

FROM KLM SIR

Definition of Non-State Actor

The concept of non-state actors is generally understood as including any entity that is not actually a state, and, therefore, does not enjoy any sovereignty of its own. It is, rather, a subordinate concept that encompasses individuals as well as international governmental organizations (IGOs), multinational corporations (MNCs), international non-governmental organizations (INGOs), de facto regimes, trade associations, world religious movements, terrorist groups and transnational criminal organizations.

From the above, and taking K J Holsti's conception of non-state actors into account, we can arrive at the following typology of non-state actors:

- Territorial non-state actors (Trade associations, MNCs etc.)
- Non-territorial non-state actors (Terrorist groups, transnational criminal organizations.
- Territorial Inter-state governmental actors
- Territorial inter-state non-governmental actors

INTERGOVERNMENTAL ORGANIZATIONS (IGOs)

IGOs are voluntary associations of sovereign states established to pursue many objectives for which states want to cooperate through some sort of formal structure and these are the objectives which the states are unable to realize by themselves. Despite the fact that there are hundreds of IGOs in today's world which are significant in their respective fields, they constitute only 10% of the total international organizations in operation at the moment. Their importance lies in the fact that it is only nation-states which constitute the membership of contemporary IGOs. They are created by treaties and negotiations which mainly reflect preferences of stronger states. Especially stronger states create IGOs because they need them to protect their interests. By and large, decisions made by IGOs are the product of negotiations among the governmental representatives assigned to them.

IGOs are adjuncts of nation-states and play significant roles by providing means of cooperation and multiple channels of communication among states in areas in which cooperation and communication provides advantages for all or most states. It is commonly known that the main functions of IGOs are **rule making, agenda setting, and information gathering**. In addition, they decrease uncertainty between states and search for cooperative solutions to international problems. IGOs may change norms of international relations and preferences of nation-states. For instance, the United Nations Environment Program played a significant role in the creation of regimes such as the Protection of the Mediterranean Sea and the Protection of Ozone layer. Furthermore, IGOs monitor principles, norms and rules of international institutions and international regimes in nation-states. The most well-known case is the International Atomic

Energy Agency (IAEA), which monitors the “non-proliferation of atomic weapons” principle in states whenever any claim is made. The IGOs also decrease the cost of information gathering which is more important for poor and small countries. For example, the UN plays a key role for states, small states in particular, in receiving information about international politics and systemic issues. Without the UN, many states are unable to obtain information about the international society and politics. Activities of IGOs, such as the UN and the IMF, are decisive for most small countries. They may impose their principles on them more easily than on big powers.

Powerful states are less constrained by the principle of IGOs than those who are relatively weak. The IMF and the UN Security Council are two prominent organizations in which some powerful states direct activities of the organization and impose their principles selectively. For instance, the UN Security Council cannot accept any decision against the interests of the five permanent members and those of their allies. The influence of IGOs varies with the capacity of governments of member states to implement their own provisions. Most governments face serious resource constraints limiting their ability to apply the provisions of regimes to areas and activities under their jurisdiction. This is true for most countries, especially for less developed countries. Even the superpowers do not have full control over IGOs. In spite of the fact that international organizations are utilized by powerful nation-states, they make a difference in international interactions and have notable influence even on the most powerful state, the United States. IGOs, which function in technical issues such as in telecommunication, transportation, environmental management and postal service, are perfectly successful. The effectiveness in economic issue areas is also considerably high. For example, the IMF and the World Bank are very effective in money flowing, debt management and financing debt issues between the rich and poor countries. Still effective, the least success rate of IGOs is in political and security

IGOs may be classified by scope (global and regional) and by function (political, economic, social and environmental). This is shown in the following table.

TYPE	NATURE	OBJECTIVES
Global/Universal Example: The United Nations Organization (UNO).	Multi-purpose	International peace and security, cooperation between nation-states in economic, social, cultural, environmental issues etc, harmonization of states' activities.
Global IGOs Examples: WHO, FAO, ILO, WB, IMF etc.	Single purpose	To work in world health, agricultural, labour, financial, fiscal issues etc.

Regional IGOs. Examples: SAARC, NAFTA, ECOWAS, ASEAN,	Multipurpose	Economic, political, social, cultural and environmental cooperation between the member states
Interregional IGOs Examples: OIC, AL, OAS	Multipurpose	As above
Sub-regional IGOs Examples: South Asian Growth Quadrangle (SAGQ), Cambodia-Laos- Vietnam - Development Triangle Area (CLV-DIA).	Multipurpose	As above.

INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS (INGOs)

It is a commonplace to think of INGOs as intersocietal organizations that help promote agreements among nation-states on issues of public policy. Internationally active INGOs can be found in almost every sphere of social, cultural, economic, and political life: from sports to law, agriculture to education, religion to health. Many of them are well known, including human rights organizations such as Human Rights Watch and Amnesty International; humanitarian entities such as CARE International and Doctors without Borders; environmental groups such as Greenpeace and the World Wildlife Fund; sports bodies such as the International Olympic Committee (IOC) and the Fédération Internationale de Football Association (FIFA); and religious organizations such as the World Council of Churches and the World Muslim Congress.

Lyman Cromwell White's (an international relations expert and political scientist) early study of INGOs dates back to the beginning of modern type of organization to the mid-nineteenth century, when travel and communications technology began to spark new forms of association. According to him, current estimates suggest that there are over 40,000 international nongovernmental organizations in the world today, with millions of NGOs operating at a local or national level. Only recently has the heavy geographic concentration of INGO headquarters in Paris, Brussels, London, New York, and Geneva begun to be balanced by organizations based in the non-West.

Many INGOs operate formally with IGOs. As a result, the line between governmental and nongovernmental function sometimes becomes blurred. For example, many INGOs enjoy consultative status with various agencies of the extensive United Nations system, and they maintain offices scattered in more than a hundred cities throughout the world. The partnership between the two types of entities enables them to work (and lobby) together in pursuit of common policies and programmes. The fact that the UN, often, relies heavily on INGOs gives the latter financial, political and moral support in their different areas of operation. Examples include, among others, the United Nations Children's Fund (UNICEF), the United Nations Fund for Population Activities (UNFPA), the United Nations University (UNU), the United Nations Educational, Scientific and Cultural Organization (UNESCO) etc. which fulfill their missions in part through international nongovernmental organizations.

Although widespread geographically, INGOs' impact is greater in the advanced industrial states than in the developing world. This is because, as Jacobson, remarks, "open political systems, ones in which there is societal pluralism, are more likely to allow their citizens to participate in NGOs, and such systems are highly correlated with relatively high levels of economic development". The composition of the INGOs' membership, therefore, also tilts in the direction of the North rather than the South.

Because of their number and diversity, INGOs are even more difficult to classify than IGOs. The Union of International Associations (itself an INGO) maintains that 9% of the current existing INGOs are universal membership organizations, while most of the remaining 91% fall within the category of intercontinental or regionally oriented membership organizations. In brief, functionally, the INGOs span virtually every facet of modern political, social, and economic life, ranging from earth sciences to health care, history, culture, and theology to law, ethics, security and defense.

MULTI-NATIONAL COMPANIES (MNCs)

The most prominent contemporary non-state actors are multinational corporations (MNCs) which are generally huge firms that own and control plants and offices in at least more than one country and sell their goods and services around the world. Some of the MNCs have branches

and subsidiaries operating on a worldwide basis in many countries simultaneously. MNCs are “major driver of global economic integration” and “establish unprecedented linkages among economies worldwide”. The biggest and the most effective industrial corporations are based in the United States, Europe and Japan. In 1992, of the 20 largest MNCs, excluding trading companies, in terms of sales all were based in G-7 states –eight were in the United States, four were in Japan, three were in Germany, and five were in Britain, two of which were jointly based in the Netherlands.

MNCs can be classified according to the kinds of business activities they pursue such as **extractive resources, agriculture, industrial products, transportation, banking, and tourism**. The most notable MNCs are industrial and financial corporations (the most important being banks). Naturally the primary objective of MNCs is profit maximization. They are very effective in directing foreign policy of states, including that of the most powerful ones, and they set agenda for international politics. They have become a major factor in national economic decision-making process. As mentioned by Miller, a political- economist , the activities of MNCs “may seem evidence of the growing inability today of the sovereign state to control and regulate effectively economic activities within the private sector. If that is so, then one of the traditional rationales for modern sovereignty is undermined” One of the measures of the influence of MNCs is the extent of the resources they control. They have enormous “flexibility in moving goods, money, personnel, and technology across national boundaries, and this flexibility increases their bargaining power with governments” Dozens of MNCs have annual sales of tens of billions of dollars each. Many of them have more economic activity than the GDPs of the majority of the states in the world. For instance, MNCs such as General Motors, Exxon, Ford Motor Company, Procter and Gambler, Mitsubishi, Coca Cola, Pepsi Cola, Royal Dutch Shell, General Electric outranked the GDP of nation-states like Taiwan, Norway, Turkey, Argentina, Pakistan, Malaysia and Nigeria in the early 1990s. As compared “to total world export in 1992 of about \$4.0 trillion,” “sales by MNCs outside their countries of origin were \$5.5 trillion for the same year”

