

Prof. Mihaly Simai
Hungarian Academy of Sciences

THE AGE OF GLOBAL TRANSFORMATIONS: NEW CHALLENGES AND CRITICAL TRENDS OF THE EARLY 21ST CENTURY¹

The end of the 20th century and the beginning of the 21st was a rare coincidence of different profound changes evolving in a number of critical areas of global development, in population trends, politics, economics, technology, environment and governance. Global transformation can be understood as a process that modify the characteristics and the functioning of human society in the majority of the countries or of the biosphere. It may include gradual, sudden, reversible or irreversible, quantitative and qualitative components. Transformations can be deliberate and spontaneous. They can be considered as attempts of human society to deal with the challenges but also spontaneous reactions in different areas. They are however seldom pre-meditated, well designed organized and harmonized changes. It is too early to get a well elaborated scientifically sound answer to the question: "how the combined and cumulative influence of those changes will transform our globe ?". An answer would necessitate the drawing of a map, showing the relative strength of the forces, hierarchies and interdependencies, the changing interests and values in an extremely complex global system and its subsystems. The transformations are rooted in the global social, political and cultural heritage of the 20th Century and the influenced by the specific old and new problems in different parts of the world. The heritage is in itself extremely complex and controversial. The 20th Century has been the area of violent nationalism and of internationalism under different flags. It witnessed the worst dictatorship of human history and the unprecedented broadening of freedom and democracy. Revolutions and counter-revolutions, world wars, national liberation wars and ethnic strife paved the road of its history. People of goodwill and vision, good-doers of the civil society preaching human solidarity, narrow-minded fundamentalists, terrorists and organized crime were among its main actors. Nine tenths of these scholars, who lived and worked in human history have been shaping and developing the rapid progress of science and technology, embodied in new products, processes, consumer goods and horrible weapon systems. A radical improvement in the quality of life, mass poverty and misery, expectations, disappointment and despair are all parts of the "heritage".

We have to look at the transformations from different dimensions. One is the international community, the other is the countries, the third may be the international organizations, particularly the UN. In the center of all these is the human dimension. In the final analysis human beings are parts, subjects and objects, victims or beneficiaries of the transformations. They are multidimensional actors. They emerge from nature and transform nature. As producers and consumers in a given socioeconomic environment, they develop and form their economies and are the objects and subjects of any purposeful economic activity, including

¹ This paper is based on the book of the author "The Age of Global Transformations: the Human Dimensions. Published by the Academia Publisher, Budapest, 2001

innovation or the process of creative destruction. They are agents of conflict, even as they are agents of conflict management and resolution. These and other elements of human behavior influence the international aspects of the human dimensions of change. The ten major areas which are dealt with in this paper are interrelated.

1. / Global changes in the era of globalization. For the purpose of the conceptualization of its human dimensions, I defined globalization as a higher stage of internationalization. In this context the origins of globalization are rooted in the long history of modern civilization when people and their communities came into contact with other groups through trade, migration and conquest. Many scholars as the main source of the changes consider globalization. It is however both a "cause" and a "consequence" of transformations in different areas. The growing interdependence and interactions between the different actors, functional areas and problems of the international system blended local, national and international dynamics in a historically unprecedented way. Although the intensity of the process has varied in time space and in the different areas of economic and social change, it has influenced the character, intensity and patterns of global development.² Societies are changing, practically in all the dimensions of their functioning. The transformations include demographic processes, population growth, de-ruralization, urban growth, major structural changes in societies and in the economy, radical changes in technological and production base, in the organization of production and the markets, in entrepreneurship, in employment and the international division of labor. The process and its consequences reshuffle the societies the hierarchies of the countries in wealth and power. It is bringing about qualitative changes also in the political, military, cultural and institutional dimensions of human life. The different dimensions of globalization change also under the influence of a number of factors. The technological dimension of globalization for example resulted in a new interactive info-sphere in the life of individuals, business and institutions and made the interactive capacities an indispensable condition for co-operation and competition. It has stimulated the reorganization of production and markets into networks and fostered the process of international mergers and acquisitions. Demand for new skills, the emergence of tele-work and electronic commerce is all related to this new info-sphere. Most of the recent trends practically at all levels of human existence from human reproduction to global cultural cooperation are also put under the "umbrella" of globalization. It is a long terms, structural and normative change and is broad and sufficiently ill defined so it can cover practically everything. Disintegration and fragmentation which are also influencing the changes and they are often interrelated with the consequences of globalization are often disregarded. This is an important methodological and conceptual error, particularly from human development perspective. Integration is connected more with the interests and values of the beneficiaries of globalization;

² The degree of integration in the world economy, at the close of the 20th century, compares in many ways to conditions before 1914. Some have seen 1870 to 1914 as a golden age of global integration, when the imperial systems, the gold standard, low barriers to international trade, free international movement of vast sums of long and short-term capital, and unparalleled inter-continental migration produced rapid world economic integration. After subsequent disintegration between the wars, integration resumed more slowly after the Second World War. Furthermore, it took different forms from those it had taken before 1914, due to political impulses, an unprecedented surge of scientific and technical development, and rapid expansion of the market

fragmentation is often the result of the efforts of the losers, whose number is quite large. The simultaneous effects of both trends are resulting in political and economic, social and psychological discontinuities as well as new evolving factors and continuities. All these are making the process of change complex and difficult to conceptualize.

In the eyes of the public the most important areas of the globalization are money, capital, information flows, media and the key actors are the transnational corporations. International organized crime is considered as an unwanted inhabitant of the "global village". The role of transnational corporations has been often mentioned as the most important factor in the globalization process. Their role is a crucial one in a number of areas, trade and investments, organization of production and markets, in the uniformity of consumption patterns. They are major sources of new useful knowledge, embodies in new products and processes. The transnational corporations are the main forces of the transition to a new technological era, which is also a part and special field of global transformation. Globalization has been promoted and sustained by the process of deregulation and liberalization of the markets. In the final analysis however, the liberalization process has been decided and implemented by governments. They are of course not neutral actors. They are motivated by specific interests, represent and express specific values. Liberalization is also a reflection of a consensus on specific interests and values, not necessarily shared by all.

The question, which has been often raised in different groups and organizations what degree of equity can be sustainable in a globalizing world, dominated by market forces, is a highly debated one. The experiences of the post-World War II period proved that a system of sustained and widespread growth in demand and output is a fundamental condition for the maintenance of a high level of employment, the satisfaction of social needs, the alleviation of poverty. Slow growth, stagnation, or decline; give new life to nationalism and protectionism. Slow economic growth, especially stemming from slow productivity growth, undermines and weakens social cohesion. Its impact is not only unemployment, but also deterioration of the quality of jobs and the decline in incomes. It also makes the inequalities of income distribution more conspicuous and less tolerable in an era, when the national institutions in many cases are not prepared to deal with the new tasks, related to constant structural adjustment needs and other pressures. One must be aware that globalization is not a linear and irreversible process. It may be reversed by major economic or political discord, crises, and conflicts, which may lead to the disintegration of the world economy, or to the collapse of existing institutional structures. One of the areas of global change, which are strongly influenced by the globalization process, is the change in the dynamics of population.

2 / Transformation in population dynamics The size, the rate of increase and the structure of global population have become fundamental issues in the analysis of the human dimension of global change during the 20th century. During the second half of the 20th century the population problems of the world received particular attention and generated debates much beyond the academic community of professional demographers. Doomsday pessimists, objective scholars religious fundamentalists and racist extremists made the global dialogue colorful and interesting. Paul Erlich, in his famous book "Population Bomb"³ offered a dramatic picture about the future,

³ Paul Erlich, *The Population Bomb* Ballentine, 1968

as it has been reflected already by its title. The first report of the Club of Rome "The limits to growth" published in 1972, stated: "If the present growth trends in world population, industrialization, pollution, food production and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next one hundred years. The most probable result will be a rather sudden and uncontrollable decline of world population and industrial capacity."⁴

An interesting aspect of the early years of the population debate during the 1960s has been the limits of the capacity of the earth in sustaining human life. The different studies represented a great number of approaches. In the early years of the debate the central issues were energy and food. On this basis an over-optimistic utopian answer was given in by a Russian academic K.M. Malin: in his book: "The Life Sustaining Resources of Humankind" published in 1961. He anticipated, that in the final analysis, Earth could supply 58 billion people if all its the resources would be subordinated to the needs of human beings.⁵

More recently, in a book "How many people can the Earth support? An American demographer Joel Cohen raised a number of questions for illustrating the alternative choices for searching answers:

- At what level of material well being?
- With what distribution of material well- being?
- With what technology?
- With what domestic and international institutions, political and economic arrangements?
- In what physical environment?
- With what risks?
- For how long?
- With what values and quality of life?

