

Globalistan: our global village

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0. The IT revolution

History consists of a series of 'new' times. Today, however, we are experiencing the dawn of 'totally different' times characterised by the speed, the ubiquity and the worldwide nature of the succession of history-making fractures in existing structures. We are, in fact, experiencing 'the change of change'. The only constant in history is change: the world is becoming our village, an observation that has become somewhat banal. I call the world village 'Globalistan', a world that is becoming one...in fits and starts...with an interplay of light and shadow: the *shadows of progress*. Globalisation, which refers to worldwide relationships - economic, technological, cultural and interpersonal - is far from being new. Christopher Columbus was actually already a globalist before that word had gained currency, as was Alexander the Great before him. What *is* new has to do with the nature, the intensity and the dimension of the phenomenon as a result of the current communications of information revolution of IT. The development and dissemination of IT is derived, in one way or another, from the invention of the magical box that we call the computer and whose influence has proven to be far greater than the invention of the steam engine at the end of the 18th century (the first Industrial Revolution and a purely European affair) and the discovery of electricity and the invention of the internal combustion engine at the end of the 19th century (the second Industrial Revolution, a Euro-American affair). IT (a global event) has created a leverage effect that has been manifested in the creation of the knowledge society, which is changing all domains of human thought and action radically and is conquering the world in an almost organic way. As far back as half a century ago, French philosopher and palaeontologist Teilhard de Chardin predicted the rise of a noösphere, the sphere of the human spirit that would encircle the globe like the stratosphere. Human creativity, embedded in research and development in all areas, would become the most important factor in production and the foundation of prosperity. The traditional Anglo-Saxon division of world history in BC and AD today means Before Computer and Anno Digitale and to Europeans BC and AC becomes 'before computer' and 'after computer'.. It is important to note here that the rise of the knowledge society from the IT revolution is not the result of a government decision, an international accord, or a resolution of the Security Council. To the contrary, it is a spontaneous event, a growing phenomenon, an 'organic' creature that has largely escaped government influence, but that has far-reaching structural consequences. Furthermore, the knowledge can be redistributed and disseminated between individuals and groups of citizens without suffering the painful consequences of a zero-sum game of winners and losers. That usually happens when one wants to divide incomes, fortunes, property or capitals that have to be taken from one person in order to give it to the others. In those situations, we are indeed confronted with a clear zero-sum game that often leads to conflict situations. The rise of the knowledge society puts the issue of the redistribution of the most important factor of production (knowledge) in a totally different light and makes it a plus-sum game in which everyone wins: the knowledge society increases the possibility of the spread of win-win situations.

The IT revolution explains the coherence of what appear at first glance to be quite different and divergent events and phenomena during the most recent decades. IT exercises

a destructive and reconstructive influence on the existing societal and economic systems, primarily on communism and Marxist socialism on the one hand and liberal capitalism on the other.

1. Decollectivisation and the death of communism.

The sudden fall of the Berlin Wall in 1989 - with the effect of a dam breach - can, of course, be ascribed to several epiphenomena, such as economic inefficiency, bureaucracy and the corruption of the communist regime and the hard repression of the intellectual opposition. So, too, were the efforts to achieve autonomy by large parts of the USSR and in the satellite countries within the sphere of influence of the Soviet Union often suppressed by violence (Budapest 1956, Prague 1968). The war in Afghanistan and the massive military expenditures in the arms race with the West also damaged the prosperity of the Soviet-Russian people.

Nevertheless, more fundamentally, one has to note that as soon as the creative human spirit became the most important factor of production, which also requires inventiveness, intellectual freedom, criticism and flexibility, the applied Marxism in place encountered a host of contradictions. The knowledge society, and therefore the computer - to but it somewhat bluntly - dismantled Marxist theory and its applications. With respect to factors of production, Marxist doctrine prescribes collectivisation, nationalisation and elevation to *Volkseigentum* - the property of the people - under the control of the Communist Party. And this in support of liberating humanity and overcoming the alienations of which capitalism had made humanity its victim. Factories, raw materials, machines, financial capitals could be expropriated by the State. *But can human knowledge and creativity be nationalised or collectivised?* How can independent scientific research, which is also strongly dependent on international cross-pollination, expand in a totalitarian police state that has very little or no intellectual freedom and abhors contacts with foreigners? The answer to that question is in the negative. Karl Marx could not have foreseen such a stalemate a hundred years prior when he lived as a refugee in London and went every day to warm himself in the great reading room of the British Museum. The expropriation of the factors of production was a crucial policy instrument for the Marxist-Leninist approach and for the transformation of the capitalist society. For decades, successive Soviet leaders sang the praises of Kolchozen, Sovchozen and collectivized industries. Yuri Andropov and Michael Gorbachov saw, however, that the Soviet Union, with its cumbersome central planning system and lack of intellectual freedom was about to miss the technology train. That was demonstrated spectacularly when the Soviet Union was surpassed in the 1970s by the USA in the space programme. Starting in the 1970s, the social and organisational structures created by communism proved increasingly incompatible with the demands of a highly developed, sophisticated, computerized, post-industrial society. Gorbachov's desperate attempts with his perestroika and glasnost were too late in coming and incohesive. It was becoming increasingly obvious that the IT revolution must lead inevitably to an *irreversible decollectivisation of the economic system*. The inherent contradiction that nestled in *historical materialism*, the heart of Marxist doctrine, became clear immediately. Marx defended a dialectical approach to history, which he necessarily saw evolving through contradictions – thesis and antithesis – to synthesis: the communist utopia. Marx borrowed the dialect concept from G.F. Hegel and the materialist determinism from Feuerbach. Marx saw in the inherent contradictions of capitalism the causes for the self-destruction of that system. In fact, then, Marxism is more a theory concerning the inevitable dissolution of capitalism than a theory about the founding and organisation of a socialist or communist society. Historical materialism,

augmented by the triumvirate of (1) capitalism, (2) dictatorship of the proletariat, and (3) communism, in that order, was elevated to the status of the basic natural law of human history. The hopeful faith in this historical determinism was, in the eyes of the Marxists, explained scientifically.

