

Humanity In Trouble But Hopeful¹

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Imagine there's no countries, nothing to kill or die for, imagine all the people sharing all the world, living life in peace. These stirring lyrics from "Imagine" by John Lennon caught the ears, hearts, and minds of millions around the world when the song first hit the airwaves in the early 1970s. John was a dreamer and certain he's not the only one; he hoped that someday we would join him, and the world will be as one.

In many ways John Lennon symbolizes the new citizen of the world. Much of his mature life was dedicated to civic activism sans frontiers. He wrote songs, addressed world leaders about world peace, and occasionally took to the streets as an activist. Through the medium in which he excelled – popular music – he communicated to millions of people across the globe ringing messages of love, caring, and humanity. These messages evoked a universal feeling of connectedness, of belonging to one world without racial, class, gender, religious, or other forms of prejudice. His was a global dream every citizen should find worth building.

In 1980, John Lennon died a violent death – a sad testimony to the perils that confront citizens throughout the world. We all are dreamers, and we build our dreams mindful of all the risks along with the drama and excitement this endeavor would bring.

Looking to One World Without Illusion

On May 10, 1994, Nelson Mandela became the first black president of South Africa. Standing on the podium in the town hall of Johannesburg, he declared the fulfillment of a dream – the end of apartheid. It is a dream that he and many women and men inside South Africa and across the globe have labored for years to bring about. Mandela's message resonated throughout the world, thanks to global communications, and brought new hope to millions of freedom-loving citizens.

Elsewhere, in Somalia, in Rwanda, in Bosnia, in Haiti, thousands upon thousands of people were being killed and maimed in 1994, starved to death, thrown into prisons, or driven off their homelands as a result of intense civil and ethnic conflicts and violence. Like the events in South Africa before them, these attest to the unbelievable capacity of some groups of people to inflict harm on others.

These mixed images, brought to every corner of the world by global electronic media, give us a good picture of the present human drama. From one place, it would seem that the world is finally coming to peace with itself. From another view, however, it appears that humanity is

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being torn further apart. It is the classic dilemma of whether to view things from a half-full or a half-empty perspective.

Richard Barnet and John Cavanagh, in *Global Dreams*, pictured a world that is getting smaller and smaller but is not coming together. It feels nice to share the sweet and casual optimism of Disneyland's "It's a Small World After All." And yet we know that the so-called smallness of the present world is a product of love for humanity as well as the lack of it.

Globalization is now a buzz theme in today's world. Global forum, global village, global citizen, global workshop, global trade, global finance, global cultural bazaar, global shopping mall, global this, global that. Ideas, goods, and services are generated anywhere and get traded everywhere, linking together individuals, families, and nations like nothing we have seen before.

Likewise, the whirl of world-spanning changes is dizzying. How easily a person gets detached from his or her living space and natural affinities and becomes connected somewhere else before even having the time to think, much less decide about it. To get connected to the stream of events means to run faster each time. And yet we are never able to catch up. It seems happiness is ever elsewhere.

What does this new globalization trend hold in store for humanity? More caring and sharing, or more poverty and hunger? Less war and more peace? More cheating in between wars? More global harmony or, as some would say, just plain globaloney?

After 500 years of an ever-accelerating race to human progress, we are still faced with a distressing reality that four of five citizens of this planet have to struggle daily to regain control over their own lives. With the prospect of a widening rich-poor divide and collapsing natural systems, we can only wonder when and how every individual on earth will attain real human security and a better quality of life.

What happened to world development? Why has the promised human emancipation not arrived for the many? Will life in the twenty-first century be any better than what we have today? What will it take to build it? What are the trade-offs? What choices are available to every citizen, given the extreme uncertainties, myriad possibilities, and formidable challenges? Can each of us regain control over our lives, resist the pull of civic apathy, cynicism, and inertia, and contribute our level best to creating a more humane, livable, and enduring human future?

The very foundation of world development stands in question. It behooves the principal architects of this grand drama—the ideologues and politicians, the scientists and technicians, the corporate leaders, and all the institutions built in their image and visions – to explain why things happened the way they did. For their part, the billions of alienated ordinary citizens need also ask themselves why they let this happen and continue the way it is.

Humanity confronts a very different turn of the century than previous generations did. Before, human history featured mainly the collapse of one empire and the emergence of another along the road to progress; today it still talks of such grand narratives but under dramatically-altered conditions. The nature of the human predicament is not just humanity needing to squeeze free from its own prejudices and follies, not simply humanity against itself, but also humanity having to find harmony with its living space.

What does it matter if a citizen of this world gains dominance over another citizen, or if a powerful country becomes dominant over the rest of humanity? Or we can take it from the positive side. Suppose the goal of human emancipation were attained in the 1990s and then a more egalitarian social order existed at the onset of the new millennium. At the end of the day, humanity will still have to square with the grim reality that the natural systems on which it depends for sustaining life on earth are coming apart massively and, perhaps, irreversibly.

Environment is where we live. Development is what we do to make our life better there. Until two decades ago, there had been almost no awareness of the connection between the two. Today, the realities of the world itself compel us to see that kind of connection. We may be able to better the present human order, but we must make sure we will continue to have a livable space to do it in. There is no escaping this interlocking challenge for every citizen of this planet.

The Growth Revolution

It has been said that God created the world but the Dutch made Holland, an obvious tribute to a people who were able to dike the sea and make a human living space out of it. The same tribute can be paid to the whole human civilization for radically transforming through its own inventions what was there only in natural, pristine form. Precious little has remained untouched and beyond the reach of human activity. It seems virtually nothing will remain forever unknowable and impossible to human beings driven by the obsession to grow and acquire more.

In the course of interaction with nature, human beings have created wealth and waste beyond measure. The size of the present stock is amazing enough. By 1990 the measured value of the world economy stood at \$19 trillion, which, if spread equally to all citizens of this planet, should be able to feed, house, clothe, educate, lengthen the life and enlarge the freedom of every man, woman, and child now living. There would probably also be more than enough left to clean up the mess.

Even more incredible is the doubling time that characterizes this wealth creation. It took all of human existence for the world economy to reach \$600 billion in 1900, but this huge pie now grows by more than this amount every two years. On average, the additional economic output in each of the last four decades has equaled the total from the beginning of civilization until 1950. Within this century, the global economy has increased 20 times, and nearly five times since 1950, going from \$4 trillion to \$19 trillion.

The invention of the car typifies the growth revolution. Like the steam engine in the eighteenth century, the coming of the car had great industrial and social impact in the twentieth century. The same can be said about the ship and the airplane, but the car is probably the most illustrative.

The United States had 8,000 cars in 1900, a number that increased to 79,000 by 1908. Around the same time, Japan had only 62 cars. By 1921, 10 million Americans owned cars, a level not reached in Europe until the 1950s. Doubling roughly every 20 years, U.S. carownership rose to 26 million in 1930; the whole of Europe had just over 5 million cars during the same period. By mid-1970s there were 120 million car owners in the United States. In Europe, carownership boomed between 1950 and 1970, going from 2.5 million before World War II in the United Kingdom to 23 million by the 1980s. The world had 50 million cars and light vehicles in 1950 and more than 400 million by the 1980s, at which point some 33 million vehicles were being made every year.

