



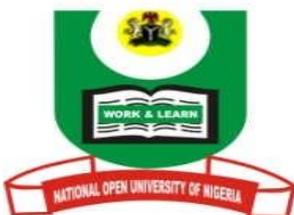
NATIONAL OPEN UNIVERSITY OF NIGERIA
INTERNATIONAL ORGANIZATIONS AND DEVELOPMENT(I) (DES 415)

DEPARTMENT OF DEVELOPMENT STUDIES
FACULTY OF SOCIAL SCIENCES

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Printed 2022

ISBN: 978-978-058-577-8

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INTRODUCTION

Welcome to DES-415: International Organizations and Development (I)

This is a two-unit credit course and compulsory for students in Development Studies. This course has been structured into 14 distinct but related units of activities. The course guide gives you overview of the course and provides you with the relevant information and requirements for the course. Also, in this Course Guide, you will be intimated on what you need to know about the aims and objectives of the course, components of the course material, arrangement of the study units, assignments, and examinations.

Course Competencies

The purpose of this course is to introduce students to the main theoretical perspectives and conceptual debates on international organizations and development. Accordingly, the lectures involve series of debates and theories that constitute the foundation of international organizations operations in the world. Specific aim of the course include:

- Introduce students to the functions of key international organizations including the WTO, IMF, World Bank, United Nations, international regime on climate change, trans-national corporations and Non-Governmental Organizations.
- Develop students' understanding of the key forces shaping the development of international organizations and the implications of the development of international organizations for policy-making processes at the national and sub-national levels.
- Introduce students to theoretical approaches to the development and implications of international organizations, including approaches such as public policy theory, new institutionalism, in addition to international organization development theories such as neo-liberal, institutionalism and the international governance approaches that affect the third world development.

Course Objectives

To achieve the aims of this course, there are overall objectives which the course is out to achieve though, there are set out objectives for each unit. The unit objectives are included at the beginning of a unit; you should read them before you start working through the unit. You may want to refer to them during your study of the unit to check on your progress. You should always look at the unit objectives after completing a unit. This is to assist the students in accomplishing the tasks entailed in this course. In this way, you can be sure you have done what was required of you by the unit. The objectives serve as study guides, such that student could know if he is able to grab the knowledge of each unit through the sets of objectives in each one.

At the end of the course period, the students are expected to:

- Get acquainted with key analytic debates in the field of international organizations and development
- Develop the ability to comprehend and manipulate complex analytical arguments in global discourses on international organizations and development
- Have an understanding on how to relate these debates and analytical arguments to development theory, policy and practice
- Develop the ability to evaluate the impact of development interventions (such as –SDGs, NGOs, international financial institutions, government intervention projects, and development blueprints, as well as international institutional reforms and theories of change) on international organizations’ operations and development in countries of the world
- Get familiarised and be able to apply practical skills and techniques in International Organizations and development analysis which can lead to a career international multilateral and bilateral corporations and NGOs

Working Through this Course

To successfully complete this course, you are required to read the study units, referenced books and other materials on the course. Each unit contains self-assessment exercises called Student Assessment Exercises (SAE). At some points in the course, you will be required to submit assignments for assessment purposes. At the end of the course there is

a final examination. This course should take about 15 weeks to complete and some components of the course are outlined under the course material subsection.

Study Units

There are four (4) modules and sixteen (16) units in whole for this course. They should be studied carefully and diligently. The modules and units are listed as follows:

MODULE 1 –International Organizations in Development: Meaning, Theories and Relevance

UNIT-1: Defining International Organizations

UNIT-2: Types and forms of IOs.

UNIT-3: History and emergence of Global Governance.

UNIT-4: Theories of IOs and Global Governance (Realism, Neoliberal Institutionalism, Classic Liberal Institutionalism, Critical Theory).

MODULE 2: Global Finance and World Economic Development

Unit 1 – The World Bank

Unit 2 – The International Monetary Fund (IMF)

Unit 3 – World Trade Organization (WTO)

Unit 4 – African Development Bank (ADB)

MODULE 3– Globalization, Third World Development and International Organizations

Unit1 – Meaning of Globalization in Development

Unit 2 –Globalization: Analysis from Development and Political Economy Perspectives

Unit 3 – The Effects of Globalization on Third World Countries' Development

MODULE 4: International Organizations as non-State actors – The Civil Society in International System

Unit 1 – Mary Kaldor's Four Versions of Civil Society Emergence as Non-State Actors in Development

Unit 2 - Civil Society as Third Sector of Society in Development

Unit 3 - Functions of Civil Society Organizations (NGOs) in Development

Each study unit will take at least two hours, and it include the introduction, objective, main content, self-assessment exercise, conclusion, summary and reference. Other areas border on the Tutor-Marked Assessment (TMA) questions. Some of the self-assessment exercise will necessitate discussion, brainstorming and argument with some of your colleges. You are advised to do so in order to understand and get acquainted with historical economic event as well as notable periods.

There are also textbooks under the reference and other (on-line and off-line) resources for further reading. They are meant to give you additional information if only you can lay your hands on any of them. You are required to study the materials; practice the self-assessment exercise and tutor-marked assignment (TMA) questions for greater and in-depth understanding of the course. By doing so, the stated learning objectives of the course would have been achieved.

References and Further Readings

In this course material there are some recommended textbooks and references that you can get for yourself or search out online for further reading.

Presentation Schedule

The presentation schedule included in your course materials gives you the important dates in the year for the completion of tutor-marking assignments and attending tutorials. Remember, you are required to submit all your assignments by due date. You should be guided against falling behind in your work.

Assessment

There are two types of the assessment of the course. First are the tutor-marked assignments; second, there is a written examination. In attempting the assignments, you are expected to apply information, knowledge and techniques gathered during the course. The assignments must be submitted to your tutor for formal Assessment in accordance with the deadlines stated in the Presentation Schedule and the Assignments File. The work you submit to your tutor for assessment will count for 30 % of your total course mark.

At the end of the course, you will need to sit for a final written examination of three hours' duration. This examination will also count for 70% of your total course mark.

How to get the Most from the Course

In distance learning the study units replace the university lecturer. This is one of the great advantages of distance learning; you can read and work through specially designed study materials at your own pace and at a time and place that suit you best. Think of it as reading the lecture instead of listening to a lecturer. In the same way that a lecturer might set you some reading to do, the study units tell you when to read your books or other material, and when to embark on discussion with your colleagues. Just as a lecturer might give you an in-class exercise, your study units provide exercises for you to do at appropriate points.

Each of the study units follows a common format. The first item is an introduction to the subject matter of the unit and how a particular unit is integrated with the other units and the course as a whole. Next is a set of learning objectives. These objectives let you know what you should be able to do by the time you have completed the unit. You should use these objectives to guide your study. When you have finished the unit, you must go back and check whether you have achieved the objectives. If you make a habit of doing this you will significantly improve your chances of passing the course and getting the best grade.

The main body of the unit guides you through the required reading from other sources. This will usually be either from your set books or from a readings section. Some units require you to undertake practical overview of historical events. You will be directed when you need to embark on discussion and guided through the tasks you must do. The purpose of the practical overview of some certain historical economic issues are in twofold. First, it will enhance your understanding of the material in the unit. Second, it will give you practical experience and skills to evaluate economic arguments, and understand the roles of history in guiding current economic policies and debates outside your studies. In any event, most of the critical thinking skills you will develop during studying are applicable in normal working practice, so it is important that you encounter them during your studies.

Self-assessments are interspersed throughout the units, and answers are given at the ends of the units. Working through these tests will help you to achieve the objectives of the unit and prepare you for the assignments and the examination. You should do each self-

assessment exercises as you come to it in the study unit. Also, ensure to master some major historical dates and events during the course of studying the material. The following is a practical strategy for working through the course. If you run into any trouble, consult your tutor. Remember that your tutor's job is to help you. When you need help, don't hesitate to call and ask your tutor to provide it.

1. Read this Course Guide thoroughly.
2. Organize a study schedule. Refer to the 'Course overview' for more details. Note the time you are expected to spend on each unit and how the assignments relate to the units. Important information, e.g. details of your tutorials, and the date of the first day of the semester is available from study centre. You need to gather together all this information in one place, such as your diary or a wall calendar. Whatever method you choose to use, you should decide on and write in your own dates for working through each unit.
3. Once you have created your own study schedule, do everything you can to stick to it. The major reason that students fail is that they get behind with their course work. If you get into difficulties with your schedule, please let your tutor know before it is too late for help.
4. Turn to Unit 1 and read the introduction and the objectives for the unit.
5. Assemble the study materials. Information about what you need for a unit is given in the 'Overview' at the beginning of each unit. You will also need both the study unit you are working on and one of your set books on your desk at the same time.
6. Work through the unit. The content of the unit itself has been arranged to provide a sequence for you to follow. As you work through the unit you will be instructed to read sections from your set books or other articles. Use the unit to guide your reading.
7. Up-to-date course information will be continuously delivered to you at the study centre.
8. Work before the relevant due date (about 4 weeks before due dates), get the Assignment File for the next required assignment. Keep in mind that you will learn a lot by doing the assignments carefully. They have been designed to help

you meet the objectives of the course and, therefore, will help you pass the exam. Submit all assignments no later than the due date.

9. Review the objectives for each study unit to confirm that you have achieved them. If you feel unsure about any of the objectives, review the study material or consult your tutor.
10. When you are confident that you have achieved a unit's objectives, you can then start on the next unit. Proceed unit by unit through the course and try to pace your study so that you keep yourself on schedule.
11. When you have submitted an assignment to your tutor for marking do not wait for it return before starting on the next units. Keep to your schedule. When the assignment is returned, pay particular attention to your tutor's comments, both on the tutor-marked assignment form and also written on the assignment. Consult your tutor as soon as possible if you have any questions or problems.
12. After completing the last unit, review the course and prepare yourself for the final examination. Check that you have achieved the unit objectives (listed at the beginning of each unit) and the course objectives (listed in this Course Guide).

Online Facilitation

There are some hours of tutorials (2-hours sessions) provided in support of this course. You will be notified of the dates, times and location of these tutorials. Together with the name and phone number of your tutor, as soon as you are allocated a tutorial group.

Your tutor will mark and comment on your assignments, keep a close watch on your progress and on any difficulties, you might encounter, and provide assistance to you during the course. You must mail your tutor-marked assignments to your tutor well before the due date (at least two working days are required). They will be marked by your tutor and returned to you as soon as possible.

Do not hesitate to contact your tutor by telephone, e-mail, or discussion board if you need help. The following might be circumstances in which you would find help necessary. Contact your tutor if.

- You do not understand any part of the study units or the assigned readings

- You have difficulty with the self-assessment exercises
- You have a question or problem with an assignment, with your tutor's comments on an assignment or with the grading of an assignment.

You should try your best to attend the tutorials. This is the only chance to have face to face contact with your tutor and to ask questions which are answered instantly. You can raise any problem encountered in the course of your study. To gain the maximum benefit from course tutorials, prepare a question list before attending them. You will learn a lot from participating in discussions actively.

Course Information

Course Code:	DES 415
Course Title:	INTERNATIONAL ORGANIZATIONS & DEV
Credit Unit:	2 UNITS
Course Status:	
Course Blub:	
Semester:	FIRST
Course Duration:	2 HOURS
Required Hours for Study	

Course Team

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Module 1: INTERNATIONAL ORGANIZATIONS: MEANING, THEORIES, AND RELEVANCE

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Definition of International Organizations.
- 1.4 Characteristics of International Organizations.
- 1.5 Criteria for Categorizing International Organizations
- 1.6 Summary
- 1.7 References/Further Readings/Web Resources
- 1.8 Possible Answers to Self-Assessment Exercise(s) within the content



1.1 Introduction

In this unit, we will describe, define, and give a brief background about the evolution and purpose of international organizations. Indeed, there are different kinds of definitions and descriptions of the international organization some conflict with others depending on the perspective the definer is looking at it from. However, there is a point of convergence, where all seem to agree on what characteristics makeup or define international organizations.



1.2 Learning Outcomes

At the end of this unit, student will be able to:

1. Understand and describe an International Organization from other organizations.
2. Understand the basic characteristics of an International Organization.
3. Correctly define and describe International Organizations.



Main Content

1.3 Definition of International Organizations.

The term “international organizations” refers to a wide variety of formal structures with both common elements as well as specific peculiarities, which call for clarification. As noted by Brechin and Ness (2013), scholars of international organizations “seem to typically focus on intergovernmental organizations, and at times, seem to use the term interchangeably. This can be confusing”. In the same vein, Dijkzeul and Beigbeder (2003) claim that “sometimes the term international organizations are used to include (i) multinational corporations, (ii) bilateral organizations, (iii) multilateral organizations, and (iv) international non-organizations (INGOs). Other times, only UN organizations are covered by this term.” Most commonly, the term international organizations are used to refer to “all forms of non-state actors working at international or global levels” (Brechin and Ness 2013). According to this, intergovernmental organizations (IGOs) can be considered a subset of the international organizations’ category together with international nongovernmental organizations (INGOs).

International organizations (IOs) can be defined in a variety of ways, given the considerable differences in their (i) status: (for-profit, not-for-profit, etc.), (ii) structures, (iii) objectives, (iv) functions, (v) financing, (vi) working languages and membership rules (Colas, 1993; Diez de Velasco Vallejo, 1999; and Smuts, 1995). However, they are all intergovernmental entities, established through a legal instrument (such as a treaty or agreement) that provides each of them with its decision-making powers that are distinct from those of its member states, as well as jurisdiction, permanent structures, and the means of attaining a common goal and specific objectives on an international scale. Several definitions exist which describe international organizations. However, we will stick to the four definitions or descriptions of IOs as listed below which are most appropriate and encompassing, they are:

SELF ASSESSMENT 2

Give 2 characteristics of IOs

1.5 Criteria for Categorizing International Organizations.

There are several criteria for categorizing and classifying international organizations. However, we will focus on seven of these parameters, namely: (i) status (ii) structures, (iii) objectives, (iv) functions or focus, (v) financing, (vi) working language, (v) membership rule, (vi) constitutional influence. The table below further explained these criteria:

Criteria based on:	Parameters that distinguish them
1. Status	For-Profit or Not-for-Profit. / Public or Private
2. Structures	Either Global or Regional
3. Objectives	Health/ Peace Mission/ Economic development etc.
4. Functions or focus	Peacekeeping / International Justice / Economic development
5. Financing	By Member state or Host Country or by regional agreement
6. Working Language	English/ French/ Prologues/ German/ Spanish etc
7. Membership rules	Technical capacity/ Political alignment/ Regional area
8. Constitutional Instrument	Treaty or Agreement

Adapted from United Nations (UNEG, 2015)

SELF ASSESSMENT 3

State the criteria for classifying international organizations



1.6 Summary

This unit described and defined international organizations based on different criteria or parameters, going back to the airport analogy used at the start of this unit, we may not always be aware of how international organizations affect even the most mundane things in our lives. But our lives would be materially different without them.

UNIT-2, explored in detail the role of international organizations. Some of their roles are helping to set the international agenda, mediating political bargaining, providing a place for political initiatives, and acting as catalysts for coalition- formation. They facilitate cooperation and coordination among member nations, amongst others.