Freethinking researchers are inclined to adapt or modify their theories if they observe that they are not, or are no longer, in accordance with the facts. Popper's falsification principle has reinforced that kind of reticence further. In the Marxist-Leninist society, the opposite happened. When discrepancies arose between Marxist theory - which had been elevated to the stature of infallible doctrine - and the facts, the facts were changed to fit the doctrine. Such dogmatism can be compared with the beliefs of the creationists who read the story of Genesis in the Bible as literal history and turn themselves into any number of intellectual contortions in order to ignore the theory of evolution. For decades, the communists rewrote history and denied the socio-economic facts in favour of the all-holy Marxist teachings. Communist teachings had great difficulties with the fact that the factor of labour in modern production processes was becoming less important. Reality - which empirically inclined westerners claim is as praiseworthy as a Lord Mayor - was colonised, manipulated and shaped systematically by the ideology. The imperialism that the doctrine exercised over reality became more arthritic with each passing year. Especially the rising prosperity in the West and the attraction exuded by the democratic freedoms undermined the credibility of the communist doctrine of salvation. That led to a gap between doctrine and the daily observable reality. *But reality eventually too revenge on the theory.* The facts pulverized the doctrine. The collapse of communism as an ideological doctrine, political regime and economic system caused a worldwide earthquake, especially in intellectual circles. In the semi-darkness of his mausoleum on Red Square in Moscow, Lenin will rest now, having been twice buried: once in his mummified body, and again in the shroud of communist ideology. Lenin is once again Vladimir Ilyich Ulyanov.

For years, I have explained to my students that communism was, in fact, brought down by that magical machine that we call a computer and that has led to a break in the history of mankind. IBM is one of the companies that have played a pioneering role in the development of the computer from the very beginning. I clearly remember the World Exhibition in Brussels in 1958. A computer was set up in the U.S. pavilion that filled more than half a room and consisted of large cabinets containing mysterious turning magnetic tapes. Since then, we have been witnessing the effects of Moore's Law: on the one hand, the spectacular miniaturisation of the computer, and that's only the beginning: nanotechnology will in its turn perform new wonders; and on the other hand, the formidable increase in the capacities of successive computer generations. Researchers are working feverishly on the development of quantum computers that use the properties of quantum physics and that will no longer be based on binary calculations but on what is referred to a 'superposition'. Binary calculations work with 'or/or' logic, the logic of alternatives of choices: positive or negative. Or/or logic is typical for Western thinking since the time of Plato. Quantum physics introduces a completely new logic: and/and logic in which contradictions and alternatives are summed. Niels Bohr formulated it in Latin: *contraria complementa sunt*. Computers that work with qubits will possess a huge capacity that will make it possible to run the most complicated operations simultaneously in superposition. Those operations are required, for example, during simultaneous translation. In combination with nanotechnology, very small computers will be built, no bigger, perhaps, than a pea or the head of a pin, that will be capable of simultaneously translating all existing languages into all other languages. Our great-grandchildren will go strolling on Tiananmen Square in Beijing and will speak Dutch, French, English, German, Spanish...while the Chinese will speak Mandarin or some other variant of the Sinitic

languages and - O! wonder - everyone will understand everyone else. They, our descendents, will carry those computers implanted in their body-piercings - which will finally have a useful purpose - or hidden in the fillings in their teeth. Starting now, the holes in our teeth should be handled with care, and should certainly not be filled with lead or silver or gold, because sooner or later a minicomputer will be implanted in them. And, of course, implants in the brains are also possible. In any event, simultaneous translation technology using quantum computers will unleash an unprecedented revolution in the world as it removes the final obstacle in interpersonal communication. We will witness the Tower of Babel being rebuilt again. Universalism will be combined with particularism. Everyone will understand everyone. Language barriers will be suppressed, and language problems, which have been insoluble for politicians, will be eliminated by technology. All languages will have become equal. English will lose its imperial privileges and every separate language will be retained; after all, it will be comprehensible to everyone. It goes without saying that the company that brings such simultaneous translation computers to market first will enjoy a massive financial and economic bonanza as everyone on Earth will want to purchase such a device. Those are the kinds of revolutions that can secure and promote the future economic development of countries and communities, such as ours in Western Europe, which are poor in raw materials and oil. What I am saying here is not science fiction by any means. We all know that reality almost always defeats fictions.

IBM has written history and participated in the revolutionary construction of a totally new world. I hope that it will continue to do so and with increasing success.

2. The chain reaction.

The fall of the Berlin Wall, caused decisively by the IT revolution, brought into being a *chain reaction* that is still active and that led to the *end of the Cold War, the reunification of the Germanies, the spectacular expansion of the European Union to the east, the spread of democracy into many countries that had bent under communist dictatorship and the reawakening of nationalist yearnings*. North Korea and Cuba were the only ones that appeared, like fossils from an archaeological age, to resist the general tendency to decollectivisation. The People's Republic of China is the great paradox in modern history, with the economy being liberalized to a great extent, delivering the country into the hands of unbridled capitalism while still retaining a strong political dictatorship. That this contradiction will prove to be untenable over the long term is written in the stars. Nevertheless, it is extremely desirable for the democratization of China to walk the path of gradualism and that we do not see in China what we saw in Ukraine with the so-called orange revolution. If China were to descend into chaos, it would have catastrophic consequences for the world economy. China has become the world's factory and currently produces 17 per cent of global manufactured goods, ahead of the 16 per cent produced by the United States. In addition, China, due to its colossal trade surplus, contributes significantly to financing the twin deficit of the United States by purchasing U.S. government bonds. China's so-called 'sovereign funds' and several other oil-producing countries in the world contribute to consolidating the situation of primarily financial institutions that have become destabilized in the West by the mortgage crisis.

