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# Global Futures: Shaping Globalization

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## Shaping Globalization

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These brief reflections on shaping globalization and global futures address three types of question. One, why should global futures be addressed? Two, in what fashion can they be addressed, according to what kind of premises or principles? Three, what forms can global reform and global futures take?

### Why Global Futures?

Why would global futures figure on the agenda? The answer to this question centres on the ramifications of globalization, technological change, and the emergence of global citizenship. Globalization refers to the accelerated worldwide intermeshing of economies, and cross-border traffic and communication becoming ever denser. Technological change is speeding up. Risks and opportunities are globalizing. All this belongs to everyday experience. Accordingly, globalization means global effect and global awareness, and therefore increasingly it also means global engagement.

Citizenship under these circumstances is no longer simply national, or, more precisely, the national domain is now one among several relevant organizational spheres, and citizenship is becoming increasingly national *and* local, regional, global at the same time. In addition, citizenship is no longer as state-centred as it used to be. The point of democracy is no longer simply influencing the actions of government. National governance has become one institutional sphere among several. Citizenship is not simply 'international' either, because the concerns at issue are not simply a multiplication of nation-state or intergovernmental structures. Governance is increasingly a matter of international politics, supranational institutions, international treaties and law, in the process involving macro-regional bodies, transnational corporations, transnational citizen groups, and media – interacting in complex, turbulent, multi-centric ways.

Considered in an evolutionary context, humanity has been growing in capacity, technological accomplishment and reflexivity. Collective awareness

of concerns that affect the species and the planet – such as the environment, population, development – has been growing, and so has its public articulation, notably in UN global conferences, so that arguably a global public sphere is emerging. At the same time, technological and political accomplishment and awareness do not 'line up' to add up to a condition of collective capacity. Interests are widely dispersed, subjectivities and agendas are diverse, and institutional capacities are relatively feeble.

WHY FUTURES? Anticipation and planning used to be a prerogative and defining feature of government – 'gouverner, c'est prévoir'. It extended to business and finance in tandem with the development of instruments of credit (banking, securities, options, derivatives) and insurance, which hinge fundamentally on the capacity to estimate, calculate and hedge outcomes. In both governance and business, forecasting has achieved considerable technical sophistication.

Recently the World Business Council for Sustainable Development initiated a project on Global Scenarios with the following justification:

Planning for a sustainable future requires business to be able to anticipate and not just react to change. This is the rationale underlying our project on Global Scenarios. This project is designed to help business people reach a shared view of the future and challenge the 'mental maps' they hold about sustainable development. This will allow them to anticipate, not react to, the exposures facing their corporations and ensure that they are fostering sustainable development.

Where the capacity to anticipate is presented as enabling for business people: it puts them ahead in relation to circumstances, technologies, and presumably to public criticism, and enables them to develop a shared agenda. Capacities to anticipate and plan are crucial to business and financial markets, to governments and international institutions. Accordingly, some futures have already been planned and negotiated, bought and sold several times over before citizens have even begun to think about them. This implies that the horizons and agendas according to which futures are planned and designed reflect limited interests and agendas. Should such capacities to anticipate be reserved to business and government, or should they be a matter of broad public awareness? If they did not become part of civic education it would mean that citizen groups would be relegated to a back seat, forever reacting to the futures designed, prepared and communicated unilaterally by governments and corporations.

At the same time, both government and business planning are constrained. Governments increasingly deal with many political and social forces and pressures. Corporations are exposed to such flux in the market that they operate with limited time horizons. In the marketplace, contingency is a fact of life: 'there is absolutely no way, in the evolving marketplace, that you can

know exactly who the suppliers, customers, competitors and collaborators are' (C. K. Prahalad in Gibson 1997: 66). A standard quip in business management is: look at how many companies of the Fortune 500 still figure on the list five or ten years hence. It also follows that in government and business planning the command-and-control model no longer applies.

The 'colonization of the life world' – commodification, bureaucratization – is a familiar metaphor (although, with the reconfiguration of the state, bureaucratization is to an extent being replaced by informalization). This includes a routinized process of the colonization of futures, because of the concentration of forecasting and planning capabilities in government and corporate hands. The organization of public space, as in urban and infrastructure planning, is an example. What is needed, then, is a decolonization of futures or, to use more general language, a democratization of futures. Gradually it is becoming a common understanding that not only the end stage of public planning but also the design stage needs to be participatory.