1.7 References/Further Readings

- Brechin, S. R., & Ness, G.D. (2013): Looking back at the gap: international organizations as organizations twenty-five years later. *Journal of International Organizations Studies* 4, no. 1 14–39.
- Colas, B. (1993). Organization’s internationals à vocation universal: les notices, Paris, *La Documentation française*.
- Dijkzeul, D. (1997). “United Nations development co-operation as a form of international public service management.” *International journal of public sector management* 10, no. 3: 165–189.
- Karns, M. P.& K. A. Mingst (2010). *International Organizations: The Politics and Processes of Global Governance*, Boulder, Lynne Rienner Publishers.
- Martin, L. L., & Simmons, B. A. (2013). International organizations and institutions. *Handbook of international relations*, 2, 326-51.
- Mitrany, D. (1943). *A Working Peace System*, London, Oxford University Press.
- Ness, G. D., & Steven R. Brechin (1988). “Bridging the Gap: International Organizations as Organizations.” *International Organization* 42.2: 245–273.
- Simmons, B. A. (2000). International law and state behavior: Commitment and compliance in international monetary affairs. *American Political Science Review*, 94(4), 819-835.
- UNEG, (2015). United nations. *United Nations Treaty Collect*, 1-27.

1.8 Possible Answers to SAEs within Content

Answer to SAE 1

According to the OECD, *international organizations are entities established by formal political agreements between their members that have the status of international treaties; their existence is recognized by law in their member countries; they are not treated as resident institutional units of the countries in which they are located*

Answer to SAE 2

Some characteristics of IOs include:

- IOs are non-state actors
- IOs are intergovernmental entities

Answer to SAE 3

The criteria include:

(i) status (ii) structures, (iii) objectives, (iv) functions or focus, (v) financing, (vi) working language, (v) membership rule, (vi) constitutional influence

Module 1 - Unit 2: TYPES AND FORMS OF INTERNATIONAL ORGANIZATIONS

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 A brief History about International Organizations.
- 2.4 Function/Purpose of International Organizations.
- 2.5 Types of International Organizations.
- 2.6 Forms/Classification of International Organizations (Based on Geographical location & Purpose)
- 2.7 Summary
- 2.8 References/Further Readings/Web Resources
- 2.9 Possible Answers to Self-Assessment Exercise(s) within the content



2.1 Introduction

In this unit, we will continue to build on what we learned in Unit-1. Indeed, we live in a world of laws. While sovereign states are the principal legal actors, international organizations are increasingly important in helping us govern our world. Today's international system is made up of a coalition of different voices and interests. In addition to states, there are also non-governmental organizations, multinational corporations, and hybrid organizations which are a mix of all the different categories.



2.2 Learning Outcomes

1. Understand and describe the Purpose of International organizations from other organizations.
2. Appreciate the type of International Organizations there are.
3. Understand the Forms of International Organization there are.



Main Content

International organization is a process by which states establish and develop formal, continuing institutional structures for the conduct of certain aspects of their relationships with each other. It represents a reaction to the extreme decentralization of the traditional system of international relations and an effort by statesmen to adapt the mechanics of that system to the requirements posed by the constantly increasing complexity of the interdependence of states. International organizations may be regarded as manifestations of the organizing process on the international level.

2.3 A brief history of International Organizations

International Organizations are unions of states (or their agencies); non-governmental organizations, ethnic communities, and private individuals from various states. These unions aim at achieving common objectives in various spheres (political, economic, social, cultural, and scientific) and represent the primary form of international cooperation. International organizations emerged in the second half of the nineteenth century when economic and socio-political relations crossed the borders of nations giving rise to an objective demand for cooperation and coordination of interstate efforts to solve new transnational tasks. *The first mass international nongovernmental organizations were the **Red Cross** (1863), founded by Swiss Henry Dunant, and the international working Men's association (1864), an international fellowship of workers founded in London by K. Marx and F. Engels. The first international intergovernmental organization was the **Universal Postal Union**, founded in 1874 to provide organization and functioning of the international postal service (since 1878, the World Postal Union).* World wars and especially the second one gave a new impulse to the building of international organizations to prevent new wars and to create an effective system of international security. Thus, in 1919 the **League of Nations** was founded (officially disbanded in 1946); it was an international organization that proclaimed the development of cooperation among nations and the promotion of peace and security as its central goals. In 1945 the **United Nations Charter** was adopted. The **United Nations Organization** was created to strengthen security and peace and to develop cooperation

among nations. In the second half of the twentieth-century globalization and the growing interdependence of nations have led to the evolution of an increasing number of international organizations, an extension of their functions and agenda, and their growing influence and visibility in the international arena.

2.4 Purpose / functions of International Organizations

International organizations serve diverse functions and roles, and this can be different based on the sphere of influence or technical expertise they bring to the table. In general terms, international organizations have ten broad roles, which are:

- (i) Helping to set the international agenda i.e., MDGs/SDGs e.g. (United Nations).
- (ii) Mediating political bargaining e.g. (United Nations General Assembly).
- (iii) Providing a place for political initiatives and acting as catalysts for the coalition- formation e.g. (United Nations General Assembly).
- (iv) They facilitate cooperation and coordination among member nations e.g. (United Nations General Assembly).
- (v) Collecting weather information and monitoring trends e.g. (World Meteorological organizations).
- (vi) Delivering services and emergency aid. e.g. (United Nations Office for the Coordination of Humanitarian Affairs).
- (vii) Providing forums for bargaining and settling disputes e.g. (European Union).
- (viii) Brokering peace in war torn countries e.g. (United Nations Peacekeeping mission).
- (ix) Enforcing human rights and access to justice e.g. (International Court of Justice).
- (x) Oversees the stability of the world's monetary system and reduces poverty e.g. (International Monetary Fund/ World Bank)

SELF ASSESSMENT 1

Name one purpose of IO

2.5 Types of International Organizations

There are three basic types of international organizations: governmental and non-governmental. It is usual to distinguish between three main types of "international organization", namely: (i) inter-governmental organizations, (ii) international non-governmental organizations, and (iii) multinational corporations.

S/N	Type	Description and examples
1	International governmental organizations (or IGOs)	These are associations of states established by a treaty to pursue the common aims of their member states. An intergovernmental organization has a legal personality separate from its member states and can enter into legally binding agreements with other IGOs or with other states. E.g., The United Nations and the Organization of American States are examples of international governmental organizations.
2	International non-governmental organization (or INGO)	NGOs are made up of private citizens. NGOs do not enter into treaties or other international agreements. E.g., The World Wildlife Fund, Greenpeace, and Amnesty International are examples of International non-governmental organizations.
3	Multinational corporations.	Multinational companies are heavily engaged in international trade, and they create employment opportunities and give back to the community through social corporate responsibilities. The successful ones take political and cultural differences into account. Many global brands sell much more outside the United States than at home E.g., Coca-Cola, Pepsi, Kellogg, Pampers, Nescafe, Apple, Amazon, Microsoft, McDonald's, and Volkswagen. These companies are headquartered in one nation but operate divisions in many other countries to expand their business and reach more customers.

Source: Rottig, (2016). Institutions and emerging markets

The term “international organizations” refers to a wide variety of formal structures with both common elements as well as specific peculiarities, which call for clarification. In the same vein, Dijkzeul and Beigbeder (2003) claim that “sometimes the term international organizations are used to include:

- (i) Multinational corporations,
- (ii) Bilateral organizations,
- (iii) Multilateral organizations, and
- (iv) International non-organizations (INGOs).

“Other times, only UN organizations are covered by this term.” Most commonly, the term international organizations are used to refer to “all forms of non-state actors working at international or global levels” (Brechin and Ness 2013). According to this, intergovernmental organizations (IGOs) can be considered a subset of the international organizations together with international nongovernmental organizations (INGOs).

SELF ASSESSMENT 2

What are the types of IO?

2.6 Forms/Classification of International Organizations (Based on Geographical location & Purpose)

Despite the attempt to use standard definitions to categorize international organizations, their universe is considerably heterogeneous due to their relevant differences in size, geographical scope, tasks, and functions, as shown below:

Classification based on “**Geographical range**”

- **Global** 1. United Nations (UN).2. International Labour Organization (ILO), 3. Food and Agricultural Organization (FAO).
- **Regional** 1. Association of Southeast Asian Nations (ASEAN), 2. European Union (EU), 3. Africa Union (AU).
- **Sub-regional**1. East African Community, West Nordic Council Arab , 3. Maghreb Union

Classification based on “**Purpose**”

- **Multi-purpose** 1. United Nation, 2. European Union
- **Single purpose** 1. Nuclear Energy Agency, 2. International Organization for Migration (OIM)

Our focus in this unit, is more on International Organizations, specifically, the “public international organizations” They are those international organizations (Bauer 2007) who fulfill the following:

- (i) Based on a formal instrument of agreement between the governments of nation-states.
- (ii) Including three or more nation-states as parties to the agreement.
- (iii) Having intergovernmental or supranational character.
- (iv) Possessing a permanent secretariat performing ongoing tasks. A more detailed form of classification can be seen below:

SELF ASSESSMENT 3

What two ways is IO classified?



2.7 Summary

Despite the different parameters used in classifying or describing international, we identified three basic types of IOs: (i) inter-governmental organizations, (ii) international non-governmental organizations, and (iii) multinational corporations. We also established that IOs can be classified based on geographic location and purpose.

We explored in detail the roles, classifications, and purpose of international organizations. As we wrap up, it is important to summarize the major features of international organizations: e.g. (i) they are in permanent cooperation with the states, based on their association. (ii) they are established following international law and based on international treaties, achieving cooperation in specific, (iii) International organizations are typically organized by their membership, geographic location, and their purpose.



2.8 References/Further Readings

- Brechin, S. R., & Ness, G. D. (2013): “*Looking back at the gap: international organizations as organizations twenty-five years later.*” *Journal of International Organizations Studies*, 4 (1), p. 14–39.
- Colas, B. (1993). *Organizations internationales à vocation universelle: les notices*, Paris, La Documentation française.
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- Rottig, N. (2016). Institutions and emerging markets: effects and implications for multinational corporations. *International Journal of Emerging Markets*

2.9 Possible Answers to SAEs within Content

Answer to SAE 1

Delivering services and emergency aid. e.g. (United Nations Office for the Coordination of Humanitarian Affairs).

Answer to SAE 2

Some examples of international organizations include:

- (i) Multinational corporations,
- (ii) Bilateral organizations,
- (iii) Multilateral organizations, and
- (iv) International non-organizations (INGOs).

Answer to SAE 3

Classification based on “Geographical range”

- **Global** 1. United Nations (UN). 2. International Labour Organization (ILO), 3. Food and Agricultural Organization (FAO).
- **Regional** 1. Association of Southeast Asian Nations (ASEAN), 2. European Union (EU), 3. Africa Union (AU).
- **Sub-regional** 1. East African Community, West Nordic Council Arab, 3. Maghreb Union

Classification based on “Purpose”

- **Multi-purpose** 1. United Nation, 2. European Union
- **Single purpose** 1. Nuclear Energy Agency, 2. International Organization for Migration (OIM)

Module 1 - Unit 3: HISTORY AND EVOLUTION OF GLOBAL GOVERNANCE.

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Description and definition of Global Governance.
- 3.4 History and Evolution of Global Governance.
- 3.5 Forms and Types of Global Governance.
- 3.6 Characteristics of Global Governance.
- 3.7 Summary
- 3.8 References/Further Readings/Web Resources
- 3.9 Possible Answers to Self-Assessment Exercise(s) within the content



3.1 Introduction

In this unit, we will further investigate the history of Global governance and attempt to describe and define what Global governance means. We will also explore the different types and forms that Global governance takes. In a quick introduction- Global governance examines the effects of globalization on the idea of the sovereign state. Both realists and liberals present international relations as an anarchical system in which states interact by trade, war, and diplomacy, without any effective world government regulating their actions.



3.2 Intended Learning Outcomes (ILOs)

At the end of this unit, student will be able to:

1. Understand and describe the history and evolution of Global Governance.
2. Define and describe the purpose and reason for Global Governance.
3. Understand the Types and Forms of Global Governance.
4. Appreciate the Characteristics of Global Governance.



Main contents

Mankind is facing a range of severe risks and challenges that call for effective global action. Some of which are: (i) **politically motivated violence**, (ii) **weapons of mass destruction**, (iii) **climate change**, and other large-scale **environmental damage** pose a threat to all people in all countries on earth and exceed the capacity of any state to act effectively to protect its citizens. To manage these challenges, there is the need for institutions to implement collective decisions on a global level, in a way that takes the interests of all into account.

3.3 Description and definition of Global Governance.

The term **global governance** is broadly used to designate all regulations intended for the organization and centralization of human societies on a global scale. The earliest definition of global Governance describes it as a "collective management of the planet" (Zhao et al, 2019). Fundamentally, Governance is derived from Global governance and has been associated with "governing," or with political authority, institutions, and, ultimately, control (Zhao et al, 2019). It denotes a process through which institutions coordinate and control independent social relations, and that can enforce their decisions. However, authors like James Rosenau (1999) inferred that " global governance" denotes the regulation of interdependent relations in the absence of an overarching political authority, such as in the international system.

Thakur and Van Langenhove (2006) defined global governance as "*The complex of formal and informal institutions, mechanisms, relationships, and processes between and among states, markets, citizens, and organizations—both intergovernmental and non-governmental—through which collective interests are articulated, rights and obligations are established, and differences are mediated*" (2006, p. 233). Rittberger (2002) presents a shorter definition stating that **global governance** "*is the output of a non-hierarchical network of international and transnational institutions: not only IGOs and international regimes but also transnational regimes are regulating actors' behaviour*" (2002, p. 2).

According to Abbott and Snidal(2000), Global governance is a *purposeful order that emerges from institutions, processes, norms, formal agreements, and informal mechanisms that regulate action for a common good*. Global governance encompasses activity at the international, transnational, and regional levels, and refers to activities in the public and private sectors that transcend national boundaries. In this conception of global governance, cooperative action is based on rights and rules that are enforced through a combination of financial and moral incentives. Interestingly and concisely, Boston University (2012) defined global governance simply as "*the management of global processes in the absence of global government*."

SELF ASSESSMENT 1

Define global governance

3.4 History and evolution of Global Governance

Today's form of global governance that has engulfed the entire world in this age of globalization has not been achieved overnight. Its roots can be traced back to ancient civilizations. The concept of global governance today can be distinguished from its differences with world government. The idea of this distinction came very recently, previously the concept of global governance was viewed as inseparable from the concept of world government. This idea of world government has emerged from the thoughts of pacifists. They thought that end of the war would bring together sovereign nations to form this world government. Stoic philosophers Zeno and Cynic philosopher Diogenes of the ancient Greek city-state (Polis) propagated this idea.

The famous statement of Diogenes "I am the citizen of the world" is particularly noteworthy in this regard. In the 14th century eminent philosopher Dante Alighieri, in his revered book "The Monarchia" stated that the establishment of world government was necessary for world peace. Quoting him "World government must be understood in the sense that it governs mankind based on what all have in common and that by a

common law it leads all toward peace.” French litterateur Emerie Cruce said in his renowned work 'Le Nouveau Cynee' (1623) that a council would be formed with representatives from all countries of the world. All States shall abide by the terms of this council and the role of the council shall be to resolve disputes between States. This council will have its police force and will be used as needed. German idealist Immanuel Kant did not support the idea of world government for two reasons – (a) unrealistic and (b) risky. But in his book 'Zum Ewigen Frieden' (1765), a cooperative should be formed with independent States based on common law. He added that the creation of an environment of uninterrupted peace requires a well-organized world order in which every State abide by international law and does not interfere in the internal affairs of others. In his “An Essay towards the Present and Future of Europe” Williams Penn (1693) spoke of building a cooperative in Europe with European countries to maintain peace.