At the end of the 20th century, the American political scientist Francis Fukuyama wrote an article that generated a great deal of discussion. With the title 'The end of history', Fukuyama announced that the Western World had won the Cold War, the ideological differences had been extinguished and that the whole world would be free to enjoy the virtues and benefits of the liberal-democratic social model. The ink on that article had scarcely dried before the world was shocked by the terrorist attacks of 11 September 2001

on the World Trade Centre in New York. The somewhat blissful optimism changed immediately into anxious pessimism and the fear of a 'clash of civilizations' (S. Huntington). To a great degree, worldwide terrorism and the hostility of large parts of the Muslim world to the West can also be attributed to the IT revolution, which is considered to be a western invention specifically intended to undermine and destroy Muslim culture and tradition. In summary, we can say that the Muslim societies have difficulty with dealing with modernity, which they find to be hostile and alienating. That phenomenon is not new...it also occurred in the Christian world starting at the end of the 18th century and continuing on into the 19th, primarily under the influence of church bodies. But the anti-western feelings of many Muslim leaders takes on a different dimension today with militant movements and terrorist organisations having access to all of the latest IT gadgets and some trying to obtain weapons of mass destruction. The additional fact that they also make use of suicide commandos illustrates the degree of their desperation and confronts the West with the complex question of how to respond (preventive or pre-emptive strikes???)

3. Globalisation

Starting at the end of the 20th century, the IT revolution has given a powerful boost to the global economy. Economic borders were dismantled because they could no longer be maintained, companies merged and internationalised and delocalized, massive uncontrollable capital flows began, numerous new financial products and services, for better or worse, saw the light of day, and various countries from the Third World have developed spectacularly. We call them the emerging economics, and sometimes the BRICs, bearing in mind the recovery of Russia as a world power. Within a very short period of time, the 'world became our village' and we are living in *Globalistan*. The rise of countries such as China, India, and Brazil as new economic superpowers gives concurrent rise to questions concerning the economic future of many western countries, more specifically in Europe. Europe is also facing an acute problem of an aging population, and has a structural shortage of raw materials and energy. Delocalisations and the competition from low-wage countries are causing a great deal of unrest in Europe. The remarkable social protection system that has been expanded via the social security systems in Europe is financed to a great extent by taxing the wages and the labour factor. The costs of the aging population, the rising burdens of pensions and healthcare and the competition from the low-wage countries, which compel us in Europe to keep labour costs as low as possible, threaten to damage and undermine the social security system very comprehensively.

A hopeful development in that respect is the economic 'law of upwards levelling of wage costs and prices', which applies to the emerging economies. The increasing economic activity in those countries is leading to wages and prices in those economies rising, thereby gradually reducing their competitive advantage over the more expensive western countries. Inflation in China, for example, runs between 6% and 8% per year. Some Chinese companies, usually joint ventures with western companies, are already delocalising to less expensive Asian countries, such as Vietnam, Cambodia, and Laos.

I have on my desk a number of articles published in economic publications between 1880 and 1900. They warn for the fatal competition of the New World, at that time meaning the United States of America. The prediction was made that many European companies would decamp for America and that Europe would become impoverished. That did not happen. A high degree of complementarity arose between the European and the

American economies. What did happen is that we were successful in Europe, for decades, in compensating for high wage costs by means of higher increases in productivity. Today, we must face the fact that the productivity levels in the emerging economies is also rising significantly, leading America, but even more so, Europe, to lose some of its productivity advantage. The only thing left is innovative competitiveness, which means creativity due to the stimulation of research and development with the aim of bringing new products to market and new production methods and apply all manner of innovations, including, in the words of Jozef Schumpeter, 'the creative destruction' of old structures.

4. Deprivatisation and the crisis of neo-liberalism.

At first glance, following the implosion of communism, it appears not unreasonable to refer to the triumph of the market economy and economic liberalism. But, as communism and socialism were battered by decollectivisation, liberalism was challenged by deprivatisation, a collective term for several phenomena that were also generated by the IT revolution and are capable of undermining neo-liberalism. Since the first industrial revolution, capitalist liberalism has been based on the Roman law concept of private property but it was no longer land and property but industrial assets that were arrogated by private persons, capitalist families and structures. The IT revolution is busy deprivatising those structures to a large extent, if only because the knowledge, being the most important factor of production, can no longer be arrogated, neither collectively nor privately, but moves, quite literally, at the speed of light via the IT array, primarily the Internet. Not one idea, nor one invention, nor one innovation can remain secret for long. Intellectual property no longer enjoys adequate protection. New products are, of course, manufactured under copyright, licence or patent. The investments in new products and the research and development costs sometimes run to the hundreds of millions of euros. Think, for a moment, of the research budgets in the pharmaceutical industry. And what happens? The product has scarcely been brought to market and within mere months, it's being copied in far-off countries and marketed under a different name. This is not a matter of unfair competition, but flagrant economic piracy and intellectual theft, pure and simple. In some countries, copyright appears to have been translated into the local language and then back-translated into English as: *the right to copy*. Deprivatisation is also making itself known in other sectors too, due to downloading on the Internet. Traditional capitalism is disturbed by the fact that the markets are subject to the phenomenon of disintermediation, whereby buyers and sellers meet directly, on the Internet and elsewhere, eliminating all intermediaries. This has been felt in countless financial transactions, tourist and travel services, etc. That phenomenon, too, is destructuring for the liberal economic system. An additional factor is the introduction of a new system of bookkeeping. The International Financing Reporting System (IFRS) was introduced in the face of the pressures of the internationalisation of business and the influence of the Anglo-Saxon vision on corporate management and the role of shareholders and stakeholders. A major change has been the departure from the accounting principle that values assets in terms of their historical purchase price. IFRS operates according to the principle of the actual value under the so-called mark-to-market doctrine. That results, primarily in respect of shares, in market declines, even if they remain virtual for companies that do not trade at a particular moment, that have an immediate effect on the balance sheets and the results. That has led to many companies, primarily in the financial sector, also having become much weaker, with significant negative consequences for their creditworthiness. Liberalism is also being battered by other trials arising from the recent credit crisis that has spread from its breeding ground in the U.S. to infect the world. It has become a systemic