There are many forums in which governments, international institutions, banks and corporations compare notes, set agendas and build coalitions. This happens less among citizen groups. 'Alternative forums' take place on the periphery of intergovernmental conferences, regional meetings of social organizations, sectoral conferences and academic conferences. Both joint agenda-setting and anticipation are less developed among citizen groups than among corporations and governments. They are not as well endowed with think-tanks, nor do they organize forums aligning their views and agendas. This is happening even less across areas of concern – for example, human rights groups comparing notes with environmental groups, environmental organizations comparing notes with women's groups and indigenous peoples – except locally. Citizen groups concerned with human rights, ecology, women's or community issues, all have their values and preferred futures. But where do they intersect, interconnect? How and to what extent do these various single-issue concerns and futures line up? Thus for citizen groups a preoccupation with futures, local and global, would involve several functions: dialogue across groups; aligning normative concerns; developing a proactive stance and anticipatory sensibilities and capabilities; making futures a matter of public concern.

Another reason why futures thinking is taking on a new relevance is that several modes of anticipation that were available in the past have lost their appeal. Futures used to be packaged and delivered as part of the grand ideologies that framed the social and political movements of the past, particularly nationalism and socialism. The 'national question' and the 'social question' of the nineteenth century reconverged in twentieth-century social movements, such as the anti-colonial national liberation movements. The ideologies bequeathed by the nineteenth century followed positivist epistemologies and structuralist modes of thinking, relating to macro processes such as imperialism, capitalism and dependency. The future scenarios that emerged

from these are now no longer viable or attractive. Nationalism is making place for postnationalism, or at least the reconfiguration of energies in various directions – local, regional, macro-regional, international, global. Delinking or dislocation from capitalism has little meaning in a real world where localities scramble to attract foreign investment. The expectation of a world-scale crisis of capitalism followed by an opening towards socialism has now very few adherents (among the last are the original world-system theorists; e.g. Wallerstein 1994 and Amin 1997).

**REGIONAL FUTURES** Samuel Huntington's 'clash of civilizations' seems so hopelessly static and antiquated that even arguing against it feels like a waste of time. If civilizational destinies or regional projects still seemed relevant a few decades ago, they now sound increasingly quaint. Calls for 'the West' to be concerned with this or that (as in Huntington) are outdated at a time when business is eyeing 'emerging markets' across the seas.

Evocations of an 'Asian Century' sound outdated even before it has begun. One, the dynamics are Pacific rather than Asian, witness the intercontinental sprawl of the Chinese diaspora. Two, while there is an 'Asian Renaissance' (Ibrahim 1996), its lineages are not purely Asian (just as the makings of the European Renaissance extended well beyond Europe). Three, much of the talk of 'Asian values' is authoritarian in intent, and is often laughed at inside the region. Four, Asian industries, those of Japan included, depend on technology from outside the region, particularly the United States (McRae 1995). Five, because of their export orientation, East and Southeast Asian economies depend on markets in the West. Complementarities among Asian economies, while considerable and growing, would not be sufficient to sustain the countries' exports. Five, intercultural exchange between East and West is so far advanced and so deeply historically layered that in many ways the two can no longer be meaningfully separated. Six, in a 1996 speech in Beijing Prime Minister Mahathir of Malaysia declared the twenty-first century a 'Global Century' rather than an 'Asian Century'. This was a sensible gesture of diplomacy – Western markets would not react well to an upsurge of inward-looking Asian chauvinism; it may also be taken as an expression of an Asian humanism that sets forth a global engagement. Seven, the recent 'Asian crisis' shows the frailty of the Tiger economies.

Similar considerations apply to other regional and civilizational projects. Thus interpretations of India centred on 'Indic civilization' have historical purchase and thus inform futures, but would they be sufficient to generate relevant future scenarios, or would they rather feed neo-chauvinist Hindutva ideology? This also applies to Islamist projects. The wide world of Islam represents an alternative globalism with considerable historical and civilizational depth, geographical scope and growing economic opportunities. At the cusp of the millennium, however, the Islamic world is dependent in the fields of science and technology, in investments and growth opportunities,

armaments and security. Financially and economically, culturally and politically, it is profoundly wired to global centres.

Regional and civilizational projects are most intelligently viewed not as contradictory to but as part of global dynamics. In 2020 Islam will be the second major religion in most of Western Europe (in some countries it already is). Some parts of Europe have been reindustrializing thanks to Korean and Taiwanese investments. Japanese management techniques offer a model to overcome the Taylor model of standardized mass production, from the Pacific to Ireland (Walley 1995: 150–1). Accordingly, regional projects should both inform and be informed by global futures. This is not an argument for going global *some court*. Rather, it is to argue for an interdependence and balance of local, national, regional and global engagements.

### How Global Futures?

The mainstream managerial approach to futures is forecasting and risk analysis, which tend to reflect institutional vested interests. Another approach is to criticize dominant futures in order to keep futures 'open' and forestall the 'standardization of dissent' – see, for instance, Ashis Nandy and Zia Sardar (Sardar 1999). Alternative futures is a third approach. Like critical approaches this seeks to be inclusive of interests excluded in the managerial approach, but rather than ringing the alarm bell it seeks to inform futures by placing beacons or attractors that, like magnets, channel collective energies. This approach comes in the form of Utopian and postmodern variations.

