

NUMBER 23

**Overcoming the
Trauma of Transition:
Trends and Changes on the
Threshold of the 21st Century**

Jorge Wilhelm

translated by

Mário Santos

WOODROW WILSON INTERNATIONAL
CENTER FOR SCHOLARS

WASHINGTON, D.C., 1999



Comparative Urban Studies Occasional Papers Series

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Wilheim, Jorge. *Overcoming the Trama of Transition: Trends and Changes on the Threshold of the 21st Century*. Washington, D.C.: Woodrow Wilson International Center for Scholars (Comparative Urban Studies Occasional Paper Series, 23), 1999.

About the Author:

Jorge Wilheim (born in Italy (1928)), is a Brazilian architect and urbanist, living in São Paulo, where he started his current private practice in 1953, immediately after receiving his degree from the local Mackenzie University. He designed São Paulo's "Parque Anhembi Exhibition Pavillion and Convention Hall" and the Albert Einstein Hospital, among a long series of industrial, hospital, office and residential buildings. He designed or oriented ca. 20 master plans of important Brazilian cities, including Curitiba, São Paulo, Campinas, Goiânia, Fortaleza, as well as new towns (Angelica and participation in the contest for Brasília) and large private developments.

Mr. Wilheim is an international consultant and also held several public posts: São Paulo's State Secretary for Economy and Planning, Municipal Secretary of Planning, State Secretary for Environment, Director of the Metropolitan Planning Agency, President of the International Bienial of Arts. In 1994, he was appointed by the United Nations, Deputy Secretary General of the Habitat II Conference (Istanbul, 1996), in charge of its technical design and articulation.

He is author of 8 books on planning, development and urban life and is currently writing in magazines and newspapers. He can be reached by e-mail at wilheimj@uol.com.br.

Overcoming the Trauma of Transition: Trends and Changes on the Threshold of the 21st Century

by Jorge Wilhelm

Translated by Mário Santos

Acknowledgments

This is a revised translation of the appendix titled “Nosso Fecundo Fim-de-Mundo” in my book *O Caminho de Istambul* (1998), which would translate as *The Road to Istanbul*. It has been amended here and there in order to update it, such is the speed of changes occurring in our present world. I am most grateful to Joseph S. Tulchin for his invitation to publish this English version and for his Introduction.

I am also grateful and forever in debt to my good friend Mário Santos for his painstaking translation. The issues I deal with in this text—our common future while we are in transition towards the 21st Century—were very often a matter of informal and lively debate at his home in Nairobi where he served as the Brazilian ambassador while I was posted at the United Nations Centre for Human Settlements as the deputy secretary-general of the Habitat II Conference.

After having proposed the structure for Habitat II, the so-called “road map to Istanbul,” I had the opportunity to develop my thoughts regarding the historical transition period I believe humanity is going through during my “year of apprenticeship” (1995) at Habitat Centre in Nairobi; I honed them further at many seminars and conferences in which I participated, and eventually at the “Dialogues on the 21st Century,” a parallel activity of Habitat II. I also had the opportunity to collaborate with the press in several countries by way of articles, commentaries, and notes in which I expanded on one or two of the ideas contained in this particular view of the future—which, I should add, is not exclusively mine.

I learned a lot during my wandering on the road to Istanbul. I avidly read works by authors such as E. Hobsbawm, J. Mandrick, I. Sachs, R. Kurtz, M. Castells, K. Polanyi, J. Rifkin, O. Paz, P. Drucker, J. Borja, M. Berman, Bresser Pereira, L. Thurow, R. Kuttner, G. Marinotti, and many others who inspired and helped shape some of my hypotheses. Companions at seminars and conferences such as K. Shah, J. Brugmann, M. Cohen, C. Sachs-Jeantet, R. Stren, J. Somavia, J. Rees, G. Link, J. Mabogunje, A. Tarozzi, T. Hancock, R. Gakenheimer, A. Fazal, G. Lawrence, N. Barry, H. Henderson, H. Girardet, S. Antoine, K. C. Sivaramakrishna, and I. Serageldin also influenced and helped me to develop and mature some of my ideas. And, among my colleagues at Habitat Centre in Nairobi, I enjoyed with J. Moor, P. Garau, and R. Wickmann many fruitful exchanges of ideas.

Finally, I am grateful to Ignacy Sachs who read with a critical eye the first version of this text and who made several topical and provocative contributions.