Cohen also raised an other important question: how free is the society to answer to those questions?⁶ The work of Cohen and other indicated that there cannot be an easy and unambiguous answer to the "how many".

By the end of the 20th century the population of the world had surpassed the magic 6 billion. According to historians the world population around the beginning of the first millenium was about 300 million and by the end of the first millenium it was still a little over that figure. It took about 800 years to reach the first billion by the early 19th century. According to the same estimates from the birth of Christ, it took 17 centuries to double the population of the world. During the past 200 years there was a six-fold increase in the population of the world⁷. On the basis of present fertility rates, it would double in 40 years. The 25 years between 1975 and 2000 experienced the largest absolute growth in global population of any quarter century in all of human history: to date, more than 2.2 billion people. The increasing number of people on earth posed a critical and historically unprecedented social, economic and ecological challenge to the

⁴ The Limits to Growth. A Report for the Club of Rome. Universe Books. New York, 1972. P. 23

⁵ K.M. Malin: Zishnennie Resursy Chelovechestva. Moscow, 1961. The Hungarian edition was published in 1963 by Kossuth Publisher.

⁶ Cohen J.E. How many people can the Earth support. New York, W.W. Norton and Co. 1995

⁷ Quoted by The Economist, Dec. 31, 1999. P. 13

system, not only with respect to increasing needs for food supplies, water, energy, raw materials, pollution but also in terms of space, employment, health education and migration.

The 21st century will witness the conclusion of an epoch in population trends, which started with the industrial revolution and were characterized by the acceleration in the increase of the population on the globe. According to the UN and other demographic projections, by the year of 2050 the world will reach most probably the stage of demographic stability at the level of 8-9 billion. It may be the source of different social conflicts, if its implication will not be understood and managed properly. The transition to the new era started already in the more developed part of the world, in many of the former socialist and in certain developing countries. The main reasons of demographic transformation are related to the improvement of health, and the changes in the socio-economic conditions. Such factors, as the growing emancipation and social participation of women, the de-ruralization, the changing social division of labor, the spread of family planning, and many other specific changes are involved. The decline in global population may be the dominating trend in the second half of the 21st century. The process of demographic transformation is a globally diverse change. One of its consequences is the growing demographic polarization. 95 % of the population growth will take place in the developing world between 2000- 2050. More than half of them will be born in 5 countries, India, China, Pakistan, Indonesia and Nigeria.

An other very important long-term consequence of the demographic transition will be the transforming age composition of the population. Owing to relatively high fertility rates and declining mortality rates, the majority of the developing countries have a relatively young population, but the percentage of youth is declining in the developing world. The proportion of children below age 15 increased and reached a share of close to 40 percent of the population by the end of the 1960s, and slightly declined afterwards. This share made up more than one-third of the global population at the end of the century, reflective the trends in the developing countries. In the developed countries this proportion of the population below the age of 15 has declined below 20 percent.

There has also been a broadening at the top of the population tree. In 1970, the proportion of people over 60 years of age in world population was 8.3 percent; by 1990, it had reached 9.2 percent, and at the end of the century it was about 10 percent. In 2000, there were close to 620 million people in this age group, about 140 million more than in 1990. While the median age of the population is growing in both developed and developing countries, the share of the over-60 age group in total population will be close to 30 percent in the developed countries and only about 7 percent in the developing part of the world.

The aging of the population is also the consequence of the improvement of health and social services, which reflects general human progress. Two third of the people of 65 years and over, who ever lived in the world, are living today.

Some of the developing countries, for example China, will have to face a double population pressure: a simultaneous growth of young and old people.

The “political-economy” of the changes in age structure became an important issue demanding deeper studies. One important aspect of aging for example is the management of intergenerational conflicts. The social, economic and ethical issues of intergenerational responsibilities are far from being of abstract or theoretical nature. The increase of the number of dependents, the growth of health expenditures and pensions comprise additional burden on the working population. This must be achieved without endangering the possibilities of the younger generations for the improvement of their living conditions. The redistribution of incomes the reassessment of many established policies such as the appropriate ages, types or nature of retirement, the labor force participation of the elderly are important and difficult policy issues.

The changing demographic aspects of employment are also difficult political, social and economic issues. The number and proportion of people in the working age groups, those between the ages of 15 and 64 has increased on a global level from 57 percent in 1970, to 62 percent in 1990, and reached 64 percent in 2000. In the developed industrial countries, it has been already relatively high (close to two-thirds of the population). The global trends reflected the changes in the developing countries, from 54.4 percent in 1970 to over 60 percent by the year 2000. Between 1970 and 1990 about 1,140 million persons were added to this working age group, amounting to more than one billion in the developing countries. The population projections of the UN, for the period between 1990 and 2010 anticipated an increase of about 1,3 billion people in the working age group (specifically, by about 620 million in the 1990s and 740 million in the first decade of the 21st century). Of the total increase, only 4.7 percent will be in the developed world, with more than 95 percent being in the developing countries, with their total number in increase equaling about 1,300 million people. In the developing regions, the rate of increase of people in working age groups will be the most rapid in the Middle East, South and Central America, and in certain African countries. In total numbers, the largest increment will take place in South Asia and China.⁸

The increase of the average age of the population particularly in the developed part of the world may also add to the demand for employment due to the extension of the human capabilities to work.

One other important consequence of the changing population dynamics is the pressure for migration. The demographic polarization may in itself increase both the pull and push factors. Such social problems as poverty, high population density, income disparities, lack of job openings, limited opportunities, unequal distribution of land, uneven agricultural development may be important push factors in a number of countries, stimulating large scale migration of people both within the countries and on international level. Internal migration implies mainly the movement of people to urban settlements.

3 / The challenges of a globalized urban world. The urban transition process in the developing world has been also characterized as de-ruralization. It includes urbanization and the disintegration of the traditional rural life. As the result of the massive urban migration, the era of global urban transition will be by and large concluded within 25 years. In 1900 more than 80 per

⁸ Sources for the above data include *World Population Prospects* (New York: United Nations, 1989, Demographic Yearbook 2000); and the *Human Development Report, 1991* (New York: UNDP, different issues 1991-99)

cent of the population of the world lived in rural areas. By the end of the 20th century the proportion of urban population reached about 50 per cent. More than two third of the world's population will live in urban settlements by about 2025. There are two main sources of the growth in the population of the cities, the natural increase and urban migration.

Urban transformation is related on one hand to the demographic changes but also connected with social, political, economic and technological factors. The world of the 21st century will be an urban world. Urbanization will accelerate the process of globalization. The process of urbanization in a globalizing world raises a number of new, and in many ways unprecedented problems, for research and of course for actions. The ongoing mass-urbanization process both in scale and consequence presents a basic historical discontinuity in human development. Not only will the majority of the world's populations live in urban agglomerations, but unprecedentedly large cities (megacities) are emerging, concentrating 20-30 million people. Cities are already key actors in the states (some of them may be stronger in one or an other area, than national governments) and many of them are also gaining global importance, beyond those, like London, New York, Paris, Rome, Mexico City, Sanghai or Bombay and others, which became international cultural, financial or political centers in the past. This process is and will be a major source of change in the developing world. The growth of the cities in the developing world resulted in already major shifts in the global distribution of urban population. In 1975 about half of the inhabitants of the cities on the globe lived in the developing world. By 2025 about 77 per cent of the city dwellers will live in the developing countries. The consequence of the redistribution of population implies also changes in the political and economic power structure in those countries.

In the past, for many biologists and anthropologists, urban living appeared profoundly unnatural. They emphasized that humans evolved as dispersed groups ranging over wide territories. The population density found in the cities, according to these views, presented dangers to human health in the form of epidemics and psychological stress, and if the city is an alien environment then the future of the human species will be in jeopardy. Historical experiences have proved that the overcrowded cities may not be very healthy for human beings as a biological species, but they are a natural habitat for economic development and human culture. A disproportionately large number of human activities and achievements in economics, science, literature, music, etc., have been accomplished in urban settlements.

In the new era, the cities of the world are also entering into a new stage of development. It is not just the growth of their populations, but the cultural diversity of cities, which is growing everywhere and especially in the multiethnic states. They are also becoming more diverse both socially and economically. Many of the cities are and will remain industrial centers, as in the past, but there will be also "service cities" based on traditional, modern, technological, commercial, administrative, and other activities. For many decades, the diversity will be expressed in the cohabitation of ultramodern districts and slums. The two poles of society also inhabit the cities: poverty and wealth. They are on one hand the "citadels of the rich" and at the same time the "ghettos of the poor".

