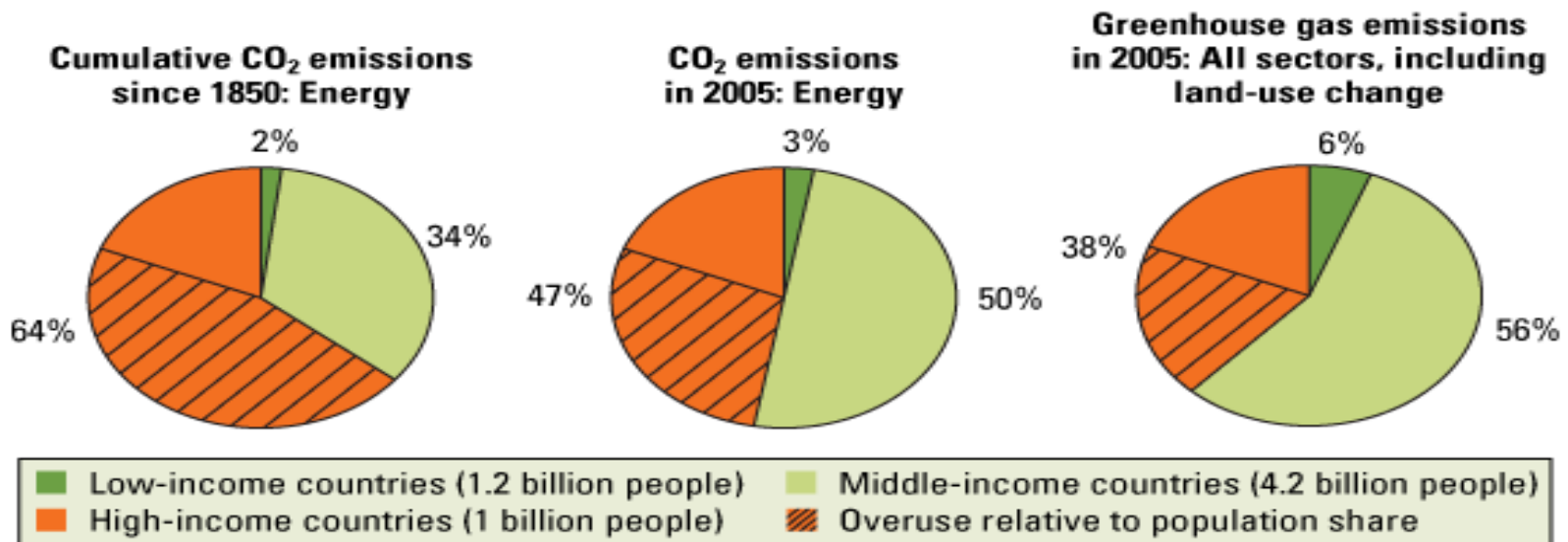
Percent of people in the world at different poverty levels, 2005



Source: World Bank Development Indicators 2008

High-income countries have historically contributed a disproportionate share of global emissions and still do

Share of global emissions, historic and 2005



Sources: DOE 2009; World Bank 2008c; WRI 2008 augmented with land-use change emissions from Houghton 2009.

Note: The data cover over 200 countries for more recent years. Data are not available for all countries in the 19th century, but all major emitters of the era are included. Carbon dioxide (CO₂) emissions from energy include all fossil-fuel burning, gas flaring, and cement production. Greenhouse gas emissions include CO₂, methane (CH₄), nitrous oxide (N₂O), and high-global-warming-potential gases (F-gases). Sectors include energy and industrial processes, agriculture, land-use change (from Houghton 2009), and waste. Overuse of the atmospheric commons relative to population share is based on deviations from equal per capita emissions; in 2005 high-income countries constituted 16 percent of global population; since 1850, on average, today's high-income countries constituted about 20 percent of global population.

The international division of production (21)

Macroeconomic effects of TNCs practices.