Fellow travelers on the road to Istanbul, I am happy we are all together in this English version of “Overcoming the Trauma of Transition.”

J.W.

Introduction

by JOSEPH S. TULCHIN, *Director, Latin American Program, and Co-Chair, Comparative Urban Studies Project at the Woodrow Wilson International Center for Scholars*

Organizing an international meeting can be an out-of-body experience. Attempting to combine the interests and cultural norms of government representatives, international agencies, non-governmental agencies, academics, and private citizens is a mind-boggling and often thankless task. The result has elements of a three-ring circus, a crowded souk, the formalities of plenary sessions driven by protocol, and enough logistical detail to tax the capacity of a large computer, not to mention a large staff of people. Add to that the tensions inherent in public and private discussions of a subject as sensitive as the contemporary city and you have an idea of what it must have been like to put on Habitat II in Istanbul in 1996.

That, of course, is exactly what Jorge Wilhelm did. He, more than any other individual, was responsible for organizing Habitat II. One in the series of momentous United Nations summits, this one focused on cities, a subject fraught with political conflict and academic dispute. He did it with equanimity, almost limitless energy, inspiration, and determination. The result was a fascinating meeting that combined high politics, stimulating intellectual debate, passionate advocacy, and rich exchanges of information, experience, and opinion.

My participation in Habitat II was as the co-organizer, along with my Wilson Center colleague Blair A. Ruble, and member of a working group on the contemporary city. Drawn from every region of the world and from five different academic disciplines, the working group met four times before the Istanbul conclave to discuss the

modern urban dilemma and to contemplate the urban future. With Jorge Wilhelm's unstinting support and encouragement we produced a volume, Preparing for the Urban Future: Global Pressures and Local Forces, which actually was ready in time for the Istanbul gathering. Compared to Wilhelm's task, ours was relatively simple, yet fiendishly complex: to analyze the patterns of urban development throughout the world, select the specific topics to be treated in the volume by way of appropriate examples of those patterns, and then suggest some likely future scenarios for the world's cities. It was an exhilarating exercise, and one that left us with plenty of things to study.

Jorge Wilhelm has published a volume of reflections on his experience, O Caminho de Istambul. Memorias de uma conferencia da ONU, that is well worth reading. Like the author himself, it is generous of spirit and demonstrates how this wonderful man was able to put his forty years of experience as an urbanist to good use tapping into the networks of scholars and practitioners around the globe to join him in the quixotic enterprise of putting together so mammoth and complex a meeting.

The appendix to that volume, "Nosso Fecundo Fim-de-Mundo," is an academic summary of his reflections on the state of the city. That portion of the volume has been translated, so we can now make it available to an English-speaking audience of urbanists. We are proud to do so as an Occasional Paper of the Comparative Urban Studies Project.

The document makes several points worth highlighting. First and foremost is the general assertion that the pace of change in the world today amounts to an historic transition, a break with the past, causing considerable trauma. The trends that cause Jorge Wilhelm greatest disquiet have to do with the globalization of the world economy impelled by radical changes in the way and the rate

at which information flows and is shaped by the almost mindless embrace of neoliberal reforms. The results of these changes that bother him are the growing gap between rich nations and poor nations and between rich and poor within nations. Everywhere there is evidence of exclusion— unemployment, poverty, alienation, growing inequity. At the same time, the state is shrinking and losing resources, eroding its capacity to deal with social demands, mediate among contending interests, or correct injustice. Since the world is largely urban and becoming more so, the manifestations of exclusion are most evident and most painful in cities, where deteriorating infrastructure emphasizes the negative impact of exclusion. Urban violence and citizen insecurity have become a sad cliché of the urban lifestyle.

But, it is not in Jorge Wilhelm's nature to tear his hair and rend his garments in lament. He sees a glimmer of hope in the local forces that shape cities, what he calls the "tribal" forces that hold people together. In addition, while the national state is losing resources and downsizing, a number of important functions of the central state have devolved to local administrative units— states, regions, and cities. Although most cities do not have the resources to solve all of their problems and few have the tradition of dunning their residents to pay for services through taxes, the fact remains that by turning to cities in times of social and economic crisis does, at the very least, serve to bring the problems—and the responsibility for finding solutions—closer to the people directly affected.

To expand the glimmer of hope to a ray of optimism, we should note that the decentralization of power comes to many parts of the world at a time when political democracy has become the mode of choice of political organization. That means, in terms of the trends listed in Jorge Wilhelm's document, giving cities more responsibilities and more power strengthens the possibilities for inclusion through political action or citizenship.