crisis of financial capitalism. The crisis is the result of applying very sophisticated IT instruments and methodologies to develop new financial services and products that are extremely complex as well as being extremely high risk, such as leverage funds, securitisation of debt instruments, the dissemination of so-called derivatives, futures, puts, calls, credit default swaps (amounting to 62 trillion dollars) and all manner of term transactions and speculations, in areas including raw materials, food products, etc. Today, specialists call such things 'toxic products'. It is clear that efforts will be undertaken in the coming years, hopefully at the international level, to bring order back into the system. The chance is therefore great that *neo-liberalism will again be tethered* and made subject to new forms and systems of regulation.

5. Reactions of rejection

The IT revolution, which made it possible to improve the economic, social, sanitary and educational fate of many people, also has shadow sides in addition to its great benefits. People refer to those as *shadows of progress*. The economic growth caused by the whirlwind of technological innovations has given rise to positive and negative external effects, as economists refer to them. In addition, a whole host of challenges rise up, some of which, in turn, can only be resolved by using the new technologies. They include: damage to the living environment, global warming, the exhaustion of some raw materials and petroleum, the extinction of a great many plant and animal species, the demographic expansion of the world population, which, in turn, contributes to urbanisation and contributes to the unliveability and criminalisation of urban neighbourhoods, the aging population in the old industrial countries, the increase in migration flows, the possible transformation of multiculturalism into interculturalism.... This is not an exhaustive list.

Globalisation in all of its widely branching aspects and implications is currently giving rise to an ideological and political polarisation to which the somewhat obsolete terms of extreme left and extreme right can be applied. The polarisation appears to be somewhat paradoxical because its starting point is the same phenomenon: the alienation and frustrations that, often unjustly, are being disseminated as a result of globalisation.

In the extreme-left camp, we see figures, primarily in France, such as Pierre Bourdieu, Suzanne Forrestier, Ignacio Ramonet and, in the Anglo-Saxon world, Ely Saïd and the unavoidable Noam Chomsky. In Flanders, that camp is represented by, among others, the publications of Professor Jaap Kruithof and Rudolf Boehm. In francophone Belgium, Professor Riccardo Petrella has also gained a great deal of fame by his sharp criticism of global competition. Their sympathizers have also set up an association under the 'Club of Lisbon' name, which regularly publishes anti-globalisation publications. The underlying premise is that the constantly increasing competition is giving rise to a host of dehumanising alienations, that multinational corporations cripple the democracies, that the triumphalism of the liberal ideology has also infiltrated the major multilateral institutions such as the World Bank and the World Trade Organisation via, among other things, the highly contentious Washington consensus, that globalisation is particularly damaging to the populations of developing countries and for the disadvantaged in the rich countries. The multinationals are the target of choice, being accused of appropriating the heritage of humanity, damaging the living environment, exhausting the raw materials and by patenting several biochemical discoveries that are very important for the agro-food industry and the food economy of the future. They fail to mention that the multinationals are good for half of the investments in many countries, as well as two-thirds of the research and one-third of the employment, and therefore for an important proportion of the prosperity. Many

technological innovations come from multinationals. Countries like Belgium know what it owes to multinationals. IBM is one of them.

The anti-globalists also criticize the privatisation of many government services, such as postal services, telephone, and railways, as an unacceptable marketing of collective goods. The claim is often made that the pursuit of profit is done at the cost of the quality and the safety of the goods and services. What is forgotten in such claims is that under the communist regimes with monopolistic state economies, the quality of the consumer goods was usually abysmal and the safety was, too (as in the drama of Chernobyl, due to the fact that in the Soviet Union, the nuclear power generation stations were counted among the country's military potential). The analysis presented by the anti-globalists is usually sharp and sometimes to the point, but the radical alternatives that they propose are often non-existent, highly theoretical, or naive: such as stopping privatisation, restricting international trade, reducing or eliminating competition, taxing international financial transactions (Tobin tax), slowing technological progress, forbidding genetically manipulated organisms, closing nuclear power stations, forbidding high-speed trains and preaching various forms of technophobia, etc. Few anti-globalists call for a return to communism as an alternative to market-driven globalisation, although ideologically, globalisation appears to be a stimulus for the formulation of yet another neo-Marxist doctrine. The religious Islamic states in the world strongly oppose the 'modernity' and the associated values promoted by the West. For them, democracy is heresy...the State's authority is derived from Allah and cannot rise from elections. They preach a theocratic alternative for western, and therefore pagan, capitalism, but their disavowal of human rights is so flagrant that the ayatollahs can hardly be considered as the forerunners for a better society.