The acceleration and the global spread of the process that made the cities centers of a number of human activities will be both the cause and the effect of highly complex socio-economic changes on the functioning of the societies. In many parts of the world, the entrepreneurial city

is emerging as a key national, and in certain case also international, interest group. The political city is already a crucial force in the struggle for sharing and distributing national political power. Urban agglomerations are also centers of organized crime and key targets of terrorists. Cities have become parts of international and national competition. They are competing with each other for investments, budgetary resources, and foreign capital and for specific functions in the global market; financial and trade centers. In certain countries they are also becoming competitive with the central governments in the field of economic distribution. In these contexts, the management of the cities is becoming a highly specialized and multidimensional task of governance, of research and actions.

A key task for the global society is and will be the anticipation and the handling of those socio-economic problems and potential conflicts that may be emerging as the results of mass urbanization and the adverse consequences of urban development. Cities have been traditionally the centers of social struggles. In the past, they were related to a large extent to the workplace, or communal relations, like ethnic, religious conflicts, segregation. In the new era, the "residential" issues, the large income gaps within the cities between rich and poor, the highly unequal access to urban services, including water, sanitation, health, education, became crucial sources of conflicts. They are often interrelated with the communal problems and social exclusions.

Most of the socio-economic problems related to urbanization have been of course fairly extensively researched. Migration, employment and labor absorption capabilities, the characteristics of the urban informal sector, infrastructure and general urban services, stratification within the urban population, polarization between rural and urban areas, the problems of housing, especially the problems related to urban slums, the specific problems of mega-cities, the management of large agglomerations and the environmental problems in the cities received a lot attention in academic studies and in the practical work.⁹

From economic point of view, a key issue is the relation of the urbanization to growth and development. While it has been generally recognized, in most cases, that the urbanization process has been instrumental to promoting economic growth in the new era, it is a basic question whether urbanization is going to change also the character of economic growth. Will the growth process differ from the previous experiences in the predominantly urbanized world? Further research is needed on a number of issues in order to give a convincing answer to these questions.

First of all, we have to understand better how the urbanization process, particularly in the developing countries, will influence the supply of growth factors; labor, capital, and technology. Will it radically change the deployment of economic activities by concentrating it in urban settlements? Will it promote and accelerate structural changes in the economy? We know from historical experiences that the unskilled labor force, via migration from rural areas, is increasing faster than the absorption capacities of the cities. In this context, urbanization is becoming a source of growth of the informal sector requiring fewer skills. Urbanization, of course, opens new opportunities of increasing skills faster than the rural environment, but this takes time. The

⁹ An excellent presentation of these issues has been given for example in a volume: Üner Kirdar (ed) Cities Fit for People. United Nations, New York, 1997.

patterns of savings and investments are also changing. Savings are becoming more institutionalized through the development of banks. The cities require, however, greater savings and greater investments because of the growth of the infrastructure. In principle the cities represent a better environment for the development of modern entrepreneurship.

Consumption patterns are also influenced by the urbanization, and this is evident from historical experiences. Urbanization is transforming the subsistence economy, into "the market economy", very rapidly. A new urban consumer market is emerging, characterized by greater stratification and standardized consumption patterns. The satisfactions of the needs of the urban population require new distribution patterns, as can be observed by the emerging supermarkets also in poor countries.

The welfare effects of the growth process are also changing as the results of the urbanization process. The analysis of the welfare effects is focusing often more to the issue of the growing rural poverty but is important to add that a new urban middle-class is also emerging. In some countries, India, Brazil, this urban middle-class represents a major factor in the domestic market with its special needs in the field of consumption, education, transport, culture, and in areas related to the quality of life, adding a new dimension to the cities of the developing countries. Mass urbanization is opening a new era in the changes in the quality of life.

The issues related to the quality of life in urban settlements are, of course, quite complex. There are different dimensions of the problem. One dimension is the socio-economic and psychological consequences of urban congestion, alienation, and atomization. An other dimension of it is the problems and the globalization of crime in the urban environment. In this context some quite important issues should be raised: the relations between democracy and the quality of urban life. Could the dictatorial regimes more efficiently handle "law and order issues in the cities"? Is really, the police state, the murdering of the street children, the on-the-spot executions of criminals, the atmosphere of fear and even terror, the only ways to handle problems of crime in the cities? Or could there be more democratic possibilities like, for example, the activities of the non-governmental organization, the organization of communities which can protect their neighborhoods, and so on.

The political and economic issues of urban development particularly in global perspective cannot be dealt with in isolation from the environmental problems in the evolving cities. The environmental aspects of urbanization received of course much more attention in the research work than the economic and social questions. Issues, especially those that are related to urban slums, poverty, infrastructure and the quality of life in the cities require of course constant attention, because many new issues may emerge particularly in the megacities. The consequences of the urbanization process in cities with 20-25 million people are also qualitatively different, than in the case of the smaller cities. The megacities have also much greater influence on the environment of the neighboring settlements and on global and environmental changes.

4. /The winners and the losers of the new technological era. Major transformations in the global system, changes in population trends, the evolving new trends in the world economy have been always interrelated with the cumulative technological changes: with the invention and the diffusion of new production processes, products, know how, services, new organizational structures, entrepreneurial, managerial and behavioral patterns. Human history can also be written in terms of interactions between science and technology on one hand and the of human society and its institutions on the other.

I use the concept of the "technological era" in an understanding that is similar to that, which has been developed in the theories of the long cycles.

See for example M.Abramovitz,"Catching Up, Forging Ahead and Falling Behind". Journal of Economic History.1986, pp 385-406). or C.Freeman,"Technical Change and Long Term Economic Growth"World Bank Seminar Paper.1988.

A technological era, in my view is defined first of all by the dominating technologies, which comprise the foundation of a social production system. Those technologies are primary important in shaping the structure of output and consumption, in determining the increase of total factor productivity. Their "logic" and postulates influence skill and employment patterns, investment needs etc. The dominating technologies influence the style and quality of life, transform the system of organization, infrastructure, information and entrepreneurship and the choices available for the society. They bring about major changes in the patterns of the international division of labor and of the functioning of the global markets. They may have major consequences for national security policies and influence military doctrines.

The five technology blocks that have been playing a key role in shaping the new technological era since the 1960-s, namely, microelectronics which are the foundation of the information technology, new materials technology, new biotechnology, propulsion and space technology, and power technologies are generic, multipurpose technologies. Their development and global diffusion are at different stages and in different clusters. At beginning of the 21st century it is already possible to evaluate their impacts. Different calculations indicate, that the "embodied" use of those technologies has been a crucial factor in the speed and spread of economic and especially productivity growth in the major industrial countries. The concept of "technology" included of course a number of different factors, beyond the "tangible assets" or physical capital, like the increase of knowledge through the growth and influence of science (universities, research centers) and other institutions of the social system of innovations, the improvement of human skills, the advancement in the capabilities of industry and of the service sector to absorb and use, to adapt, to commercialize and market new technologies etc.

One of the very important characteristics of the evolving new technological era has been an unprecedentedly large qualitative difference between the new technologies and those representing the earlier technological eras in the products and processes which they are resulting in and also in their influence on productivity changes. They expanded the productive frontiers of individuals, firms and of the countries at a historically unprecedented rate already at a rather early stage of the changes. Their global spread has been much faster than of the key technologies of the earlier stages. This is due to several new socio-economic factors, like the faster development of the educational system and the internationalization of science and education, the information revolution and its implications on the patterns of consumption and production etc. The transnational corporation plays a key role, which are the most important global agents of the diffusion of new technologies. The role of science and technology in international competition and the related national policies have been also accelerating the diffusion process. The transition to the new technological era on global scale is however still a long term, complex and uneven process. One of the factors of the uneven character of the changes has been the economic interests and possibilities of the sources of the new advanced technologies in sustaining oligopolistic position and using their market power in influencing the forms, the speed and the costs of the diffusion process. The other source of unevenness has been the relatively high "threshold" for the latecomers. It is costly and takes a relatively long time to build the necessary technological infrastructure, the national capacities and develop technical capabilities and skills for the support of modern industries and services depending on the advanced technologies. Even the developed industrial countries are facing difficult tasks in their adjustment to the relatively rapidly changing requirements especially in the field of the scientific infrastructure and in the educational system. The newly industrialized countries comprise a characteristic example for the problems involved. They could achieve rapid progress by importing advanced technologies for upgrading certain sectors in their economy. They were able to develop export industries by using their cheap and relatively skilled labor force. In the coming years they will have to make further great efforts in upgrading their technological capabilities or they will not be able to "graduate" into the group of developed industrial economies in the world market (In the literature on development theories, the dilemma they are facing with is often called the "third stage of modernization" which would require the upgrading of human capital, rapid progress in national R&D infrastructure and other supportive efforts in the socio-economic life.) The former socialist countries which in spite of the relatively large number of university graduates in the labor force, and the relatively well developed scientific infrastructure remained in a periphery position from the point of view of innovative capabilities and international technological and economic competitiveness, are facing also major problems and dilemmas in creating the structural conditions for world market integration. They will have to fill several missing elements in bridging the gap, including entrepreneurship, access to financing, efficient participation in those institutions (transnational firms, intergovernmental structures, scientific cooperation networks etc.) which are playing a crucial role in global science and technology. There are however important assets available, which could serve as instruments in accelerating the catching up process in certain segments of their economy. (The catching up process in general terms have been dealt with both by the old and new regimes in a simplified way forgetting its cultural-educational, structural and especially infrastructural conditions of it.) It would be a major waste not only for them, but also for the global scientific community if amidst the difficulties of the transition process, the human capabilities and the R&D infrastructure, would be lost or reduced to a meaningless minimum. It is not just