Mobilizing residents no longer needs be understood as a mechanism of complaint or a declaration of the people's opposition to the state or the powers that be. Now, it can become a mode of citizen action, a mechanism to articulate the legitimate demands and interests of city dwellers confronting the transition to the new century and the new millennium.

Foreword

On the eve of my departure for Nairobi in 1994, *FAX—Messages from a Near Future* was published. I had written *Fax* the previous year when I was still totally unaware that Habitat II lay in my future. In it, I speculated on the future of humanity in the next thirty years. Although I received a few letters from readers expressing amusement at the fictional structure I used as a conduit for my speculations, I still do not know whether the view of the future I outlined was thought-provoking or not. Until now, the book has not been reviewed, and the few articles that came out announcing its publication refrained from commenting on my ideas about what the future has in store for us.

I had better luck with the English edition, published by Earthscan of London in 1996. Two long reviews appeared in magazines specializing in urban development. I realize now that the fictional setting of *Fax* might have produced perplexity in the reader and in the bookstore. How should such a book be classified—as science fiction or as a simple tale? Could it really be an essay on the way the future would develop?

I must admit that I did attempt such an essay. And afterwards I used the view of the future presented in *FAX* to underpin conceptually the Istanbul conference and to give it a coherent perspective. Essentially, I espoused the view that humanity is going through a transition period in its history; that this period is characterized by discontinuities and breaks in a multiplicity of social, economic, and political structures; that these events will lead us

into a mostly urbanized 21st Century, reborn after a fin-de-siècle trauma; and that a new social contract, which will redefine the role of the state, the productive sector, and civil society, is being negotiated. Therefore, within this perspective, the Istanbul conference would attempt to set up a framework to facilitate partnerships between builders and managers of cities, as well as to serve as a model for the United Nations that would enable it to move beyond its current function as a forum of governments, to become a forum of nations.

It is worthwhile from time to time to consolidate a set of ideas and expose them to others for critical analysis. The purpose of this text is to do just that. In the following pages, I extract from the Habitat II memoirs the ideas, which I shall unabashedly call theses, that guided me during the two years I dedicated to the preparation of the conference, as well as the experience I gained on the road to Istanbul. These theses thus become clearly recognizable and, most likely, more vulnerable as well. I feel that it is important to participate, with all possible clarity, in the anxious and necessary debate on the future, so crucial for the planning of development in which we all are, to a greater or lesser extent, engaged. More and more persons and organizations are being drawn into this debate as contradictions and conflicts intensify. As Hobsbawm wrote: “Our world risks both explosion and implosion. It must change. (...) And the price of failure, that is to say, the alternative to a changed society, is darkness” (*The Age of Extremes*, pg. 585). While there is still time—and time is fast running out—I deem it necessary to contribute, even if minimally, to shorten this transition, so full of painful exclusions, in which humanity finds itself.

FIRST THESIS

We are in the throes of a transition in history. Breaking with the past, not only adjusting, is the emerging pattern.

The fall of the Berlin Wall in 1989 symbolized the collapse of an economic and political system that was clearly falling apart. In East Germany, the repudiation of police repression and authoritarian methods of government signaled the apex of a process that had started many years before. The Wall fell without any apparent resistance. In 1987, Gorbachev, with acute insight and singular courage, perceived that the faltering Soviet regime, drained of all vitality, needed to undergo radical change in order to address the many serious problems it was facing. The corrupt and stifling Brezhnev years, with their blind insistence on central planning and top-down decision making, had finally thrown the Soviet economy into an uncontrollable tailspin. The light that Gorbachev let into the Soviet political system (*glasnost*) and the process of restructuring (*perestroika*) he initiated two years later resulted in a dramatic demise of old doctrines, beliefs, and related institutions and in the sudden break up of the Soviet Union. “All that is solid melts in air,” as Marx once wrote, and as Marshall Berman (1982) used as a title.

The many consequences, such as the end of the Cold War, which stemmed from this momentous event received reiterated media attention to the point of becoming commonplace. However, none were more hackneyed perhaps than the apparent triumph of the market economy and the capitalist system and, closely associated with it, the unquestionable although probably temporary hegemony

of the United States over the world economy. At the risk of oversimplification, this hegemony has sparked a “war” within the reigning world system whose main characteristics are: the acceleration of the European Union and the formation of regional economic groupings to fend off the incursions of American economic might; a much faster pace in the activities of around 37,000 transnational companies whose strategies have already become independent of those of their country of origin; and, in the former Soviet Union, the emergence of a wave of national feeling, the sudden surge of large-scale criminality, and, in the wake of foundering institutions, the predatory onslaught of bureaucrats and criminals against the state and public property.