3.4.1 Modern forms of Global Governance

The first attempt to set up global governance in an institutional form in modern times was the establishment of the League of Nations, with the support of the US President Woodrow Wilson (1920). This was the first real intergovernmental organization of that time, although the idea of such an organization has been found in the theories of various philosophers. Formed after the end of the First World War, the first and foremost goal of this organization was to establish world peace. Crucial steps were also taken here to improve the status of workers around the world, to treat the citizens of the colonized underdeveloped States, prevention of arms Trade, drug, and human trafficking, promote the release of prisoners of war, global health, just treatment of minorities in Europe, etc. After the collapse of the **League of Nations**, the **United Nations** was inaugurated at the 'San Francisco conference' held in the United States in 1945 with 50 States. Like its predecessor, the League of Nations, it was also an intergovernmental organization.

Due to its direct experience of the horrors of World War II, the main objective of this organization is the maintenance of international peace and security. Along with it, important programs such as protection of human rights, distribution of humanitarian aid,

promotion of sustainable development, and protection of international law were adopted. While global governance is felt in every aspect of life, it is that it has the greatest impact on the economic sphere. To bring the world economic structure under one umbrella, 44 countries met in August 1944 at the **Bretton woods conference**. This led to the creation of the **International Monetary Fund**, which came into effect in March 1947. The main goal of this organization was to remove restrictions on foreign exchange and to encourage international cooperation in the field of the monetary system. International Bank for Reconstruction and Development (IBRD), popularly known as the World Bank, was launched in June 1946. It was established as a regulatory organ of the international economy. The main responsibility of the World Bank was to provide loans for countries in need of reconstruction and development.

The General Agreement on Tariffs and Trade (GATT) was introduced in 1948 and its name changed to **World Trade Organization** (WTO) in 1995. The overall objective of the WTO is to help its members use trade as a means to raise living standards, create jobs and improve people's lives. The WTO operates the global system of trade rules and helps developing countries build their trade capacity. Outside of the economic sphere, United Nations has taken steps to establish good governance in various areas of global affairs. **World Health Organization** (WHO) is one such organization that was founded on April 7, 1948. Its main function is to promote the development of human health issues around the world. Today, which has 6 semi-autonomous regional offices and 150 field offices worldwide, this makes it easy to get an idea of the expansion and vastness of this organization.

3.5 Forms and Types of Global Governance:

There are different spheres of Global Governance. However, the types can be appropriately summarized into five thematic areas, which are:

S/N	Sphere	Name of Organization	Area of Focus
1.	Governance of science, education, information,	The United Nations Educational, Scientific, and Cultural Organization (UNESCO)	UNESCO: has the agenda to liberalize public goods and services related to culture, science, education, health, living

	and communications	World Trade Organization's (WTO)	organisms, information, and communication. WTO: it is the only international organization dealing with the global rules of trade. Its main function is to ensure that trade flows as smoothly, predictably, and freely as possible.
2.	Governance of peace, security, and conflict resolution	UN Security Council, UN Peace Keeping Mission	Has the primary responsibility for the maintenance of international peace and security. It meets as needed to determine threats to peace or acts of aggression and to take measures to maintain or restore international peace and security. Peacekeepers: protect civilians, actively prevent conflict, reduce violence, strengthen security and empower national authorities to assume these responsibilities.
3	Environmental governance and managing the planet	United Nations Environmental Programme (UNEP),	The focus of environmental issues, climate change, global warming monitoring, and policy & guideline development making.
4	Governance of the economy and globalization	The World Bank. / International Monetary Fund (IMF)/	Focuses on dealing with lack of financial transparency, handling financial & economic collapses, and other factors that increase poverty and inequality globally.
5	Political and institutional governance	United Nations Electoral Assistance Division (UNEAD)	Focuses on establishing a democratic political legitimacy at every level: local, national, regional, and global. This includes deepening democracy / protecting the rights of humans and making all things equal between states.

Source: Griffiths (2005). The United Nations classification scheme

SELF ASSESSMENT 2

Name a type of global governance

3.6 Characteristics of Global Governance

The table below identifies and describes in detail the five characteristics of Global governance:

S/N	Characteristics	Description
1.	Fragmented	These fragments are meant to refer to States. The possibility of conflict can never be ruled out, no matter how cooperative these fragments may be. The growing number of treaties and tribunals are evidence of it.
2.	Complex	Many international relations scholars opined that the process of global governance is very complex. Since there is no specific authority here, it occurs spontaneously. At the collective level, similarities are found between global governance and public administration.
3.	Inter-governmental	Global governance is bringing the governments of different countries into a mutual space because diversity is seen in decision-making. In most cases, however, the sovereignty of the state remains intact. Everyone's opinion matters when making decisions at the global level.
4.	Diversity of Actors	The range of global governance includes States, inter-state organizations as well as organizations like NGOs, TNO global civil society. As a result, the boundaries between governmental and non-governmental spheres became increasingly blurred
5.	Multi-level processes	The process of global governance operates at different stages (municipal, provincial, national, regional, and global) the absence of anyone stage makes the whole process irrelevant.

Source: Sheng (2010). Global governance scheme

SELF ASSESSMENT 3

Name a characteristic of global governance



3.7 Summary

Global governance originated long ago in ancient Greece, in the city States. But in practical terms, the establishment of the *League of Nations* is the first step in this regard.

Subsequently, the practicality of global governance has been enhanced by the extensive activities of the *United Nations*. Efforts have been made to prevent war and wartime situations, passed convention against genocide, and initiatives taken for the protection of global commons (high oceans, atmosphere, outer space, and the Antarctic) in environmental matters. These are undoubtedly commendable initiatives for the establishment of global governance. Regional organizations like European Union, SAARC ASEAN, G20, African Union, ECOWAS, BRICS have also played a pivotal role in promoting global governance in their respective regions.

Governance encompasses the system by which an organization is controlled and operates and the mechanisms by which it, and its people, are held to account. Ethics, risk management, compliance, and administration are all elements of governance. Most importantly, Global governance is concerned with issues that have become too complex for a single state or country to address alone.



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3.9 Possible Answers to SAEs within Content

Answer to SAE 1

The term **global governance** is broadly used to designate all regulations intended for the organization and centralization of human societies on a global scale. The earliest definition of global Governance describes it as a "collective management of the planet"

Answer to SAE 2

Environmental governance and managing the planet: The focus of environmental issues, climate change, global warming monitoring, and policy & guideline development making.

Answer to 3

Intergovernmental:

Global governance is bringing the governments of different countries into a mutual space because diversity is seen in decision-making. In most cases, however, the sovereignty of the state remains intact. Everyone's opinion matters when making decisions at the global level.

Module 1 - Unit 4: THEORIES OF INTERNATIONAL ORGANIZATIONS AND GLOBAL GOVERNANCE

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 What is Realist or Realism Theory of IOs
- 4.4 What is Liberalist or Liberalism Theory of IOs
- 4.5 What is Constructivism Theory of IOs.
- 4.6 What is Marxism Theory of IOs.
- 4.7 Major Assumptions and focus of the four theories.
- 4.8 Summary
- 4.9 References/Further Readings/Web Resources
- 4.10 Possible Answers to Self-Assessment Exercise(s) within the content



4.1 Introduction

In this unit, we will further look at the four major theories of IOs. In terms of the role of international organizations in maintaining peace and security, there have been divergent views. Some argue that international organizations are the representation of state self-interests and cannot satisfy what is expected from them. Others argue in favor of the positive role of international organizations in promoting cooperation as well as peace and security. There are contending theories in this regard. In this unit, however, Constructivism, Realism, liberalism, and Maxim's institutionalism have been discussed about the role of organizations in maintaining peace and security.



4.2 Intended Learning Outcomes (ILOs)

At the end of this unit, student will be able to:

1. List the four main theories of IOs.
2. Understand and describe the four main theories of IOs.
3. Appreciate the focus of IOs theories concerning their settings and purpose.
4. Understand assumptions of the theories of IOs.



Main Content

4.3 What is Realist Theory or Realism of IO

Realism's view of the international organizations considers *International Organization as an institution that has various rules that must be met, as an international standard*. It, considers the *International Organization as a forum that forces member countries to follow and comply with existing rules*. The unit of analysis of Realism consists of two, namely the "State" and also the perspective of the "non-State". Realism views the State as the key to the International Organization so that all the paths of the International Organization included in the shutter of international relations are the decisions of the State. While non-state is considered merely an additional factor that has nothing to do with the course of politics in the International Organization (Antunes and Camisiao, 2018).

Realism is a theory that claims to explain the reality of international politics. It emphasizes the constraints on politics that result from humankind's egoistic nature and the absence of a central authority above the state. For realists, the highest goal is the survival of the state, which explains why states' actions are judged according to the ethics of responsibility rather than by moral principles. The dominance of realism has generated a significant strand of literature criticizing its main tenets. However, despite the value of the criticisms, which will be explored in the rest of this book, realism continues to provide valuable insights and remains an important analytical tool for every student of International Relations (Antunes and Camisiao, 2018).

SELF ASSESSMENT 1

Briefly explain the Realism theory

4.4 What is Liberalism or Liberal Theory of IO

Liberalism theory is based on the moral argument that ensuring the right of an individual person to life, liberty and property is the highest goal of government. Consequently, liberals emphasize the wellbeing of the individual as the fundamental building block of a just political system. A political system characterized by unchecked power, such as a monarchy or a dictatorship, cannot protect the life and liberty of its citizens. Therefore, the main concern of liberalism is to construct institutions that protect individual freedom by limiting and checking political power.

Liberal theories make some assumptions about the interstate system, human nature, and domestic society. The liberal institutionalists favour international cooperation, human rights, democracy, and rule of law. For example, the European Union placed an arms sale embargo on China following its violent suppression of pro-democracy protesters in 1989 (Meiser, 2018).

Liberalists accept that states are important, but they also believe that there are other important actors such as intergovernmental organizations (IGOs), transnational actors as well as multinational corporations (MNCs). Liberals typically believe that government is necessary to protect individuals from being harmed by others, but they also recognize that government itself can pose a threat to liberty. As the American Revolutionary pamphleteer Thomas Paine expressed in *Common Sense* (1776), government is at best “a necessary evil.” Laws, judges, and police are needed to secure the individual’s life and liberty, but their coercive power may also be turned against the individual. The problem, then, is to devise a system that gives the government the power necessary to protect individual liberty but also prevents those who govern from abusing that power, (Paine, 1776).

According to Strange (1982), Viotti, and Kauppi (1993), Liberalists, concentrate on domestic politics, interdependence, decision-making, transnationalism as well as regimes. *Liberalists’ assumptions concentrate more on cooperation than on conflict.* Why? This is because Liberalists tend to differentiate between democratic regimes and

non-democratic regimes, Therefore, the main concern of liberalism is to construct institutions that protect individual freedom by limiting and checking political power. Liberals believe that international institutions play a key role in cooperation among states. With the correct international institutions and increasing interdependence (including economic and cultural exchanges) states could reduce conflict (Meiser, 2018).

4.5 What is Constructivism or Constructivist Theory of IO

Constructivist, unlike other approaches, focuses less on economics when it comes to international institutions. They focus on the framing of rules and norms. For example, in international law, when a state wants to conduct a statement or action, it must abide by the rules regardless of the state's character.

Moreover, constructivists emphasize those international institutions that influence and perhaps change states' identities and interests because of the interactions they have under the rules. Finnemore and Sikkink (1999) had put it clear that "international institutions (understood primarily as organizations) contribute to norm 'cascades' by 'pressuring targeted actors to adopt new policies and laws and to ratify treaties and by monitoring compliance with international standard". Thus, IO plays the role in the complexity of social interactions, where national self-interests can be a result of social interactions and is influenced by their values. Due to the value differences that each country has, there are several norms set out on the table.

In this case, the domestic behaviour of a country tends to reflect its behaviour in the international sphere. As to conclude, the view from constructivists approach in international institutions is through social meanings where the interest can affect norms and so institutions can affect state's behaviour.

SELF ASSESSMENT 2

Briefly explain the constructionist theory

4.6 What is Marxism or Marxist Theory of IO

Marxist perspective is distinguished by its attention to class social classes or class structure, including the mode of production (the way goods and services are produced) and economic forces that shape international life. It emphasizes economic and political inequality in international relations and inequality that leads to superiors-subordinate relationships. Such relationships result in both violent and non-violent international conflict.

Marxist and international relations theories are paradigms which reject the realist/liberal view of state conflict or cooperation, instead focusing on the economic and material aspects. It purports to reveal how the economy trumps other concerns, which allows for the elevation of class as the focus of the study. These two classes have a very big gap in their life. Capitalism is a way of producing goods that are based on four aspects which are private property, profit motive, wages labour, and markets. Capitalists seek to maximize profits in a competitive global market.

Such competition creates the winners and losers and divides the position and behaviours of actors in international relations. The capitalist accumulations process and the exigencies of the market affect the individuals and society in ways that aren't always positive. Marxists focus on economic class as the major unit of analysis. Actors in IR are divided by their role in the production of goods and services worldwide. Capitalism spawns to primary and of course unequal classes, the proletariat which is the labour, and the bourgeoisie the owner of the production. The class analysis also includes economic states classes. Core states (advanced industrialized countries) provide capital and finance, periphery states (developing countries) provide cheap raw materials and unskilled labour, and semi-periphery states (newly industrialized countries) provide offshore sourcing and less expensive skilled labour.

The economic relationship between all these classes states results from the unequal benefits and costs for each state. *Marxists revealed that economic factors are the most important for understanding domestic and international politics.* Based on Marxism views, international organizations are determined by the existing economic rules. contemporary IGO's reflect, legitimize, and promote global capitalism. International financial institutions, such as the World Bank and the International Monetary Fund (IMF) are the mechanisms of capitalist domination. They pry open markets, forcing privatization and supporting foreign investment.

Marxism can create a web of societal dependency that can cause underdevelopment and a gross misdistribution of wealth within and between societies. International organizations and law further the interest of capitalists, particularly regarding capital that is transnational rather than national. Capitalism expands under the guise of promoting global economic and social welfare.

Transnationally, a hegemonic class universalizes itself through private global fore (Trilateral Commission, Rotary Club, Bilderberg Group, think tanks), cultivating the development of a worldwide common society a transnational notable alliance.

4.7 Major Assumptions & focus of the four Theories:

The table below summaries the major points on the focus and assumptions of the four Theories:

Type	Focus
REALISM OR REALIST THEORY	A set of related theories of international relations emphasizes the role of the state, national interest, and power in world politics. The central focus is the acquisition, maintenance, and exercise of power by states.
	Key Assumptions
i.	The state is the most important actor in international relations.
ii.	The state is a unitary and rational actor.
iii.	decision-makers are rational actors in the sense that rational decision-making leads

	to the pursuit of the national interest.
Type	Focus
CONSTRUCTIVISM THEORY	The focus of Constructivism is the rejection of the claim that state interests exist before social interaction; rather interest and identity are a product of social interaction.
	Key Assumptions
i.	Agency and structure are mutually constituted, which implies that structures influence agency and that agency influences structures.
i.	That ‘anarchy is what states make of it’ (Wendt 1992). This means that anarchy can be interpreted in different ways depending on the meaning that actors assign to it.
i.	that identities constitute interests and actions. E.g., the identity of a small state implies a set of interests that are different from those implied by the identity of a large state. The small state is arguably more focused on its survival, whereas the large state is concerned with dominating global political, economic, and military affairs.
v.	A norm only becomes an expected behavior when a critical mass of relevant state actors adopts it and internalizes it in their practices.
Type	Focus
LIBERALISM /LIBERAL THEORY	Liberals see international relations as a mixture of cooperation and conflict and argue that IOs can play a positive role in promoting international stability and global welfare.
	Key Assumptions
i.	Both state and non-state actors are important in international relations. Liberals see non-state actors as important because those actors have independent as well as indirect influences on the domestic and foreign policies of the state.
ii.	The state is not necessarily a unitary and rational actor. Governments are composed of individuals, bureaucratic agencies, and judicial and legislative bodies that can have competing interests.
iii.	The nature of international relations is a composite one i.e., a combination of conflict and cooperation.
iv.	Societies are not isolated from each other as they were in the past.
Type	Focus
MARXIST THEORY	The focus of the theory is that labour input was the source of value. He saw the extraction of surplus and the immiseration of wage labour as the basis for class conflict. Such conflict would result in the eventual overflow of the middle class and the abolition of private property.