Car production now consumes more resources than any other industry. It accounts for 20 percent of the world's steel production, 10 percent of its aluminum, 35 percent of its zinc, 50 percent of its lead, 60 percent of all natural rubber, and more than a third of the world's oil consumption. Connected with this are various subsidiary industries, such as roads and other infrastructures, gas (petrol) stations, service garages, and a string of productive and commercial activities of every description.

The car is the umbilical cord that connects the United States to the chief source of oil, the Middle East, about half of whose oil production output goes back to that country. In 1980, U.S. passenger cars and light trucks consumed about 6 million barrels of petroleum products every day.

The car has bridged great distances and brought about a level of human mobility never seen before. It has made mass tourism possible. According to the World Tourism Organization of the United Nations, 429 million people—almost 8 percent of world population—traveled from one country to another as tourists in 1990. That same year, consumers from industrial countries, where traveling for leisure ranks third in household expense after food and housing, spent \$232 billion on tourism.

Mass tourism may now be the world's largest employer. Its network of hotels, restaurants, and transportation facilities is valued at about \$3 trillion, almost one sixth of the measured value of the global economy. One in every 15 workers throughout the world makes a living by transporting, feeding, lodging, guiding, or entertaining tourists.

Tourism is no longer the preserve of a tiny leisure class and those who travel because it is part of their work, such as soldiers, sailors, traveling businesspeople, artists, and academics. It has

become accessible to the mass of citizens, although many people will still probably die where they were born.

Much like other industries, tourism creates employment for millions and at the same time throws other millions out of work. Devouring acres and acres of coastlines, agricultural areas, and habitats to pave the way for beaches, roads, buildings, golf courses, and all sorts of come-ons, tourism has brought dramatic changes in people's lives everywhere. It provides the means for global cultural encounters but it also causes the spread of drugs and dreaded diseases like AIDS, and of social maladies such as child abuse and prostitution. It has also put tremendous strains on the environment in different parts of the globe. Until it is made friendly to both people and the environment, through the practice of ecotourism, for example, global tourism will only induce further disintegration to the world it has otherwise brought closer together.

Like the global economy, world population has also been growing exponentially. It took 2 million years, until 1825, for world population to reach 1 billion. The second billion was added in 100 years, the third billion in 35 years (1925-60), the fourth billion in 15 years (1960-75), and the fifth billion in just 12 years (1975-late 1980s). The present population of 5.7 billion is projected to reach between a low of 8.1 billion and a high of 11.6 billion by 2025.

Just how far world resources can support a fast-growing economy and population has been a subject of intense debate. While there is a fairly wide consensus that serious environmental problems of global proportion do exist, positions tend to polarize with respect to root causes and approaches to their solution.

Has human activity passed the earth's carrying capacity? This concept is used to tackle questions about impact of population on an environment; it means the largest number of any given species that a habitat can support indefinitely. If this optimum level is breached, the natural resources base starts to decline and so does the population eventually.

Growth in Poverty, Misery, and Impacts

Perhaps human beings should be judged less in terms of their ability to expand the economic pie than in their capacity to share it among themselves. They are certainly a great success at the first, but a big failure in the second.

Despite the "lost decade," coined in Latin America to refer to the development reversals of the 1980s, the world economy continued to grow. Indeed, there have been significant achievements in human development during the past three decades. And yet, all these achievements in growth and human development have brought with them the reality of continuing exclusion.

The quintupling of global economic output and the doubling of world population in the past five decades are key driving forces that stress the earth's carrying capacity. But a third equally important factor, and often a discounted one in the growth narrative, is the widening divide in

the distribution of wealth and income. The great imbalances are expressed in various levels: between majority and minority populations, between people in the cities and those in rural areas, and between today's and future generations.

Even more than our fear of the tragic Malthusian scenario, the reality of inequality in all its manifestations should rank highest in our priority list of global concerns. A more equal future world order will improve human relations and will be better able to deal with the negative impacts of all human action on the environment.

A dramatic change in the life-styles of the rich nations has never been more pressing. Accounting for only a fifth of the world's population, these nations command four-fifths of the world's income and consume 70 percent of the world's energy, 75 percent of its metals, and 85 percent of its wood. This high level of consumption can only be maintained at the expense of the rest of humanity and the global ecological space.

More than a billion of the world's people continue to live in absolute poverty, and the richest 20 percent earn 150 times more than the poorest 20 percent. In 1960, the richest 20 percent got 70 percent of the global income; by 1989 the wealthy's share increased to about 83 percent. The poorest 20 percent during that same period saw their share of global income drop from an already puny 2.3 percent to just 1.4 percent. The ever-increasing gap in the income share between the richest fifth and the poorest fifth thus grew from a ratio of 30 to 1 in 1960 to 59 to 1 in 1989, and it is even worse in 1993.

Women still earn only half as much as men and have little power to level the gap, although they constitute more than half the votes in probably every country and certainly globally. Rural people in developing countries still receive less than half the income opportunities and social services available to their urban counterparts. And many ethnic minorities and indigenous peoples still live like a separate nation within their own countries and continue to be marginalized and disadvantaged on all counts.

The great inequity between the world's richest and poorest has a differentiated but complementary negative impact on the environment, expressed in high consumption at the upper bracket of the income ladder and abject poverty on the opposite end. Neither the richest nor the poorest live environmentally friendly lives—the rich because of their overconsumption of energy, raw materials, and manufactured goods, and the poor because they have to eke out a daily existence by gathering fuelwood from receding forests, collecting water from dwindling and contaminated sources, growing crops or grazing animals on lands that are fast being degraded, and catching fish in overfished and polluted waters.

A few examples should illustrate this reality of inequity. Take the use of a critical resource—water—over which future wars and civil conflicts are quite likely to erupt. Families in the western United States often use as much as 3,000 liters of water a day, enough to fill a bathtub 20 times. Excessive use of water there has contributed to the depletion of rivers and aquifers,

destroyed wetlands and fisheries, and, by creating an illusion of abundance, led to an unsupportable consumption level.

In contrast, nearly one out of every three people in the developing world—some 1.2 billion people in all—lack access to a safe supply of drinking water. This contributes to the spread of debilitating diseases and deaths, and forces women and children to walk many hours a day to collect enough water to meet their family's most basic needs.

Great disparities in food consumption is another glaring example. As many as 700 million people do not eat enough to live and work normally. The average African, for instance, consumes only 87 percent of the calories needed for a healthy and productive life. Meanwhile, people in rich countries feast daily on diets so full of animal fats that they cause increased rates of heart disease and cancers. Moreover, people consume a great deal of junk food that their bodies can do without to sustain a healthy life.

Correspondingly, there exist also great disparities in waste creation, and, by extension, in shouldering the costs of waste disposal and clean-up. Annual per capita carbon dioxide emissions in the United States run up to more than 20,000 kilograms in contrast to less than 200 kilograms in most African countries. Disposal of these wastes, especially the most toxic and hazardous ones, has already become a global concern. Given the fact that there have not been any dramatic reductions on waste emissions or increases in absorptive capacities of the countries where the wastes originate, we can reasonably say that somebody else's backyard is unduly being made to pay the costs.