Utopias in the sense of blueprints of desirable societies no longer match contemporary mentalities. Critique of Utopianism is now part of contemporary reflexivity. Nineteenth-century Utopias tend to reflect a similar positivist epistemology, authoritarian design and command-and-control outlook as the ideologies of the epoch, which they extrapolate forward. At the turn of the millennium, there is an upsurge in apocalyptic mentalities rather than classical Utopias – witness the Branch Davidians in Waco, Texas and the Aum Shinrikyo cult in Japan (Thompson 1996).

Over time discourse has shifted from 'the future' to 'futures'. Forecasting implies a future that already exists 'out there'. The main problem is its visibility, which may be approximated by means of extrapolation and trend analysis. Currently the understanding is more of futures as options and opportunities. The main preoccupation in future thinking, certainly in business management, is no longer forecasting but *imagining* and secondly *creating* futures.

The big challenge in creating the future is not predicting the future. It's not as if there is only one future out there that is going to happen, and that the only challenge is trying to predict which of the potential futures will actually be the right one. Instead, the goal is to try to imagine a future that is plausible – the future that you can create. (Gary Hamel in Gibson 1997: 81)

This implies that futures are *open*. 'there is no proprietary data about the future', 'nobody owns the twenty-first century' (Gibson 1997: 81, 6). A corollary to this understanding of multiple futures is the now common technique of devising *scenarios* or schematic representations of clusters of future options (first implemented in the Interfutures project of the Organization for Economic Cooperation and Development (OECD 1979)).

The openness of futures implies that they are premised on human fallibility. Following Popper, this is what George Soros (1998) sees as fundamental to an open society. This also means open in terms of their view of human nature. Gillian Slovo (1996) concludes a book about her parents, Ruth First and Joe Slovo, on this note: 'I'd realised that memory, experience, interpretation could never be fixed or frozen into one, unchanging truth. They kept on moving, relentlessly metamorphosing into something other so that the jagged edges of each fragment would never, ever slot together.' This articulates a sensibility that is much closer to our contemporary everyday sense of social experience than the deterministic and reductionist thinking of the past.

Linearity is an artificial way of viewing the world. Real life isn't a series of interconnected events occurring one after another like beads strung on a necklace. Life is actually a series of encounters in which one event may change those that follow in a wholly unpredictable, even devastating way. (Michael Crichton, quoted in Gibson 1997: 6)

George Soros accepts part of the logic of *laissez-faire* thinking: 'if our understandings are imperfect, regulations are bound to be defective', but he spurs the conclusion: 'since regulations are faulty, unregulated markets are perfect' (1997: 6). Flawed regulation that is reflexive in relation to its flaws, then, is better than no regulation at all. We might term this 'postmodern regulation'. It refers to an approach to regulation that is flexible in understanding the necessary though limited status of regulation in relation to social life, which is multi-dimensional, messy and reflexive. Regulation alters the field it seeks to regulate and generates loopholes, avoidance behaviour, resistance. Full transparency is an illusion – it was illusory in relation to societies (as communist bloc countries showed) and it would be so in relation to global conditions. Accordingly, global regulation must be bold in acknowledging the importance of setting global standards, and modest in recognizing that the importance of regulation lies in part in the avoidance it creates. Thus regulation should follow fuzzy logic rather than linear thinking.

WHAT DO FUTURES FEEL LIKE? Futures are many. Every epoch has its futures. Every place has its futures. And within each place and period, different groups perceive different futures as they experience different hopes and fears. Futures are not only rational projects but also emotional experiences. Futures are not simply a matter of rational choice: they are made up of images, aspirations and anxieties, some of which are unconscious, and

escape or resist rationalization. To futures, there are both explicit and implicit dimensions, above and below the waterline, and not all that is implicit can be made explicit. Logic and plausibility play a part in choosing futures but so do emotional, aesthetic and imponderable considerations. So a relevant question to ask is: What do futures feel like?

RECENT FUTURES PAST Generalizations are superficial, but at least we can review the dominant, hegemonic futures during the recent past. Thus in the 1950s futures felt *modern* – modern furniture, Le Corbusier architecture. A mainstream future was the American Dream, broadcast by means of Hollywood movies. Dissident futures such as George Orwell's 1984 and Aldous Huxley's *Brave New World* served as counterpoints. Futures thinking at the time – the birth time of 'futurology' – was centred on technology, such as space technology, armaments, robotics and artificial intelligence, and was modernist in spirit. Some of these trends had been in evidence well before that – as in the science fiction novels of Jules Verne and H. G. Wells, Italian Futurism, Soviet Taylorism, and Gramsci's 'Americanism'.