	Key Assumptions
i.	The historical period of mankind is in essence the history of class struggles and changing modes of production.
i.	The state is inherently an instrument of coercion that is used by a ruling class to control and exploit the rest of society and is therefore incompatible with freedom and justice.
i.	The capitalist system of private ownership of the means of production and distribution must result in increasing contradictions, crises, depressions, and impoverishment of the masses.
/.	Increased force and repression may temporarily have to be used to put an end to capitalism and the capitalist state and to build a new and better society.
/.	The new and better society that will emerge in the form of communism in the future will be a stateless and classless one.
i.	The fundamental changes that occur in the society take place first in the economic base, and then the political and social superstructure changes to conform to the economic base.

SELF ASSESSMENT 3

Explain one assumption of the Marxist theory



4.8 Summary

As regards the role of international organizations in maintaining peace and security, there have been divergent theories. Constructivists argue that through international organizations states adopt international norms of appropriate state behaviour to inform their policies and domestic structures. International norms push states to cooperate internationally even though states' power, as well as utility-maximizing interest, is not achieved. Liberals also believe in collective security and argue that states can devote themselves to the preservation of joint interests through international organizations. International organizations are vital to making the world peaceful and cooperative. Realists, on the other hand, argue that international organizations cannot independently function, rather, it is state interests, which determine the decision of whether states cooperate or compete.

Theories of International organizations allow us to understand and try to make sense of the world around us through various lenses, each of which represents a different theoretical perspective. As a way of reminder, international organization and their theories are the learning of how nation-states interact with one another within an international system. There are four major international relations approaches Realism, Liberalism, Constructivism, and Marxism.



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4.10 Possible Answers to SAEs within Content

Answer to SAE 1

Realism is a theory that claims to explain the reality of international politics. It emphasizes the constraints on politics that result from humankind's egoistic nature and the absence of a central authority above the state.

Answer to SAE 2

The constructivist, unlike other approaches, focuses less on economics when it comes to international institutions. They focus on the framing of rules and norms. For example, in international law, when a state wants to conduct a statement or action, it must abide by the rules regardless of the state's character.

Answer to SAE 3

One assumption of the Marxist theory is that the historical period of mankind is in essence the history of class struggles and changing modes of production.

Module 2: GLOBAL FINANCE AND WORLD ECONOMIC DEVELOPMENT

Module 2 - Unit 1: THE WORLD BANK

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Background about the evolution of the World Bank.
- 1.4 Ownership and Institutions that make-up the World Bank:
- 1.5 Objectives and Functions of the World Bank.
- 1.6 Functions of the World Bank.
- 1.7 Lending Criteria of the World Bank.
- 1.8 Summary
- 1.9 References/Further Readings/Web Resources
- 1.10 Possible Answers to Self-Assessment Exercise(s) within the content



1.1 Introduction

In this unit, we will describe the purpose and functions of the WorldBank. We will step back into history a look at how the World Bank evolved. The World Bank is an international organization dedicated to **providing financing, advice, and research to developing nations to aid** their economic advancement. The bank predominantly acts as an organization that attempts to fight poverty by offering developmental assistance to middle- and low-income countries.



1.2 Learning Outcomes

At the end of this unit, student will be able to:

1. Understand the purpose and objectives of the World Bank.
2. Understand the history and evolution of the World bank.
3. To describe the ownership and Institutions that make-up the World Bank
4. Understand the functions of the World Bank.

5. Appreciate the Criteria guiding World Bank's lending.



Main Content

1.3 Background and evolution of the World Bank.

The World Bank was created at the *1944 Bretton Woods Conference*, along with the International Monetary Fund (IMF). The President of the World Bank is traditionally an American. The World Bank and the IMF are both based in Washington, D.C., and work closely with each other. Although many countries were represented at the Bretton Woods Conference, the United States and the United Kingdom were the most powerful in attendance and dominated the negotiations. (Goldman, 2005). The intention behind the founding of the World Bank was to provide temporary loans to low-income countries that could not obtain loans commercially. The Bank may also make loans and demand policy reforms from recipients (Clemens, 2016).

World Bank was established to ensure the reconstruction of the European states immediately after the devastating effects of the Second World War. Its current membership is over 150 member nations. The Articles of Agreement were formally accepted by a majority of the participants on December 27, 1945. Only countries that are members of the International Monetary Fund (IMF) can be considered for membership in the World Bank. Based on each country's relative economic strength, subscriptions by member countries to the capital stock of the World Bank are related to each member's quota in the IMF. In its early years, the Bank made a slow start for two reasons: it was underfunded, and there were leadership struggles between the US Executive Director and the president of the organization. When the Marshall law went into effect in 1947. European countries began receiving aid from another source, known as the European recovery program. It is important to mention that the IMF & World bank funded the reconstruction of the post-war Europe. Faced with this competition, the World Bank shifted its focus to non-European countries. Until 1968, its loans were earmarked for the construction of infrastructure works, such as seaports, highway systems, and power

plants, that would generate enough income to enable a borrower country to repay the loan (Rothberg, 1994).

The first country to receive a World Bank loan was France, under the Marshall plan. The Bank's president at the time, John McCloy, chose France over two other applicants, Poland. The loan was for US\$250 million, half the amount requested and came with strict conditions. Indeed, more stringent conditions were imposed on third world countries that resulted in negative consequences. (Bird, 1992).

What is the World Bank (Definition) The World Bank is an international organization dedicated to providing financing, advice, and research to developing nations to aid their economic advancement. The bank predominantly acts as an organization that attempts to fight poverty by offering developmental assistance to middle- and low-income countries. World Bank Group is the world's most prominent development bank, with a stated mandate and mission to reduce world poverty.

SELF ASSESSMENT 1

What is the World bank?

1.4 Ownership and Institutions that make-up the World Bank:

World Bank is owned and directed by its member countries. Each country subscribes to shares in an amount based on its relative economic strength. Each has 250 votes plus one vote for each share of stock it holds. The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development. The five institutions under the World Bank are:

1. The International Bank for Reconstruction and Development (IBRD).
2. The International Development Association (IDA)
3. The International Finance Corporation (IFC)
4. The Multilateral Investment Guarantee Agency (MIGA).
5. The International Centre for Settlement of Investment Disputes (ICSID)

1.5 The Objectives of the World Bank:

This includes providing long-term capital to its member nations for economic development and reconstruction.

- I. Thus, it helps in inducing long-term capital for improving the balance of payments and thereby balancing international trade.
- II. Also, it helps by providing guarantees against loans granted to large and small units and other projects for the member nations.
- III. So, it ensures that the development projects are implemented. Thus, it brings a sense of transparency for a nation from wartime to a peaceful economy.
- IV. Also, it promotes capital investment for member nations by providing a guarantee for capital investment and loans.
- V. So, if the capital investment is not available then it provides the guarantee and then IBRD provides loans for promotional activities on specific conditions.

Closely linked to the objectives is the function of the World Bank.

1.6 Functions of the World Bank

The world bank is internationally recognized and supported to provide technical and financial assistance to many developing countries in the world. Also, it aids their advancement, in an economy with *the primary goal of reducing poverty*. World bank has the largest knowledge of developing countries. Also, they are the largest source when it comes to funding. The following are more specific functions of the World Bank:

S/N	Functions of the World Bank
1	It helps the war-devasted countries by granting them loans for reconstruction.
2	Thus, they provide extensive experience and the financial resources of the bank help the poor countries increase their economic growth, reducing poverty and a better standard of living.
3	Also, it helps underdeveloped countries by granting development loans.
4	So, it also provides loans to various governments for irrigation, agriculture, water supply, health, education, etc.
5	It promotes foreign investments to other organizations by guaranteeing the loans.
6	Also, the world bank provides economic, monetary, and technical advice to the

	member countries for any of their projects.
7	Thus, it encourages the development of of-industries in underdeveloped countries by introducing various economic reforms.

1.7 Lending criteria of the World Bank

The Bank lends out strictly only on economic consideration, not on the political character of a member country. Therefore, it does not lend in support of military or political objectives: Its loan could be used to purchase goods and services from member countries. World Bank criteria for borrowing are a replica of IMF conditionalities which include:

- Trade liberalization
- Debt servicing
- Establishment of a foreign exchange market to determine the current value of the recipient's currency.
- Privatization of government parastatals and corporations.
- Rationalization of tariffs and excise duties
- Removal of subsidies.

Largely for the third world countries, these loans were impositions.

SELF ASSESSMENT 2

1. What are the World bank criteria for borrowing?



1.8 Summary

In this unit, we have been able to describe the purpose and function of the World Bank amongst others. Its mission is to **end extreme poverty**, by reducing the share of the global population that lives in extreme poverty to 3percent and **it seeks to promote**

shared prosperity, by increasing the income of the poorest 40 percent of the people in every country.

Despite the many functions of the World Bank, the primary function of the bank is to provide financing, advice, and research to developing nations to aid their economic advancement. The bank predominantly acts as an organization that attempts to fight poverty by offering developmental assistance to middle- and low-income countries.



1.9 References/Further Readings

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1.10 Possible Answers to SAEs within the Content

Answer to SAE 1

The World Bank is an international organization dedicated to providing financing, advice, and research to developing nations to aid their economic advancement. The bank predominantly acts as an organization that attempts to fight poverty by offering developmental assistance to middle- and low-income countries. World Bank Group is the world's most prominent development bank, with a stated mandate and mission to reduce world poverty.

Answer to SAE 2

World Bank criteria for borrowing include:

- Trade liberalization
- Debt servicing
- Establishment of a foreign exchange market to determine the current value of the recipient's currency.

- Privatization of government parastatals and corporations.
- Rationalization of tariffs and excise duties
- Removal of subsidie

Module 2 - Unit 2: THE INTERNATIONAL MONETARY FUND (IMF)

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 2.3 History and Evolution of the International Monetary Fund
- 2.4 Purpose of the International Monetary Fund.
- 2.5 Functions of the International Monetary Fund.
- 2.6 Lending criteria of the International Monetary Fund
- 2.7 Summary
- 2.8 References/Further Readings/Web Resources
- 2.9 Possible Answers to Self-Assessment Exercise(s) within the content



2.1 Introduction

In this unit, we will describe the purpose and functions of the International Monetary Fund. This is very similar to the of the World Bank as these institutions were created at almost the same time. We will also investigate the history of how the IMF was created, how it lends to member states, amongst others.



2.2 Learning Outcomes

At the end of this unit, student will be able to:

1. Understand the purpose of the International Monetary Fund.
2. Understand the history and evolution of the International Monetary Fund.
3. Understand the functions of the International Monetary Fund.



Main Content

2.3 History and Evolution of the International Monetary Fund (IMF)

The IMF was created in 1945 as part of the Bretton Woods Agreement, which attempted to encourage international financial cooperation by introducing a system of convertible currencies at fixed exchange rates. The dollar was redeemable for gold at \$35 per ounce at the time. (FRH,2020). The IMF oversaw the system: for example, a

country was free to readjust its exchange rate by up to 10% in either direction, but larger changes required the IMF's permission (IMF,2020).

The IMF also acted as a gatekeeper: Countries were not eligible for membership in the International Bank for Reconstruction and Development (IBRD)—a World Bank forerunner that the Bretton Woods agreement created to fund the reconstruction of Europe after World War II—unless they were members of the IMF (FRH,2020). Since the Bretton Woods system collapsed in the 1970s, the IMF has promoted the system of floating exchange rates, meaning that market forces determine the value of currencies relative to one another. This system continues to be in place today (IMF,2020).

What is the International Monetary Fund (Definition) **International Monetary**

Fund (IMF): An intergovernmental organization (IGO) that coordinates international currency exchange, the balance of international payments, and national accounts. Along with the World Bank, it is a pillar of the international financial system.

Similarly, IMF *can be described as an international organization that promotes global economic growth and financial stability, encourages international trade, and reduces poverty*. Quotas of member countries are a key determinant of the voting power in IMF decisions. Votes comprise one vote per 100,000 special drawing right (SDRs) of quota plus basic votes. SDRs are an international type of monetary reserve currency created by the IMF as a supplement to the existing money reserves of member countries (World Bank, 2020).

SELF ASSESSMENT 1

What is the IMF?

2.4 Purposes and Mission of the International Monetary Fund

The International Monetary Fund (IMF) is based in Washington, D.C. The organization is currently composed of 189 member countries, each of which has representation on the IMF's executive board in proportion to its financial importance. Quotas are a key determinant of the voting power in IMF decisions (IMF, 2020).

The IMF's mission is "to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world (World Bank, 2020).

2.5 Functions of the International Monetary Fund

The IMF's main methods for achieving these goals are monitoring capacity building and lending. The primary function of the IMF is to make loans to countries that are experiencing economic distress to prevent or mitigate financial crises. The following are more specific functions of the International Monetary Fund:

Function	Description of the Functions of IMF
1. Surveillance	The IMF collects massive amounts of data on national economies, international trade, and the global economy in aggregate. The organization also provides regularly updated economic forecasts at the national and international levels. These forecasts, published in the World Economic Outlook, are accompanied by lengthy discussions on the effect of fiscal, monetary, and trade policies on growth prospects and financial stability.
2. Capacity Building	The IMF provides technical assistance, training, and policy advice to member countries through its capacity-building programs. These programs include training in data collection and analysis, which feed into the IMF's project of monitoring national and global economies.
3. Lending	The IMF makes loans to countries that are experiencing economic distress to prevent or mitigate financial crises. Members contribute the funds for this lending to a pool based on a quota system. In 2019, loan resources in the amount of SDR 11.4 billion (SDR 0.4 billion above target) were secured to support the IMF's concessional lending activities into the next decade (IMF, 2020).
4. Structural adjustment programs	IMF funds are often conditional on recipients making reforms to increase their growth potential and financial stability. Structural adjustment programs, as these conditional loans are known, have attracted criticism for exacerbating poverty and reproducing the colonialist structures.

SELF ASSESSMENT 2

List one function of the IMF

2.6 Leading criteria of the International Monetary Fund

World Bank criteria for borrowing are a replica of IMF conditionalities which include:

- Trade liberalization
- Debt servicing
- Establishment of a foreign exchange market to determine the current value of the recipient's currency.
- Privatization of government parastatals and corporations.
- Rationalization of tariffs and excise duties
- Removal of subsidies.



2.7 Summary

In this unit, we have been able to describe the purpose and function of the IMF as an international financial institution, headquartered in Washington, D.C., consisting of 190 countries. working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

Despite the many functions of the International Monetary Fund which is quite similar to that of the World Bank, the primary purpose is to advise countries on how to maintain stable exchange rates in a world of floating rates and provide emergency lending when capital is fleeing the country so quickly and in such large quantities that it threatens financial and social stability.



2.8 References/Further Readings

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2.9 Possible Answers to SAE s within the Content

Answer to SAE 1

IMF is an intergovernmental organization (IGO) that coordinates international currency exchange, the balance of international payments, and national accounts. Along with the World Bank, it is a pillar of the international financial system.