Data for year 2006	GDP growth % per year	Factor Payments to Abroad % of GDP	Gross Domestic Product as % of World GDP	Gross National Income as % of World GNI
Developing economies	7.1	-4.2	24.9	23.7
Econ. in transition	7.2	-6.4	2.8	2.3
Developed economies	2.8	+2.2	72.4	74.0

(Sources: UNCTAD, “Handbook of Statistics 2008” and WORLD BANK, “World Development Indicators 2008”)

Main agricultural produce targeted by TNCs in foreign locations, up to 2009.

Source: World Investment Report 2009, page 117

South America	Floriculture, fruits, rice, sugarcane, wheat and grain, meat and poultry, soya beans
Central America	Fruits, sugar cane
North America	Maize, meat and poultry, floriculture, dairy, cotton, fruits
Africa	Rice, oil crops (west) – wheat and grain, floriculture, rice (east) – sugarcane, cotton (south)
Western Europe	Floriculture, fruits, dairy, vegetables
Eastern Europe	Dairy, wheat and grain
South Asia	Wheat and grain, rice
China	Fruits, meat and poultry, vegetables, floriculture
South East Asia	Fruits, oil crops
Australia	Meat and poultry

Produce:

1. Cotton
2. Dairy
3. Floriculture
4. Fruits
5. Maize
6. Meat and poultry
7. Oil crops
8. Rice
9. Soya beans
10. Sugarcane
11. Vegetables
12. Wheat and grain

The process of national structural transformation (14)

About rural-urban migration (5)

The most important outcomes are:

1. **Rural poverty becomes urban poverty which creates a large supply of cheap labour which will attract domestic and foreign investments, fostering styles of industrialization to meet the economic needs of the international integrated system of production.**
2. **This styles of industrialization will be dependent on industrialized countries finance, technology and research & development.**

The process of national structural transformation (15)

About rural-urban migration (6)

Finally, heavily polluting industries from industrialized countries will migrate to developing countries, among them:

Chemicals

Metallurgy

Paper

Building materials

Agribusiness

Energy

Computer processors

The process of national structural transformation (16)

About rural-urban migration (7)

Environmental degradation will accelerate as follows:

1. Degradation affecting humans and eco-systems **within the range of the event**: water pollution; water scarcity; air pollution (for example, smog, acid rain); solid waste; and hazardous waste.
2. Degradation affecting **all living species and eco-systems on planet earth**: soil degradation; deforestation; loss of biodiversity; and atmospheric changes (greenhouse effect).

Groups	Population % of total	GNI - % of total	GNI/ capita HI = 100
East Asia and the Pacific	29.0	7.9	0.27 - 5.8
Europe and Central Asia	6.7	5.1	0.76 - 16.1
Latin America and the Caribbean	8.5	5.9	0.69 - 14.7
Middle East and North Africa	4.7	1.7	0.36 - 7.6
South Asia	23.0	2.5	0.11 - 2.3
Sub Saharan Africa	12.1	1.4	0.12 - 2.5
High income (include ind. cts.)	16.0	75.4	4.71- 100.0
Total in %	100.0	100.0	
Total pop. millions and US\$ mill.	6,611	52,643,100	

Data for 2007. World Development Report 2009, World Bank

Share of employers, wage and salaried, own-account and contributing family workers (% of total employment).

Source: ILO, "Key Indicators of the Labour Markets 2008"

Year 2006 Civil Society defined in accordance with economic activity of its members	Employers (owners of capital)	Wage / salaried	Own-account	Contributing family
Industrial countries	6.3	84.3	7.8	1.6
Eastern Europe & Central Asia	3.8	76.6	16.1	3.6
Middle East	5.2	61.5	22.6	10.6
East Asia	1.2	42.6	38.2	18.0
Southeast Asia and the Pacific	2.1	38.8	35.2	23.9
South Asia	1.6	20.8	47.4	30.2
Latin America & the Caribbean	4.7	62.7	27.1	5.5
North Africa	9.6	58.3	16.2	15.9
Sub-Saharan Africa	3.0	22.9	48.7	25.4
World	2.9	46.9	33.0	17.2

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Financial flows from industrialized countries to developing countries plus workers remittances (current dollars)