the fact, that the relatively poor society paid a high price for building up the "human capital". It is evident, that those capacities in the case of correct national policies could help their faster and more efficient integration into the global scientific and technological system. There are of course important quantitative and qualitative differences between the former socialist countries concerning those human and other scientific-technological assets. While it is true, that in some countries they are probably more compatible with and more closely tied intellectually to the industrial world than any other institutions in those former socialist countries (that is why they are exposed to the dangers of the brain drain as well.) in other countries especially in those where they have been isolated from the main scientific and technological centers for long decades, they are weak and cannot help too much the modernization process. It is an unfortunate similarity however in all those countries, that due to the diminishing government subsidies, declining orders and other reasons, the R&D sector in those countries is facing great difficulties. Many good researchers for example in Hungary, Poland and Russia left the areas of scientific research. They either went to business (which in many cases has been useful, resulting in small and efficient high-tech private firms) others, went to work in foreign firms but a great number of them left their countries even for positions which were inferior in relation to their qualifications. The R&D sector in those countries could still be saved by wise government policies and support, internal restructuring and through efficient participation in the global system of science and technology.

Since the transition to the new technological era is progressing globally at a highly unequal way the opportunities, which are offered are also distributed accordingly. The process is resulting in geographical, functional and social polarization, new gaps, new patterns of interdependence with varying degree of asymmetries, new forms of competition and cooperation.

5. / The end of empires, New “poles” and “small-statism” in the evolving political system. The present era marks the conclusion of an approximate 500-year period of great empires, its precise terminus being the collapse of the Soviet Union, the successor of the Russian Empire. The process of imperial collapse began with the Spanish; the Ottoman Empire followed suit, as did the British, the French, and so on until the cessation of the Russian Empire. A whole historical period has recently ended, a new historical period has begun, and many are unaware of its full implications.

Second, the bipolar confrontation of the Cold War has ended, and new relationships are emerging between the many great and smaller powers of the world. Third, some of the main pillars of the Versailles-Washington peace regime established after World War I, and of the Yalta-Potsdam peace regime established after World War II, have collapsed, causing uncertainty and presaging possible risks. The end of the Cold War has changed the functioning of the global political system. The world is no longer split into opposing political camps. The influence of national military security interests on international processes has declined, greatly enhancing the role of economic factors, and increasing the significance of economic competition. In the evolving political system the community of interests within each alliance, which had tended to mitigate the political consequences of keen economic rivalries, vanished with the ‘bloc discipline’ of the Cold War period. No new forces emerged so far, which could replace the bloc discipline with new, more democratic methods. Politically, the global system

became unipolar and hierarchical and the multipolarity of the world economy is not strong enough yet to influence global politics in a meaningful way. The process of the political fragmentation is far from being over and it is also going on within the countries. It is related also of the adverse socio-economic consequences of the globalization process, the growing poverty and disappear of the masses, for whom, the dominating patterns of modernization brought a strong feeling of personal unworthiness, alienation and marginality, powerlessness and helplessness, mistrust of governments, and modern institutions which do not serve the poor.

The growing number of states has important consequences for the sustainability of global and regional security. From the point of view of the global power structure, the present stage, the post Cold War era has often been characterized simply as the end of bipolarity and the beginnings of multipolarity. (Some experts speak about unipolarity, which makes the processes of the changing power structure even more complex global, power structure even more complex) In reality, regional power centers are emerging, which at a later stage may be interested to create a network of client states around them. It is still a very much open question, how this process will develop. What is apparent however that as the number of states grows, so does the diversity of the global political system in terms of interests, values, intentions, and political, military, and economic potentials. Multipolarity as a category of the evolving global power relations does not sufficiently reflect the complexity of the relations among the global and economic superpowers, middle powers, and small—even tiny—states that coexist on the planet. It does not reflect sufficiently the fact that the increasing number of states and the changing character of their relations are a major source of uncertainties for the 1990s and beyond.

Unipolarity and multipolarity may have different implications for the phenomena, which one may call “small statism” in global politics. One recalls the remark attributed to the French statesman George Clemenceau that small states are quite as bad as large ones, only they cannot afford to be bad on so grand a scale. Indeed, the history of many small states in different parts of the world is rich in examples of the abuse of power. At the beginning of the 21st century, when the majority of states are small, several have become sources of global risk through their own domestic instability or by initiating major regional hostilities.

Major problems influencing relations between states are the emerging political or religious fundamentalism. In many parts of the world there are pressures for the creation of "ethnic states". Violent ethnic conflicts in certain African and Asian countries have resulted in civil wars and human tragedies. The revival of nationalism in certain regions like for example Central and Eastern Europe is also a source of instability. This region with large ethnic minorities, grave social problems and economic difficulties, when placed alongside a historical heritage of hatred, forced assimilation, and oppression, can easily become explosive and result in chauvinism and xenophobia. It could endanger the stability of the whole European continent. One must remember that the two world wars of this century started in central and Eastern Europe (including the Balkans), and in the 1990s the longest civil war of the post-Second World War era has been waged there.

The main powers in the international political system of the early 21st centuries will be the United States, Japan, Russia, and Germany. China and India, as the two most populous countries of the world (they are projected to have about 21 and 17 percent, respectively, of the world population by the year 2000), may also become major regional and global actors if they can demonstrate an ability to manage their domestic problems and maintain political stability. Other important regional powers will be Brazil or Argentina in Latin America, Nigeria in Africa, and Indonesia, Pakistan, and (if it is united) Korea in Asia. Although the interests of the main powers are converging in some areas—most notably, in their shared concern to achieve global peace and stability—their search for solutions to their domestic difficulties is leading them into conflict over other issues.

Relations and potential conflicts among the emerging regional blocs may further complicate the evolving global power structure. The outcome of the integration process that may result in a United States of Europe is still highly uncertain, but the process itself will have a major impact on European and global politics and economics.

Achieving cooperative relations among smaller and larger powers through an international framework created to solve the many specific economic and political problems of the smaller countries will be a vital task in the coming decades. Only multilateral cooperation and a relatively open economic system can provide reliable guarantees against the creation of new client-state networks around regional and global powers.

A fundamental task for the global community will be to sustain a relatively peaceful world, by defusing potentially explosive situations and averting major crises and to promote the sustainability of global development by finding solutions to global demographic, socio-economic and environmental problems in a world of close to 200 political units, 6 billion people and increasingly globalised markets.

Rhetoric heard in the international policy arena since the late 1980s suggests a worldwide desire to see international cooperation upgraded and intensified so that it can manage the many persistent and new sources of risks and attempt to resolve a broad range of global and regional problems. The necessity of multilateral cooperation, global governance, and collective risk management has been emphasized by practically all states. However, in an era when so many old and new unresolved problems occupy the international agenda—when such forces as unilateralism, neoisolationism, neonationalism, bilateralism, and regionalism are simultaneously influencing the dynamics of international relations—major disagreements exist about which direction future institutional changes should take.