'Reformed' alter-globalists, who are less doctrinaire than the anti-globalists, present the following proposition: There is only one effective response to the 'marketisation' of society: fighting profit-seeking, deconstructing multinationals, promoting soft values, compelling respect for human rights, trans-national solidarity with the aliens and other peoples, supporting a social economy without a profit motive, and an efficient and interventional and especially supranational government. Such policy options do have a great attractive power, especially on young people who want to express their generosity. Unfortunately, some of the proposals proposed are often based on disputable or incorrect economic analyses. Non-economists still fail to grasp why profit is an absolute necessity if one wants to achieve an optimal allocation (and therefore distribution) of the scarce means of production and therefore to the increase in prosperity. For a developing country, export is always better than no export at all, even if the benefits of international trade are often disproportionately distributed between exporters and importers. That quickly leads to a second-best solution. Even if the Rwandese tea grower only gets 10% of the total trade benefit and 90% goes to importers and intermediaries, that measly 10% is still better than 0% that would result if no trade were conducted at all. The effort should therefore not be to eliminate international trade, but to achieve a more equal balance between exporters and importers. And the protectionism of the western world - the US and the EU - must be dismantled, especially for agricultural products. The failure of the Doha round is therefore quite regrettable and unfavourable for the world economy.

The ethically tinted question in respect of profit is not whether profit may exist, but what the profit should be used for (reinvestment? attracting risk capital with a favourable dividend policy?) and who will ultimately benefit from the profit. In respect of damage to the living environment, it is clear that strict standards must be imposed internationally, in the way that the EU does it. Giving capitalism sole blame for the

environmental problem is something of demagoguery, however, when one remembers that many forms of pollution occurred under the communist regimes in Eastern Europe and the Soviet Union, to a much higher degree than in the capitalist West. Not enough attention is paid to the fact that the consumer is a much greater polluter, as automobile user, energy consumer and waste generator. More specifically in respect of greenhouse gasses, the contribution of industry is 23%. Consumers and farmers are responsible for the rest. The result of a great many misunderstandings, often exaggerated in the media, is that the measures proposed, should they ever be implemented, would worsen the situation rather than improve it, especially in the developing countries. Globalisation is not the result of a capitalist conspiracy, but of a scientific explosion. There is a need for an alternative analysis of a world and a society that has become alternative. Communism and planned socialism on the left as well as unbridled neo-liberal capitalism on the right, both social doctrines and systems that belong in the 19th and 20th centuries, have been overtaken to a great extent by the current IT revolution. We are searching for a new, cohesive social vision – a new vision of the world – that provides direction and comprehension in the face of the revolutionary changes that we are experiencing. For lack of anything better, I call it '*informatism*'.

Globalisation also appears to generate *anti* feelings on the extreme right wing of the political spectrum. Where the extreme left can live with a world that is becoming our village, as long as solidarity and justice prevail and economic abuses of power are limited, sometimes through economic protectionism and state interventionism, extreme right usually responds to globalisation with forms of sociological and cultural protectionism. For the extreme right, one should resist a world that is becoming our village because it is impersonal, *acultural* and bastardising. Usually, we have to recreate the world from our village, with regained hearth warmth, without foreigners, and based on the affirmation of our own identity, language and where our own *folk* comes first. *Not the world is our village, but the village is the world* then becomes the dominant paradigm. At first glance, the successes of the extreme right, more particularly in Flanders, can be attributed to the phenomena of insecurity and the presence of foreigners, who are also felt to be a threat for employment, among other things. Given the growing shortage of workers in an aging Europe, that analysis is also incorrect, as it happens. Those who call for 'our own *folk* first' plucks on a sensitive string, which makes it possible to express a wide range of inferiority complexes. Some people still think that imposing Dutch-language exams – with a nostalgic backward glance to the era of 'comrade and friend' – when acquiring a piece of ground or buying a house in Flanders will contribute to the prestige of Dutch in the world. The extreme right political parties are also firm in their anti-European positions and reject the recent European treaties. That leads to a strange objective alliance of the extreme right and extreme left who, based on a merciless criticism of globalisation, conclude that very strong measures must be taken against such globalisation and its consequences. *For extreme left, the foreign products, for extreme right, the foreign people, must be kept out.* The greatest immediate danger is a populist overreaction against globalisation from both extreme right and left leading to protectionist policies. We are sufficiently well aware how much trade-restricting and market-protecting measures in the United States during the late 1920s and early 1930s – such as the Smoot-Hawley tariffs – turned what began as a recession into a dramatic *great depression* with a drop of GNP of 30% and unemployment reaching 25 million workers within a very short time. Following the Second World War, it was possible to liberalise trade, in Europe as well, relatively quickly thanks to the Marshall Plan and the multilateralisation of payment flows. From 1950 to today, goods trade around the world has increased by approximately 18 times in

volume, while world production has increased by six times. Economic history has had many longer periods of trade protectionism than free trade, however. It always had a negative effect on prosperity and ‘the normal guy’ always paid the price through unemployment.

Fortunately, in Europe, from a policy of *Realpolitik*, a consensus grew up around a reformist programme, which Christian Democrats, neo-liberals and socialist policy makers could support. The great advantages of free trade – and, as a result, of a competitive international market economy that functions effectively – are not in dispute. Centre-left parties therefore want to promote social welfare and the activist welfare state throughout the world, but acknowledge the need for a dynamic world economy to implement that. Centre right and the neo-liberals accept that the economic dynamic may not be unbridled, regardless of its social consequences.