The backdrop of the Cold War provided a duopoly of futures – the Free World of mass consumption and the Worker State of socialism. The rift between them intensified with the Vietnam War and '1968'. Mainstream futures were shaken and a wide array of dissident futures emerged, images of struggle and liberation – such as *tiers mondisme*, the civil rights movement, 'protracted people's war', the Great Cultural Revolution, Che Guevara's *foquismo*, liberation theology.

Major concerns during the Cold War were peace and security. Security issues and strategic thinking played a large part in mainstream future thinking (for instance, domino theory) and in dissident futures on the part of the peace movement. The nuclear age and collective security, cheerfully premised on 'Mutually Assured Destruction', provided an aura of threat and doom, of 'exterminism'. In the course of the 1980s, this took different turns and 1989 sealed the demise of state socialism:

I grew up in the everyday fear of this implosion and the real possibility that I and everyone I knew might not survive. The fear, a fact of life for more than three decades, has receded. I, my family, and my friends will probably live into the next century – a time with its own dangers, known and unknown, but at least without the threat of imminent extermination. All at once, the millennium feels like a beginning. (Clifford 1997: 344)

Those who grew up during the Cold War have grown accustomed to polarized world views. Does not everything have a colour and does not every colour figure somewhere on the spectrum? If now, however, we consider the everyday practices lived and advocated by diverse circles, they are almost without exception based on synergies between state, market and social forces. The terms and forms of cooperation vary, but the old antagonisms and

antinomies – between capital and labour, state and society – no longer survive as such. The middle ground, long shunned as tainted and suspect, is coming to its own. For instance, in the words of George Soros: 'Instead of there being a dichotomy between open and closed, I see the open society as occupying a middle ground, where the rights of the individual are safeguarded but where there are some shared values that hold society together' (1997: 9).

From the 1970s, a new range of futures emerged. Earlier studies of population growth had offered doomsday scenarios, neo-Malthusian premonitions of limits to population growth. Now environmental scenarios predicted *Limits to Growth*, as in the title of the Club of Rome report (Meadows et al. 1972). It was followed by a host of studies such as *Mankind at the Turning Point* (1974), and *Building a Sustainable Society* (Brown 1981). Also economists turned to futures thinking, such as Herman Kahn and the Hudson Institute (*The Next 200 Years*, 1976), the UN-sponsored project of Wassily Leontieff and associates (1977), the OECD's Interfutures project (1979) and the US government-sponsored study *The Global 2000 Report to the President* (1981) (discussed in Hughes 1983: 13–24.) Sociological futures typically addressed the relationship between technological change and socioeconomic, political and cultural transformation, in particular how the 'third industrial revolution' of information technology is changing social practices. Examples are Daniel Bell's postindustrial society, Alvin Toffler's *Future Shock* and *Third Wave*, Naisbitt's *Megatrends* (1996), and Kenneth and Elise Boulding's work (1995). A pioneer work in alternative futures was Hazel Henderson's *Creating Alternative Futures* (1978). Other futures studies focused on North–South differences (Kothari 1974; Falk 1975), built on New International Economic Order thinking (Bedjaoui 1979), or attempted a synthesis (Masini 1983). Gradually these futures – based on technology, developed by demographers, security analysts, environmental studies, economists, sociologists – have become part of general futures thinking. In the 1990s, different tensions and futures have come to the fore. Identity politics and new social movements came in the place of national and social struggles. All these have come into a new focus in opposition to free market politics. Globalization became the new arena. The new terrain of contestation became neoliberalism, with structural adjustment in the South and the erosion of welfare states in the North.

### Which Global Futures?

**NEOLIBERAL FUTURES** As an ideology, neoliberalism is probably past its peak. The trust in the 'magic of the marketplace' that characterized the era of Ronald Reagan and Margaret Thatcher has run its course. The criticisms of 'the market rules OK', common and widespread, are gradually crystallizing into an alternative perspective. However, while a reform perspective is gradually taking shape, the alternatives to neoliberalism reflect a variety of interests and positions that have not been able to cohere ideologically or institutionally.

Meanwhile 'pragmatism rules OK', which in effect means muddling through. Under the circumstances, monetarism is the default ideology and policy. Institutionally, in the WTO and IMF, neoliberalism remains the conventional wisdom. In development politics, it prevails through the remnants of the 'Washington consensus'. In NAFTA, it prevails in principle. In Euroland, it prevails through the European Monetary Union. Financial and monetarist regimentation is ironing out the actual varieties of capitalism (Albert 1993).