6. / The global economy and the social transformation. The transformation of the global economic system and the social changes comprise probably the most complex, uncertain and unpredictable components of the new era. Economic growth for almost all the human history, until about the era of industrial revolution was so slow that it was imperceptible within the life span of the individuals, basically invisible for

contemporaries. After the mid 1700s this process gradually changed, but progress was not neither constant nor general. The ups and downs of cycles, regresses, stagnation, man made and natural disasters, “golden ages” and “muddling through”-s made human life insecure in an increasingly unpredictable and “difficult to manage” environment. Institutions were built and responded with different efficiency to the challenges of the epoch. They changed under the new pressures. Local, national, and international economic dynamics are interconnected. They involve complex tasks of managing resources, sophisticated production techniques, marketing, finance, trade and economic policies. At the beginning of the 21st century, the value of the global product expressed in US dollars is close to 40 trillion. The main source of it is the service economy. The transformation process includes the new sources and consequences of economic growth. Structural changes in production and consumption, the growing importance of the "paper economy"; the new interactions between trade and investments, the various barriers to economic change are also major factors. The spatial transformation of the global economy, the new economic geography of the globe and its implications together with the transformation of the different communities and the increasing differences in income and wealth comprise also major aspects of the changes. Frank Knight a well known American economist of the 1920s and 1930s liked to say that progress is not a question of happiness It is a question of what people are unhappy about. The sources of discontent in world of the early 21st century are many. Most of them are related to the specific problems of countries and regions. Some of them are however global and are rooted in the economic and social consequences of the globalization process. Inequalities and their consequences cut across the different big and small communities. In the global market system all economic interactions, trade, capital flows, event the migration of people between different countries have their winner and losers.

The research work undertaken so far on the social aspects of globalization is still not sufficiently widespread and complex for a convincing answer and there may not be an unambiguous statement on the issue. The influence of globalizing economic forces on the different societies depends on many internal and external factors. Liberalization for example, which is one of the important pre-requisites of globalization has resulted greater inequalities in primary incomes in countries with weak competitive power,¹⁰ According to an empirical work, extended to a few countries revealed the fact, that the participation rate of the labor force increased, wages were reduced. Some of its results confirmed earlier hypotheses the process had a particularly adverse impact on unskilled labor. Wage differentials between skilled and unskilled workers increased. There has been a different consequence of liberalization in the advanced countries. It has promoted a certain convergence of incomes among the industrial countries according to a recent study of the World Trade Organization.¹¹

In a simplified way one can identify three main groups of the world population which has emerged as the consequence of the economic and social changes in the era of globalization.¹²

¹⁰ See Janine Berg and lance Taylor: External liberalization, economic performance and social policy. New School for Social Research, Working Paper Series. February 2000. New York.

¹¹ Dan Ben David, Trade Growth and Disparity among Nations. WTO 2000

¹² Robert Cox was one of the first who drew the attention to this important change

The first group is the globalized segment of the societies. It is a diverse group. On the top of this group are the super rich people of the world. The richest two hundred and twenty-five people of the world have a combined wealth equal to the annual income of 47 per cent of the people of the globe. Two third of them are the citizens of the industrial countries, the rest from the Third World and the former socialist countries.¹³ The most important and influential part of the group from the point of view of decision-making is the one which commands the hierarchies of those major institutions which have fundamental influence on the political, economic and military processes of globalization through their role in decision making. They are also powerful enough the realize their decisions because of wealth, executive position or both. These people are not solitary actors. Specialists, advisers, consultants, scholars and their institutions surround them and also by those people who are the influential personalities of the media. The source of their power depends on a number of factors: on the wealth they personally own, on the size of human, financial, and material resources about the use of which they decide, about the political and military influence of these decisions on the different countries. Gustave Speth, the former Administrator of UNDP has written that "An emerging global elite, mostly urban based and interconnected in a variety of ways, is amassing great wealth and power, while over half of the humanity is left out"¹⁴ The global profiteers and speculators which are often mentioned by the critics of globalization comprise only a small part of the "global power elite" in the different societies.¹⁵ Beyond the owners and managers of the 60-65 000 transnational corporations, about 100-120 large international banks, audit or consultant firms their core workers and employees are also parts of the globalized group of the societies. According to UN statistics the transnational corporations employ globally about 90 million people. Many of these people work in sweatshops and cannot be considered as parts of the globalized society, but those small and medium sized entrepreneurs who are their subcontractors are in this group.

The global political elite is also diverse and hierarchical. The role of the executive and legislative elite of the US, Japan and the main European countries, Russia, China, are particularly important. Such demonstrative indicators as the presence of the audience in the General Assembly Hall during the different speeches of the heads of states at the Millenium Summit of the UN reflected well how the world "evaluated" the leading politicians of different countries in the global hierarchies. Beyond the top elected and appointed part of the political elite, majority of leading personalities in the civil service, the top military elite and the academic community, the workers of the media and the leading personalities of the different "global" religions may also be considered as part of the globalized. Naturally, the members of the families of the above people also share the advantages of being in the mainstream of the societies. This segment of the population may comprise about 15-20 per cent of the population in the industrial countries, and much less in the developing world. There are of course great differences in income, power and influence within this group. Some of them share common interest in the globalization process, they also share a number of common values and convictions and even use common language. They are also the most mobile part of the societies. They propagate an image and conception of success measured in power and

¹³ UNDP Human Development Report, 1998 p. 30. New York, 1998.

¹⁴ New York Times, 15 July, 1996. p.55

¹⁵ The famous work of C. Wright Mills "The Power elite, published in 1956 (Oxford University Press, New York 1956, which is dealing with the American ruling elite can still serve as an interesting starting point for the analysis of the global power elite which would be an important task for sociologists.

financial gains. There is also a poorer part of this group whose livelihood however depends on the success of the globalized sectors and in this context share certain common interests.

The group on the opposite end of the societies: is comprised a much greater number of people. They are mainly the losers. These people are not only excluded from the globalization process and marginalized by it but also often (and increasingly) are exposed to the global mass consumption and mass culture ideology, more than those in the globalized group. At the lower margins of the third group is the vast majority of the agricultural population. The agricultural sector and the agricultural population are also divided. Those, in industrial agriculture comprise a small minority in the rural labor force and population. The vast majority of the sector is part of the informal economy and includes the masses of rural poor. There are of course some interactions between the two parts of agriculture. The alternative sources of livelihood for those tens of millions, who are pushed out by the technological and economic changes from agriculture are however urban migration. According to the more recent data of the UN more than 1,3-1,4 billion people live on less than a dollar a day, about 840-900 million people are malnourished, among them about 160 million children,

The unskilled people, most of the small entrepreneurs and particularly those who are in the informal sector of the societies, the "barefoot capitalists" the urban poor, the unemployed, the different ethnic minorities and the victims of social exclusion comprise and other large and diverse non-globalized group. The people, who are functionally illiterate, comprise a large part of this group. Their number is quite large also in the industrial countries. According to an OECD classification, the proportion of functionally illiterate comprises 20-40 per cent of the population in its member states.¹⁶ The proportion of these people is much higher in the developing countries. One could consider the "proletars" of the professional world, the majority of primary school teachers as parts of the excluded from the globalization process. The "excluded" part could be estimated on the basis of statistical information at about 50 per cent of the population of the world.

The third group is comprised of those between the two extremes or on the frontiers of it. This group is exposed to the opportunities and losses, which are connected with the globalization process and will tend to split. The well-educated and wealthier part of this group will probably join the first group as the knowledge based economies open new opportunities. The others will experience all the disadvantages of the globalization process.¹⁷

One of the fundamental dilemmas for social sciences in the context of the social consequences of globalization will it push humankind to stormy, turbulent waters? Can it be managed such a way, which may be resulting in the reduction of its negative effects and make those opportunities which are offered by it available for a much larger number of people. This is not a theoretical issue. They are closely related to such

¹⁶ Globalization and Employment Panos Institute Briefing No. 33 London, May 1999. P. 5

¹⁷ See P.F. Drucker: *The Age of Social Transformation*. Atlantic Monthly, Nov. 1994.

practical problems as the global organization of production, the social responsibility and accountability of the business sector. The functioning of the governments, particularly in such areas as the harnessing the market forces, the adverse consequences of global competition are also important practical issues in this context. There are experts who characterize the situation as a major global social crisis. An UNICEF report characterized the situation as an undeclared war on women, adolescents and children, as poverty, chronic social instability and preventable diseases threaten their human rights and prevent their development.¹⁸ The policies and strategies must address both the causes and effects of it in order to build an appropriate framework for concrete actions.