Jobless Growth

Throughout the world a new phenomenon has arisen—jobless growth, as the U.N. Development Programme (UNDP) puts it. Loss of jobs following the invention of labor-saving machines has always accompanied civilization's march to progress. The difference in the present trend is the proportion that this has taken—it is now a world phenomenon.

Among members of the Organisation for Economic Co-operation and Development (OECD), unemployment stayed above 6 percent throughout the 1980s, reaching a peak of 6.9 percent in 1991, amounting in absolute terms to 30 million jobless. Unemployment in the European members of OECD increased threefold, from 3 percent in the mid-1970s to about 10 percent in 1992.

The picture in the developing countries is much worse. In sub-Saharan Africa, not a single country was able to bring down unemployment from double-digit figures during the same period. In Latin America, urban unemployment has been above 8 percent. In Asia, countries like India and Pakistan, despite respectable economic growth rates (more than 6 percent a year), registered unemployment rates above 15 percent. Only the East Asian countries, the so-called growth miracles, had low unemployment rates—below 3 percent.

The rise in economic growth rates in various regions of the world during 1960-73 and 1973-87 shows just the opposite trend from employment. This is a common situation in both industrial and developing countries.

The pattern is similar for transnational corporations with subsidiaries in developing countries: they have made substantial investments without creating a significant job increases. In 1990, there were at least 35,000 transnational corporations with more than 150,000 foreign affiliates. Of the 22 million people they employ outside their home country, some 7 million are directly employed in developing countries—less than 1 percent of their total economically active population.

UNDP's *Human Development Report 1993* points to four major causes of this jobless-growth phenomenon. First, the search for labor-saving technology was encouraged by the demographic situation of industrial countries, where stagnating population growth often led to growing labor shortages in the 1960s. Second, it was enhanced by rising labor costs resulting from sustained activities and demands of trade union movements. Third, technological innovation in the civilian sphere often resulted as a by-product of military research and development, which usually has a preference for capital intensity. Finally, the prevalent technologies reflect the existing pattern of income distribution—20 percent of the world's population has 83 percent of the world's income and, hence, five times the purchasing power of the poorer 80 percent of humankind.

The outlook for balancing labor supply and demand is bleak. About 1 billion new jobs are required for the next decade to absorb the number of people currently unemployed and underemployed. More than 400 million entered the labor force in developing countries during 1960-90 due to rapid population growth (2.3 percent a year), an increase in the proportion of people of working age, and an increase in women job-seekers. The labor force in developing countries will continue to increase by 2.3 percent annually in the 1990s, requiring an additional 260 million jobs. Women's participation in the labor force is likely to increase. And there will be a steady migration to urban areas of people seeking job opportunities that are not likely to expand easily.

Additionally, job security is deteriorating. Enterprises have been reducing their reliance on a permanent labor force, hiring instead a highly skilled core group of workers surrounded by a periphery of temporary or casual workers. Even in Japan, the time-honored lifetime employment security is now giving in to the pressures of corporate competition.

Perhaps the most important upcoming threat to job security is a radical change involving the replacement of human beings in the factory by robots and automated machines. For more than two centuries, industry has been undergoing all sorts of transformation such as those connected with mass production, assembly system, or "just-in-time" production without losing the common key element in which human beings are brought together in a place of work. This time we are seeing a technology-driven revolution that hopes to achieve great improvements in

efficiency and productivity but that in the process will make the services of many people unnecessary.

It is about time we begin rethinking the notion of employment in particular and of work in general. If indeed this world teems with problems, there is no reason why anyone with something to offer as service to the common good should be out of work, struggling to survive.

Nation-States Under Pressure

The role of the nation-state, this relatively modern but now pervasive form of organization to which citizens turn for protection and advancement of their interests, is under severe challenge from many who see in this institution some kind of functional and accountability failure. From one end we find global market forces demanding less government. From another end, there are people themselves, especially the alienated and impoverished masses, who are demanding that government deliver all the “goods” and discard all the “bads” attendant to governance.

The state system as we know it today is composed of all member countries of the United Nations—184 in all, as of mid-1994. Each of the modern nations that compose it has all the attributes of a sovereign entity recognized in international law and diplomacy. Each state controls definite territories whose boundaries are supervised by public servants such as customs officers, border police, and immigration authorities backstopped by armed forces with elaborate land, naval, and air services.

National allegiance is exacted from every citizen, either by force or through laws, symbols, practices, and rituals. A national flag, anthem, language, education, religion, historical figures and events, special holidays, and so on are used to generate consciousness of national identity, which causes citizens to rally, to die even, against external or internal belligerent forces, whether real or imagined.

As an institution, the nation-state is at the center of the life of the national community. It is a centralizing mechanism whose business is to govern and demand citizen allegiance by legal or forcible means, to command resources by taxing citizens, and to provide people with educational, health, and other types of social and economic services. The nation-state is the single biggest institution in any society that embodies national security.

Today, this so-called national security is disintegrating or transforming fast. For one, it means little except as a negative factor to global corporations spearheading borderless and unrestricted economic pursuits. For another, many citizens who should feel secure with it no longer do for various reasons, and hence are repulsed by the idea, or at best remain ambivalent about its usefulness in their everyday lives. People are demanding a new kind of governance.

The emerging global economic order is undermining the nation-state. It is led by a few hundred corporate giants from among some 35,000 transnational corporations, many of them bigger

than sovereign nations. For example, Ford's economy is said to be larger than Saudi Arabia's and Norway's, and Philip Morris' annual sales exceed New Zealand's gross domestic product. Unlike inflexible nation-states, these global business corporations have technological capacity and a long view unshackled by traditional concepts of national boundaries. With the most advanced technologies at their disposal, they have developed products that can be made and traded anywhere, built a global system for moving money at high speed, and control information that can breach physical boundaries and link individuals, villages, or neighborhoods anywhere in the world.

The power balance in world politics is shifting away from nation-states toward global corporations that cannot be bound easily by national regulations. As governments continue to be stuck to the narrow confines of their territories—and even there, they often fail to deliver on their promises—global corporations move at will around the world, occupying as much public space as they can and exerting influence that strikes deep into the lives of millions. Not a single nation-state, not even the United States or Japan, can remain impervious to the deep-penetrating and encompassing hegemony of these giant corporations. Indeed, even the most autocratic governments have either collapsed or are fast losing control over the lives of citizens under their sway due in large measure to the influence of these global corporations.

Today's global problems are exposing the inadequacies of nation-states. World poverty, affecting more than a billion in developing countries and about 300 million in industrial ones, and global economic recession are beyond the capacity of any single state or even a combination of states to solve. The same goes for addressing what the Human Development Report 1993 calls the "silent emergencies" of poverty (water pollution, land degradation, environmental diseases) as well as the "loud emergencies" (global warming, ozone depletion). At the very least, these problems need a multilateral approach involving the whole or a major part of the U.N. system.

The failure of command or state-directed economies in the former socialist Eastern Europe and Soviet Union and in other non-communist dictatorships elsewhere in the world is a big negative lesson for rethinking and reshaping the role of nation-states. Total control by government in these countries produced not only economic and environmental disasters but also widespread civic apathy and inertia, leading to eventual social disintegration.