This reflects the continuing hegemony of finance capital and the central position of financial institutions. The core of the neoliberal powerhouse is finance capital. Money and finance function as the central arbiter and regulator of regional and global development. Ironically so, since finance itself is the most unregulated of all economic spheres – witness the volatility of international financial hyperspace that has been at the source of most of the recent crises. While monetarism serves as the default discipline and ideology of the neoliberal world, the financial world itself is out of control. The nexus between international trade and finance has been severed, so that speculation on currency fluctuations and other financial instruments have become quantitatively more important than production and commerce. Twenty-four-hour trading and electronic triggers have increased volatility and risk. The relationship between profit and taxation is being eroded or reversed. Corporate tax rates are shrinking. Government subsidies and incentives take the place of taxes. Deregulation and access to hyperspace enable corporations to register headquarters and record profits at offshore tax havens.

Among the neoliberal futures of the 1990s is Kenichi Ohmae's *The Borderless World*, or the world as a duty-free store. This is a global extension of Walt Rostow's 'stage of high-mass consumerism' and a replay of the American Dream (which in the United States, because of workloads and chronic poverty, is a dream no longer attainable). Ohmae's former position as director of McKinsey Japan accounts for the signature of his 'Pacific' ideology – American marketing and mass consumerism coming to Asia, and Japanese corporate strategies boomeranging westward. Techno-futures receive a new boost from cyberspace hype, which is supposed to ensure a long boom, brainwaves, a civilization of civilizations and a wired global society: 'We're facing twenty-five years of prosperity, freedom, and a better environment for the whole world. You got a problem with that?' (Schwartz and Leyden 1997: 115). This kind of future *à la* Bill Gates glosses over poverty and inequality within the United States, let alone worldwide, and also ignores that cyberspace is a zone in which conflicts are being reproduced (Sardar and Ravetz 1996).

The future of a borderless world for capital is gradually becoming a self-fulfilling prophecy through the structural reform policies initiated by the IMF and World Bank. The WTO and the attempts to arrange the free movement not only of commodities but of capital as well are translating it into a global dynamic. This is a world viewed from a Northern window, seen through Western and Japanese eyes. It fills in the blanks in Francis Fukuyama's

*The End of History*, which predicts indefinite political stability in the advanced world while small wars and skirmishes splutter on in the periphery. Daniel Moynihan's *Pandemonium* of ethnic conflicts (1992) and Robert Kaplan's (1996) slide into anarchy in the periphery, from Africa to the Balkans, supplement this prognosis, whose regional effects are to be contained by means of selective 'humanitarian intervention'.

Neoliberal futures are being contested on many grounds – labour, the right to development, the environment, local interests, and cultural diversity.<sup>1</sup> Looking back on the 1992 Rio conference on the global environment and development, Martin Khor sees a 'clash of paradigms'. 'The free market paradigm ... represented by the Bretton Woods institutions, which persisted in promoting structural adjustment programmes based on market liberalisation, and by the GATT/WTO which was dominated by the Northern governments advocating the opening up of markets (especially of developing countries)' and the 'paradigm of partnership and cooperation ... represented by the United Nations series of world conferences' (1997: 9).

This kind of characterization, though not without plausibility, may be misleading. One, the concept of paradigm is derived from the natural sciences and either does not apply or would have a much looser meaning outside it. Two, it homogenizes positions and suggests more coherence in positions than actually exists. It conceals the improvised and patchwork character of actual policy frameworks. Three, it sidelines the question whether the 'paradigm' would be capable of reproducing itself – in other words, whether it has a future at all. Four, juxtaposing the two policy frameworks as paradigms gives a mistaken impression that they are somehow of equal status. Five, the image of a clash ignores the overlap in positions, eliminates the middle ground, and overlooks actual and possible cooperation.

The question is whether the neoliberal regime is capable of reproducing itself. Major elements of instability in the neoliberal scenario are:

- Financial instability: witness the series of financial crises in emerging markets.
- Unemployment, automation and 'jobless growth' (Rifkin 1995).
- Inequality and poverty within and between societies, and their nexus to conflict and security risk.
- Environmental risk (Daly and Cobb 1994).
- The downward trend of corporate taxes and the inability to finance common goods, nationally and globally.
- The risk of global oversupply (Greider 1997).
- Tensions between the market and democracy (Attali 1997).

For such hazards, deregulation, liberalization and privatization provide no remedy. Accordingly, some form of regulation is in the interest of parties both large and small. Without taxation, no infrastructure. Without taxation, no proper education, no affordable health care. Without taxation, no public

sphere. Without a public sphere, no legitimacy. Without legitimacy, no security. This in itself is a familiar future scenario. It could take the form of global 'Californianization' while California is being 'Brazilianized'. A world of gated communities, high barbed-wire fences, steep hierarchies, robots on the work-floor and at the gate, and automated surveillance all round. A world of creeping privatization of public space, as in Los Angeles (cf. Mike Davis' *City of Quartz* (1990)). A 'post-human' world (see Chapter 13), of which we see one face in *Blade Runner* and other cinematic dystopias.