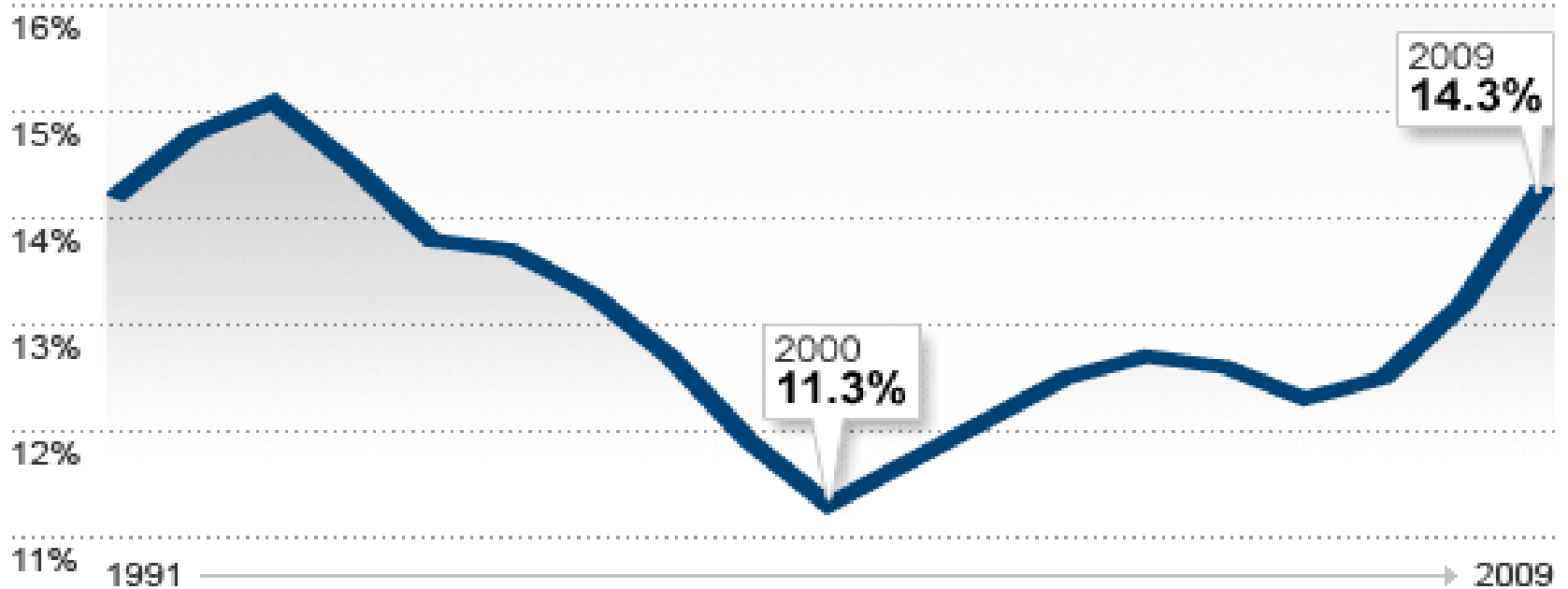
	Inflow to developing countries from industrial cts. (US\$mil.) Year 2007	Outflow from developing countries to industrial cts. (US\$mil.) Year 2007	Net flow to developing countries US\$ mill.	Workers remittances	Final balance
Foreign Direct Investment	**182196				
Aid	103491				
Net grants by NGOs	18508				
Total inflow/outflow	304195	-874400*	-570205	278174	-292031

**Total FDI is composed of 56% equity, 26% reinvested earnings and 18% loans from host country banks. Total = 325350, of which equity = 182196

Source: World Bank, "World Development Indicators 2009", table 6.12; * UN, "World Economic Situation and Prospects 2009"; IMF Balance of Payments Statistics Yearbook 2009". * 6.1% of GDP