With so many changes taking place at the same time and at an accelerated pace, economists and thinkers had to come up quickly with a theory to explain such bewildering times. Resorting to pragmatism, they grasped at an already available model that, though somewhat frayed and probably obsolete, seemed nevertheless useful to justify the absence of an all-embracing concept from which could be derived an understanding of the present and perspectives for the future. They added “neo” to “liberalism.”

In the perplexing aftermath of the Cold War, several prominent economists, pressured by the speed of events, circumscribed their theoretical efforts to devise adjustment mechanisms and apply them to a reality that had not yet completely revealed, in terms of numbers and facts, the risks and impasses it contained. Therefore, the idea of *adjustment*, even before it became a foundation for national policies, sprang up in the minds of these economists who were not only anxious to find an explanation, but also concerned to assure that, with the disappearance of the socialist bogeyman, the hegemonic capitalist system would eventually sort out all the social and political problems of the world. Expunged of contradictions and with only

temporary difficulties remaining, history, that is, the dialectics of opposing forces, had reached its end.

In terms of political action and economic measures, adjustment under the aegis of a “new” economic liberalism focused initially on shrinking the role of the state, which meant of course, deleting regulations, cutting expenditures, and eliminating deficits. Applied to the private sector, the concept was spelled out to mean the reduction of costs by contracting out to third parties, a practice that cuts down on the need to maintain inventories and stocks, and employing labor-saving technologies (computerized automation). The reduction of costs, together with gains in productivity induced by automation, were imperatives demanded by stiffer competition brought on by globalization as it extended its reach over the world economy, toppling customs barriers and cutting protectionist taxes as it did so.

In the oversimplified way that the “triumph of capitalism” has been presented, one fact has frequently been overlooked: if it is true that industry has gained in productivity, the same can certainly not be said of the social services sector. The challenge in this case is not just automation or the need to reduce labor or even the pressure of international competition, but how to expand the sector as a whole so that it can absorb labor and diversify and improve the quality of social services provided to citizens.

Nobody can be against the reduction of public expenditure if by that is meant raising productivity and doing away with favoritism, corruption, and inefficiency. By the same token, few can deny that the state should withdraw from the manufacture of goods and leave industry in the more efficient hands of the private sector and in the care of the traditional laws of the market. The concept of adjustment, however, is not enough to deal with the complex phenomena that have resulted from the recent abrupt change in the course of history, just as it is incapable of addressing the many vital issues that face humanity in this historical transition period.

On the political level, for example, adjustment seems to be taking an antisocial and even an antisociety direction, witness the tendency of governments everywhere to divest the state of responsibilities with the purpose of protecting, with greater leeway and less accountability to society, inefficient jobs and protectionist policies that, at the expense of the nation as a whole, benefit its own political corporation or special interest groups.

Let us not shy away from our duty to think. As Durkheim said, “There is nothing more practical than a good theory.” At best, the adjustment demanded by globalization can deal with some of the many problems with which humanity is struggling, but as a conceptual framework it is far from reflecting our fin-de-siècle situation with all its frustrations and hopes. If it becomes a symbol or is raised to the status of a myth, globalization will obscure rather than illuminate the real meaning of the profound changes that are taking place in society. It is already coining comfortable slogans that seem to explain everything but in reality only hide the facts. While blurring the truth, it generates at the same time a rhetoric that seems to focus more on process than substance. What are the worthwhile facts that we should keep before us and on which we should focus? Here are a few that could lay claim to our attention.

The enormous improvements in communication technology, especially with regard to satellites and computers, by bringing nations closer than ever before and by promoting exceptional increases in productivity and savings, have resulted in the globalization of markets and in a substantial increase in international trade. It is (worthwhile here to keep in mind that about one third of international trade today takes place “within the borders” of transnational companies.)

These same factors have also led to an impressive expansion of capital markets. In 1983 financial operations totaled US\$60 billion per day; in 1995,

the value of paper circulated daily reached US\$1.29 trillion. In other words, the scale and pace of operations in the capital markets has made a quantum leap.