This world, however, cannot reproduce itself. The neoliberal scenario, if all the padding of state support really is removed, is not coherent, is self-contradictory and self-defeating. *Laissez-faire* and the 'self-regulating market' have been critical positions (i.e. Manchester school criticism of mercantilism, supply-side criticism of Keynesianism) and a corrective of excessive state intervention, but they are not a stand-alone self-sustaining model.

Regulation in order to function must be of global scope, for anything short of global regulation invites evasion and 'dumping'. At the same time the gap between countries at different levels of development makes a straightforward global consensus quite unlikely – not for lack of trying, witness numerous sensible commission reports; witness the recurrent stalemates in global conferences on virtually any issue: the environment, population, trade. The real world stretches all the way from Palaeolithic hunters and gatherers (Amerindians in the Amazon, Aborigines in the Australian outback, Khoisan in the Kalahari) to the high-tech worlds of information technology. In world music, cinema (John Boorman's *Emerald Forest*, Peter Weir's *Last Wave*, Jamie Uys's *The Gods Must be Crazy*) and science fiction, in indigenous peoples' networks and human rights fora these worlds meet, but where else? The scope and the limitations of global rendezvous have been demonstrated in the conferences in Rio, Vienna, Copenhagen, Cairo, Beijing, Istanbul. These have been exemplary in the range of parties represented – international institutions, governments, TNCs, NGOs, labour unions, professional associations, media. But participation has hardly been on equal terms and outcomes, on the surface at least, have been uneven and meagre.

A familiar friction runs between the 'Washington consensus' that used to embrace the IMF and World Bank, and the UN institutions and their agenda of human development (UNDP, UNCTAD, UNICEF, UNESCO), social development (the Copenhagen Social Summit, UNRISD) and sustainable development (UNEP). This rift goes back to the divergence between the Bretton Woods institutions and the UN system that emerged after the Second World War and took the form of different voting systems. One set of institutions would deal with the 'hard' issues of finance and economics, and the other with the 'soft' issues of social welfare, entitlements and human rights (Singer 1995).

Such a division of labour is now out of synch with current insights into how economics works – the hard and the soft are deeply interwoven. *Sofit*

elements such as education, health care, housing, income distribution, cultural exchange, social capital, civic trust and institutional density translate into *hard* economic data of productivity and growth. Cultural diversity has been an engine of economic growth (see Chapter 12). Without community participation, development projects don't work. Facilities such as micro credit – popularized by the Grameen Bank in Bangladesh and now being applied in the USA and UK – typically bridge the two spheres of concern. In relation to environmental concerns, the distinction between soft and hard does not make sense. In sustainable development, the common denominator in the 1990s, the hard and the soft cannot be separated. Over the years the World Bank has been incorporating 'soft' elements as part of its brief – gender, participation, NGOs, environment – and has now begun to transform itself to a 'knowledge bank'.

**GLOBAL GOVERNANCE** Slow progress with regard to global governance should not conceal the fact that we inhabit a world shaped by over a hundred years of international regulation and institution-building. This includes arrangements with regard to time zones (Universal Standard Time), the International Red Cross, regulation of the conduct of war, UN treaties from the Declaration of Human Rights to the Law of the Sea, and the International Court of Justice. An international public sector already *de facto* exists. In this context, sovereignty need no longer be thought of as a zero-sum game. Sharing it does not reduce sovereignty. Another stepping-stone in the process of global governance is regional governance (as in the European Union). Trade-offs of pooling sovereignty include security and stability, reduced anxiety and conflict, reduced military spending, and economic and technological cooperation.

The Commission on Global Governance (1995) is at pains to point out that global *governance* is not global *government*. It is not about creating a superstate but about strengthening the international order and international law. If we combine this with current ideas about politics, interactive decision-making and the state (e.g. Mulgan 1994), one can think of facilitative governance, or governance as management of networks and the coordination of *synergies* across sectors.

Progressive agendas include 'double democratization' simultaneously within societies and in international relations, 'cosmopolitan democracy', including the formation of regional parliaments (Held 1995), and substantive UN reform – 'redefining the United Nations as an organization not of governments but, in the final analysis, of "the people"' (Sakamoto 1997: 8). Another option is the formation of world parties (Kreml and Kegley 1996). What is at stake in global governance, besides its institutional design, is the question of global reform.