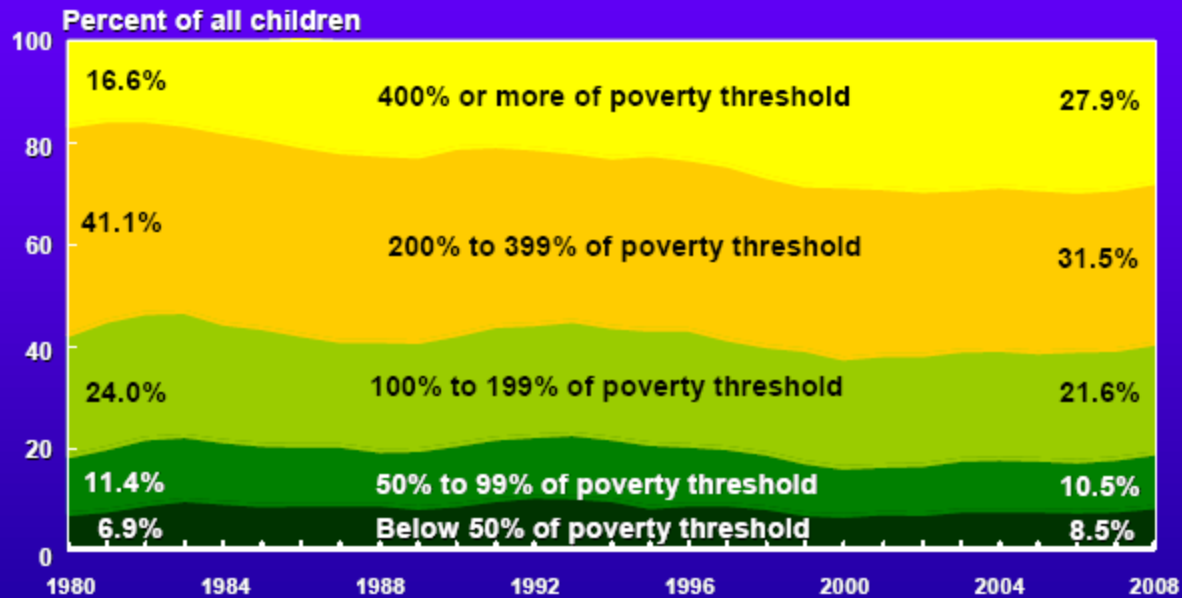
POVERTY RATE KEEPS CLIMBING

POVERTY LEVEL: \$21,954 FOR A FAMILY OF FOUR



SOURCE: U.S. CENSUS BUREAU

Figure 2: Children with Income Below Specified Ratio of Their Poverty Threshold: 1980 to 2008



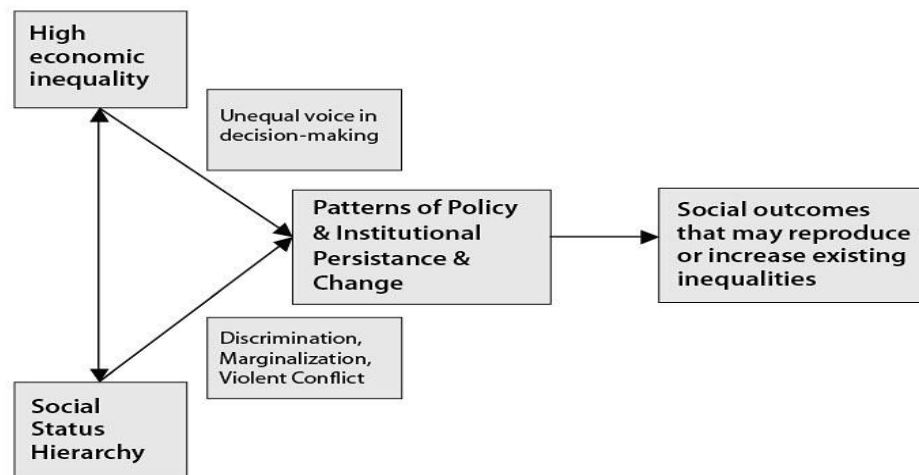
Source: U.S. Census Bureau, Current Population Survey, 1981 to 2009 Annual Social and Economic Supplements.