Many governing politicians are able to support the concept of sustainable development today. I mention in passing here that the Dutch translation of *sustainable* – ‘duurzaam’ – is somewhat misleading. ‘Sustainable’ also internalises the idea of ‘bearable’ and ‘acceptable’ and, as a result, assumes economic progress that takes due regard of several social and ecological prerequisites in order to make the process feasible in respect of its effects on people.

6. Frustrations and paradoxes

Everywhere, and specifically in the bosom of the western world, those rejection responses are leading to frustrations arising from the pressure to adapt that is placed on the population, from the increasing inequality, even if that is accompanied by increasing prosperity for most citizens, from the delocalisation of companies, from the required professional and geographical mobility, from the much greater pressure for education, the opacity of the techno-structures and the difficulties of democratic decision-making in a strongly media-dominated society. Many of those frustrations are paradoxical in countries that are among the most prosperous in the world, and therefore of the solar system and perhaps of the galaxy. I refrain from passing judgement on the situation in other galaxies for the time being.

* ‘*They*’ govern, ‘*They*’ decide, ‘*They*’ rule above the heads of the citizens. A new alienation is making itself felt: the ‘*they-ification*’, source of *theyism*: Government is extremely technocratic and impersonal, even if many politicians show their faces every night on the television. A chasm has opened between the citizen and the political decision-making system, which increasingly looks like an abstract, non-figurative painting. Representative democracy is losing its credibility.

* In addition, the oft praised knowledge society appears to generate a great deal of *ignorance* as well. That is the result of *over-information* via the media, which leads to *disinformation*. The complexity of the problem requires politicians to make extremely simplifying and sloganistic statements, which is damaging to the quality of democracy. Education, as a result of the required specialisation, is highly analytical, but neglects the development of *synthetic insight*. Specialists are needed in our societies, of course, if we want our societies to be dynamic. But there is also a great need in all structures, and especially in business and politics, above a certain level of responsibility, for people who are able to make connections between different elements, to compare them and to synthesise them into a new whole. The question arises of how synthetic insight can be taught in our educational system. In my view, two disciplines in particular are ideally

suiting for that task: the teaching of history and the teaching of philosophy. With history, I mean primarily the comparative history of civilizations that teaches young people what happened and what is happening in the bosom of other civilizations. Learning to put things in perspective, to value one's own values appropriately and to create appreciation of multiculturalism and tolerance will be essential qualities in the society of tomorrow. It is worth noting that the American professor, Richard Florida, has developed a code of conduct for the future based on three *T*s: the *T* of technology that underscores the importance of science and innovation; the *T* of talent that refers to personal skills, development and education and, finally, the *T* of tolerance and learning to work and live together with people from other backgrounds. Especially in respect of Europe, all of the above in the knowledge that Europe will represent 5% of the world population in 20 years and will have to develop synergies with the other 95% of the population of the planet. The second very important subject is philosophy, a discipline that teaches young people to ask questions. We are, after all, living in a time in which, primarily via the media and consequently increasing political populism, that makes statements and gives answers, even to questions that haven't been asked or problems that don't exist. Posing the correct critical questions is often part of the solution and philosophy is an ideal discipline for developing the faculty of critical thought. In our society, we should place fewer exclamation points and many more question marks.

* Society faces the risk of degenerating into a *dictatorship of the IQ*, at the cost of the emotional quotient. It is obvious that the increasing complexity of modern society and the dissemination of so-called techno-structures is leading to the need for people who are capable of thinking creatively quickly and who must therefore possess a very high intelligence quotient. The society is becoming increasingly structured and the tasks are being assigned on the basis of the statistical distribution of IQ's. Those with a low intelligence quotient will always qualify for relatively subordinate tasks and will therefore also feel the financial consequences of that. In addition to the cult of the intelligence quotient, that will also lead to the dictatorship of the intelligence quotient. In a relatively recent past, the western welfare states have followed policies of redistribution and progressive taxation that largely eliminated the great social discriminations arising from concentrations of income and assets. A relative high degree of shared prosperity resulted, especially in Europe. If society is structured on the basis of the distribution of IQ's among the population, then we are facing a situation which will lead to an extremely inexorable division of society into strata of more or less intellectually capable. That division is inexorable because, whereas income and property can be redistributed, IQ's cannot. Our societies should attach much more importance to the *emotional quotient and the ethical quotient* and, consequently, to the qualities of spirit and artistry, strength of character and moral awareness.

* Another alarming problem arises from the *law of diminishing relative knowledge*, which leads to a monumental paradox: the so-called and so praised knowledge society is also producing a lot of ignorance. That finding is regularly confirmed by surveys, which show that knowledge about even essential matters is surprisingly inadequate or even completely absent by a large segment of the population. The *law of diminishing relative knowledge* is resulting in a gap arising between the known, which rises metaphorically linearly, and the knowable, which increases exponentially. The known increases strongly, but the knowable increases even more. Our children know more than their parents, expressed in absolute terms, but in relationship to what they could or should know, their knowledge has decreased as a per cent of the total, in a relative sense. That leads to a *knowledge gap*

between the known and the knowable which produces many misunderstandings and complicates the democratic process. The solution lies in changing our education system to match the societal changes and the development of the knowledge society. A complementary element is that much more pedagogic use should be made of the mass media. The educational content of most television programmes is shamefully low and actually contributes to increasing the knowledge gap.

