

# MULTINATIONAL AND THE EXTRACTIVE SECTORS IN THE 21st CENTURY: CAN THEY DRIVE DEVELOPMENT?

CONFERENCIA A CARGO DEL PROFESOR **RAJNEESH NARULA**  
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LUGAR: AULA P06 DEPARTAMENTO  
DIRECCIÓN DE EMPRESAS

DÍA Y HORA: 13 DE FEBRERO A LAS  
12:00h

The early development literature placed great emphasis on natural resources, although mainly of the view that development was best achieved by using extractive sectors for the transition to other sectors. MNEs had a habit of internalising the complete value chain and creating enclaves that had few linkages or spillovers locally, reflecting weak domestic FSAs and CSAs. This buttressed the view that the MNE in the extractive sector was an obstacle to development. Import substitution led to the growth in some countries of a variety of domestic firms that developed the competence to engage as integrated MNEs and a cohort of suppliers, as part of an elementary innovation system (i.e., improved L advantages). The end of import substitution and inward looking policies since the 1990s has seen: (1) MNEs engaging through GVCs, which principle has more opportunities for linkages with domestic sector; (2) A new breed of MNEs (former/ state owned EMNEs) competing with traditional MNEs; (3) pressures for CSR, and host countries being more aware of what they should be getting. Since liberalisation, extractive MNEs have re-engaged with developing countries through looser governance structures with greater potential for linkages. Despite the potential, few host countries have seen meaningful MNE-led development because of weak domestic firms and poor location advantages. New MNEs from emerging economies have not shown a greater propensity to local linkages. Only countries that have continued to invest in location advantages have seen substantial benefits.

## SHORT BIO

Rajneesh Narula is the John H. Dunning Chair of International Business Regulation at the Henley Business School, University of Reading, UK. His research and consulting have focused on the role of multinational firms in development, innovation and industrial policy, R&D alliances and outsourcing. He has published over a 100 articles and chapters in books on these themes. He regularly acts as a consultant and advisor to the European Commission, UNIDO, UNCTAD and the OECD, and a variety of other international organisations. He holds honorary appointments at UNU-MERIT, Norwegian School of Business and Oxford University. His publications have appeared in leading journals, including the Journal of International Business Studies, Oxford Development Studies, Research Policy, Journal of Management Studies and Management International Review. In January 2018, Professor Narula was awarded an OBE in recognition of his services to business research.