Answer to SAE 2

Lending:

The IMF makes loans to countries that are experiencing economic distress to prevent or mitigate financial crises. Members contribute the funds for this lending to a pool based on a quota system. In 2019, loan resources in the amount of SDR 11.4 billion (SDR 0.4 billion above target) were secured to support the IMF's concessional lending activities into the next decade (IMF, 2020).

Module 2 - Unit 3: THE WORLD TRADE ORGANIZATION (WTO)

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 History and Evolution of the World Trade Organization.
- 3.4 Purpose of the World Trade Organization.
- 3.5 Functions of the World Trade Organization.
- 3.6 Principles of International Trading System.
- 3.7 Summary
- 3.8 References/Further Readings/Web Resources
- 3.9 Possible Answers to Self-Assessment Exercise(s) within the content



3.1 Introduction

In this unit, we will describe the purpose and functions of the World Trade Organization (WTO). WTO has a very distinct function from the World Bank, and the International Monetary Fund though they are similar oversight and were created about the same time. We will also investigate the history of how the WTO was created, how it serves the member states, amongst others.



3.2 Learning Outcomes

At the end of this unit, student will be able to:

1. Appreciate the purpose of the World Trade Organization.
2. Understand the history and evolution of the World Trade Organizations.
3. Appreciate the functions of the World Trade Organization.
4. Understand the Principles Guiding International Trade.



Main Content

3.3 History and Evolution of the World Trade Organization.

The WTO precursor General Agreement on Tariffs and Trade (GATT) was established by a multilateral treaty of 23 countries in 1947 after World War II in the wake of other new multilateral institutions dedicated to international economic cooperation—such as the World Bank (founded 1944) and the International Monetary Fund (founded 1944 or 1945). A comparable international institution for trade, named the International Trade Organization never started as the U.S. and other signatories did not ratify the establishment treaty (Fergusson, 2007).

The WTO is *an intergovernmental organization that regulates and facilitates international trade between nations* (Oatley, 2019). Governments use the organization to establish, revise, and enforce the rules that govern international trade (Oatley, 2019). It officially commenced operations on 1 January 1995, according to the 1994 Marrakesh Agreement, thus replacing the General Agreement on Tariffs and Trade (GATT) that had been established in 1948. The WTO is the world's largest international economic organization, with 164 member states representing over 98% of global trade and global GDP (Malanczuk, 1999).

What is the World Trade Organization (Definition) The World Trade Organization (WTO) is “*the only global international organization dealing with the rules of trade between nations.*” (Malanczuk, 1999). The WTO’s efforts centre on developing trade agreements between nations to encourage cross-border commerce. This includes setting up the agreements, interpreting the agreements, and facilitating dispute settlement (Tomz, 2007).

It was founded in 1995, the WTO traces its roots back to Bretton Woods where the General Agreement on Trade and Tariffs (GATT) was crafted to encourage and support trade between nations. Following up on GATT, the 1986-1994 Uruguay Roundtable trade negotiations resulted in the formal creation of the WTO (Malanczuk, 1999). The WTO headquarters is located in Geneva, Switzerland. Like the IMF and the World Bank, the WTO is funded by its members.

3.4 Purposes and Mission of the World Trade Organization

The WTO facilitates trade in goods, services, and intellectual property among participating countries by providing a framework for negotiating trade agreements, which usually aim to reduce or eliminate tariffs, quotas, and other restrictions; these agreements are signed by representatives of member governments and ratified by their legislatures (Tomz,2007). The WTO also administers independent dispute resolution for enforcing participants' adherence to trade agreements and resolving trade-related disputes. The organization prohibits discrimination between trading partners but provides exceptions for environmental protection, national security, and other important goals (Fergusson, 2007).

SELF ASSESSMENT 1

What is the purpose of the WTO?

3.5 Functions of the World Trade Organization

The WTO has specific and distinct functions. The primary function of the WTO is to ensure that trade flows as smoothly, predictably, and freely as possible. WTO has helped to create a strong and prosperous trading system contributing to unprecedented growth. The following are more specific functions of the **World Trade Organization**:

Function	Description of the Functions WTO
1. Multilateral Trade Agreements	The WTO facilitates the implementation, administration, and operation of the Multilateral Trade Agreements, and provides the framework for the implementation, administration, and operation of the multilateral Trade Agreements.
2. Settlement of Disputes	The WTO administers the Understanding on Rules and Procedures Governing the Settlement of Disputes, especially international trade disputes and sundries.
3. Forum for Negotiations	The WTO provides the forum for negotiations among its members concerning their multilateral trade relations in matters dealt with under the Agreement.
4. Trade Policy Review Mechanism	The WTO administers the Trade Policy Review Mechanism.

3.6 Principles of International Trading System

The WTO establishes a framework for trade policies, but it does not define or specify outcomes. Five principles are of particular importance in understanding how international Trade should be conducted, they are:

- Non-discrimination.
- Reciprocity.
- Binding and enforceable commitments.
- Transparency.
- Safety values

SELF ASSESSMENT 1

What are the principles of the WTO?



3.7 Summary

In this unit, we have been able to describe the purpose and function of the WTO, including the principles guiding international trade. As a way of reminder, WTO is the only international organization dealing with the global rules of trade between nations as an international financial institution.



3.8 References/Further Readings

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3.9 Possible Answers to the SAEs within the Content

Answer to SAE 1

The WTO facilitates trade in goods, services, and intellectual property among participating countries by providing a framework for negotiating trade agreements, which usually aim to reduce or eliminate tariffs, quotas, and other restrictions; these agreements are signed by representatives of member governments and ratified by their legislatures (Tomz,2007).

Answer to SAE 2

Five principles are of particular importance in understanding how international Trade should be conducted, they are:

- Non-discrimination.
- Reciprocity.
- Binding and enforceable commitments.
- Transparency.
- Safety values

Module 2 - Unit 4: AFRICAN DEVELOPMENT BANK (ADB)

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 History and Evolution of the African Development Bank.
- 4.4 Purpose of the Africa Development Bank
- 4.5 Functions of the Africa Development Bank.
- 4.6 Membership of the African Development Bank
- 4.7 Summary
- 4.8 References/Further Readings/Web Resources
- 4.9. Possible Answers to Self-Assessment Exercise(s) within the content



4.1 Introduction

In this unit, we will describe the purpose and functions of the Africa Development Bank (ADB). ADB is a multilateral development finance institution, unlike the World Bank et al, which are international, however, it does have some similar roles. We will explore in detail the history, purpose, and functions of the ADB, amongst others.



4.2 Learning Outcomes

At the end of this unit, student will be able to:

- Understand the purpose of the African Development Bank.
- Appreciate the history and evolution of the African Development Bank.
- Understand the functions of the African Development Bank.
- Understand the Principles Guiding International Trade.



4.3 Main Content

3.1 History and Evolution of the African Development Bank.

Following the end of the colonial period in Africa, a growing desire for more unity within the continent led to the establishment of two draft charters, one for the

establishment of the Organization of African Unity (established in 1963, later replaced by the African Union), and for a regional development bank.

A draft accord was submitted to top African officials than to the Conference of Finance Ministers on the Establishment of an African Development Bank. This conference was convened by the United Nations Economic Commission for Africa (UNECA) in Khartoum, Sudan, from 31 July to 4 August. It was here that the agreement establishing the African Development Bank (AfDB) was co-signed by twenty-three African governments on 4 August 1963. The agreement came into force on 10 September 1964 (United Nations,1963).

Although, originally, only African countries were able to join the bank, since 1982 it has allowed the entry of non-African countries as well. Since its founding, AfDB has financed 2,885 operations, for a total of \$47.5 billion. In 2003, it received an AAA rating from the major financial rating agencies and had a capital of \$32.043 billion (ADB, 2005).

What is the African Development Bank (Definition) The **African Development Bank Group (AfDB or ADB)** or *Banque Africaine de Développement (BAD)* is a multilateral development finance institution headquartered in Abidjan, Ivory Coast, since September 2014. The AfDB is a financial provider to African governments and private companies investing in the regional member countries (RMC).

The AfDB was founded in 1964 by the Organisation of African Unity, which is the predecessor of the African Union. The AfDB comprises three entities: The African Development Bank, the African Development Fund, and the Nigeria Trust Fund (Kenton, 2020).

SELF ASSESSMENT 1

What is the AfDB?
What is the purpose

4.4 Purposes and Mission of the African Development Bank

The AfDB's mission is to fight poverty and improve living conditions on the continent through promoting the investment of public and private capital in projects and programs that are likely to contribute to the economic and social development of the region (ADB, 2005).

4.5 Functions of the African Development Bank

The primary function of AfDB is making loans and equity investments for the socio-

Function	Description of the Functions ADB
1. Capacity building.	Institutional capacity building through the assistance of policy/strategy formulation and implementation
2. Human Capital Development	Human capital development to create an environment for the operation of national AIDS strategies through training and technical assistance.
3. HIV/AIDS multi-sectoral response	HIV/AIDS multi-sectoral responses with emphasis on prevention and control interventions that include IEC (Information, Education, and Communication), STI (sexually transmitted infections) control, VCT (voluntary counselling and testing), infrastructure support for the establishment of laboratories, and blood transfusion facilities, and provision of equipment and supplies, including antiretroviral drugs
4. Advocacy	Advocacy through participation in international and regional forums to raise political commitment and leadership towards a collaborative effort in the fight against the pandemic among RMCs and development partners.
5. Partnership	Partnership development with a view of forging new alliances and revitalizing existing collaboration to cover critical development concerns such as HIV/AIDS and to bringing partnership activities within the framework of the bank's vision.

economic advancement of the RMC. Second, the bank provides technical assistance for development projects and programs. Third, it promotes the investment of public and private capital for development. Fourth, the bank assists in organizing the development policies of RMCs. The AfDB is also required to give special attention to national and multinational projects which are needed to promote regional integration (Mutiu, 2019).

The following are more specific functions of the African Development Bank:

(Adapted from ADB mission website)

Self-Assessment 2

Explain one function of the AfDB

4.6 Membership of the African Development Bank

The Bank Group has 80 member countries, comprising 54 regional member countries (RMC) and 26 non-regional member countries (NRMC). The non-regional member countries are primarily from Europe, America, and Asia. Initially, only independent African countries could become members of the Bank.



4.7 Summary

In this unit, we have been able to describe the purpose and function of the ADB including the principles guiding international trade. As a way of reminder, the overarching objective of ADB is to spur sustainable economic development and social progress in its regional member countries, thus contributing to poverty reduction. The Banks achieves its objective by mobilizing and allocating resources for investment in regional member countries and providing policy advice and technical assistance to support development efforts.



4.8 References/Further Readings

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4.9 Possible Answers to SAEs within Content

Answer to SAE 1

The AfDB is a multilateral development finance institution headquartered in Abidjan, Ivory Coast, since September 2014. The AfDB is a financial provider to African governments and private companies investing in the regional member countries (RMC).

The AfDB's mission is to fight poverty and improve living conditions on the continent through promoting the investment of public and private capital in projects and programs that are likely to contribute to the economic and social development of the region (ADB, 2005).

Answer to SAE 2

Partnership development with a view of forging new alliances and revitalizing existing collaboration to cover critical development concerns such as HIV/AIDS and to bringing partnership activities within the framework of the bank's vision.

Module 3: GLOBALIZATION, THIRD WORLD DEVELOPMENT AND INTERNATIONAL ORGANIZATIONS

Module 3 - Unit 1: MEANING OF GLOBALIZATION IN DEVELOPMENT CONTENTS

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Globalization- Meaning and Definitions
 - 1.3.1 The meaning and definitions of globalization
 - 1.3.2 Scholarly definition of Globalization
- 1.4 Forces of Globalization
- 1.5 The Emergence of Globalization in development
- 1.6 Summary
- 1.7 References/Further Readings/Web Resources
- 1.8 Possible Answers to Self-Assessment Exercise(s) within the content



1.1 Introduction

This unit introduces you to the background knowledge of globalization, meaning of globalization, the emergence and trends of globalization and the impact globalization has on international communities especially the third world nations. The unit discusses how globalization structure the relationships in the international affairs and controls all connections and interrelationship in trade, telecommunication, market, governance and sustainability of nations in the world. The unit is expected to give you an understanding of the grounded meaning on the concepts of globalization in development, establish a link between globalization and international development, and teach you how and why the topic of globalization is rationally relevant in discussing international development issues.



1.2 Learning Outcomes

At the end of this unit, student should be able to:

- Define the meaning of globalization
- Understand the specific theories of globalization and development
- Explain the hegemonic primacy of globalization on international governance affairs, trade, economic, cultural and development trends
- Critique the importance and challenges of globalization on development



Main Content

1.3 GLOBALIZATION- MEANING AND DEFINITIONS

1.3.1 Meaning and Definition of Globalization

Despite the common usage or express usage of the term globalization, the meaning of globalization still remains so elusive and have defied any common meaning among scholars. Indeed, to say the least, the concept has received quite a number of definitions that have almost taken away the main content. It has been the subject of most development debate and contests among scholars which indicate that there are at least some general schools of thought on the issue. A provisional examination of those using the term would suggest such a claim to be preliminary. The substance of its definition appears just as vague, rarely reaching beyond a laundry-list of subjects. In fact, there is not only disagreement on the definition of globalization; there is also no clear consensus on whether the term ‘globalization’ is employed as a historical epoch, a process, a theory, or as a new paradigm. But we are obliged to have a consensual meaning since this is a course and students must have a contextual understanding of a concept. What then is globalization, one would ask? We may get a grasp of the meaning of this age long contestable concept by looking at some of the scholarly contributions and then come down to a simpler contextual meaning, which we can abide with in this course.

1.3.2 Scholarly Definitions of Globalization

Scholte (1995) states that “Globalization stands out for quite a large public spread across the world as one of the defining terms of the late twentieth century social consciousness that drastically changed world affairs including trade relations,

governments, communication, technology and culture ” To this scholar, globalization is mostly attributed to a political movement that swept through the world in the later twentieth century and in a big way has changed the world system, including world relations, trade, social relations, fashion, media, technology and the art of communication.

Rosenau (1996) recognized the complexity of the term, and didn't want to accept the ontology that globalization has a universal or humanistic tendency, he rather stated that “Globalization is not the same as globalism, which points to aspirations for an end state of affairs wherein values are shared by or pertinent to all the world's six billion people, their environment, their roles as citizens, consumers or producers with an interest in collective action designed to solve common problems. Nor is it universalism—values which embrace all humanity, hypothetically or actually.” For him, globalization is basically a political and capitalistic orientated ideology that engender a peculiar global world hegemonic order that strengthen global inequality and dependency or interdependency which may favor or disfavor the much smaller nations.

McGrew (1990) defined it as: “Multiplicity of linkages and interconnections that transcend the nation states (and by implication the societies) which make up the modern world system. It defines a process through which events, decisions and activities in one part of the world can come to have a significant consequence for individuals and communities in quite distant parts of the globe.” This definition descended much lower to include the impact of globalization systems on communities and individuals in the world countries, showing the relative consequences of the over zealousness of globalization and modernization on the human species. It shows that globalization, modernization, and also massive industrialization and technology enveloping the much-advanced countries, are the same.

Cerny (1997) from a political economy perspective noted that “globalization redefines the relationship between territoriality and authority, shifting authority from the level of the state to supranational and subnational units, perhaps offering more to grasp onto in operational terms but precious little in causal terms” He further defined it “as a set of economic and political structures and processes deriving from the changing character of

the goods and assets that comprise the base of the international political economy—in particular, the increasing structural differentiation of those goods and assets.”