* The free market, a ‘spontaneous mechanism’ of exchange between buyers and sellers is a performant vehicle for global development driven by information and communications technologies. The free movement of goods and services, of people and capital, or thoughts and values, strengthens the market-economic paradigm. The individual becomes more powerful and feels more free, state power erodes (‘a coup d’état of the individual’). The individual right of self-determination dominates the scale of values and ethics. At the same time, the transparency of what goes on in the world – via television and other communications channels – ensures that everything that goes wrong in the world and the existential problems of billions of people becomes known and visible every day. Notwithstanding the multifaceted material progress and many qualitative improvements, such as an increasing life expectancy, there is also a lot of suffering in the global village. The liberal market economists – often ideologues as well – do not underline often enough that not every market economy is satisfactory. This requires a competitive, efficiently functioning market economy that under strict conditions has indeed a lot of advantages. Only then can market economy be considered as a plus-sum game, in which all players benefit. The enormous increase in real prosperity in Western Europe (x 6 per capita) over the past 50 years confirms that. Every elementary textbook also explains that the market, when left to its own natural laws, leads to a host of market failures. The market gives easily rise to monopolies and oligopolies due to the actions of various actors, often including multinationals. It is therefore necessary for a government – and preferably an international authority such as the European Commission or the World Trade Organisation at world level – ensures a fair and effective competition. Adequate coordinated international cooperation is also of the greatest importance in the area of environmental protection and managing global warming. In many areas, national sovereignty is no longer up to the task and therefore ceases to exist. *National governments are too small for the big questions and too big for the small ones.* The far-reaching intervention by government in the economy is often counterproductive and leads to inefficiencies (government failures) – as shown by the implosion of communism – which can be fatal to the population. The shortcomings of the market economy are illustrated by the fact that it does not ensure a just redistribution of incomes (each society must choose between: *everyone richer but less equal, or everyone more equal but less rich*), and that it does not provide the satisfaction of a number of collective needs, such as education and healthcare, the protection of the environment and full and better employment.

* *The happiness fraction*, which arises from the relationship between the means of satisfaction and the needs, threatens to decline in the post-industrial societies because the needs, represented in the numerator, are increasing faster than the means of satisfaction in the denominator. Many people have a lot more than they had in the past and are better off, but are not happier (*the tension between having and being*). That leads to the *paradox of social dissatisfaction*, which is widely present in the western world where the population has never had it so good materially. The intensity and speed of the changes makes the future very uncertain and therefore very unsafe for most people. Feelings of *angst and fear*

dominate. Young people primarily find it hard to deal with and call out, in silence but in desperation: *'Stop the world. I want to get off!'*

* The revolutionary changes that many people are experiencing are creating a new type of insecurity. Since the writings of Frank Knight, economists make the useful distinction between *risk* and *uncertainty*, where risk refers to repeated phenomena that can be mapped on a frequency-distribution matrix and can be treated statistically and actuarially. Risks can therefore also be insured against. What is happening now in the world (technologically, economically, politically) is a succession of unique events, each which is fundamentally uncertain and not repeatable. They therefore must be evaluated with no statistical foundation. That also makes business so uncertain today, and doing business dangerous.

7. In the long run, we are all alive.

Projecting over the long term, the formidable scientific and technological discoveries, inventions and innovations that are presenting themselves to us, should give us reason to have enormous confidence in the future. Those who occasionally watch *The Discovery Channel* on TV are presented with an overview of the possible. The numerous discoveries, inventions and technological innovations that are coming down the pipeline, can change the world spectacularly for the good, if they are used judiciously. Just think about the positive consequences that could result from the application of genetics, transgenetics, genetically manipulated organisms, stem-cell medicine, the discovery of new medicines, increasing life expectancy, the fabulous – in the original sense of fabled – possibilities arising from research and influencing human brains – truly the last *terra incognita* – the combination of sophisticated computers and human brains, quantum computers, as mentioned above, the smart products that respond to external influences or human instructions, the fantastic applications of nanotechnology, robotics and telematics, the conquest of space and the deep oceans on Earth, and, at an even later stage, the use of anti-matter, the possibilities of teleportation. The recent start-up of the new particle accelerator in Geneva – the *hadron collider* – opens totally new perspectives on our knowledge of the fundamentals of matter. In the very short term, however, an energy revolution is the most urgent. Given the energy requirements of the planet and the economic expansion of the world, inhabited by increasing numbers of inhabitants, it will be necessary to develop and deploy all possible energy sources, including wind energy, solar energy and hydraulic energy. The Earth also still contains enormous supplies of coal, which it may be possible to gasify *in situ*. There is also the development of hydrogen energy to consider. Personally, I believe that nuclear power will continue to be very important, especially from next-generation nuclear power stations. Nuclear fusion may be the best solution over time, as long as uranium is replaced by deuterium, which is a component of water and is therefore available in virtually unlimited quantities. The problem with nuclear fusion, however, is that a plasma has to be generated at a temperature of three trillion degrees, which means that a process that now takes place in the sun and other stars has to be recreated on Earth. That has already been accomplished for a fraction of a second, but the challenge will be to make the process continuously manageable. Before long, an experimental generating station is to be built in France that may lead to a breakthrough. That summary above is far from being exhaustive. In the future, everything is possible. The issue therefore becomes one of reaching the future. Humanity is currently lodged in a bottleneck and in the near future some extremely difficult challenges will have to resolve in a world that is divided and disunited by inequalities, misunderstanding, built-

up aggression and a lack of mutual respect and tolerance. The great economist John Maynard Keynes said: *'In the long run we are all dead'*. I think that today we should invert this sentence into: *In the long run, we may all be alive*. There is a very great chance that humanity will be doing very well in the far future and will be extremely prosperous, happy, developed, intercultural, tolerant. The problems are in the relatively short and medium term. *There and then, we may all be dead*. And then, of course, there won't be any long-term for us.