7/ The state system and the new role of governments. The states as institutions will not remain static either. Every state is embedded in a society it governs and it is closely linked to and penetrated by social forces. The countries are embedded in an international environment, in which their relations to other states could be governed by unilateral actions, reciprocities, and different degree of interdependence, friendship or animosity. Within the countries the state does not exist in a political or power vacuum. It is a reflection of the balance of power within the society. All these influence the state in defining and fulfilling its functions. The growing role of the state in the 19th and the 20th Century was a consequence of a number of factors, including colonial conquests, preparations for and waging of wars, revolutions of different nature and of the efforts for increasing national competitive power. The cold war sustained also the "strong state" in external relations. By the end of the 20th century a number of factors, which created the „strong State” has been fading, or disappeared. During the past quarter of the century, those governments, which were in the spearhead of reformulating the role of the state as the instrument of liberalization, de-statization, privatization have been reflecting the fact, that strong interests developed in given groups in their society for the globalization process. These states were the „price makers” of the global economy. The majority of states, which are weak and dependent could not sustain the „strong state” as an instrument of their policies for a number of international or domestic reasons. An even more controversial attitude characterized the transition economies where the economic transformation, including the liberalization process, the privatization and the building of the markets needed the active involvement of the state.

The issue of the „retreat of the state” has a very important dimension related to the process, tasks and achieved level of economic development. It is basically true that there are three major holes on "walls of the state" which may be widening: the leaking from above under the influence of many different multinational organizations and cooperation regimes, the leaking from below: caused by different social micro-operators which are grouped into the broad category of the civil society, the leaking from the sides caused by the growing international interdependence and interaction of the countries will create many new problems for its institutions and governments. The abilities of governments to manage their domestic problems without taking into account those leaks are declining.

All these underline that one must analyze those factors in a comprehensive framework, which brought about changes in the role of governments and also look at their consequences not only in abstract terms but also empirically.

¹⁸ UNICEF: State of the World Children Report 2000. New York.

The starting point for the analysis should not be the Westphalian peace or the Cold war era but the 19th century. The growing role of the state in the industrial world during the 19th and the 20th Century was a consequence of a number of factors, including the colonial conquests, preparations for and waging of wars, revolutions of different nature and of the efforts for increasing national competitive power. The cold war sustained also the "strong state" in external relations. The state as an important factor in the development process and in the establishment of independent countries proved to be indispensable in the third world. By the end of the 20th century a number of factors, which created the "strong state" are fading. This however does not imply the disappearance of the state as an institution. New functions are evolving which may become vitally important in the 21 century as the consequence of the globalization process: it will be fundamentally important to protect the country from the adverse consequences of the globalization process and at the same time to facilitate the realization of its potential benefits. The main challenge for the future is not the task, how to create strong state, (the majority of states, which are weak and dependent could not sustain the "strong state" as an instrument of their policies for a number of international or domestic reasons anyway), but how to create and sustain flexible state capable to manage the new tasks. Underlying the tasks there is always the assumption that the governments are capable of setting compatible and realistic objectives, selecting and using efficient and effective instruments, minimizing the costs of their policies and maintaining control on the political, economic and social environment and constraints, within which their policies operate.

There is of course continuity in the role and tasks of governments. In the evolving market system of the 21st century, governments of states cannot disregard such general aims: as the efficient resource allocation for the provision of public goods; macro - economic stabilization, particularly of such variables, as production levels, prices, employment, exchange rates, indebtedness, the social and the environmental sustainability of the national development process, which include such tasks as the correction of the income distribution; the improvement of the quality of life and the empowerment of the population with the help of well functioning health and educational systems. Globalization creates also new needs and different conditions than in the past for the protection of the economy and the society from external shocks.

This process is not free of conflicts and constraints either. The main source of conflict may be the contrasting interest and political power of the losers and winners of the globalization process. Those interests in the society, the position of which is weakened and undermined by the changes want protective measures, but governments have not only responsibilities to protect the welfare of their citizens from external shocks but also help their citizens to live with the external opportunities.

8 / The search for a sustainable future. The future of human development depends ultimately on the *life-sustaining capacity* of the Earth. Environmental degradation is a global problem that directly or indirectly affects the life and development of different communities and of the individuals. Global environmental change is vitally important for human development. Human survival requires that various bio-geo-chemical parameters of the global ecosystem, of the 'media' in which human development takes place, should be sustained. Thus environmental sustainability is the bedrock of human

economic and social development. The improvement of the life sustaining capacity of earth will be the result of different societal actions. Education, health, employment, regional and local development, natural resource management, infrastructure and the eradication of poverty will be particularly important. The poor countries are in many case victims of environmental degradation, before becoming the sources of it.

In an ideal world, all ecosystems would be self-sustaining, so that scarcities would not develop into imbalances that destabilize and threaten living things. The notion of 'life-sustaining' or 'carrying capacity' is drawn from biology. It implies that a certain area can only support a certain population of a certain species. In terms of sustainable development, this concept suggests that there is a saturation point for the human population, beyond which the yield of ecological resources will start to decline. The growth of population and of consumption suggests that competition for the resources of earth will become more intense in the future. Environmental problems will become major constraints of human development without appropriate policies and measures in management practices, institutional arrangements and enforcement of international agreements. Ecological problems are closely tied to various other dimensions of human development. The environmental aspects of demographic challenges, global population growth and urbanization are the most direct linkages. Agenda 21 adapted at the Rio Conference in 1992 and the Program of Action of the International Conference on Population and Development (1994) recommended actions to ensure the integration of policies concerning population and the environment, addressing the environmental implications of demographic dynamics. The spatial aspects of sustainability are also important, including the patterns of human settlement. The process of *urbanization* is one of the biggest and hardest challenges to the ecological system and opens new issues for the sustainability of global development as well. Cities face serious environmental challenges even in developed countries. These, however, are dwarfed by the environmental problems of cities in the developing world. Future environmental sustainability depends largely on future capabilities to manage environmental problems. Urbanization has had major influence on the environment not only of cities, but also of neighboring settlements. The concentration of population and related consumption patterns produce much more waste. Waste disposal is crucial question all over the world. Waste production rates in both developed and developing countries are increasing at unprecedented rates. Municipal authorities often spend between 20 and 30 per cent of their budget on cleaning and waste disposal. The vast majority of this expenditure, around 70 per cent, is related to transportation costs. The cost increases are further exacerbated by poor collection efficiency due to poor vehicle routing and planning and inadequate maintenance. Increasing land prices and availability in or around the urban centers make waste disposal increasingly difficult and costly. Finding a suitable site that offers an economically sound disposal option is becoming increasingly difficult. City dwellers and industrial establishments concentrated in cities increase the use of energy and do it in a highly concentrated way, which has much greater impact on nature. Excessive use of this energy and its sources, particularly fossil fuels, could also cause major environmental danger. The relation of urbanization and water supplies is another important and difficult issue. Water use in cities brings a faster increase in total water consumption and greater and more concentrated sources of water pollution. The super-urbanization of the coming years will demand new approaches to water management.

Both mass poverty and the wasteful consumption patterns of affluent societies are important factors in the human dimensions of sustainability. In the case of *poverty*, there is a downward spiral of environmental degradation. The essential issue for the poor and hungry is bare survival. They often destroy their immediate environment to increase the available land, or overgraze grasslands, resulting in desertification, unsustainable farming conditions, and deteriorating bio-diversity. Then they move to already crowded cities to find employment, becoming even more vulnerable to natural and manmade disasters. About 60 per cent of the poor in the developing world—some 600 million people—live in vulnerable areas: on arid or semi-arid lands, steep slopes, and or poorly serviced urban areas. The rural poor generally suffer from ill health, due to under-nutrition, malnutrition, or various forms of pollution, especially water pollution, indoor air pollution and direct exposure to agricultural chemicals. The health of the urban poor suffers from water pollution, air pollution, poor sanitation and exposure to toxic wastes.

Affluence, as well as poverty, is a major cause of environmental degradation. Most people want to get richer and possess and use more things. About 10 per cent of the world population currently consume some 75 per cent of the world's resource production. In 1998, the top 20 per cent of the world population, in the highest-income countries, accounted for 86 per cent of total spending on individual consumption, while the poorest 20 per cent accounted for only 1.3 per cent.¹⁹ The affluents are major producers of household garbage and industrial toxic waste. They use more chemicals in agriculture and are the sources of massive automotive exhaust fumes. They also use much more water and energy. Their relative contribution to global warming is much greater.

Ecological problems joined with the spread of knowledge about them have increased public concern and mobilized millions of people in many countries. The Rio conference in 1992 introduced the "major group" approach, which is spreading also in other international organizations. There is a special consideration for the attitude, interests and problems of these groups, which promotes better the dialogue with them but also between them. The groups are women, children and youth, indigenous people, non-governmental organizations, local authorities, workers and trade unions, business and industry, scientific and technological communities and farmers. In spite of the positive approach to environmental issues by people and governments and support for common international action from a broad coalition of non-governmental organizations, real progress towards a global or even a regional environmental policy is very slow.²⁰ This is due to differing and sometimes diverging interests among those concerned, concerning priorities and the specific measures to be taken. The divisions over priorities occur not necessarily between the groups but mainly between *North and South*. The developed countries generate about 80 per cent of all the global pollution.