Though the Gross National Product (GNP) in developed countries, especially in the United States, rose considerably in the twenty years from 1975 to 1995, industrial production has lagged behind. Thus, economic growth, though at a slower pace than in the preceding decades, has taken place in nonmanufacturing sectors. This sluggishness in the industrial sector has been the main cause in the rise of unemployment, for it is here that unemployment is most acute. Nevertheless, productivity, at the level of the enterprise, has made considerable strides, thanks to automation. The obvious conclusion is: by substituting machines for workers, industry is bringing about a discontinuity in the manufacturing process. *Manu*-facturing is gradually disappearing.

The computer has brought about a change in the workplace. To remain competitive, both the industrial and service sectors require workers with much higher qualifications than before. The modern workers must not only be computer literate but also able to manipulate information. They are first and foremost handlers of knowledge, quite different from the blue-collar types who, according to Drucker’s (1971) description, only *move objects* along the assembly line. Therefore, we have here another discontinuity: the market is demanding a worker with new and higher qualifications to perform tasks whose *nature* has radically changed.

Computerization has created other new situations. For example, the ability to simultaneously transmit enormous amounts of information around the world has inevitably lead to the *acceleration* of the decision making process. Transposing this new reality to the world of finance, it is easy to see that, as information is turned into knowledge, it is possible to perform any number of financial operations

and move huge sums around the globe in a very short period of time. This “speed” has given rise to speculation on a very large scale and has determined a shift of financial resources away from productive activity. This trend has thus brought about another radical change: *money is not where it used to be.*

The migration of financial resources to capital markets and to mutual and pension funds, a theme to which I shall return below, besides affecting the security and the capitalization of the manufacturing sector, also leaves the state bereft of funds and severely curtails its ability to implement financial policies. This situation is aggravated by the tendency of some governments to forego fiscal revenue in a desperate attempt to attract investors, hoping to relieve the pressures of unemployment. Government budgets are everywhere suffering from the lack of funds to meet welfare obligations, to invest in infrastructure, and to provide more and better services to the population. The public sector is being pressured by unemployment and by the struggle among social groups who, uncertain about the future, seek to avoid loss of status by defending their class and corporative interests. The unstructuring of employment, the exacerbation of international competition, the greater time span needed to absorb complex new knowledge, the lack of financial resources, and the resistance to public policies and regulations by conservative and short-sighted business interests all conspire to weaken the state and its ability to govern. In certain cases, discontinuity threatens the very existence of government as institutions are weakened and destabilization expands.

The difficulty of putting together a budget on a sound base has its mirror image on the expenditure side, where one observes diminishing financial support for development strategies. This is so because current political habits reduce the budgeting exercise to a battlefield where regions and

special interests wage a continuous war to maximize their piece of the pie. Paradoxically, in many countries, governments are abandoning planning and thus relinquishing the crucial function of democratically building scenarios for the future with a view to elaborating, negotiating, and choosing appropriate priorities and strategies. In sum, *political and party patrimonial interests and corporativism are eroding democratic institutions while governments waive the function of planning just when it is most needed.*

Insecurity, unreasonable decisions, decline in solidarity, alienation, unemployment, and new methods of production are disquieting fin-de-siècle features. These aspects clearly define a framework for and are ingredients of discontinuity, of ruptures with the past, as have occurred before in human history.

The malaise is not yet universal but contamination will spread according to a timetable dictated by the peculiar circumstances of each country and region. In spite of globalization and the lightening flow of information, discontinuities and ruptures will not take place all at once like the fall of the Bastille. They are however beyond the reach of adjustment because they reflect deep changes that stem from a period of historical transition that humanity has entered and from which a new social model will emerge. I will delve deeper into the discontinuities outlined above and try to throw some more light on the direction of this transition. For the anguishing question still stands: transition toward what?

SECOND THESIS

The control of the economy is shifting from the state to pension funds, capital markets, and possibly elsewhere.

Is there anybody who doesn't complain about the lack of funds? Yes, there is! Mutual and pension funds and capital markets, spurred on by the prospects of high profits enhanced and accelerated in the era of information, notwithstanding increasing risks and crisis. As least as long as it lasts...