On the other hand, leaving the field at the complete mercy of market forces is likewise no guarantee for solving development and environmental problems. Market competition can stimulate private entrepreneurship. But the playing field is not level to begin with. As in a state monopoly, power in the so-called free market tends to gravitate and get concentrated around a few big private corporations in the long run, creating the need, at least, for some anti-trust regulation to maintain an environment of fair competition.

Structural adjustment programs prescribed by the World Bank on heavily indebted developing countries during the 1970s and the 1980s emphasized deregulation and resulted in the further weakening of client states through cutbacks in public spending and reduction of government

participation in economic activities. They also eliminated the social safety nets that cushioned people, especially the masses of poor people, from the negative impact of market competition, in the process eroding further the legitimacy of the government.

The conclusion of the Uruguay Round of negotiations for a new treaty on the General Agreement on Tariffs and Trade (GATT) signifies further liberalization and reduction in state control over how goods and services are going to be exchanged. On paper, the new treaty gives every nation-state a fair chance to compete with others. But reality speaks differently. In the first place, some nations are far stronger than many others. And until now, few developing countries have overcome the trade losses accumulated through years of engaging in an unfair global exchange. Coming from a weak base, these countries will most likely be clobbered by the big powers, fair rules notwithstanding.

Nation-states are facing severe challenges from above and from below, forcing a rethinking of their role in social transformation. Globalization from above, occasioned by boundless movement of capital and advances in information technology, has been undermining bounded state power. And yet, even where they are in a position to wield power, that is, within their own borders, nation-states are too trapped by their traditional role to be able to respond with flexibility. A new form of governance has to be fashioned together with the forces of civil society.

With three quarters of humanity now living under some kind of democratic set-up or in a process of transition to it, there is ample scope for state leadership in resolving outstanding governance issues. Some countries still suffer from a colonialism and subjugation. In more than 100 countries, various forms of human rights violations persist, according to the 1993 report of the Amnesty International. A way should be found to put an end to all these forms of human oppression.

The concept of security has been undergoing a major shift. First, from an exclusive emphasis on territorial security to a much greater stress on people's security. Second, from arms security to security through sustainable human development. The shift entails addressing squarely all threats to economic, political, personal, community, and environmental security. Freedom from want and fear of any kind is the foundation of human security.

Humanity's problems can no longer be adequately addressed by national governments. A new form of global governance will be required to meet the present and future challenges. The convening of two world summits within a decade—the Earth Summit in Rio in 1992 and the Social Summit in Copenhagen in 1995—should be indication enough of an urgent need for new global institutions of governance guided by a new paradigm of human security and development.

The 1995 World Summit for Social Development offers an opportunity for governments to make a decisive step toward the resolution of humanity's problems. Toward this end, a six-point agenda has been offered by UNDP.

The first agenda item is a new world social charter that will establish the framework of equality of opportunity among nations and people. The second is a 20:20 compact for human development, under which 20 percent of developing-country budgets and 20 percent of industrial-country aid was allocated to achieving basic human development levels for all their people. The third is capturing the peace dividend resulting from an agreement on a targeted reduction of 3 percent in military spending in order to increase social spending. The fourth is a global human security fund pooled from the peace dividend, taxes on pollution and international currency speculation, and official development assistance—all to be used to address global issues.

The two other items concern major institutional changes. One is a strengthened United Nations umbrella for human development, which entails a rationalization of major U.N. institutions involved in development, such as UNDP, UNICEF, the U.N. Population Fund (known as UNFPA), the International Fund for Agricultural Development, and the World Food Programme. The final item is the setting up of an Economic Security Council, which would be given a mandate equivalent to that of the UN Security Council.

This six-point agenda is probably the minimum needed to transform the state system in ways that would make it more responsive to twenty-first century challenges. Short of this, states have few options left to meet pressures from every imaginable direction, especially those coming from the citizens.

The Swing to Markets

The collapse of the socialist system in the former Soviet Union and Eastern Europe has been viewed by many as a resounding vindication of the market. The easy judgment has been extended to cover all command systems or state-directed development. What has been lost in this euphoria is that state-led development has at least shown a mixed performance, combining failure, as in the case of former socialist Europe, and the relative success, as in the case of the East Asian growth miracles. Besides, there is much more to the collapse of many socialist regimes than just failure of state. But more important, in real life—and notwithstanding the age of globalization featuring the dominance of global corporations—development has always been simultaneously influenced to a greater or lesser degree by both state and market.

Neither state nor market all by itself will do. Until the nation-state framework is tossed out of the window, which is unlikely to happen even in the distant future, the challenge will be to find the most appropriate balance between the two. State and market can feed on each other's strengths and can provide the mutual checks against excesses on either end. Both can be harmful or can enhance the pursuit of common good. But still, their best will not be enough without active participation by citizens.

Markets are equated with free enterprise, the virtue of which lies in giving free rein to human creativity and entrepreneurial ability. Free markets allow for impersonal matching of supply and demand, of employers and workers, and for constant correction of price distortions.

But the conventional wisdom that free markets provide the most efficient mechanism for the exchange of goods and services cannot be taken without qualifications. Consider that the so-called free market is only relatively free in reality and not accessible to all people affected by it. And being neutral or blind to a host of “externalities,” the free market is indifferent as to winners and losers, to its impact on income distribution and other development opportunities and benefits, and to its effects on the environment.

In the recent past, privatization has been one of the most important features of economic liberalization. Between 1980 and 1991, about 7,000 enterprises worldwide were privatized, some 1,450 of them in the developing world, mostly in Latin America. In theory, privatization should stimulate private entrepreneurship. But because state and market itself is not really free to begin with, the privatization process merely occasioned the shift from one kind of monopoly to another.

The *Human Development Report 1993* lists “seven sins of privatization”: maximizing revenue without creating any competitive environment, replacing public monopolies with private ones, using nontransparent and arbitrary procedures, using proceeds to finance budget deficits, simultaneously crowding the financial markets with public borrowings, making false promises to labor, and privatizing without building a political consensus. These sins are typical, arising from a shortsighted and selfish profit motive and sheer lack of accountability. We should be reminded that the parties to the transaction, government and private sectors, have yet to reverse the pattern of increasing alienation between them and ordinary citizens.

Until now, markets have not proved that they can promote sustainable human development. Their demand for unrestricted operations in the name of efficiency and productivity has almost always led to more people getting thrown out of jobs, increasing inequality in income and wealth distribution, more poverty and misery, intensifying trade wars among nations and firms, and further depletion of natural resources.

The world economy is now dominated by a few hundred global corporations, originating in a handful of industrial countries, such as the United States, Japan, Germany, France, Switzerland, the Netherlands, and the United Kingdom. The top 300 corporations account for a combined asset that is roughly one quarter of the total productive assets in the world.

Those top corporations now spearhead a process of global integration never before achieved by great civilizations, much less by a single nation-state, no matter how powerful. They deal in all sorts of products and services that can link distant corners of this planet. They have made the world smaller for us by universalizing what to eat, drink, and wear and how we live and enjoy life. Their products and services convey common global images that can shape popular dreams

and pull people together. On the other hand, the same images and dreams can detach people and communities from their cultural roots.