¹⁹ UNDP (1998). These figures are based on country averages. Based on per capita consumption rates, irrespective of country, the difference between the wealthiest and the poorest quintiles is far greater.

²⁰ According to the information from the Division on Sustainable Development, the participation of major groups over the past 10 years has been largely ad hoc, lacking clear and formalized mechanisms for their full engagement in making decisions and implementing them. This constraint particularly affects the local and national major groups that feel marginalized, in terms of sustainability issues, in their communities and countries. Similarly, at the international level major group participation is still largely limited to a passive exchange of information. Sustainable development processes at all levels need to expand the available participation mechanisms so as to allow more meaningful contributions from major groups, including their participation in making decisions that affect their communities.

Developing countries often argue that they cannot be expected to sacrifice their development to prevent environmental damage and mitigate problems caused by the developed countries. Radical experts or political figures in the South accuse the North of environmental imperialism, insisting that environmental issues cannot be dealt with in isolation from overall global socio-economic inequalities.

9 /The democratic transformation and the civil society The political and institutional consequences of the collapse of the dictatorial regimes in a number of developing countries, the systemic changes in Central and Eastern Europe, the reevaluation of the role of the state and the markets in the industrial world and in the developing countries, democratisation, as a new component in the political conditionalities of development assistance programs, the new approach to the universality of human rights, are some of the main sources of making democracy as an important component of global transformation at the last stage of the past century. Democracy both as an ideal and as an actual system has changed over the more than two millennia of its "invention". Through the long history of human efforts for achieving democracy, in practice, it has been interpreted as a process of changes, toward an ideal political system, which is unattainable in full. Many political thinkers considered democracy as a goal, which is shaped by subsequent generations. It has also been interpreted as a set of political institutions and processes that are attainable at least with certain limitations. At the end of the 20th century, democratization is increasingly considered as an international or global process, closely related to the global socio-political changes, and particularly, the international and universal character of human rights.

A fundamentally important issue for the development and sustainability of democracy, is the progress of the civil society. There are a great number of definitions of civil society. I use one, which is specifically relevant for the given countries:"It is the independent self-organization of the society, the constituent parts of which voluntarily engage in public activity to pursue individual, group or national interests, within the context of a legally defined state-society relationship."²¹ The development of the civil society cannot be isolated from the different political, social and economic changes. The importance of the state, its power for example has always been a factor, which had a major influence on the needs of the civil society to articulate and protect its interests. Civil society implies, by definition participation. Participation however, particularly in the literature on development, is considered simultaneously in different dimensions, in public life, work place, at home. In the given era, an important dimension of the development of the civil society and participation is related to globalisation. An ideologists of globalization, like for example John Naisbitt²² suggests that globalization increases the possibilities of small groups, or firms, because they have greater flexibility, than the large units. According to him, the essence of the global paradox is that the more global or universal humankind is becoming, the more "tribal" people are acting. This reduces the traditional role and changes the functions of the state."Now, with the electronics revolution, both representative democracy and economies of scale are obsolete. Now everyone can have efficient direct democracy"²³The fragmentation process is however not just the consequence of "new

²¹Marcia A Weigle and Jim Butterfield"Civils Society in the Reforming Communist Regimes:the Logic of Emergence"Comparative Politics.23.(4.1992) 1-23.

²²John Naisbitt:Global Paradox.Avon Books,New York,1995.p.25

²³ibid. p.47.

tribalism", but also of the fact, that it is constantly resulting in marginalization and exclusion, due to the highly unequal character of the globalization process. All these indicate, that the development of the civil society should not be simplified: it must be related to the process, how the institutions and the legal codes develop, and the ways, how the social actors could find their interests, values, and identity.

There is also an important international aspect of the role of civil society, which is often referred as the "international civil society." This very concept requires further analysis. It is certainly not a verification of the concepts of the early anarchists²⁴ in most of the writings it is considered as the entirety of the international NGO world. Some authors exclude those movements, which are fighting for their independence and statehood. The NGO world also in the past was looking an international forum through which they can advocate certain issues and influence policies and which may offer also visibility for them. A large number of them had consultative status in different IGOs through which they could participate directly in the debates of governments. In any case they comprise a much more diverse group than the states. Their globality is expressed in the international strategic linkages, political strategies and in their convergence around a number of global issues. Some of the internationally active NGOs are representing anti-globalization ideas. It is an important question, to what extent terrorist groups can be considered as a parts of the international NGO world. Most of them grew out from different political, ideological and religious movements. Some of them have been organized and supported by governments.

The NGO participation in the different UN strategic conferences and the parallel events proved to be the most important massive areas for their initiatives, efforts to influence the global governance process. On the basis of these events one could identify three large groups: the issue oriented networks, the international alliances or federations of national social movements and the international professional organizations. Such issues: what are the sources and mechanisms of their strength and influence, how effectively are interests and values communicated through their policies, is the global governance process becoming more democratic and pluralistic through their actions, require also more research.

10 /The questions of progress toward global governance. In the era of global transformations two qualitatively new and important tasks emerged: how to sustain the global system in the light of the critical trends and new challenges and how to strengthen global security. In order to keep the world together, some form and structure of global governance is required. The concept of governance has been a source of different debates during the past years. It is certainly not management, even though it may imply managerial tasks.²⁵ It is not "governing" countries or even less the

²⁴ One of the ideological father of the anarchist movements, Kropotkin, in 1910 suggested, that human activities will substitute the state and the different voluntarz social groups would represent an interwoven network, composed of an infinite varietz of groups and federation of all sizes and degrees, local, regional, national and international, temporary or more or less permanent, for all possible purpose. Peter Kropotkin, Anarchism. In the Encyclopedia Britannica. Vol. 1, 11th edition. Cambridge University Press. 1910 p. 914.

²⁵ The word, governance, which may not be translated to a number of languages with the same meaning, is of course not a new discovery. A 16th century reference is given for example in The Oxford Dictionary of Quotations (2d ed., Revised and reset), London OUP 1955, p 195, and p. 518; "The famous Maire, by pryncely governaunce, With sword of justice thee ruleth prudently,..."

world. It is often understood as guidance to the participants or actors of a system and efforts for the harmonization of different actions. IMF has formulated the quality of governance and the characteristics of „good governance” as crucial postulate of the development process. The Managing Director of IMF defined good governance in the following way:” Governments must be accountable and participatory; laws must be transparent; nonessential regulations eliminated and the competence and impartiality ensured”²⁶ These are of course important postulates but do not specify the crucial responsibilities of governments for the welfare of the people and the state of the countries. This definition however may not be enough even in national framework. On global level, I use the concept of governance as the entirety of different actions shaping the collective capacity of states to deal with the evolving global sources of risks and influencing the process of changes occurring in the international environment, thereby avoiding major crises. It includes large global intergovernmental conferences, which are discussing such vitally important issues, as the interrelations between environment and development, the future of human settlements, the role and emancipation of women, the social conditions of human development, the future of children, etc. As the abilities of states to manage their domestic problems are declining in the face of an array of very serious economic and social problems: unemployment, financial crises, environmental degradation, terrorism, rising crime, urban decay, drug abuse, and so forth. The multilateral system of international intergovernmental organizations is also important dimensions of global governance. International agencies and the international co-operation regimes now create a framework for the states, the totality of which is more than they (the states) performed individually earlier. This framework is highly complex: there are binding decisions which carry important incentives and sanctions, there are resolutions built on consensus or on different majorities, which are basically recommendations with different strength, there are collectively agreed political and ethical norms, there are member states with converging or conflicting interests and with differences in their political and economic power.

It is more or less certain that the early decades of the 21st Century for the majority of the population of the world will continued to be a turbulent and difficult time, full of political uncertainties and unsettled economic and social problems and conflicts. Several ideologies, beliefs and policies and interests feed these conflicts. The irrational prophecies of fundamentalism, the different cohorts of violent nationalism are the sources of most of them. In some cases oppressed ethnic groups or minorities are fighting for their freedom. The United Nations as a collective security system has not been equipped to deal with all these conflicts, which may be limited in their territorial spread may have major global implications. It is a very important question for the member states and for the civil society: did the changes in the world, particularly during the past decade, eroded the legitimacy, effectiveness and credibility of the United Nations?. We often say that the United Nations system is a system of collective security in its broadest understanding. It course includes a wide range of activities such as

My understanding of global governance is based on the concept of the American scholar, Harlan Cleveland: Managing a nobody-in-charge world. (Governing a Pluralistic World. N.Y. Aspen Institute for Humanistic Studies (Wye Papers: A Series on Governance), 1981. Accordingly, governance is the complex and highly varied multiplicity of ways, in which national or international actors reach understanding about and solutions of all the problems they need to resolve collectively, or jointly, in order to achieve their goals. It presupposes the existence of formal institutions, international, intergovernmental organisations or cooperation regimes.