USCENSUSBUREAU

The report by the Task Force on Difference, Inequality, and Development of the [American Political Science Association](#), entitled *The Persistent Problem: Inequality, Difference, and the Challenge of Development*, highlights how these problems threaten efforts to alleviate deprivation such as the Millennium Development Goals. It shows that in an increasingly interdependent world, international institutions should be made more accountable to poor countries if they are to maintain their legitimacy and effectiveness.

Released on July 10, 2008 G

Figure 1: Inequality, Social Hierarchy, and the Persistence of Inequality



On political parties, NGOs and Social movements

Political parties	NGOs	Social movements
Bureaucratic and hierarchical organization	Bureaucratic and hierarchical organization	Open organization. Non-bureaucratic
All-aspects objectives (political manifesto)	Issue-based objectives, (mission statements)	Issue-based objectives (i.e. democracy, racial equality, anti-neoliberalism)
Nation-wide based. Aim: state control/power.	Issue-based aims (local and global): reformative	Issue-based aims (local and global): transformative
Political strategies within legal limits. Reformative	Legal strategies. Lobbying, educating, etc Reformative	Legal and illegal strategies. Public action, educating, lobbying etc. Transformative

On economic/business cycles

“the essential fact of capitalism is the process of creative destruction” ...”this process incessantly revolutionizes the economic structure from within, incessantly destroying the old one, and incessantly creating a new one” ...

(Joseph Schumpeter, “Capitalism, Socialism, and Democracy”, Third Edition, New York, Harper and Brothers, 1942)

Individual capitalist will try to maximise surplus value producing as much as possible. The market will reach a point where overproduction will hit businesses and stock will accumulate. To reduce losses, individual capitalists will produce less and shed workers, until a crisis of underproduction will appear. Thus, the capitalist system will advance in cycles, with ups and downs, depending on stages of underproduction or overproduction.

(Karl Marx, “Theories of Surplus Value”, chap II, 4d, Progress Publishers, Moscow, 1966)

On economic/business cycles

Demand large than supply	Supply larger than demand
UNDERPRODUCTION	OVERPRODUCTION
a) sales increase	a) sales decrease
b) profits increase,	b) profits decrease, and even losses occur,
c) investments increase,	c) investments decrease, and even stop in some cases,
d) employment increase,	d) employment decrease (unemployment increase)
e) production increase,	e) production decrease,
	f) less profitable businesses disappear
UNTIL REACHING OVERPRODUCTION	UNTIL REACHING UNDERPRODUCTION

Marx stated that this ups and downs (he called them crises) are actually the DRIVING FORCE OF THE CAPITALIST SYSTEM. He said that capitalist crises are the most efficient manifestation of the capitalist market system because they IMPROVE THE TECHNICAL QUALITY OF CAPITAL. (ibid.)