Scarcely visible to ordinary citizens, but perhaps most powerful of all, is the global network of financial institutions involved in currency transactions, global securities, credit cards and plastic monies, swaps, buyouts, and a mind-boggling menu of speculative devices for repackaging and reselling money. Every day, \$1 trillion flows through the world's major foreign-exchange markets as bits of data traveling across the globe through the computer networks. Yet no more than 10 percent of this staggering volume of money has to do with actual physical movement of goods and services.

Moving money around the world has become an end in itself, a highly profitable game for a few who can skirt state regulations almost at will. James Tobin, winner of the 1981 Nobel Prize for Economics, has proposed a tax on international currency transactions. The proposal may not be able to stop money speculation, but the proceeds from such a tax could raise some revenue to fund international undertakings.

The global corporate community is a complex system that employs only a few million people but touches the lives of billions. It creates some jobs but also make many jobs useless. The myriad products it churns out daily influence greatly the way we think and relate to each other. In the same instant, wherever we may be on this planet, we can be entranced by the gyrations of Michael Jackson while drinking Pepsi. Or, thanks to CNN, we can be transfixed by the space-age fireworks in Baghdad staged by the U.N. multinational force. We could also be as one with the South Africans as they cheered their victory over apartheid, and listened to the stirring messages of Nelson Mandela.

Together with the U.N. system and other supranational bodies, the global corporate system is leading the process of globalization from the top. As citizens across great distances create bonds of solidarity, the world's biggest corporations control the enormous energy, capital, and technology to make it possible. Yet at the same time that we are being pulled closer into one world, the same processes are tearing apart the ties that bind families, neighborhoods, village communities, and nations.

Markets can be made more accountable to people if nation-states and citizens choose to do so and are prepared to face some negative consequences. Even the most volatile resources of all, money and information, are ultimately grounded on hardware that requires physical sites. These sites are the domain of one or other type of sovereignty, whether state or local community. A physical plant, a product or service, even the movement of toxic wastes, for example, can be permitted or denied so long as nation-states and local communities are willing to exercise their sovereign right fully conscious of what this implies.

Markets can and must be a means to human development. But their built-in strengths in promoting private initiative, efficiency, and productivity need to be combined with equity and sustainability. Markets should serve people, rather than people serving markets. But can

markets really be made friendly to people as well as to the environment? Doing this will require balancing the markets' positive strengths with measures that regulate their negative aspects, and correcting the distortions that they create in the process. Markets, as we know them in practice, give rise to a number of distorting factors.

One is inherent in their operations. Some distortions may be due to monopoly power combined with a drive by most businesses for short-term gain. Others are due to controlled prices, fiscal disincentives, and excessive government intervention. These make markets less competitive, less efficient, people-blind, and harmful to the environment.

Two, distortions arise out of the differing capacities among people who enter the market, implying that the playing field is not level in the first place. Many people wishing to compete lack the ability and means to do so. They lack the education, the skills, the assets, the credit to be competitive at all. In addition, many are from the beginning already excluded on gender, racial, or ethnic grounds.

Three, markets are blind to a lot of so-called externalities. They fail to reflect true costs and benefits, like pollution, an external cost, or the prevention of communicable diseases, an external benefit. Many things do not figure in market calculations, which account only for goods and services that are paid or monetized. For example, much of what happens in the household or neighborhood—things that make other visible, paid economic activities possible, like home management, backyard gardening, planting a tree, and a lot of the unpaid work by women, children, and the old—never show up in national income accounts. And a market accounting system does not cover the depreciation of natural capital.

Until all these distortions are corrected, markets will continue to be indifferent to the social and ecological costs of their operations. These corrections are a prerequisite for making markets more friendly to society and nature.

Citizen Participation

In light of the failure of both the state and the market, citizens—as individuals and, even better, organized—exerting efforts to democratize both state and market and doing things by themselves must occupy an ever expanding public space to influence the processes and outcomes of development at all levels.

As the Human Development Report 1993 puts it, people's participation is becoming the central issue of our time. Ironically, it was also the rallying theme of social movements in the 1960s. Many things have happened since then. During the past three decades, authoritarian regimes have fallen one after the other. In all these regime changes and democratic transitions, movements of citizens cutting across social classes have played a major part. Indeed, we now see the worldwide emergence of people's organizations demanding on behalf of every citizen more and more say in shaping our own lives.

Many people are now fed up with the performance of both state and market and are impatient to see big changes happening without further delay. Aware of the weaknesses of state and market and refusing the continued domination by both, quite a few courageous citizens want to take control, with or without any clear alternative agenda of their own. There is so much human energy being generated; if it is not harnessed in a positive direction, it can result in a kind of polarizing civic energy and a scenario of anarchy equal to the worst achieved in wars among nations and market forces.

Participation goes beyond involvement in this or that project. Nor is it limited to people being able to pressure government for changes. In its full sense, participation means that people are able to control events and processes that shape their lives. By this definition, the extent and quality of participation by citizens in the economic, social, cultural, and political processes that affect their everyday existence is still far from the desired level. To reach this, much more will be required, and efforts in that direction will need the dynamic interplay of all parties—states, markets, and citizens.

When the Human Development Report 1993 was released, UNDP noted in its press advisory that “90 percent of the world’s people lack control over their own lives in spite of recent changes around the world favoring market economies, multiparty democracies and grassroots activities.” This may sound exaggerated, but a close examination of the nature of control that people have over their lives, using the essential meaning of participation, will probably bear UNDP’s estimate out.

In today’s world of 5.7 billion inhabitants, there are 157 billionaires, some 2 million millionaires, and more than 1.1 billion people with an income of less than \$1 a day. The richest 20 percent corners 82.7 percent of the world’s income; the second, 11.7 percent; the third, 2.3 percent; the fourth, 1.9 percent; and the poorest fifth, 1.4 percent. Let us for the moment discard the absurd assumption that the millions or billions of excluded are living their own lives anyway and that an individual can be controlled only to the extent that he or she allows it. And let us assume that all the world’s people are bound by a common set of processes with costs and benefits, from plain existence to enjoying nearly boundless freedom of movement. Then we can safely say that very few indeed are in full control over resources, means, and decisions that drive their lives. And this lack of control is expressed in various other forms.

In a sense, no one—not even the richest and most powerful—may be in complete control at all. The Cold War brought with it weapons of mass destruction whose annihilation potential or means of disposal is beyond the capacity of anyone to handle. The more than 100 wars during the past four decades, which took about 20 million lives, and before them the “hot” wars—the two world wars during which even more lives and properties were lost—also attest to how far events could be controlled by the players who waged them or the ordinary mortals who were affected by them.

Global poverty, the real major threat in the coming decades now that the Cold War is no more, is well on its worldwide tour, without passport as it were, and in ways that disturb the peace

and quiet of the rich and powerful if not the whole of humanity. A threat to stability everywhere, poverty gives rise to various disturbing manifestations that strike deep into the moral fiber of humankind: massive involuntary migration, diseases, drugs, terrorism, wars, civil conflicts, revolution.

Additionally, environmental disasters of transboundary and global proportion have caught up on even those who have the means and resources to move to safer places. Hardly anyone may be spared from the “hot emergencies” of global warming and ozone depletion. Even those who are in the best position to fend off the all-inclusive effects of such disasters are merely buying time.