Globalization resulting from advances in computer technology, or, to be more precise, from *telematics* (the combination of computers and satellites), has had a tremendous effect on capital markets, which now are able to move vast amounts of funds around the world at electronic speed 24 hours a day. This new capability has also given rise to an increase in speculative ventures, such as short-term investments, buying and selling of controlling capital stock, and volatile investments in emerging markets, derivatives, currencies, and futures. It is in fact gambling on a global scale that is attracting huge sums, where investments are synonymous with wagers. The derivative and futures markets, for example, no matter how much objectivity sophisticated probability analysis may give them, nevertheless contain a considerable element of chance. A Nobel prize was given in 1997 to economists who developed a sophisticated process to better speculate; one year later their fund (Long Term Capital Fund) had to be rescued by the Federal Reserve because it was on the edge of bankruptcy. The giddy swirl of financial transactions, where money is gained and lost in a flash, creates the impression that the economy is working at high productivity. This frantic activity, however, does not correspond to productivity gains nor does it produce development. In fact, it erodes and eventually destroys the economy.

The instability of the capital markets, the volatility of speculative capital, will eventually cause financial crises that cannot remain local because of the context created by globalization; they might easily grow to a global crisis and even develop into a systemic crisis of the market economy. Paul Erdman (1996) sees currency fluctuations as an international game; he underlines that the US trade deficit is linked to fluctuations between dollars/yen/marks, and that the \$1.3 trillion worth of American assets that are in foreign hands might grow to \$2 trillion, if and when US exports to China and other countries increase. Thus, the American financial bubble, burst by currency crises, might provoke a global systemic crisis.

Today's spiraling capitalism is a throwback to the voracious liberalism prevalent in the 1900s, but somewhat softened by modern *laissez-faire* practice. According to Lester Thurow (1996, pg. 56)

It is probable that no country . . . has had an increase in inequality so fast and so generalized as the United States in the last two decades. . . . In the beginning of the '90s, the difference in salaries between the 10% of the highest earners and 10% of the lowest of the working force, in 12 of the 17 OECD countries that keep such statistics, was increasing at an average rate of 7.5 to 1 in 1969 to 11 to 1 in 1992."

In his recent book, *Everything for Sale* (1997), Robert Kuttner points to the risks of abandoning the successful and cautious mixed capitalist economy proposed by Keynes for a return to the "pure" but unreal capitalism now proposed by the neoliberals. He stresses that the "consumer has wants, but the citizen has values," (pg. 47) and that both states co-habit the same person, this being one of the causes of "imperfection" in the market. A hypothetical free market, completely deregulated and with minimal state intervention, would in fact undermine democratic freedom and bring on social catastrophe:

“Some domains are inherently beyond the reach of the market. They belong to the province of rights, which by definition cannot be alienated or sold.” (pg. 361) And: “A society that was a grand auction block would not be a political democracy worth having.”(...) Everything must not be for sale.”(pg. 362)

Peter Drucker, in his pioneering articles, was already calling attention to three new features of capitalism: the decreasing need for labor; the decreasing need for raw materials per product; and a dangerous dissociation between the capital markets and the real economy. Robert Kurz (1996, newspaper articles) develops this last point further. He focuses on the emergence of a virtual economy driven by speculation and divorced from actual work and from the physical reality of people at work. In this virtual economic world, profits are increasingly being dissociated from the reality of assets and physical production.

The stakes are impressive, even though the amounts do not correspond to palpable assets. According to Michael Hirsh (1994), the amounts held by pension funds, insurance companies, and capital markets in 1990 reached US\$756 billion; US\$468 billion was kept by banks in the same year. But three years later, in 1993, while bank loans slightly increased to US\$555 billion, the capital markets alone were processing an astronomical US\$42.3 trillion! Speculative profits do exist, as do gains in productivity, but hand in hand with high concentrations of income, unemployment, social deprivation, and ecological damage that are not quantified or factored into the economic equation. Some economists refer to these lightly as “externalities.”

Mutual and pension funds are the institutions that most benefit from the massive concentration of financial resources. They are the quintessential capitalists in this transitional period. Their prime objective, legally, is to guarantee the participation and pension rights of members. Yet, the “owners” and members of these mutual and pension funds have not come together to orient their administrators to redirect even a small percentage of “their” money toward social ends, in order to contribute to a safer future for all, which includes the future of the fund. Financial resources are neither under state control nor are they in the care of the traditional custodians, the banking system. Besides pension funds, capital markets, and insurance companies, who have command today over a much larger volume of money than banks, there is also “cybercash,” commercial transactions via the Internet and using satellites, a new phenomenon best described as banking without banks. Global trade via the Internet has reached US\$16 billion in 1996 and is estimated to reach \$268 billion in the next four years. This phenomenon is already attracting the attention of banks and credit card companies who are actively considering entering the virtual market of the Internet to avoid losing customers.