In many other writings, the assumption is that through globalization processes more nations are depending on worldwide conditions in terms of communication, the international financial system, and trade. Therefore, the world scenario is more integrated in international economic transactions (Scholte, 1995). This perspective is the standing point of theories of development such as dependency theory. Effects and influences from these globalization processes can be viewed from two major perspectives: (a) countries’ external level -or systemic approach-; and (b) domestic or internal conditions within nations -sub-systemic approach. In this last-mentioned case, the units of analysis will be those corresponding to national variables of economic growth, or social indicators.

SELF ASSESSMENT 1

Define Globalization according to McGrew (1990)

1.4 FORCES OF GLOBALIZATION

Globalization tendencies have been determined by many factors. The concept is underpinned by the dichotomy of time and space and how the change occurring from its processes affect modern world today (Green, 1997). Money, international communication and trade, intercultural relations, environmental issues, and global security and democracy are socioeconomic, political and cultural aspects globalization theory deals with (Held, 2004 a).

a. Economic Forces

Economic factors are often listed first and as Green (1999, p.56) argues “economic globalization theory is the safest ground in the definition of globalization”. Trade and exchange of goods and services between the nations promote 'interconnected global economy. However, it is a mistake to assume that only economic issues, though extremely important, determine the nature of globalization. Another factor is technology

b. Technology as a force of globalization

Technological development has made transnational connection easily accessible. The transmission of the first message by electric telegraph in the nineteenth century by Samuel Morse gave start to a new world history. Open and easy communication between nations has created grounds for 'cultural homogenization' developing 'a single global society' (Waks, 2006, p.413). This interconnectedness has caused re-norming and re-shaping political agendas of states across the world as they have to respond to 'global politics' (Held, 2004 (b), p.364).

c. Political forces

The contemporary global events of globalization are said to have further decreased states' sovereignty within their boundaries as they are surrounded by the pressure from multi-national corporations and international capital organizations (Deacon, 2007), joining to international organizations and also effects social welfare policies of governments. Because states accept to waive its rights to speak on internal economic affairs. Those states which are dominated by financial sectors start to accept the pressures on decreasing the social welfare expenditures (Deacon, 2007). In the past and present, global political events always carry local and regional characters affecting sovereignty of state and leading to massive inequality in global governance. This has affected growth of many underdeveloped countries and leading to massive exploitation by advanced nations of the third world countries.

As national governments become more open to the world international community organizations (e.g., UN, WHO, etc.) and world trade institutions (e.g., IMF, WTO etc.), the external factors are gaining more power in shaping the state's social policy. Since globalization is found on the principle of higher profit, the level of vulnerability a nation's welfare policies faces depends upon the state's protection against adverse effects of globalization. Formerly welfare policies were formed by taking the domestic situations into account, but in the "modern" era, it is planned in such a way that it will interfere with growth and sovereignty of the smaller states (Shah, 2008).

Hence, from the above debates, globalization can be said to be underpinned by political, economic, technological factors.

SELF ASSESSMENT 2

Briefly explain how technology is a force of globalization

1.5 EMERGENCE OF GLOBALIZATION IN DEVELOPMENT

There are different views about the emergence of globalization, what is sure is that globalization is a historical process and did not come as a sudden event in the world history.

The first account of the emergence of globalization suggests that globalization began in the midst of 1970s briefly overlapping the end of the cold war. This version suggests that globalization began with two phenomena simultaneously. The first was the introduction of the détente between United states and Soviet Union, the second resulting from the breakdown of the social contract philosophy movement in Britain and throughout the industrial countries. The social contract ideology was replaced with a more compounded value which linked among other things social welfarism and dominant mass production system. This new ideology disowned fiscal policy as a useful instrument of policy; and, ultimately, it reasserts the importance of individualism, liberal spirit and reorganization of the social welfare system including initiatives to support the poorer nations and activate needed development in the third world, while recognizing the enforcement of international institutions that will manage and sustain this agenda and restrict any opposition that may change the existing statusquo.

Globalization is not only regarded as a result of the cold war aftermaths, but also derived from the expansion of technology and market economy. This claim suggests that globalization is an outcome of advanced technological expansion and capitalist progress in the west especially as harnessed by the US (Goldschmitt, 2008). In this second account, globalization emerged with the advancement of communication technologies and the increase in economic productivity (capitalism) which necessitate states' expansion of their market territory. The decline in protective social policies, the increase in the incentives for foreign trade and the convergence of free market economy, are all in line with these "perceived" global necessities. This version suggests that increase in the

vulnerability to external fluctuations by poorer countries, shrinkage in the stability of domestic economies, decline in domestic policy autonomy, and restructuring of governance were all accompanied by globalization.

The rise of globalization also overlaps with the acts of free trade of goods and finances and the international evolvement of neo liberal programs and agendas. In this new frame, states have become an agent which regulates the economic structure according to the wills of the owners of capital and international coordination mechanism. Developing countries or those which are at the lower end of the global hierarchy within the international “coordination” mechanisms suffered more. Developed countries attempt to mend incentives to increase their profits, in order to attract capital inflow into their markets. In such a competition, developing countries generally sacrifice their social responsibilities to meet global challenges. Formerly, states have been allowed to implement national social policies without preoccupation of the external impositions, but the rise of globalization turns this anterior equilibrium upside down.



1.6 Summary

Globalization is indeed a global force to reckon with in development. The knowledge of its contextual meaning as developed in this unit will help students to understand the global political issue surrounding it, as well as the economic, neo imperialist and capitalist agendas that drive it, and how these factors combine to show perhaps the negative effects of globalizations especially with regards to the third world development. This unit was able to give a background perspective on the issues that filtrate the debates about globalization effects and its impact on third world countries in development discourse.



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1.8 Possible Answers to SAEs within Content

Answer to SAE 1

McGrew (1990) defined Globalization as: "Multiplicity of linkages and interconnections that transcend the nation states (and by implication the societies) which make up the modern world system. It defines a process through which events, decisions and activities in one part of the world can come to have a significant consequence for individuals and communities in quite distant parts of the globe."

Answer to SAE 2

Technological development has made transnational connection easily accessible. The transmission of the first message by electric telegraph in the nineteenth century by Samuel Morse gave start to a new world history. Open and easy communication between nations has created grounds for 'cultural homogenization' developing 'a single global society' (Waks, 2006, p.413).

Module 3 - Unit 2: GLOBALIZATION– ANALYSIS FROM DEVELOPMENT AND POLITICAL ECONOMY PERSPECTIVES

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcome
- 2.3 Development and Political Economy Analysis of Globalization
- 2.4 The Contexts of Globalization Theories
- 2.5 Globalization Explained from Development Theories
- 2.6 Summary
- 2.7 References/Further Readings/Web Resources
- 2.8 Possible Answers to Self-Assessment Exercise(s) within the content



2.1 Introduction

This unit further highlights the contexts of globalization in development by looking at the various theories of globalization, the relationship between theories of globalization and development. The unit applies a development and political economy analytical viewpoint to shed light on the effects of globalization on global politics, government, economy, trade relations and its impact on developing and under developed economies.



2.2 Learning Outcomes

At the end of this unit, student will be able to:

- a. Describe the various theories of globalization and its relationship to development theories
- b. Understand how the theories of globalization and development explain the underdevelopment challenges facing the third world countries
- c. Identify and explain the impact of forces of globalization in terms of international politics, economy and cultural diffusions, technology and science and how these forces of globalization condition the development pace in the third world



Main Content

2.3 Development and Political Economic Analysis of Globalization

a. Development stand point

From the previous unit we can say that globalization interprets current events in the international sphere in terms of development, economic conditions, social scenarios, and political and cultural influences. When we are considering globalization as a development issue, we can view it from three definite scenarios and increasing trends:

- (a) worldwide active technological and communication system
- (b) high mobility of financial resources and trade and
- (c) hegemonic political control of more powerful countries over less powerful countries.

Through the process of globalization, the assumption is that more nations are depending on worldwide conditions in terms of communication, the international financial systems and trade, and poor countries are increasingly relying on financial aids and supports from more advanced and developed countries, making them vulnerable to their control and dominance.

b. The Political economy stand point

In terms of how the effects of globalization have manifested in current worldwide economic trends, two main topics stand out in international political economy:

- (a) the structures of the international economic system
- (b) how these structures condition the international relations and politics

From these two perspectives of globalization, we understand that the structure of the global system and the roles that it plays within the international division of trade, economic growth, labour and politics are crucial in understanding a wide array of social, political and economic changes that have affected countries of the world, especially the countries in the third world. An understanding of these two perspectives highlights connections, roles, relationships and variables that are important in analyzing dimensions of relationships in the international community, global governance,

development, economic growth and how global forces (inimical to globalization) condition them.

2.4 The Contexts of Globalization Theories

The Main assumptions of the theory of globalization can be summarized in three principal points. **First**, cultural and economic factors are the determining aspect of globalization in the world. **Second**, under current global conditions, and when we are studying a particular system for instance, financial or trade sphere, that it is increasingly becoming difficult to use the context of a “nation” as a unit of analysis, since global communications and international ties are making this category less useful, turning the world to small global village, with hegemonically and unequally streamlined political governance and economic system that condition the lesser developed countries to continuously be exploited by the more privileged (under the globalization agenda) countries in the west. **Third**, with more standardization in technological advances, more and more social sectors will be able to connect themselves with other groups around the world, which implies faster and easier communications and economic transactions. This situation will bring about unequal share and access to resources among world nations, as the more advanced in technology gains more ground to control the means and sources of production, and the capital in-flow, both internally and externally.

SELF ASSESSMENT 1

What is the second assumptions of globalization theory?

2.5 Globalization Explained from Development Theories

The analysis of globalization cannot be complete without reference to development theories. Globalization is a very important variable in the statement of theories of development vis-à-vis world system theory, dependency and modernization theories. From a more comparative point of view, the theory of globalization coincides with some

elements of the theory of modernization. One aspect is that both theories state that the main direction of development should be that which was undertaken by the United States and Europe. These schools hold that the main patterns of communication and the tools to achieve better standards of living originated from the more developed countries, and that this conditions development as modernity and civility measured by the level of technological, scientific and ideological advancement.

The globalization and world-systems theories, and to some extent, the dependency approach, take into account the most recent economic changes in world structure and relations that have occurred leading to increasing dependency of third world countries on developed countries. The growing poverty in developing world, the enforcement of westernized democratic ideologies on third world countries, the channeling of more humanitarian aid (which are still billed to these nations to pay back) to poor countries as so-called *succor* to alleviate poverty and deprivations in these poor countries, all combined to create a continuous dependency of the third world on the more advanced countries of the world. The world system and dependency theory both refutes modernization theory for grounding modernity as condition for more privileges that have been channeled towards the advanced nations at the expense of the lesser developed countries (LDCs).

Moreover, the close linkage between globalization and modernity in principles and ideology have compelled the dependency and world system theorists to label globalization as the new world order that aggravate the challenges of over dependency and reliance of LDCs on the advanced nations, with its attending consequences of poverty, economic instability, lack and political devastations. Globalization with its accompanying forces (economic and trade system, cultural diffusion, technology, democratic agenda of neoliberal forces, and modernity) created more inequality and poverty gaps that nations of the third world continue to battle with.

SELF ASSESSMENT 2

Explain globalization from world system theory



2.6 Summary

The unit was able to shed light on the contexts of globalization theory. It showed the link between development theory and globalization and the undelaying debate in these theories that lay emphasis on the impact of globalization on the development of world economies and nations. The political and development analysis of globalization theories was able to delineate 3 factors that consolidates globalization process which include – technology, economy and political hegemony of the advanced country as the main issues that pilot and propagate globalization ideology and its impact in the world.

It is not an over statement to say that globalization has caused drastic change in world sociocultural, political, economic and technological spheres. Globalization scholars argue that modern elements for development interpretation are the technological, political, cultural and economic links among nations. Among these, the most important factor is the increasing flexibility of technology to connect people around the world. Global communications systems are gaining an increasing importance every day. Though these processes have launched countries to more advancement in development - culturally, technologically, scientifically or even economically, creating more liberal freedom of association and human rights recognition, we can't afford to forget that the same globalization forces are increasingly dividing the world countries along trade, labour and power inequities that is negatively affecting most of the third world economies.



2.7 References/Further Readings

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2.8 Possible Answers to SAEs within Content

Answer to SAE 1

Second, under current global conditions, and when we are studying a particular system for instance, financial or trade sphere, that it is increasingly becoming difficult to use the context of a “nation” as a unit of analysis, since global communications and international ties are making this category less useful, turning the world to small global village, with hegemonically and unequally streamlined political governance and economic system that condition the lesser developed countries to continuously be exploited by the more privileged (under the globalization agenda) countries in the west.

Answer to SAE 2

The globalization and world-systems theories, and to some extent, the dependency approach, take into account the most recent economic changes in world structure and relations that have occurred leading to increasing dependency of third world countries on developed countries.

Module 3 - Unit 3: THE EFFECTS OF GLOBALIZATION ON THIRD WORLD COUNTRIES' DEVELOPMENT

Unit Structure

3.1 Introduction

3.2 Learning Outcomes

3.3 Globalization, Economic and Trade Processes in the Third world

3.4 Globalization and Technology in the Third world

3.5 Globalization and Cultural Changes in the Third world

3.6 Summary

3.7 References/Further Readings/Web Resources

3.8 Possible Answers to Self-Assessment Exercise(s) within the content



3.1 Introduction

We have been looking at globalization and development in the third world in other units of module 3 and we have come to the understanding that globalization contributes to some development set back in developing countries of the world, especially having reviewed the development situation in LDCs and scholarly views on the possible reasons for the development setbacks in the third world. Globalization as we have also seen could be regarded as neo-imperialism agenda for enhancing much dependency of lesser developed countries on the advanced countries as depicted in the dependency theory. In this unit, we will be looking at the effects of globalization on developing countries drawing theoretical stand points of the dependency theory. We will look at how globalization have affected the economic, development processes and cultural changes in the third world countries. However, some advantages of globalization will be explored to show the rewards it may bring to the much-needed development in the third world.



3.2 Learning Outcomes

At the end of this unit, student will be able to:

- a. Understand the effects of globalization on economic system in the third world

- b. Understand how the globalization ushered opportunities for education and health development in the third world countries
- c. Explore the cultural changes that have occurred in the third world as a result of globalization and ‘Americanization’ of the other parts of the world



Main Content

3.3 Globalization, Economic and Trade Processes in the Third world

Globalization describes how different world cultures, populations, and economies are interdependent on each other. It is a consequence of cross-border economic, development and governance structures. Technology, goods, investments, information, and services along with the labor market are the most popular components of globalization. The processes of globalization have established worldwide economic, political, development and cultural integration which has enabled social partnerships. However, globalization trends have not come without some disadvantages on the lesser developed nations. One of the disadvantages of globalization is the effects on economic and trade processes in the third world nations.