**GLOBAL REFORM** There is now a growing consensus in favour of managing, steering or shaping globalization. The leading industrial nations are considering

new global rules on investment, banking and trade. Global *laissez-faire* involves more risk than even the privileged few can afford. The collapse of Long-Term Capital Management was the writing on the wall of Wall Street (Soros 1998). Planning globalization, the position at the other end of the spectrum, has takers only among the adherents of world socialism. There is, then, a broad middle ground in favour of managing globalization, but the question is what is the content of this consensus. Two major positions within this middle ground are for global reform within the existing structures or through new institutions.

A case in point is the architecture of the financial system and whether it requires modest adjustments in the present system or a new financial architecture. Within the broad consensus that the world financial system is in need of reform, a loose sketch of positions may run as follows. A minimum position is in favour of 'transparency' and the standardization of accounting systems (held by the IMF, World Bank, WTO, US Treasury). A midway position considers imposing restrictions such as higher reserve requirements, higher thresholds of access to offshore banks and modest reform of international institutions (World Bank, OECD). A stronger reform position favours new international institutions such as a global central bank that should impose restrictions on hot money and international taxes (UN agencies).

TABLE 1.1 Global reform perspectives

Globalization	Frameworks	Institutions
Technical adjustments	Neoliberalism	IMF, WTO
Reform within structures	Social liberalism	World Bank, OECD
Reform through new structures	Social democracy, global New Deal	Labour, ILO, UN system

Proposals for new institutions include recombining the Bretton Woods institutions and the UN system, with a view to realigning economic and financial regimes and social development. One proposal is for the adjustment of voting systems (Green 1995); another is for an Economic Security Council that would take over the role of the international financial institutions under UN auspices (Commission on Global Governance 1995; Haq 1995; Henderson 1996; Chapter 5 of this volume). What matters, beyond these institutional arrangements, is the alignment of international financial regimes and social development. What is at issue is the role of central banks, particularly in the North, and their relationship with the IMF. The broader issue is the restoration of banking as a public utility, which ultimately involves a new mode of regulation.

The 1999 *Human Development Report* (UNDP 1999) proposes a 'global architecture' that would include:

- A global central bank to act as a lender of last resort to strapped countries and to help regulate finance markets.
- A global investment trust to moderate flows of foreign capital in and out of Third World countries and to raise development funds by taxing global pollution or short-term investments.
- New rules for the WTO, including anti-monopoly powers to enable it to keep global corporations from dominating industries.
- New rules on global patents that would keep the patent system from blocking the access of Third World countries to development, knowledge or health care.
- New talks on a global investment treaty that would include developing countries and respect local laws.
- More flexible monetary rules that would enable developing countries to impose capital controls to protect their economies.
- A global code of conduct for multinational corporations, to encourage them to follow the kind of labour and environmental laws that exist in their home countries.

Regulation, in order to succeed, must be global in scope – anything else invites evasion. In order to achieve global scope, regulation must be acceptable across North–South differences. It must encompass a politics of development that addresses the interests and agendas of advanced countries, NIEs and LDCs. In effect, this means an agenda of global development. Advocating global reform on moral and ethical grounds, or purely political grounds, has no more appeal than the reach of ethical and political consensus. It is probably more sensible to treat global reform primarily as a form of global risk management. Partnership develops when its advantages outweigh its costs. 'Mutual interest' then remains the guiding principle, but this should now encompass wider concerns, such as environmental and security hazards.

If straightforward negotiations do not deliver because the parties are unequal and have diverse interests, *widening* the terrain of negotiation to broader fields of common concern may open up new opportunities for give-and-take. Areas that come to mind are ecology, natural resources, regional security, migration, cultural diversity and indigenous knowledge. Exploring the rainforest for medicinal herbs while granting intellectual property rights to local inhabitants and contracts for revenue sharing is an example (Van der Werf 1994).

Not only must fields of negotiation be wider than they are at present, but future proposals must also be interactive multidimensionally: global governance must heed the global economy; global taxes must interact with policies regarding development, ecology, population, gender and cultural diversity. In other words, global reform must turn on intersectoral synergies. This goes

against the grain of the *sectoral* structure of institutions, ministries and agendas. Sectoral barriers contribute to the stalemate in negotiations. In bureaucracies as well as in the disciplinary structure of academia, they separate finance, development, welfare, ecology, and so forth, as part of the legacy of eighteenth- and nineteenth-century rationalism and its classificatory spirit. By definition, they exclude from view, and from discussion, questions of global reform – such as global governance and global taxes – that have profound multiplier effects across many spheres. These fences and boundaries are out of step with the current increasingly holistic and interdisciplinary understandings of development and politics.

