

Chapter 2 - The 21st Century Has Entered the Door

Globalization as the Driving Force

In the 21st Century we will face dramatic changes in political, economic, social and technological fields, with globalization as the driving force. This will bring along challenges and threats as well as evolution and revolution. Individually and collectively we are caught in the middle of all these changes. Some will improve and others deteriorate our lives. The speed and complexity of the paradigm shiftings will also generate more business opportunities than ever before.

The Future Political Arena. There are early indicators that North and South Korea may develop a better relationship. Cuba will take a more open stance and become more closely associated with the region. In Latin America, democracy and economic growth will determine the path of most nations. In Africa, the last bastions of dictator regimes will fall and pave the way to more stable partnerships. A strongly unified Europe will embrace both East and West. It is hoped that a peace treaty between Israel and its neighbors may overcome stagnation in the Middle East. Post war countries like Afghanistan and Iraq will gradually move to stability and freedom but have to pay a high price.

Civil Wars and ethnic conflicts will replace classic wars, while terrorism and crime will continue to move alongside globalization. This will require new military doctrine. All this will strengthen the role of the United Nations.

In these political processes, delays, setbacks and new conflicts will be unavoidable. In 2004 we registered 42 violent conflicts and wars around the globe. The endeavor for freedom, however, will win the upper hand in the long term since the greatest driving power in the world stands behind them: the people themselves.

The Economic Battlefield. Globalization will change the distribution of economic power throughout the world. The classical autonomy of countries will weaken and become restricted to legislative ruling, regulatory policy and trade support. Since no country can survive alone, larger trade blocks will be formed which will also protect and promote regional interests. The financial markets will dictate economic performance. Transnational corporations will gain more influence due to their large technology bases, strategic capabilities and global networks. The more they are forced to compete, the quicker productivity will increase (even quicker than the increase in demand). This trend will lead to an increase in unemployment. As a consequence of these events, systems of social provision in the developed countries will no longer be sustainable, especially when one considers the ageing population. By the year 2050, 2.5 billion people will be over the age of 60 compared to 600 million now. And when the economic mainstreams bypass the developing countries, no wealth will be created, economic development will stagnate and business will not grow. This would have explosive consequences should it happen. Recent riots against globalization organized by movements such as Attac would support this potential scenario.

Demographics and Resources: A Ticking Bomb. In the 20th century world population increased from 1.6 to 6.0 billion. By the year 2050 it will have reached approximately 9.0 billion. 90% of population growth takes place in the least developed countries. For this reason the gap between rich and poor will continue to widen. This will trigger a new wave of mass migration, which will flood into the wealthy countries and urban areas. It is estimated that by 2030 over 50% of the people in Latin America and Asia will live in mega cities. This trend will lead to a fight for the survival of the fittest. These demographic changes will be accompanied by a dramatic shortage of natural resources, renewable materials, food and drinking water. Even now 815 million people around the world are starving. In the worst case scenario it is anticipated that climatic changes will destroy and eradicate entire fertile regions in the second half of the century, while other regions will be flooded. The flood catastrophes and human tragedies in South Asia and New Orleans have affected our hearts. They emphasize the need for a global effort to preserve our world for the generations to come.