

Neo-Liberalism

Neo- Liberalism is based upon several key ideas:

- 1) Existence of a Free Market
- 2) Cutting Taxes and Welfare Spending
- 3) Privatisation of State Industries
- 4) Trade is key to growth

Institutions that adhere to Neo-liberal Economic Policy



THE WORLD BANK



Through Structural Adjustment policies and Trade Deals Neo-liberal ideas are enforced upon the developing world

A03 Evaluation

GDP and TNC profits offset against social and economic deprivation for majority

Nations following N-L policies have lower social rankings

SAPs have been criticised for increasing debt and leaving millions in poverty

Evolved from Modernisation Theory

Globalisation brings opportunities – positive view of globalisation

Key Thinkers: Erixson – aid is welfare and has been wasted

Bauer – Kleptocracy has squandered aid on corruption

Influenced by Parson’s ideas of social change to Western Values

Aspect of Development	Neo-liberal view
Education	Education should be provided by private sector
Healthcare	Provided by private sector
Employment	Market dictates wages – formal employment
Gender Equality	No opinion
Population	Larger populations create large workforce and large marketplace
Conflict	Opportunity to socially engineer new society
Environment	Needs of economy are greater
Aid	Only with SAP – aid is welfare
Trade	Path to development
Urbanisation and Industrialisation	Industrialisation leads to trade, urbanisation leads to marketplace