In addition, unknown amounts of money, but certainly very considerable, formerly under the control of the state, are now finding their way into the clandestine economy, be it drug trafficking or other illegal ways of making money. The sums involved are so large (estimates mention a yearly laundry of 750 billion dollars) that there is now a constant search all over the world for ways to legalize them. Should money laundering continue to expand, fed by these ever increasing criminal activities, it might

even be possible that drug dealers will create their own banking system instead of relying on the difficult traditional methods of legalizing their ill-gotten earnings. This would be a further blow to the state which, already suffering from a dearth of funds, might see its essential functions strongly influenced or even co-opted by yet another player, in this case a criminal organization.

At this point, it should be glaringly obvious that there is a need for state intervention through its regulatory powers, based on the democratically expressed wish of the people and aimed at attaining planned, long-term objectives. If private enterprises express interest in shouldering greater responsibility for the fate of their countries, their participation in this endeavor should be subjected to, or better still, “negotiated” with the state, the only partner that has the inherent responsibility to generate and carry out public policies (such an arrangement is already in place in the Scandinavian countries, where it is called a “negotiated economy”). In other words, there already exist some new options to replace the traditional arrangement whereby only one subsector of society, that is, the state, is invested with the power to exercise control over the market economy. All of them have a strong social content and reflect a negotiated understanding of how the economy is to be run under the aegis of democratically supported public policies.

THIRD THESIS

The nature of work is changing. Productivity is increasing while jobs are being cut.

To demand increased qualifications from the salaried classes is nothing new, and normally follows a generalized assimilation by industry of a significant technological advance. Historically, inventions and new technologies, in agriculture or manufacturing, have been determining factors in modify-

ing the behavior of individuals and their relationships, with corresponding social repercussions. In 1867, Karl Marx, in *Das Kapital* said that producers will always seek to reduce costs and expand their control over the means of production, replacing labor with machines. In his seminal work, *The General Theory of Employment, Interest and Money* (1936), John Maynard Keynes wrote: “We have been struck by a new illness which some readers may not have heard of but of which a lot will be said in the next few years—technological unemployment” (quoted in Rifkin 1995, pg. 25).

The nature of work itself is changing radically. The paradigm of a manufacturing enterprise in the 20th Century, so thoroughly studied by Taylor, was represented by the assembly line at which each worker added something on to a constantly moving object. But since the silicon chip made automation possible, it is now the robot that performs those tasks, and with greater precision and less cost. Thus working thesis proposed by Taylor and the traditional worker and his job are gradually sliding into history. The same radical changes are also occurring in the service sector. Millions of messages were registered daily in ledgers, copied and distributed, and finally put away in large steel filing cabinets. Millions of public servants were employed to perform these tasks. The silicon chip is doing away with all of that, permitting the registering, distributing, and filing of messages with speed, precision, security, and much lower cost.

The worker engaged in the production of goods is rapidly being transformed into a “worker of knowledge” who manipulates complex machines. The same is happening to the worker in the service sector. According to Drucker (1993), forty years ago, this category of labor, in the developed countries, represented less than one-third of the work force; today it constitutes nearly four-fifths. Competition on a global scale demands ever-increasing productivity from these “new workers,” especially those engaged in the state sector, whose produc-

tivity is notoriously low. The state sector is under pressure to reform and modernize its working methods and scope, as well as to abate regulations to give more leeway to the market; but the effort to minimize the state is shortsighted and will in no time result in unbearable social tensions via unemployment. The market itself may have to plead for the state to come back, set up some new regulations, and take care of the dramatic accrued social tensions caused by greed, global concentrations, and financial speculation.

The more evident manifestations of this social upheaval are the breakdown of the traditional structures of work and massive unemployment, initially restricted to the developed industrialized countries. With the concomitant onset of automation, employment itself is undergoing dramatic change. New types of employment have emerged and new and more demanding qualifications for workers are replacing traditional job descriptions. However, automation, both in industry and in the service sectors, has been the bogeyman of labor unions ever since the 1950s. Rifkin (1995, pg. 229) also quotes Paul Kennedy (*Preparing for the 21st Century*) who estimates that each robot will replace four jobs in the economy and, if used 24 hours a day, will recover its cost in little over a year. The effects of increasing automation on employment are crushing, especially in the industrialized countries. Two examples should suffice: US Steel's payroll was sliced from 120,000 jobs in 1980 to 20,000 in 1990; the Victor Company of Japan replaced 150 workers with 64 robots that needed the supervision of only two employees!