The Ways and Means of Exclusion

Millions upon millions of people continue to be excluded, by design or as a matter of course, on the grounds of color, nationality, ethnicity, religion, gender, and poverty. Notwithstanding the Universal Declaration of Human Rights, discrimination of every description happens and stubbornly persists almost everywhere.

Many people cannot travel freely on this planet without suffering the unwanted look that normally befalls a stranger. And this has more profound meaning to some than to others. Citizens from developing countries do not get the same treatment as those from industrial ones. Nationality of origin by itself can be an obstacle or an unrestricted passport to one's passage anywhere in this world. Americans or Japanese, for example, can count on the fingers of one hand the number of countries they cannot set foot in, whereas many other nationals agonize over which countries will let them in.

This is the simplest expression of the North-South divide that citizens from both sides are subject to. The problem can be extended to include decisionmaking processes in the U.N. system, where the one-country-one-vote principle does not mean much. The same holds true in other multilateral set-ups, like the World Bank, GATT, and so on. Money talks and makes things happen, so to speak. By implication, citizens get discriminated or favored unduly because they happen to be African or American by birth. Their inclusion or exclusion is carried to the level of relations among nations.

The poor constitute the biggest bunch of excluded citizens on this planet. They have very limited choices, to begin with. The rich blame them for their poverty and misery, and consider them as the cause rather than the consequence of much of the insecurity sharing this world. They are being labeled with all sorts of negative attributes and blamed for being so many, for stressing scarce and depleting resources when in fact others—though less numerous—consume much more.

The poor learn to blame themselves as well. Over time, they develop a culture of poverty that leads them to accept the way things are, to turn against each other in the worst form imaginable, or to be consumed in hopeless civic inertia. Many have tried to rise above their

situation through individual strivings, collective nonviolent actions, class wars, rebellion, or revolution, often ending in failure or Pyrrhic victories but sometimes in well-deserved and more enduring successes.

Women continue to be the nonparticipating majority. Often discriminated against from birth, they have to struggle throughout their lives to be able to reach parity with men. Women hold up half the sky, so the saying goes, and more than half the vote, but they have to fight every step of the way to win just a little over the present 10 percent representation in parliaments and less than 4 percent representation in cabinets worldwide. (Although six countries did have women as heads of government in 1993.)

Women are much less likely to be literate or highly educated than men, and the disparity is most acute in developing countries. In South Asia, for example, female literacy rates are only around 50 percent those of males; in Nepal, they are 35 percent; in Sierra Leone, 37 percent; in Sudan, 27 percent; and in Afghanistan, 32 percent. Women account for two-thirds of the nearly 1 billion illiterates in the world. In higher education, women in developing countries lag far behind men. Even in industrial countries women fare more poorly than men, especially in scientific and technical education.

If and when women do find work, they tend to get paid much less and suffer more from extended hours of work and poor working conditions. Even in Japan, women get only 51 percent of male wages.

Of course, women still work even if not paid, and for much longer hours than do men who are jobless. Domestic chores, tending the backyard, and caring for children and the aged do not figure in the national income accounts although these are a necessary building block of national economic activity. Women's chances for self-employment that yields additional cash are hampered by prevailing property rights, inaccessibility of credit, lack of skills, or sheer limitation in mobility. If women's unpaid housework were made visible as a result of a modified national income accounting system, UNDP estimates that 20-30 percent more will be added to the global output.

In many developing countries women continue to be excluded from productive work and political participation because of tradition, discriminatory policies and legislation, and lack of educational and other opportunities. For many years there has been very little improvement in the lives of 500 million rural women in the countryside of the world, although opportunities are increasing that can and should make their situation better.

Minorities and indigenous peoples are a separate nation within each country. Almost every nation has one or more ethnic groups who suffer different forms of exclusion from national affairs usually dominated by majority populations. Their discrimination starts at birth and is even more reinforced by policies and legislation. Minority groups are denied equal access to education and other social services, employment opportunities, and political representation.

Ironically, the United States, which claims leadership in upholding democracy, freedom, and equality, is a classic case of one country with two nations—in fact, many nations, if we include Hispanics and other recent immigrants. African-Americans fall far below U.S. white citizens in all categories of UNDP's Human Development Index. If the index were used separately for the two populations, U.S. whites would rank highest and African-Americans would drop to number 31 in the world, according to UNDP.

The formal end of apartheid in South Africa is definitely a cause for celebration to every advocate of human rights. But the task of undoing the effects of years of racial discrimination is a formidable one. The South Africans can learn additional lessons from the experience of the United States, which was able to legislate racial discrimination out of existence much earlier, although it continues to grapple with its profound negative legacies.

The worldwide phenomenon of migration has been creating minority populations everywhere, especially in the industrial world. No less than 35 million people from the South have moved to the North in the past 30 years. Around 1 million more join them very year. More than a million people work outside their home countries on contracts for fixed periods. There are now an estimated 15-30 million undocumented international migrants.

Social and environmental disasters are producing an increasing number of refugees. Today, nearly 20 million internally displaced people are found in developing countries. And worldwide, even before the tragic developments in Rwanda, about 19 million men, women, and children lived in refugee camps, hoping for some place to go.

Violence has often been a companion of discrimination and exclusion. Since World War II, some 40 ethnic groups around the world have been persecuted and massacred, with a death toll running up to millions. This calls to mind the Nazi persecution and extermination of 6 million Jews during the war.

Indigenous peoples, one of the more enduring links to our primordial roots, are increasingly being marginalized and pushed to extinction by modern development. More than other minority groups, they suffer public neglect and exclusion from the benefits of human progress. And yet, they are forced to bear its costs. Even if they want to be left to themselves, they tend to be uprooted from their homelands in the name of development. Most of the big energy and infrastructure projects funded by multilateral development banks, governments, and the private sector encroach on their habitat. With the loss of their lands come the shattering of the indigenous cultures attached to them.

People in rural areas fall on the wrong end of the urban-rural divide, a natural consequences of a development model fashioned after and driven by the growth of capital. They normally constitute two thirds of the population developing countries but often receive less than a quarter of the educational, health, water, and sanitation services. The rural per capita income in many countries is only about half that in towns and cities. In contrast to their urban

counterparts, people in rural areas have less scope for participation in the economic, social, cultural, and political affairs of any nation.

Disabled people are also often excluded from full participation in society. The disabled now make up at least 10 percent of the world's population. This growing group includes people who have experienced injury, trauma, or disease that leads to long-term or permanent physical or mental damages. In both industrial and developing countries, a fair share of the population is disabled, and the percentage is increasing. Poverty, malnutrition, disease, and wars will continue to swell this less fortunate part of society.

Circles from Below

Citizens facing up to nation-states and the market forces that stand above them wasn't an equal part in changing the present order of things. The least among them, the poorest of the poor, have been adding their numbers and newfound strengths to the growing struggle for inclusive participation in any and all events and processes that affect their lives. Even those who have more in life have been adding their voices to the collective striving to build a better world. In their midst are being created countless small circles of citizen power, tiny circles from below growing into powerful civic movements, and increasingly proving to be a leading edge as humanity marches into the twenty-first century.