Energy and food shortages can lead to major tensions and wars. There are intolerable inequalities in today's world, the grinding poverty, the injustice, the exploitation, aggravated by the dire climate problem that is hitting the poor countries hardest. The proliferation of nuclear weapons in the world, the availability of weapons of mass destruction, terrorism, and extreme nationalism, are creating explosive conditions. The world needs a stronger UN, with an effective policing intervention force under the control of the Security Council. There is a need for an international legal community that puts an end of countries taking the law into their own hands and taking unilateral military action. That requires international arbitration, preventive diplomacy, international courts able to punish crimes against humanity effectively. It also requires rules of economic conduct to ensure fair economic behaviour, without abuses of power and exploitation. Of course, this is an extremely complex agenda that requires penetrating insight and great courage from political leaders, but it is an agenda that is of vital importance for the survival of humanity.

I like to use a metaphor in which I see the future as a hairy black spider, a creature that scares a lot of people and that can also lead to a psychological syndrome, arachnophobia. Why is a big black spider, poisonous or not, so frightening? Psychologists and zoologists have an explanation. A spider is not an insect. Insects have six legs. Spiders have eight. And those extra two legs make the spider so agile and its reactions so unpredictable. It can move in any direction. And it can also slide down its silken thread suddenly and end up in a pant leg or in the dazzling décolleté of a beautiful woman. We often suffer from a 'spider syndrome' when we consider the future. That is because the future is so unpredictable that it feels threatening to us. Which takes nothing away from the fact that there are some quite good and objective reasons for feeling that way.

8. Conclusion

The conclusion that forces itself upon us is that not all changes are necessarily changes for the better. Many of the changes caused by IT are extremely positive and hopeful and can contribute to the increase of prosperity, better protection of the environment, improvement in well-being, the development of the countries in the Third World, the spreading of knowledge and information for billions of people, spectacular improvements in medicine and increasing life expectancy, and the improving of living comfort. Fabulous inventions and discoveries are coming and they will totally change our world and way of life. The long-term prospects are therefore encouraging, as long as humanity succeeds in resolving the short-term and medium-term problems. Some of the rushing changes are less good and hopeful, however, and they have to be improved or adjusted and some are dangerous and bad and that should be prevented or eliminated. The most potentially tragic examples in this regard are the ABC weapons of mass destruction (atomic, chemical and biological weapons). Some innovations are disadvantageous for people, even exceedingly harmful to humanity, such as some biogenetic manipulations and human cloning.

We should not allow ourselves to be caught in the dilemma between blissful optimism and paralysing pessimism. We should choose for *meliorism*, the permanent desire to improve things because people and things can be improved. The tools to do that at the beginning of the 21st century, now that the great harm done by the extreme ideologies has been demonstrated, is the *tetranome* that is primarily being implemented in Europe: *competitive market economy + pluralist democracy + rule of law + social security system*. Those are the four essential components that can reconcile more freedom with more equality and that also results in more prosperity, thanks to sustainable development for increasing numbers of people in the world. *That approach requires a transcendence of the economy and of politics and their ethical integration into a meta-economy and into meta-politics* aiming at the humanisation of men and humanity.

The greatest social challenges consist of transforming all of the changes that are overwhelming our society into true human progress. That is an ethical challenge. *Not a change of ethics but ethics of change do we need.* That requires that people, that ‘they’ have a clear insight into what is meant by real human progress. *But who are ‘they’?* In other words, who decides what good or evil is for a society in our globalised world? In the Muslim world, the view is that the answer to that question in a theocratic society is obvious: Allah and the Koran. In our secularised, Western society, on the other hand, the answer is much more complex, leading to the tendency to entrust the formulation of ethical rules to democratic decision-making bodies. A majority vote however on good and evil is difficult to reconcile with individual freedom of conscience and moral duty. Nevertheless, there is such a thing as the *Universal Declaration of Human Rights*, which was adopted by the United Nations in 1948. The first version of the declaration was drawn up close to Washington D.C., in the drawing room of a lovely villa called Dunbarton Oaks, which I have also had the occasion to visit. In 1945, four white people and one Chinese met under the chairmanship of Eleonore Roosevelt, the wife of then President Franklin D. Roosevelt. A first draft, prepared by some staff members, was approved as the basic text for what later would become the Universal Declaration. That declaration is especially valuable and was later augmented in many points and in areas such as economic and social rights. But it has often been my experience during visits to colleagues abroad that my reference to the Universal Declaration of Human Rights was dismissed with hostility. If I mentioned that the arbitrary detention of political opponents, the discrimination of women, the muzzling free press or far-reaching corruption are in conflict with the Universal Declaration, I sometimes get the retort that I committed *ethical imperialism*. ‘*You are referring to a white paper*’, said my interlocutors, a document, in this case the Universal Declaration, drawn up by a white club that had expressed and worded their ‘white’, western morality and tried to impose it on other civilizations.

In my view, the *humanisation* of our global world requires the acceptance of a number of fundamental and universally applicable principles and rules of conduct. The question as to the *foundation* of universal ethics remains, however, and largely unanswered. Some help may be derived from the *categorical imperative* of Immanuel Kant or from the moral principles of *general love for one’s neighbour* preached by the founders of some of the major religions or by the *principle of solidarity* of the humanists. The question however is whether today’s world community can extract from those sources the concrete moral principles that it needs in order to continue to be liveable for its people.

This gives rise to a far reaching responsibility for all leading people in social organisations, business, political parties, education, families, all social strata, that are called to educate the next generation and to lead it into responsibility. It will not be the

strongest economic actors, nor the intellectually best and brightest, but the most morally driven who will be required to ensure the survival of the human species.

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