The pertinent question remains how the developing and less developed countries can ever meet up with these policies and standards to achieve desired economic growth and stability. Other challenges of globalization on third world economies include:

a. Increasing Trade Tariff

Average tariff rates continue to be high in many developing countries, including some that have recently implemented trade reforms like India. Moreover, unfavorable trade policies continue to be an important aspect in globalization which impedes ability of lower income developing countries to meet up with paying debts and loans borrowed from international sourced banks. In practice, many developing countries competing for foreign investors offered longer tax holidays, costly subsidies, and various incentives for

multinationals, thereby lodging into poverty and more dependence on advanced nations for supports and aids.

b. Global Market Competition and Price fluctuation

Globalization has led to fluctuation in price. Due to increase in competition, developed countries are forced to lower down their prices for their products, this is because other countries like China produce goods at a lower cost that makes goods to be cheaper than the ones produced in developed countries. So, in order for the developed countries to maintain their customers they are forced to reduce prices of their goods. This is a disadvantage to them because it reduces the ability to sustain social welfare in their countries.

c. Exploitation of Labour

Globalization is a capitalist orientated ideology; therefore, it possesses one of its known traits – exploitation of labour. Globalization has led to exploitation of labor in most developing countries. In most industries, to meet demands of goods and services as well as the market competition, safety standards and wellbeing of laborers are ignored to produce cheap goods. The recent experience in Latin America has been that many such open-handed multinationals moved their operations to, for example, China or South East Asia because of cost and market considerations (Piaseck and Wolnicki, 2004). This led to many workers losing their works because they chose to remain in their countries and increasing poverty for the people.

d. Expanded Foreign Trade and International Trade Policies by WTO

Globalization has created and expanded foreign trade in the world. Things that were only found in developed countries can now be found in other countries across the world. People can now get whatever they want and from any country. Through these developed countries can export their goods to other countries. Countries do business through international trade, whereby they import and export goods across the global. These countries which export goods get comparative advantages. Organizations have been established with a view to control and regulate the trade activities of the countries in the

world so to have fair trade. World trade organizations emerged as a powerful international organization capable effectively influencing individual governments to follow international trade rules, copyrights, policies on subsidies, taxes and tariffs. Nations cannot break rules without facing economic consequences (Piaseck and Wolnicki, 2004).

Most development scholars believe that the global economic and trade processes led by international economic organizations such as IMF, World bank, WTO have relative negative impacts on developing and less developed countries' economic growth due to the inequality and imbalance emanating from global trade regulations and policies. Some countries like China who were able to achieve rapid economic growth in 1980s bypassed most of these trade regulations and succeeded. Rodrick (2001) noted that Argentina in 1998 opened up to trade and direct investment but did not achieve the same result as China and India. Rodrik explained that the reason for Argentina's failure was because harsh international trade and economic standards and policies did not allow lesser developed counties to flourish.

Hence, it could be said that China advancement in international trade was not any impact of globalization, it was because they were able to ignore the various standards posed by international investment organizations and achieved independent economic flourishing since 1980s.

e. The impact of Transnational Companies on LDCs Economies

Global commerce is increasingly dominated by transnational corporations which seek to maximize profits without regard for the development needs of individual countries or the local populations. Competition among developing countries to attract foreign investment leads to a "race to the bottom" leading to less developed countries forgoing welfare of their citizens to engage investment opportunities with these transnational companies, one of the anti-welfare effects being in lowering environmental standards for immediate gains. This further pushes these third world countries into poverty and lack.

SELF ASSESSMENT 1

Explain one challenge of globalization in third world economies

have lowered communication costs and facilitated the cross-border flow of ideas, including technical knowledge as well as more fundamental concepts such as democracy and free markets (Stiglitz, 2003). The rapid growth and adoption of information technology, however, is not evenly distributed around the world—this gap between the information technology is often referred to as the “digital divide”.

As a result, for less industrialized countries this means it is more difficult to advance their businesses without the technical system and knowledge in place such as the Internet, data tracking, and technical resources already existing in many industrialized countries. Widespread use of computers, faxes and mobile phones, introduction of the internet and e-commerce, and quicker and cheaper means of transportation created more burden on developing countries to pay higher trade tariffs in order to receive these opportunities.

SELF ASSESSMENT 2

Explain the digital divide

3.5 Globalization and Cultural Changes in the Third World

Critics of globalization and global integration warn about globalization impact on cultural twist in nations, especially in developing countries. With the emergence of globalization and its growing trends most countries of the world have come to lose their cultural uniqueness and distinctiveness. Watkins (2002) asserted that cultural uniqueness is lost in favor of homogenization and a “universal culture” that draws heavily from American culture. Indeed, this goes to prove the agenda of globalization as reorientation for re-colonizing the third world countries, however, this time with a careful twitch to the former colonial ideology of conquer and rule. The increasing cultural diffusions from the more advanced world to third world nations has deflected the

mores, norms and value that originally caused cohesion and consensus among the people. Globalization gradually bred individualism as a way of life thereby affecting the unique communal life and dependence that originally sustained traditional societies in the developing world. Today increasing moral decadence and lack of respect of norms and values has been effects of globalization and technology. New technology and digital systems introduce various opportunities to new crimes, moral and ethical decadence and lasciviousness among young people in the whole world, not just the third world.



3.6 Summary

As we have seen, although the processes of globalization have established worldwide economic, political, development and cultural integration which has enabled social partnerships, it does not come without its challenges on the economies, sociopolitical and cultural life in lesser developed nations. We have seen how globalization have affected economic and trade processes in the third world nations leading to further economic stuntedness, more dependency, poverty and inequality. The question still remains on the possibility of less developed countries to meet up with desired economic growth and independence when faced with negatives trends of globalization such as technological divides, international trade and economic policy complexities as well as unfavorable structures in international politics.



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3.8 Possible Answers to SAEs within Content

Answer to SAE 1

Global commerce is increasingly dominated by transnational corporations which seek to maximize profits without regard for the development needs of individual countries or the local populations. Competition among developing countries to attract foreign investment leads to a “race to the bottom” leading to less developed countries forgoing welfare of their citizens to engage investment opportunities with these transnational companies, one of the anti-welfare effects being in lowering environmental standards for immediate gains. This further pushes these third world countries into poverty and lack.

Answer to SAE 2

The rapid growth and adoption of information technology is not evenly distributed around the world—this gap between the information technology is often referred to as the “digital divide”.

Module 4: INTERNATIONAL ORGANIZATIONS AS NON-STATE ACTORS – THE CIVIL SOCIETY IN INTERNATIONAL SYSTEM

Module 4 - Unit 1: MARY KALDOR'S FOUR VERSIONS OF CIVIL SOCIETY EMERGENCE AS NON-STATE ACTORS IN DEVELOPMENT

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 The concept of civil society
- 1.4 The classical Version
- 1.5 The Activist Version
- 1.6 The Neoliberal Version
- 1.7 The Post-Modernist Version
- 1.8 Summary
- 1.9 References/Further Readings/Web Resources
- 1.10 Possible Answers to Self-Assessment Exercise(s) within the content



1.1 Introduction

Mary Kaldor is a well-known author in global civil society scholarship in the UK and US. Her work on Global civil society has spiraled meaningful debates on the meaning of global civil society, its contexts and functions. In this unit we will be looking at her four versions of emergence of civil society in development discourse. This unit therefore traces the evolution of the idea of civil society and show that at a time in history, civil society meant a rule-governed society where rules were based on some form of social contract among citizens. Historically, civil society was always territorially tied and contrasted with international relations between states and the civilians. However, as we shall see this notion began to change over time in history as the global dimension of civil society as a social contract began to receive great critiquing from scholars, and later was abandoned across

borders with an establishment of a new sets of knowledge on global civil society and global partnerships involving states, upcoming actors in civil society (NGOs) and international multilateral organizations.



1.2 Learning Outcomes

At the end of this unit, student would be able to:

1. Show understanding of the concept of civil society and its essence in society
2. Have understanding of the emergence of civil society from four viewpoints in Kaldor's model
3. Engage confidently on debates about comparative views on global civil society



Main Content

1.3 The Concept of Civil Society

Over the years there has been debates and controversies amongst scholars on the conceptualization of Civil Society. Yet what is interesting about the term is that despite these controversies, ambiguities and difficulties in understanding its real context, it has gained widespread popularity especially in international and political discourses. This interest has given rise to the various literature that make efforts to explain its content and contexts – whether it connotes a certain social structure, mode of behavior or political ideology? Nonetheless, the definition of civil society as an arena of voluntary, un-coerced collective actions around shared interests, purposes and values has gradually found its place in many literatures on the topic.

Kaldor (2003) noted that various factors have encouraged the usage of the term civil society in the international community, such as concern for individual autonomy, self-organization, private space – which became important in Eastern Europe and elsewhere in the world, as a way of replacing unfavorable government; and the growing need for networking and creation of a global movement for democracy, economic development and social welfare. To present a less ambiguous conceptualization of civil society,

Kaldor (2003) presented four versions which describe how civil society emerged as a conceptual issue in global development discourse.

1.4 The Classical View

According to Kaldor (2003) the origin of the concept of civil society can be traced back to the theories of early thinkers such as Thomas Hobbe and John Locke. For Hobbe and Locke, there was no distinction between state and the civil society. Civil Society was a type of state characterized by a social contract – where the ruled and the ruler enter into a special agreement that is expected to stabilize the polity and society. The ruler was expected to provide the ruled with the needed social security and welfare, while the ruled were expected to show a sense of loyalty and reverence to the authority of the ruler. At this time, civil society was a state governed by prescribed law - the law checks and balances social relations and as such members of the society become subject to the rule of law. This ideology was what facilitated the social contract entered by the members of the society and which enabled social order. However, this notion of civil society changed in the nineteenth century with the writings of Hegel, who for the first time distinguished civil society from the state.

Ehrenberg (1999) observed how Hegel was able to streamline the difference between the state and civil society by indicating that whereas civil society aims to influence governmental policies to favour public interest; political society aims only to control government and power. From this angle, a new sector of society apart from the state and market emerged and became topical issue in international discussion on politics (governance), and economic development, and later in other aspects of development, in particular, environmental sustainability.

SELF ASSESSMENT 1

Social contract was used to explain civil society emergence in the Classic theory, explain this

1.5 The Activist View

According to Kaldor (2003, p. 8) “the activist perspective is probably closest to the version of civil society that emerged from the opposition in central Europe in the 1970s and 1980s”. It is sometimes referred to as post-Marxist or utopian version of civil society. The breakdown of the socialist states in the Soviet Union and Eastern Europe marked the uprising turmoil in the developing world and increased agitation for a more democratic government in this part of the world. Most developing countries hitherto were knee deep into authoritarian, militaristic and despotic leadership. This led to wide spread call for readjustment of leadership styles in most of these countries and dethronement of authoritative leadership. The surge of this political cataclysm inspired the instances for the emergence of civil society as anti-state force and became a vehicle for establishment of democratic rulership in these countries. Keane (2003, p.153) noted that “in the activism perspective, civil society is attached to the notion of civil liberties – of human rights embodied in formulae such as ‘liberte, egalite or fraternite’. The activist perspective actively grew in 1990s with added agenda of expanding other development sectors such as education, health, human rights, environmental sustainability, corporate responsibility etc. A key content of this version of civil society emergence is the capacity of the civil society actors to mobilize crowd of supporters and participants in the campaign for democracy and development. This perspective equally highlights the birthing of social movement context of civil society.

1.6 The Neoliberal View

The Neo-liberal version of Civil society grew in the late 1980s and early 1990s and came with the western agenda for global market reform and pluralistic scheme for activating civil society movements in the East and South, to foster campaigns for parliamentary democracy. According to Kaldor (2003, p. 9), “this version of civil society might be described as laissez-faire politics, a kind of market in politics”. Kaldor observed that in this context, “civil society consists of associational life – a non-profit and voluntary segment - what principally are now referred to as the “third-sector” – that not only bring under control state power, but also provide an alternative for many of the functions performed by the state” (Kaldor, 2003, p. 9). This period saw the birthing of non-governmental organizations as alternative strategy for achieving much needed

democratic and development success in the developing world. Because of the non-existence of a global state, an army of NGOs (Non-governmental Organizations) perform the functions necessary to set a straight path for development and economic globalization in poor and deprived countries of the third world. The most important aspect of this version is that it is much associated with ideas about the ‘third sector’ or the ‘non-profit sector’ and further created a space where civil society and its organizations can operate outside state and market sectors. Thus, civil society became observed as a ‘third sector’ of the society, and non-profit because it operates outside the market.

1.7 The Post-Modernist View

This version of civil society conceptualization emerged to counteract the neo-liberal version on the ground of authenticity and genuineness of their social justice, humanitarian and economic development campaigns in the developing world. Most of the views propounded lay emphasis on the influence of globalization on the developing economies, which instituted hegemonic control of global market economy and institutions by the advanced nations. Following this perspective, an argument was raised by postmodernist civil society proponents, which is of immense importance in this discourse, that globalization reduced the ability of the nation state to make economic and political decisions without facing dictates from international institutions like the World Bank, IMF and UN, etc. The doctrine of neo-liberalism has everywhere reduced government ability to shape or protect their economies from the harsh forces of globalization. This has been noticed in the various deregulations that have restricted government from having political and economic autonomy over the last seven decades. Thus, the rising dependence on armies of NGOs was an agenda to further exploit and diminish development of the third world economy. Aid flow were given with high interest rate from the World bank which they fund NGOs to carry out development projects in the developing world. The result is that where NGOs failed, these third world countries were still bound to pay back debt which further impoverish them.

SELF ASSESSMENT 2

What is the context of the post-modern theory of the emergence of civil society?



1.8 Summary

The unit was able to critically evaluate four versions of emergence of civil society and highlighted important content in each of the perspectives. The classical view of civil society emergence showed how the notion of civil society evolved from the Hobbean and Locke's view of civil society as a functional role of the state to Hegelian version of the separation of civil society from the state, to show its distinctiveness. Other versions followed this distinct feature to depict the mounting of the civil society to the third sector and various actors that emerged with this notion. The unit went also to show how the post-modernist view related civil society as a neoliberal agenda and relationship to globalization, hence, giving us the more likely picture of the agenda of NGOization of developing country.

The four of the five versions of civil society conceptualization postulated by Kaldor (2003) are adopted in this review because they permeate scholarly perspectives on civil society. The discussion in this unit has given us more grounds for engaging in debates on global society and its essence in development.



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1.10 Possible Answers to SAEs within content

Answer to SAE 1

According to Kaldor (2003) the origin of the concept of civil society can be traced back to the theories of early thinkers such as Thomas Hobbe and John Locke. For Hobbe and Locke, there was no distinction between state and the civil society. Civil Society was a type of state characterized by a *social contract* – where the ruled and the ruler enter into a special agreement that is expected to stabilize the polity and society. The ruler was expected to provide the ruled with the needed social security and welfare, while the ruled were expected to show a sense of loyalty and reverence to the authority of the ruler.

Answer to SAE 2

The post-modernist version of civil society conceptualization emerged to counteract the neo-liberal version on the ground of authenticity and genuineness of their social justice, humanitarian and economic development campaigns in the developing world. Most of the views propounded lay emphasis on the influence of globalization on the developing economies, which instituted hegemonic control of global market economy and institutions by the advanced nations.

Module 4 - Unit 2: CIVIL SOCIETY AS THIRD SECTOR OF SOCIETY IN DEVELOPMENT

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 Clarifying the space for civil society operation as third sector
- 2.4 The two types of NGOs operating in the civil society as development sector
- 2.5 The Characteristics of Secular NGOs and Faith Based Organizations (FBOs)
- 2.6 Summary
- 2.7 References/Further Readings/Web Resources
- 2.8 Possible Answers to Self-Assessment Exercise(s) within the content



2.1 Introduction

This unit further provides understanding of the space that the civil society occupy and operate as the third sector of the society. This unit will broaden the scope of the subject of global civil society as a development sector by introducing the student to the operational sector of civil society and the types of development organizations that function within the civil society as third sector of society. From this perspective students will have better clarification of the separation of civil society from the market and state sector and how this separation allows the civil society organizations to be more functional in society.