Civil society has come of age, so to speak. With long roots in social history and philosophy dating back to the Enlightenment, the concept of civil society has emerged in current discourse with a force and resonance that can probably parallel the dawning of the information age. This may signify the end of monopoly by either state or market. More important, the worldwide emergence of civil society augurs well for moving world development from this point to the next through a new dynamic partnership and constructive engagement among the three key players symbolized by the prince (state), the merchant (corporate community), and the citizen.

Various societies have gone through several historic transitions, for better or worse, always hoping the next social order would be better than the previous one. These passages have been accompanied by advancement toward some emancipator ideal or complete reversals, by shifts from patronage to private initiative or from a fairly level playing field to power monopoly, or by a coexistence of all these, as in a mosaic. But probably the most crucial lesson is this: in all these changes the main players have always been the prince and the merchant, with the citizen, who is neither prince nor merchant, often left out in the cold. To be a cocreator of the human drama, a person had to be in government or in business. A plain citizen was a nonentity. But not any longer. The citizen as producer, consumer, soldier, clerk, driver, housewife, or as a mere nobody has plucked up enough courage and built a level of capability to stand up as just that—a plain citizen.

Ordinary people have stood up for themselves many times in the past. History is replete with such risings, which contributed to the collapse of old empires and to the birth of new ones, to the fall of old dictators and the rise of new ones, or to the various transitions to democracy.

But all these movements from below always ended up in reinforcing the modern state and not necessarily the strengthening of popular and civil institutions. And the outcomes of these historic events have often been contrary to what people had originally intended: the government they helped sweep into power tended to alienate itself from them over time.

Two key elements, at least, make today's citizen participation different from that of the past. One, it questions the very nature of development itself. People have been asking why development processes in the past have been reproducing poverty; fragmenting and polarizing society; disempowering ordinary citizens; undermining time-honored cultures, tradition, and communitarian values; and causing ever-increasing damage on the environment. The questions being raised are not addressed merely to parts of the system but to the whole system itself. People have begun to realize that there is something fundamentally wrong about the development model, whether of the capitalist or socialist kind, which has dominated human affairs for at least two centuries now.

Two, civil society has emerged as a worldwide force that is redefining the meaning of development and governance. People today want to take control of the events and processes that shape their lives. They are rebuilding old institutions of civil society and creating new ones, holding them up as equal to those of state and market institutions. Development is too big a question to be left to government or business alone. People want an equal say and to exercise it in ways that can radically transform old concepts and ways of doing things.

Today, national security no longer means only strong state presiding over the development process. A national community will have security only when every man and woman in it feel secure in their private lives, in their workplaces, in their neighborhoods, and in their relationships to the larger society and their environments. People want to see development woven around humanity and not the other way around, they want development to be of the people, by the people, and for the people, with people living in close communion with the natural systems that support them.

The agency of social change and development is radically transforming. The conventional wisdom that development is the exclusive affair of state and market is now a thing of the past, at least in the dominant discourse, although not just yet in reality. The dynamic interplay of state, market, and civil society has come of age. From here on, all three actors will have to engage each other constructively to tackle all and any issues affecting human welfare in an era characterized by an urgent need for integrated and interdependent responses to a world-spanning and interconnected problems.

States and markets will not democratize by themselves. Left to their own devices, as experience has shown, they tend to alienate a large part of society and concentrate wealth, resources, and decisions in a few. Citizens must and can rise from civic inertia to push the process of democratization to its farthest possible limits. They must and can make states and markets more accountable and responsive to the problems and needs of society and individual citizens.

The 1980s may be seen as a watershed era. We have seen in this period dramatic shifts away from authoritarian rule towards greater political freedom and democracy. To a large extent, these shifts were forced by popular movements, as convincingly demonstrated in the cases of the Philippines, Eastern Europe, Thailand, the newly industrializing economies of South Korea and Taiwan, Nepal, and many countries of Latin America and Africa where broad citizens' movements have stood up against authoritarian and corrupt regimes and successfully brought about the long-needed democratic transitions.

The experience of South Africa is the most recent, and probably one of the most dramatic, of the transitions. Here, a very popular liberation movement succeeded in sustaining a resistance to the point of electing its own government in a generally free and honest election. Equally important, we see in this case a resounding rejection of one of the worst forms of discrimination that has affected humankind—exclusion by color.

In South Africa, as elsewhere, the big challenge is to keep on course, to prevent the kind of backlash that often attended such transitions in the past, and to push the democratization process as profoundly and expansively as possible. It has often been the case that new societies would buckle under the weight of negative legacies from the past combined with new problems and challenges. Very few have been able to see the process through to its desired conclusion.

The end of the Cold War provides a wide scope of possibilities for citizens of the world. For one, it has dramatically reduced tensions among states resulting from superpower rivalries that had wasted so much human and natural resources and held many countries and millions of citizens hostage for too long. For another, it signifies an end to the folly of the arms race, thereby freeing up a huge amount of peace dividends--\$935 billion from 1987 to 1994, accumulated from a yearly 3.6-percent average cut in military spending. These resources may now be redeployed to solve poverty, hunger, disease, and environmental problems afflicting human society.

The expected peace dividends can be dedicated exclusively to advancing human development agendas. Although the world continues to grapple with a huge aggregate defense expenditure and continuing arms sales, especially to developing countries, the prospect of total annihilation by nuclear war and gradual change of spending priorities should at least be a cause for relief to humanity.

Citizens must step up their pressures for disarmament. Beyond this, they need to assert a bigger role not only in peacekeeping but also in making and building peace everywhere. Wars did not end with the end of the Cold War. They merely shifted focus away from superpowers to smaller states and groups of people set apart by cultural, ethnic, religious, and racial differences.

National and ethnic differences often erupt in armed conflicts and get settled or stalemated by the power of arms, a situation that was relatively manageable within the Cold War framework. The current shift from war among states to wars among people have their deeper roots in poverty, deprivations, resource competition, and deep-seated biases. A comprehensive human development agenda should be able to address them and bring about a more enduring peace and harmony among different peoples.

The point for engaging the state is to democratize governance. The horizontal spread of power among diverse small circles of decisionmaking groups across society is the preferred scenario. By nature a centralizing institution, government on its own will not promote decentralization, deconcentration, or devolution of power. Citizens will have to do the pressuring, and do so in a sustained and constructive manner. The task is greater in big countries, such as China and India, which probably need decentralization and involvement of local communities most.

Citizens have to interact more closely with the market. This is easier said than done. For this to happen, people must press their governments for a better policy environment and allocation of resources that somehow level the playing field. And through their own efforts, citizens must and can acquire the confidence and ability to engage in the market arena.

As noted earlier, markets are driven by competition that usually ends up narrowing the scope for winning but swelling the ranks of losers. Their life and dynamism revolve around growing boundlessly, through an ever-rising spiral of production of goods and services that exacts an increasingly heavy toll on people and natural resources.