At the same time, many conflicts of interest cannot be resolved within narrow frameworks. An example is the friction between the labour standards movement and the right to development. In the North labour standards (labour rights, no child labour, no sweatshops, minimum wage, job safety, etc.) are widely viewed as a major terrain of progressive intervention. This position is shared by a broad coalition from labour unions to social organizations, from the ILO to Democrats in the US Congress. In the South, this position is much more controversial. Many view it as undermining the competitiveness of the South, which is based on labour flexibility. For late industrializers the competitive edge of low labour standards and minimal environmental regulation offers a slim chance to step into the industrialization process.

Positions in the North are inconsistent in that for all the attention bestowed on labour, measures are taken to free the movement of capital. Freeing capital while regulating labour may not be a particularly even-handed way of going about things. Positions in the South are one-sided in that industrialization on the basis of 'primitive Taylorization' and environmental devastation does not add up to a sustainable development path. The problem is that two cases and levels of argument are intertwined. One is a general case for labour standards as a protection for labour at a time when capital mobility is growing; the other is a particularist case on the part of labour unions and governments in the North facing capital flight and job loss, to counter capital flight by reducing the advantages of relocation. A level playing field for labour is one question; regulating capital movement is another; comparative competitiveness is a third; the right to development is a fourth. Considering each in its own sphere, these conflicts of interest are insoluble. They could only be addressed within a wider, comprehensive approach.

One framework for addressing wide-ranging issues is new social contracts (e.g. Commission on Population 1996; Rifkin 1995). An advantage of the contract approach is that contracts are compatible with market standards as well as bureaucratic procedures; they cut across spheres of government, market and society. Contracts can be comprehensive and address multidimensional issues, while avoiding unwieldy and politically unrealistic options such as a 'new constitutionalism'. According to the Group of Lisbon, 'A

contract is the appropriate choice when the parties involved are numerous, the problems are complex and multidimensional, and the solutions are of a long-term structural nature' (1993: 110). The Group of Lisbon proposes global social contracts on basic needs, democracy, culture and the environment. To serve as settlements across domains, they could take the form of specific targeted negotiating platforms, such as Tobin taxes for restraining international financial speculation, global taxes for global information structure and ecotaxes for planetary survival.<sup>2</sup> However, it is not easy to think of such wide-ranging arrangements within the existing structures.

In business, the talk is not simply about imagining the future but also about implementation or 'building the future' (Prahalad in Gibson 1997: 67). Governments and international institutions do not simply imagine futures either. Malaysia's Vision 2020 (catch up with advanced countries) and other developing country future visions serve as government policy targets. A forward-looking approach would be welcome also on the part of citizen groups. Avenues out of the global stalemate include the following:

- A stock-taking of socially progressive best practices and future proposals, and cross-referencing them across domains and geographies. This refers to innovation not simply in a technological sense, but in social practices, institutions, values and expectations.
- The development of global public opinion concerning not only planetary predicaments but also future options.
- The development of multidimensional relations of negotiation, i.e. across different sectors and dimensions, along with institutional reform.

The development of global public opinion is necessary for the generation and articulation of political will. Besides, if the objective of progressive futures is democratization, the means toward their realization must be democratic as well. First, the infrastructure is increasingly available. This is the upside of 'CNN culture' and planetary satellite wiring. Second, there have been breakthroughs in recent years, for instance concerning the environment, human rights and women's rights. In a fairly short time-span the environment has become recognized as a planetary concern and institutionalized in the notion of sustainable development as the yardstick of all economic and technological initiatives. Human rights and women's rights are other fields in which considerable social progress has been set in motion. Another area of profound change in recent years is international security, brought about by unanticipated changes in international relations – the break-up of the Soviet bloc and the end of the Cold War – as well as collective action. No matter then the range of complexities, political sensitivities and cultural differences, social progress can be achieved.

These avenues may be obstacle-courses of complexity, but what we may now find unimaginable may be common sense and common practice a few years or decades hence. Various future options are interdependent. Global

reform and global taxes cannot be implemented without further progress in global governance. Global governance depends on global public opinion and political will. One way of seeing this is as a stalemate in which progress in any sphere cannot proceed without change in other domains. Another view is that this is a virtuous circle in which progress in one sphere opens opportunities for progress in all.

### Notes

1. Critical future-oriented studies that have taken on globalization and inequality have centred on alternative economics (Henderson 1991; Ekins 1992), civic actors (Korten 1990), the world economy and international relations (Makhijani 1992; Brecher et al. 1993; Cavanagh et al. 1994; Falk 1994; Gurtov 1994), North-South relations (South Commission 1990; Muzaffar 1993), ecology (Lipietz 1995), poverty (Townsend 1996).
2. On Tobin taxes see Haq et al. 1996, on global taxes see Chapter 6 of this volume. On 'infrastructure' see Connors 1997.

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