²⁶ IMF Survey July 17. 1995, Vol. 24. No. 14, p219

peacekeeping, disarmament, refugees, famine prevention and human rights, development, labour, health, education and culture. International cooperation in its framework effects human being from their conception until their passing away. Most of its members and the public opinion judge however the effectiveness and relevance of the UN on the basis of its role in peace and security issues. In the eyes of certain countries and people, the moral authority of the UN is seriously undermined because its laws or principles are enforced selectively when it suits the interests of the rich and the powerful countries. Some of its powerful members bypassed indeed the Security Council also during the Cold War years. In the post 1990 era it was assumed that the attitudes and policies of the powerful states would change and a consensus will emerge at least between the main powers of the Security Council in the main issues of international security. When this did not happen in Kosovo or in Iraq, mainly the UN and its peace and security role was blamed.

A basic condition for effective global governance that the states should demonstrate equal degree of responsibility and accountability to those IGOs of which they are members.

The three main areas where the responsibilities of states to the international organizations of which they are members can be identified the political, financial, and, in some cases, managerial aspects of an organization's operation are all related to collective decisions and actions.

The United Nations is still the core of the international system of governance. As the Secretary General underlined, it is still the only global organization with the broadest mandate. What are the real problems with the UN? Is the UN the product of countries the value system of which is based on the ideas of the Western civilization? Is the World Organization a watchdog without teeth? Is the democratic deficit or the missing transparency and accountability the key problem? Did the original design, which was based on the necessity of political accord and the availability of sufficient funding for the mandate, become irrelevant?

The realistic answer to these and many other questions is necessary for any meaningful change, reform or transformation within the multilateral system of institutions that would make them more credible, more legitimate and more effective. It is evident that it would be desirable to elaborate a comprehensive reform program extending to the whole UN system, the Bretton Woods institutions, the WTO and others, including the regional organizations in order to achieve an efficient global governance structure. Unfortunately this is contradicting to the present realities. For WFUNA and its member organizations, the key issue is the future of the UN.

The starting point must be the adjustment to the new geopolitical realities such a way, which would preserve the values, reflected by the fundamental principles of the Charter. This would influence first and foremost the composition of the Security Council, including the expansion of its permanent members and total membership such a way which would take account of the changes in the international system of states, including the role of non-Western regions and countries, the evolving security role of the European Union.

It is also imperative to redefine and circumscribe the veto powers of the Permanent Members of the Security Council. The special role and privileged status of the „great powers” is haunting in the international system since the „Concert” of the post Napoleonic era. Changing the veto power is of course a difficult and delicate task particularly in an era of a hierarchical structure of military and economic power and political influence. Countervailing forces must be not only in national institutional structures but also in the international system. The increasing role given to the General Assembly may be a step toward this goal.

There are of course many other areas which must be „reformed”

In the context of global security issues, the concept and practice of „preventive intervention”, „humanitarian intervention” must also be the part of the reform debate, not unrelated from the reform of the Security Council. In this environment, the policies and attitude of those strong powers are particularly important, which, as liberal democracies share special responsibilities for maintaining peace and are considered as the key safeguards of global democracy and human rights.²⁷ It is an important question, to what extent, and under what circumstances, preventive interventions with or without the authorization of the international community through the UN, can be conducive for spreading democratic values, increasing welfare and strengthening the foundations of global peace and security, particularly in its multi-dimensional understanding. One must add here another important task. In a world of close to 200 states, of a number of unsolved economic and social problems and evolving new dangers and opportunities, the comprehensive approach to security would also take the tasks of preventive intervention into account in environmental and socio-economic problems.

The reform must include the tasks related to radical improvement of financing. Here the key issue is the responsibilities of the governments and their readiness to accept different alternative methods, like for example the Tobin tax..

There are many other areas beyond the tasks of making the UN more effective as an instrument of collective security. Some of these, like the establishment of a Peoples

²⁷ May I refer here to a lecture at Harvard, in October 1993, Anthony Lake, then the National Security Adviser to President Clinton, warned his audience against half-baked pacifism. He listed nine circumstances in which the United States would be prepared to go to war. These included many things, from the defence of the homeland to acting unilaterally to protect its vital interests /such as in oil/, to taking part in peacekeeping operations under the mandate of the UN, to honouring commitments to allies or to prove the credibility of the US. Later, two concepts began to play a larger role, the concept of outlaw or rouge state and the backlash states, which according to Lake, "lack the resources of a superpower, which would enable them to seriously threaten the democratic order, being created around them. Nevertheless their behaviour is often aggressive and defiant". The backlash states, he continued "have some common characteristics. Ruled by cliques that control power through coercion, they suppress basic human rights and promote racial ideologies... Finally they share a siege mentality. Accordingly, they are embarked on costly military programs, especially in weapons of mass destruction and missile delivery systems.. to protect their regimes or advance their purposes abroad. As the sole superpower, the United States has a special responsibility for developing a strategy to neutralise, contain, and, through selective pressure, perhaps eventually transform these backlash states into constructive members of the international community." ²⁷ World Affairs. Vol. 5. No.2. April-June 2001. Delhi.

Assembly or the Economic Security Council have been discussed in the NGO world but had little positive response from the member states.

It is also an important question, to what extent national governance is a component of the global governance structures or how it influences the process. Certain states, particularly the United States as a hegemonic power has in a number of areas more influence on global processes than the UN or other international agencies. The majority of governments have no direct influence on the main global trends and processes. It is the multilateral framework through which they may contribute to the collective decisions

The machinery of global governance is based more on the past legal and institutional framework than on any new and efficient collective risk management procedures and responsible global vision and actions. Expectations stimulated by earlier rhetorics about a new post Cold War global order failed to be fulfilled so far. Many old unresolved problems which occupy the international agenda, the influence of the old and new North-South issues on multilateral co-operation, the diverging goals of forces advocating globalization, multilateralism, unilateralism, neo-isolationism, neo-nationalism, bilateralism, and regionalism makes progress in global governance difficult.

A critical issue, which dominated the second half of the 20th century how to constrain, or discipline, the behavior of states, thus making states predictable, reliable partners will remain even more important in the world of the 21 century in the absence of the bloc discipline. Global governance will require strong norms, -enforcing authority and established codes of conduct in a global arena of constant change and full of unsolved old problems and new challenges. The international organizations will have to be better equipped in order to confront sources of international instability and manage risks that may otherwise result in global crises.

The present network of international cooperation is already a complex web of different structures: bilateral and multilateral; multipurpose and single-purpose; subregional, regional, and global. The interrelations among these structures are certain to be influenced by the changing needs of the new era, with preferences for one or another form of cooperation motivated by the interplay of convergent interests, the initiatives of a few major powers, the practical needs of countries, and the efficiency of competing institutions and regimes. Within this complex framework of international relations, bilateralism will continue to play a key role in managing and solving problems between countries and in developing different forms of cooperation.

There are concerns, that the international system of the next decades may develop under the influence of “unilateral universalism” where one country would dictate and enforce policies that affect the global community as a whole. Others are afraid, that diversification, polarization, the growing importance of new centers of economic power, emerging new sources of conflicts, problems between North and South, varying forms and factors of interdependence and its asymmetries will inevitably affect the propensities for, and patterns of, international cooperation and the system may become

chaotic and more inefficient. The influences on the structure and the process of global governance are indeed diverse. It is often difficult to identify the concrete sources of the outcomes.

In the context of the recent political events, particularly the war in Iraq, not only in the US, but also in Europe, certain political groups raised the issue of „replacement” of the UN with something else, better equipped with dealing with the management of global security. In my view this is not only unrealistic, but also dangerous. Taking into account the present division of the world, the different impact of the globalization process on countries and people, the diverging interests in a number of issues, it would not be possible to establish any new global organization, and certainly not to make it more effective than the UN. As a World Federation of UN Associations we have to work together in order to save the only global international organization, the UN which has been serving as a vitally important common instrument, with setbacks and problems, but still better than any other organization, which was created so far in human history.