

Editorial

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The relationship between the private sector and development has never been far from the public eye since some of the earliest global campaigns denouncing the aggressive or irresponsible marketing strategies of some of the pharmaceutical and agrochemical giants throughout the world's poorest countries. These campaigns and their calls for consumer boycotts coalesced in transnational coalitions such as Consumers International (CI), the International Baby Food Action Network (IBFAN), Health Action International (HAI), and Pesticides Action Network (PAN), all of them still very much alive and kicking today.¹ A number of codes of practice were also developed at that time, by WHO in particular, in relation to the production and pricing of generic drugs and essential medicines, and to the marketing of harmful and addictive products such as tobacco and alcohol. Much of the focus in the 1970s and 1980s was on protecting the interests of consumers, especially those in the South least able to protect themselves through, for instance, access to impartial—or, indeed, any—information about the drugs or pesticides on sale in their local markets. This was naturally followed by various fair trade initiatives geared towards consumers in the North, ranging from those products for which a new niche could be created on the supermarket shelves (such as coffee, tea, or chocolate) to traditional craft items that could be sold through solidarity networks, charity shops, and stores specialising in hand-made artefacts.

More recently, attention has turned to the social and environmental impact of transnational companies (TNCs) in the countries in which their subsidiaries are based, or from which they purchase raw materials or source their products. The corporate social responsibility (CSR) movement has helped to bring issues of labour rights and environmental damage to consumers in rich countries, and to create pressure on companies to smarten up their act. How successful these efforts have been in achieving real change either in consumer habits or in corporate practice is doubtful; but they have certainly raised the stakes for those companies whose products are at the more visible end of the market. At the same time, however, neo-liberal policies have increasingly been associated with the privatisation of public utilities and so-called public-private partnerships whereby for-profit private companies take on the delivery of an array of social services, from prison security to pensions and health insurance, from postal and telecommunications systems to residential homes for the elderly. The results of such hybrid partnerships have been mixed, and seem to depend on the capacity of citizens (or 'clients') to insist on comprehensive coverage of a decent quality. The danger is that those who can afford to do so opt out of the privatised public system and choose their own 'supplier', or that the private contractors gradually abandon any semblance of universal provision. In some cases, corporations and their shareholders have made phenomenal profits; in others, the quasi-privatised companies have continued to depend on government handouts, though without the corresponding accountability expected of a publicly owned enterprise. It is paradoxical, therefore, that the

Global Compact between the UN and the corporate sector should both underline the critical role of private enterprise in promoting (mal)development, but also apparently confer a clean—but seldom proven—bill of health on those companies choosing to participate in it.²

Although the private sector has long been recognised as a key determinant of development, whether by facilitating or by undermining it, we were astonished by the overwhelming response to our Call for Papers for this special guest-edited issue. The collection is not, of course, comprehensive, but the introductory essay by **John Sayer** illustrates something of the range and complexity of concerns encompassed by the subject, from issues such as ethical codes, labour rights, and fair trade that will be familiar to most development campaigners to less visible but perhaps more significant questions relating, for instance, to foreign direct investment, inter-firm collaboration, the role of small and medium entrepreneurs in post-conflict recovery, and experiences of privatisation in practice. We hope, then, that readers for whom this is a new terrain as well as those who have some prior knowledge will find something of interest.

We plan to include a selection of the papers from this guest-edited issue in a forthcoming title in the *Development in Practice Readers* series, which moved to Kumarian Press in 2004. Extracts and annotated resource lists from previous titles in the series are available free of charge in English, French, Portuguese, and Spanish at www.developmentinpractice.org, and these and all new titles may now be ordered direct from www.kpbooks.com.

Notes

- 1 While innumerable new organisations have emerged in the wake of developments in information technology, these four have gained in strength over their 20–30 years' existence. For instance, CI was founded in 1960 as the International Organisation of Consumers' Unions (IOCU), and today has 250 member organisations in 115 countries, working together to defend the rights and concerns of consumers worldwide. IBFAN was founded in 1979 and now comprises 200 affiliated groups around the world dedicated to promoting healthy infant nutritional practices, in particular breastfeeding. PAN International was founded in 1982, and today encompasses over 600 member organisations around the globe; its current focus is on the promotion of food security and the dangers of adopting genetically modified organisms (GMOs). Established at the May 1981 World Health Assembly, HAI also has chapters for every continent working for universal access to appropriate healthcare and the rational use of drugs; a major focus has been on essential medicines and generic drugs, areas in which it collaborates closely with WHO.
- 2 The Alliance for a Corporate-Free UN is a global network of human rights, environmental, and development groups concerned about undue corporate influence in the UN, and supporting UN initiatives to hold corporations accountable on issues of human rights, labour rights, and the environment. For more information, see www.earthrights.org. See also Bruno and Karliner (2002) for a critique of how corporate PR is enhanced by involvement with the UN but without the reciprocal obligation to make fundamental changes in their behaviour.

Reference

Bruno, Kenny and Joshua Karliner (2002) *earthsummit.biz: The Corporate Takeover of Sustainable Development*, San Francisco, CA: Food First and Corpwatch.