Different economic schools of thought treat MNCs differently. According to liberalism, MNCs are vanguard of the new world order since they possess the most efficient means of production. Liberal economists argue that “the global efficiency and the increased generation of the wealth result from the ability of MNCs to invest freely across international borders”. Some economists even welcome the replacement of the nation-state by MNCs as the main economic unit. Mercantilist and nationalist perspectives argue that MNCs are like instruments of music, they play according to the way they are played. For them, MNCs either serve national interests of the state or become a threat to the state. The Marxist tradition considers MNCs as the instrument of exploitation and as an extension of the imperialism of strong capitalist states Their monopolistic power causes uneven development and inequality in international division of labor. They bring mal-development into host countries. In today’s world, a combination of these three perspectives, that is an eclectic approach, seems to be more relevant regarding MNCs as well as other economic issues that they are involved in.

When we observe activities of MNCs, we see that their operations create a variety of problems and opportunities for both home countries, states in which the MNC has its headquarters, and host countries, states in which a foreign MNC operates. All three sides (home country, host country, and MNC) benefit from the wealth created by the MNC. At least in theory, mutual interests result from the creation of wealth in the host country by the MNC. An observer calls the relationship between MNCs and host countries as “a ‘love-hate’ syndrome” that is, host countries may have both advantages and disadvantages in its relations with MNCs. MNCs may be considered as instruments of economic development for less developed countries. However, when we look at the functions they perform in host countries, we see that they have a very strong bond with the home government which becomes a source of concern for host countries. MNCs challenge the state sovereignty of host countries. Host countries may lose control over their economies and politics. For example, the case of Banana Republics (Costa Rica, Honduras, Guatemala) can be cited here. The United Fruit company (UFC) of the US always wanted to keep governments friendly to the US in the mentioned island countries. But when the government of Costa Rica under General Arbenz threatened to introduce land reforms and expropriate the lands used for banana plantations, the UFC assisted the US government to overthrow General Arbenz through material support to anti-Arbenz groups exiled in Honduras and Nicaragua respectively. Many MNCs are found to engage themselves in diplomacy and espionage, considered to be the traditional tools of state interaction.

The number of MNCs is growing day by day, in particular, in this contemporary world of globalization, open market economy and free trade. As observed by Joseph Frankel, in 1972, there were 2190 MNCs compared to 1000 in 1958. By 1990s, it is noted by most observers that there were at least 10,000 MNCs with business activities spreading all over the globe to several countries and controlling 90,000 subsidiaries. Of this, the US shared 50%, Japan 30 and Britain 20.

Implications of NSAs for Political Science

1. The increasing role of NSAs in contemporary global politics has posed some of the challenges for nation-states for reasons like:
 - a. Some of the NSAs, in particular the big and powerful MNCs have, in many countries, acquired the power to interfere and intervene in the internal affairs of these countries in almost an unbridled manner.
 - b. The financial institutions like the World Bank, the IMF, the ADB etc. put conditions and agendas for the developing countries in order to disburse aid, loans, grants and other forms of assistance. In many instances, such preconditions act as a jolt to the sovereignty of the recipient countries.

- c. The powerful international non-governmental organizations like the Amnesty International, Human Rights Watch, World Green Peace movement, the Transparency International and a number of others INGOs sometimes tend to interfere in the internal affairs of countries. Such interference/intervention is sometimes viewed as an encroachment on a state's sovereignty.
 - d. Given the fact that most of the NSAs, in particular, the financial institutions, UN affiliated bodies, the INGOs etc. are West dominated, their plans, actions and strategies are deemed by a majority of the non-Western nations as an attempt by the former to keep them on a short leash in order to realize various political, economic, cultural and social objectives.
 - e. Finally, the on-going process of globalization marked by improvement in communication connectivity, information technology, free-flow of trade goods and merchandises, free movement of people etc. has increased the frequency of criminal activities and terrorist activities transnationally. This, obviously, is a challenge to the safety and security of nation-states.
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