A number of preconditions have to be deliberately put in place to make markets more friendly to people and the environment. An equitable distribution of assets, such as land, especially in agrarian societies, is a critical element. Others include the following: adequate public investment in education and skills training, health care, and needed infrastructures; expanding access to information; credit extension to the poor; property rights reforms and elimination of barriers to entry into the market on the grounds of gender, nationality, ethnicity, race, or religion; fair wages and improved working conditions; laws against monopoly; social safety nets for vulnerable groups; and installation of measures to account for environmental costs. In other words, level the playing field on behalf of the poor and use a new kind of measurement system that takes full account of social and environment costs and benefits.

In the face of a powerful state-market growth consensus, citizens should all the more speed up efforts at building their own capacities to intervene forcefully in shaping development processes and outcomes. Despite repeated warnings and worldwide clamor for reforms, states and markets continue to pursue a grow now-pay later path. For them, growth is an all-consuming obsession, and they are only too willing to postpone paying the costs to society and the environment until later, if at all. Oftentimes, realization comes too late or the costs are too heavy for society to afford. The impressive growth performance of the newly industrializing economies has now become the fashionable model for most countries struggling to catch up.

And yet, these societies are precisely the leading recent models of the tragic scenario we want to avoid.

The world cannot anymore afford the model of South Korea and Taiwan or the earlier capitalist model they copied in a shortcircuited way. This model has brought these countries to where they are now: impressive examples of wealth creation and international competitiveness, but at great costs to society and the environment. They were built by a people who traded their freedoms for bread but are now facing a backlash in terms of unmet social demands and a huge bill for environmental cleanup. We can barely imagine what scenario would lie in store for the world if the biggest countries—China, India, Russia and Indonesia—were to follow the same path.

But developing countries need to enlarge their economies to be able to address growing poverty and exploding populations. And this is precisely the Catch-22 that must be addressed by state, market, and popular forces everywhere. By growing in the manner and direction made famous by South Korea, Taiwan, Singapore, and Hongkong, some countries may be successful but growth itself will recreate the problems they intend to solve in the first place. But what are the alternatives? And are these alternatives going to work?

There are no easy choices. Calibrating growth to the needs of society and the environment will require more than just a redefinition of development itself. Guided by such strategic considerations, states, markets, and citizens must together find comprehensive but pragmatic breakthroughs to the current dilemma. Certainly, this will mean great sacrifices, sharing, compromises, and trade-offs, accompanied by profound value changes never before experienced by humankind, except perhaps in very specific situations such as in major natural disasters, which bring the best out of all of us.

Citizen Action Without Borders

Across the globe, citizens are daily creating ties that bind them toward a common future. In Asia and the Pacific, in Africa and the Middle East, in Latin and North America, in the whole of Europe, thousands of groups, movements and alliances of citizens have sprung up to make their stand on every conceivable issue affecting human welfare at all levels.

Backed by a long and continue tradition of free associations inspired by all sorts of motivations, these civic formations have surged forward to occupy an ever-increasing public space. Quite a few of them have shaken off parochial interests and are now staking bolder claims over resources and processes that shape their lives.

These civic formations span the whole range. There are neighborhood associations, local community groups, boys and girls clubs, mothers' associations, organizations of small farmers, landless peasants, artisanal fishers, women, youth, indigenous peoples, peace and human rights groups, environmental organizations, religious and spiritual movements, cooperatives and trade unions, local philanthropies and foundations, business associations, media and academic

circles, professional societies, self-defense and mutual aid groupings, nongovernmental and private voluntary organizations, and whatnot.

Spontaneously rising from the base of society, these groupings constitute extremely diverse structures mediating between the state and individual citizens. They are the springboard of new ideas, values, and social action. From them have emerged powerful movements of social reform, resistance, and revolutionary change. Some of these movements have not only succeeded in stopping destructive development projects but have brought down authoritarian and unaccountable governments in Asia, Latin America, Africa, and Eastern Europe.

What may appear to us as chaotic aggregations of citizens are actually forces of creation and social cohesion. Organized on the basis of human need and interest, social class and caste, religion, language, regional identity, culture, race and gender, these groups form a solid and active backbone of civil society. An old but newly recovered concept, civil society refers to those autonomous centers of citizen action, independent of the state and corporate economy, contributing to the construction and reconstruction of a certain social order. Casting the whole or part of civil society on the side of alternative development merely suggests failure of mainstream development itself.

The globalized character of present human problems has been driving civil society to a rising level of militance. Just as new interstate bodies are forming to address supranational issues, new institutions of civil society are being built across borders in order to scale up their impact on events and processes that shape society. Citizen action has been moving up from the local community level to the national and global level and back, a pattern that translates the dictum “think globally, act locally.” Indeed, many citizens’ groups have mastered the art of multilevel thinking and action.

Global bonding, aided by modern communications technology and extensive resource access, has enabled the institutions of civil society to forcefully intervene in development discourses and events of international importance. During the Earth Summit in 1992 in Rio, citizens from different parts of the world, represented by some 10,000 organizations, made their presence felt by organizing a parallel Global Forum and intervening in the governmental process at the same time. The World Summit for Social Development in Copenhagen in March 1995 is another welcome opportunity for citizens of the world to advance their own agenda with respect to the shape of future society.

Tremendous advances have been made on global exchange and solidarity among the institutions of civil society, thanks to modern technology. Citizen groups from one end of the world to the other get to know what each one is doing and respond to the call for assistance of those in need. Through various forms of media, people find out about the quiet resource mobilization by women’s groups in far-flung villages of South Asia and the waste recycling activities of children in western countries. Or the more high-profile citizen action, as in the case of people’s opposition against big dam projects in India, Thailand, and elsewhere. Or the

campaigns by women, human rights, indigenous people, and development and environment groups around U.N.-sponsored processes.

Over the years, international institutions organized by citizens have emerged one after the other. Aside from well-known human rights movements such as Amnesty International and environmental organizations—Greenpeace and Friends of the Earth, for example—many more have come to the fore in recent years. There are also cases when national organizations or even individual citizens have gained international recognition by taking a stand and generating world opinion and citizen action on certain issues. These individuals and their institutions are the emerging examples of global citizenship.

Citizen bonds extend far and wide across the globe. People-to-people aid movements for purposes of common advocacy, monitoring of development policies and projects, resource transfer, technology sharing, and the like are now pretty well established. Citizen groups have come to the aid of each other to challenge the policy centers in Washington, New York, Tokyo, and Brussels. Policies and projects originating from these centers or from the U.N. system, the Bretton Woods institutions, the regional multilateral development banks, bilateral aid agencies, and national governments are now better monitored than before. Citizen solidarity and the international institutions built on it have been molded through direct and sustained cultural encounters and mutual learning processes.

The emergence of civil society as a worldwide force, embodying the voices from below, is now duly recognized by states and the corporate community. Many of the heresies of yesteryears attributed to them have landed in the official rhetoric and policy. Global civil society has arrived, and at a time when its voice was most needed.

Citizens have placed their own perspective in the global agenda. They are exercising their public responsibility to keep the hands and feet of states and markets in the fire of reform even as they strive to better their lot on their own.

If nothing else, people have their own lives and little spaces to secure. There, they reserve the ultimate right to be sovereign, with or without a benign state or market. These living spaces are the only ones citizens can claim and promise to control. At the end of the day, they alone are responsible for making these spaces unbearable or livable.

Surely humanity, though in trouble has good reasons to be hopeful.

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