2.2 Learning Outcomes

At the end of this unit, student would be able to:

1. Demonstrate understanding of the meaning of civil society as third sector
2. Understand the space civil society occupy as development sector by exploring the two types of development civil society organizations working in the grassroots
3. Understand the importance of separating the civil society from other sectors of society



Main Content

2.3 Clarifying the space for civil society operation as third sector

The conceptualization of civil society as a third sector of society existing independently of the state and the market has taken prominence in development discourse for decades now. This conceptualization has been critical to the history of western political thoughts and has been central to the development of a combination of liberal parliamentary and socialist traditions. These traditions aim to define the space for which civil society could be studied as an entity distinct from the state and market, and which prescribes its relevance and functions. Hence the definition of civil society as an arena of voluntary, un-coerced collective actions around shared interests, purposes and values has gradually found its place in many literatures on the topic. To further develop this platform of definition, literature like Ottaway and Carothers (2008), Paffenholz and Spurk (2006) have gone ahead to describe its position in relation to other sectors of society and then group actors within these sectors. Thus, civil society became envisaged as a sector on its own vis-à-vis the two other main sectors— the state and market. Although there is some degree of agreement amongst scholars on this basic approach, the ascription of actors is still contested.

To resolve this problem, Ottaway and Carothers (2008) used a different and more sophisticated segmentation, in drawing boundaries between the political sphere (state apparatus, political parties and parliamentarians), economic sphere (companies and markets) and private spheres. Hence, actors in these spheres or sectors can freely operate in various sectors without overlapping in their functions. From this perspective civil society is summarized by Paffenholz and Spurk (2006) as:

- A voluntary sector within institutional forms that are distinct from those of the state, family and market, though in practice, the boundaries for actors in the sectors are flexible and open
- A large and diverse set of voluntary organizations, often in competition with each other and oriented to specific interests and goals. It consists of non-state actors

and associations that are not purely driven by private or economic interests, are autonomously organized, and interact in the public sphere; and

- Independent from the state, but it is oriented toward and interacts closely with the state and the political sphere (ibid)

These features echo Ottaway (2008) model for identifying the sphere of civil society. She identified three possible ways of clarifying the space for which civil society could operate as a third sector within the development sector –

- (1) by distinguishing organizations that are truly voluntary from those that are not;
- (2) by determining whether all voluntary organizations between the family and the state deserve to be considered civil;
- (3) by determining whether there is a conceptual difference between civil society and political society. She argued that though civil society interacts with the other sectors, especially with the state, it does not replace the state and its political actors, but rather aims to improve their effectiveness and responsiveness to the people.

From these perspectives two specific organizations emerged in scholarship and development discourse that can easily fit this role civil society will play as a third sector in development. They include the secular and faith-based organizations.

SELF ASSESSMENT 1

Name two spheres the civil society would operate according to Ottaway (2008)

2.4 The two types of NGOs operating in the civil society as development sector

Since the 1990s with the growing trust on the third sector as alternative to unstable and unreliable governance in developing countries, civil society organizations in form of non-governmental organizations have become prominent on the agenda of policy makers, activists and international donors. Many literatures have made reference to the relevance of NGOs as part of the third sector in facilitating the much-needed development in Africa and the rest of the developing world. These literatures view the civil society sector as an antithesis to the state, which portrays civil society as agents for

democratic and developmental growth in less developed countries in the third world. Gradually, these local aid organizations became donors' development instruments and served as alternatives to the state in its function of delivering social services in developing countries. Moreover, in the present times the civil society sector has gradually shifted away from its initial focus on promoting political mobilization and accountable government, to the apolitical delivery of basic services. This shift resulted from perceived concern with the various social problems related to homelessness, poverty, poor literacy and educational standard, human rights violations, gender inequality, environmental degradation and health depreciation affecting the people.

Hence, the direct provision of services to poor citizens became an important activity of civil society organizations- namely the Secular NGOs and Faith Based Organizations (FBOs), in form of self-help projects. In cases where the state is weak, these two organizations were prominent in providing social benefits such as economic empowerment in form of skills acquisition, cooperative and loan society, granting soft loans for agricultural purposes; and other development activities like providing shelter, clean water supply, health, and educational services to marginalized communities. These organizations mostly became the instrument of the international organizations such as the UN, World bank, USAID, UK DFID etc. for providing development aids and developing the poor countries in the third world. However, these aids do not come without their challenges. They further push these third world countries in more debts, dependence on the advanced nations and even more poverty.

Definition clarifications:

What is Secular NGO?

NGO can be defined as self-governing, private, not-for-profit organizations that are geared to improving the quality of life of disadvantaged people. From this definition one can therefore differentiate NGOs from other groups in the "third sector" such as trade unions, and professional associations etc. NGOs are grouped into two broad groups by the World Bank, these are: - the operational NGOs which are involved in service delivery and the advocacy NGOs which focus on social movements and transformation activities.

What is FBO?

A service delivery FBO is defined as a civil society organization of religious character or mandate engaged in various kinds of service delivery. In this view, it can be said that service delivery FBOs are faith inspired development organizations. The essence of defining a service delivery Faith Based Organization is to differentiate organizations that seek to draw members from places of worship from those with development goals in place.

Clarke (2006) identified five different types of FBOs that operate in the service sector depending on their missions and representative status in the civil society sector. These include:

- a) Faith Based Representative Organizations – these groups work as intermediates between believers and the state and other actors
- b) Faith Based Development organizations – these groups mobilize necessary resources from internal and external sources in support of humanitarian development functions/services to the poor and underprivileged in the society.
- c) Faith Based Socio-Political Organizations – these groups mobilize necessary resources and utilize faith in constructing space for political deliberations that would benefit members, thus mobilizing members to engage in political affairs. Clarke also identified that these group tend to pursue broader political issues and promote faith as a viable tool for encouraging democratic governance.
- d) Faith Based Missionary Organizations – these groups involve in evangelization of faith and actively promote religiosity abroad. Their mission is to proselytize their faith, seeking to convert people to their religious sect or engaging with like groups to promote community development works.
- e) Faith Based Illegal Organizations – or what may be termed “Terrorist Organizations” are still considered faith based but with a different ideological mission. These groups tend to pursue their goal through armed struggle or violent acts justified on ground of faith and belief system.

2.5 Characteristics of NGOs and FBOs in Development

FBOs and secular NGOs possess five characteristics that differentiates them from other groups in the third sector – these include being:

i. Formal

NGOs and FBOs operate as a formal organization in the sense that the administration is official and well organized with specific goal, objective, mission and vision to attain

ii. Private

NGOs and FBOs are private organizations and not public institutions owned by government. It can be formed by individual or collective groups for a specific development purpose. It operates outside the scope of government; it is not political nor market orientated.

iii. non-profit

NGOs and FBOs must be non-profit to clarify its separation from the market sector, they are not profit orientated.

iv. self-governing

NGOs and FBOs are self-governing in the sense that they have organized administration carried out by members of the board and staff.

v. voluntary in nature.

NGOs and FBOs often utilize voluntary assistance which further depict its non-profit characteristics. Members often give voluntary assistance to achieve objectives and goal of the

SELF ASSESSMENT 2

Explain one characteristic of secular NGO



2.6 Summary

The unit was able to clarify the space for conceptualizing civil society as a third sector of society. The unit demonstrated the context at which civil society could operate in third

sector which was found to be in the development sector. Hence, the operation of civil society as third sector is viewed from their roles or functions in development. From this angle of debate, two specific development organizations – secular NGOs and FBOs were identified as civil society organizations most prominent in the development role play of civil society. The unit highlighted the characteristics of these civil society or development organizations which would differentiate them from other organizations in the civil society such as Labour Unions, social movement groups, associations, community organizations etc. and clarified their development orientation

Civil society as we have seen is definitely distinct from the market and state because of its pro-poor, non-profit and development orientations. The differentiation of civil society from state and market depicts its non-profit orientation, antithesis and its alternative role to the state where there is lack of adequate response to basic social service delivery. The next unit will expatiate this by discussing the functions of civil society. From this discussion we will further understand the agenda of civil society and its relevance in development.



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2.8 Possible Answers to SAEs within the Content

Answer to SAE 1

Ottaway (2008) identified three possible ways of clarifying the space for which civil society could operate as a third sector within the development sector –

- (1) by distinguishing organizations that are truly voluntary from those that are not;
- (2) by determining whether all voluntary organizations between the family and the state deserve to be considered civil;
- (3) by determining whether there is a conceptual difference between civil society and political society. She argued that though civil society interacts with the other sectors, especially with the state, it does not replace the state and its political actors, but rather aims to improve their effectiveness and responsiveness to the people.

Answer to SAE 2

Private entities: NGOs are private organizations and not public institutions owned by government. It can be formed by individual or collective groups for a specific development purpose. It operates outside the scope of government; it is not political nor market orientated.

Module 4 - Unit 3: FUNCTIONS OF CIVIL SOCIETY ORGANIZATIONS (NGOS) IN INTERNATIONAL DEVELOPMENT

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Civil Society in Development Discourse
- 3.4 The functions of civil society organizations in Development Sector
- 3.5 Summary
- 3.6 References/Further Readings/Web Resources
- 3.7 Possible Answers to Self-Assessment Exercise(s) within the content



3.1 Introduction

In this milieu, the central part of NGOs comprises a network of associations that institutionalizes problem solving discourses of public interest inside the framework of organized public spheres. These networks in the global sphere have the same structures that maintain their existence. While civil society as the third sector cannot be removed, it must function effectively to maintain its importance; therefore, it must set objectives and goals that facilitate their importance in the society. In this unit we will be looking at the functions of civil society in the development sector.



3.2 Learning Outcomes

At the end of this unit students will be able to:

1. have good understanding of the development functions of civil society organizations
2. Define the roles of the secular and faith-based organizations in development sector
3. Demonstrate capacity to properly join in the debate of civil society role as a development sector.



3.3 Civil Society in International Development Discourse

Civil society organizations play a significant role in international development cooperation. As a way of projecting social justice and extending human rights values, a number of countries in the west have come to assist the alleviation of development setbacks and poverty ravaging the developing countries in a bid to strive for political and socio-economic development. In most cases civil society organizations' support to these nations preceded, and superseded state aids. These civil society organizations could afford to achieve these impacts in the developing world because they are said to possess diverse competences, especially the capacity to reach the grassroots effortlessly. The 1990s saw most international organizations partnering with army of local NGOs (religious and secular civil society organizations) in dispensing charity and aid in developing countries, they provided humanitarian aids where government failed to effectively respond to the citizens.

The international organizations became major donors to these grassroots NGOs to support their activities and services in their countries. They allow placing donor-development assistance beneficiary relationship on new grounds. NGOs consistently partnered with the international organizations such as UN, USAID, COSAID, UK DFID, World bank, the EU development funds etc. These international organizations relied on the consulting and implementation capacity (grassroot participatory approaches) of these grassroots NGOs EU in development projects. As a result of these cooperation with the civil sector some good practices are developed, thus enriching international organizations and member states' agenda on development issues.

However, the price paid is over reliance on these international organization to meddle with the political and economic affairs of the dependent developing countries. Notwithstanding, the enhanced partnership between the international organizations and the grassroot NGOS enabled the NGOs in these countries to appropriately hold government accountable and enforce reciprocity, especially in ensuring democratic rule, practices and values in their countries. In the recent time such NGOs have come to be agents and principal actors in development cooperation with the purpose of assisting developing countries in building up civil society foundations.

SELF ASSESSMENT 1

What is the importance of Civil society organizations in international development?

3.4 Functions of Civil Society Organizations in Development Sector

In this section we will look at some functions of civil society organizations in development sector. They are as follows:

a. Protection

NGOs ensures that citizens are empowered with the rights and freedom to form associations to protect their interests without state interference. The state is expected to ensure the protection of these interests and the function of the civil society is to remind the state of this warrant and if needed pressurize it to do so. The essence of democracy is to create space for a plurality of civic and political associations, liberal institutions create laws that protect and allow broader range of associations to thrive. This is because the freedom of association is central component of individual freedom – it is valuable and pleasurable itself. This function reflects the challenges civil society organizations tend to experience in less democratized societies and depicts the relevance of democracy in achieving this function. Where democracy is still in its early form, the prime contribution of civil society is to stand as a bulwark against any illegitimate authority. This function centers on the role of NGOs to check and balance the activities of the state. To ensure effective governance, civil society plays the role of activists to ensure that interests of the minorities are well represented.

b. Community Building and Integration

civil society organizations are perceived as a medium for building communal life as a remedy to individualism. Thus, participation in these civil organizations is envisaged as way of bridging societal gaps and creates civil virtues and attachments that are expected to foster social cohesion and satisfy the human craving for communal and associational

life. The pre-condition of this arrangement is that the structure of the organization is unsoiled of any racist, ethnic or traditional inclinations. Civil society organizations especially those in grassroots, is capable of helping people survive and maintain a semblance of normal life under very difficult condition.

c. Communication and Advocacy

NGOs ensure that the interests of the public are well represented to lawmakers and translated to law and policy. They can achieve this through media, lobbying, advocacy and direct contact with public officials; however, the essential component of representation is by providing forum for public opinions. The quality representation of the people's interest broadens democracy in many ways. Furthermore, civil society organizations tend to bring to focus territorial marginalization that is often ignored in parliamentary decision making, hence playing the important role of enhancing equality in political representation.

d. Service Delivering

Providing social delivery has become a traditional role of civil society organizations both in the developed and developing countries. Direct provision of services to poor citizens became an important activity of civil society organizations in form of self-help projects. In cases where the state is weak, it becomes essential to provide basic social benefits such as economic empowerment in form of skills acquisition, cooperative and loan society, granting soft loans for agricultural purposes; and other development activities like providing shelter, clean water supply, health, and educational services to marginalized communities. Civil society organizations are not just providing services to people that the state has failed to reach, but they are now engaged in the mainstream development activities. Hence with this new profile civil society organizations have assumed a new form in studying and making input in development policies that could engender more responsiveness from the state. This has resulted to recent partnership with international organizations and government in provision of services to the poor especially in developing countries.

SELF ASSESSMENT 2

Mention one function of civil society organizations



3.5 Summary

Since the 1990s with the growing trust on the third sector as alternative to unstable and unreliable governance in developing countries, civil society organizations in form of non-governmental organizations have become prominent on the agenda of policy makers, activists and international donors. Many literatures have made reference to the relevance of NGOs as part of the third sector in facilitating the much-needed development in Africa and the rest of the developing world. What we have seen in the unit is how these civil society organizations activities in developing world portrays them as agents for democratic and developmental growth. They have become donors' development instruments and served as alternatives to the state in its function of delivering social services in developing countries. However, a crucial question still remains unanswered, this revolve around whether the supports of these NGOs and international organizations through aid is actually working in addressing poverty and development setbacks in the third world, and could the civil society organizations be imperialist instruments that further diminish independence of third world nations?



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3.7 Possible Answers to SAEs within Content

Answer to SAE 1

Civil society organizations play a significant role in international development cooperation. As a way of projecting social justice and extending human rights values, a number of countries in the west have come to assist the alleviation of development setbacks and poverty ravaging the developing countries in a bid to strive for political and socio-economic development. In most cases civil society organizations' support to these nations preceded, and superseded state aids. These civil society organizations could afford to achieve these impacts in the developing world because they are said to possess diverse competences, especially the capacity to reach the grassroots effortlessly.

Answer to SAE 2

Service Delivery:

Providing social delivery has become a traditional role of civil society organizations both in the developed and developing countries. Direct provision of services to poor citizens became an important activity of civil society organizations in form of self-help projects.