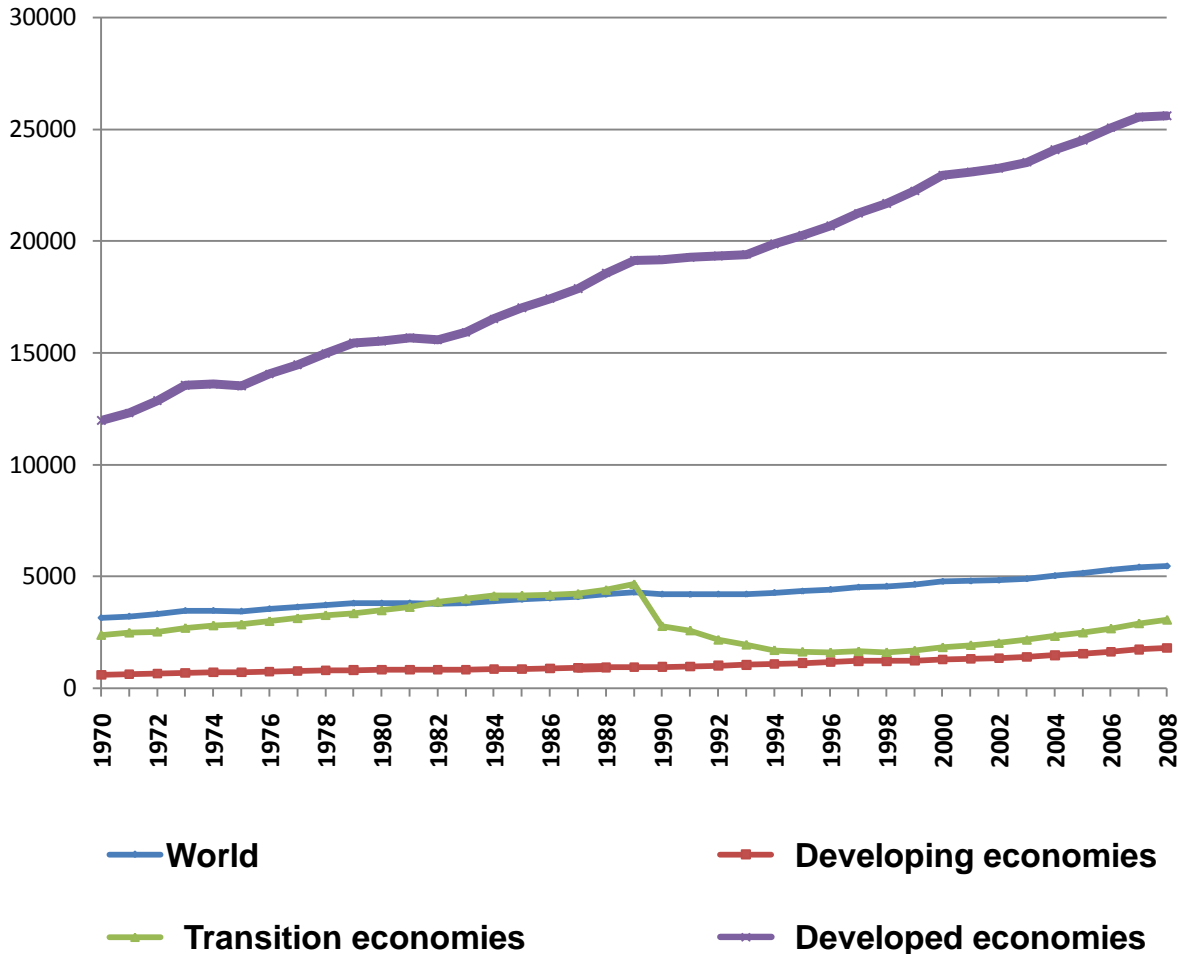
On the internal dynamics of a capitalist market

U.K. Sources of gross income: by income grouping of households, 2007/08 - £ per year

Source: Social Trends 40: 2010 Edition

	Bottom fifth (A)	Next fifth	Middle fifth	Next fifth	Top fifth (B)	B / A
Earnings in labour market	4,600	10,850	19,350	30,350	68,200	15.0
% of average income	0.17	0.41	0.73	1.14	2.56	15.0
State support	6,500	6,550	4,450	2,850	1,700	0.3
Investment income	400	450	650	1,000	6,600	17.0
Income from pensions	400	950	1,500	2,050	3,150	8.0
Miscellaneous income	350	500	600	600	850	2.5
TOTAL gross income	12,250	19,350	26,600	36,800	80,500	6.6
% of average income	0.35	0.55	0.76	1.05	2.29	6.6
Total income AFTER taxes	7,509	13,023	17,396	23,773	52,405	7.0
Taxes as % of gross income	38.7	32.7	34.6	35.4	34.9	

UNCTAD Handbook of Statistics 2009.- Income per capita - US\$ at constant price (1990) from 1970 to 2008



US dollars 1990	
1970	2008
590	1797 dving.
2378	3054
11963	25594 dvped.

(11373) (23797) diff.

Avg. annual growth (%)	
World	- 1.46
Dving. econ.	- 2.97
Trans. econ.	- 0.66
Dvped. econ.	- 2.02