The jobs lost to technological adjustments are gone forever. In the United States, large enterprises compete to see who will lay off more workers. These corporate killers, hailed by the establishment as the courageous champions of modernity, are the main source of unemployment. Just five of them (GM, SEARS, Boeing, IBM, and AT&T) wrote off, in successive and swift actions, 252,000

jobs in five years (Dupas 1997). These redundant workers may eventually be reabsorbed by other activities, although generally at lower salaries, but it is impossible to remain undisturbed by the large numbers of this "released" labor, who will be classified formally as "excluded" from the system, unless they shift to another productive activity. It must also be noted that, even though statistics show an increase in the number of jobs, they fail to reveal that a redundant worker may have had to accept two jobs to make up, and barely, for the one salary lost.

The shortsightedness of those who see only a process of adjustment instead of a break with the past, a crisis that begs thoughtful consideration as to how society can be reorganized, can only lead to political passivity and injustice, both of which contain the seeds of social unrest. For certain politicians as well as for certain economists, the changes in the structure of employment implies inevitable exclusions, for they are cynically convinced that a portion of the population is superfluous, if not undesirable. Neoliberalism adopts an attitude of indifference toward social distress, reflecting, in a throwback to the untamed laissez-faire capitalism of the 1900s, the illusion that the "invisible hand" will eventually sort things out in the social sphere as well. Since fewer and fewer people are needed to produce everything that the world consumes, those who have been excluded should simply disappear, or remain quiet.

But of course they will not. Viviane Forrester (1996), in her vehement literary protest against the indifference with which politicians and certain sectors of society regard the realities of unemployment and exclusion, points out that there still prevails the idea that employment is something pertaining to the industrial era, to "real estate capitalism; we [in France, Europe] see unemployment as something associated with the factory, as an address, as something rooted in our environment" (pg. 23). If, as seems to be the case, the definition of work is being re-

vised, the adaptation of workers and their families is not keeping pace. Where, then, are the policies and initiatives, both from the captains of industry and from society in general, that address the plight of people in transition in this age of change? Ignacy Sachs, in a recent conference (1998), underlined that *work*, from the human point of view, *is something more than a paycheck*. Besides being a worker and a consumer, a person is also, and mainly, a citizen, a human being with certain inalienable rights. Is it possible, then, to leave the task of facilitating the transition of a person to happenstance?

It may be that Marx was right after all when he proclaimed that social rupture, that is, revolution, would be the result of a conflict of class interests reaching a breaking point in the most advanced capitalist countries. From this point of view, the birth of the Soviet Union would seem to have been the application of that theory by a daring and successful political leadership taking advantage of favorable circumstances. It is possible that the Soviet Union will be seen by future historians as a whim of history, albeit one that has left a rich legacy, both good and bad, because a group of bold revolutionaries used Marx's socialist banner opportunistically and inappropriately; for, it should be recalled that three factors, which Polányi considered essential for a revolution and a change of regime did not exist in 1917 Russia: a developed industrial sector, a literate population, and democratic traditions.

It would seem therefore that Marx's predictions that revolution will result from unbearable social tensions generated by the clash of contradictory class interests has still to be put to the test in advanced industrial countries, this time under very different circumstances and in the light of the vast historical experience of the 20th Century.

Experience of the 20th century.

It is certainly food for thought, as history marches on, with its discontinuities and accidents, always challenging the theories that attempt to interpret it.

The worker engaged in the production of goods is rapidly being transformed into a "worker of knowledge" who manipulates complex machines. The same is happening to the worker in the service sector. Drucker (1997) comments that, 40 years ago, this category of labor, in the developed countries, represented less than one-third of the work force but that today they constitute nearly four-fifths. Competition on a global scale demands ever-increasing productivity from these "new workers", especially those engaged in the state sector, whose productivity is notoriously low.

The state sector is under pressure to reform and modernize its working methods and scope as well as to deregulate, so as to give the market more elbowroom. This however must be done with caution in order not to overdo the process of minimizing the state. Those who push for this are shortsighted in their motivations, for the complete free play of market forces can only result in unemployment and unbearable social tensions, the result of which will be a shrinking market and increased competition, the opposite of what was originally intended. I predict that, should such an eventuality come to pass, those who pressed for a minimal state will plead for its return to exercise its fundamental function of prime social arbiter. Only the state, acting as such arbiter, can impose the preservation of civil rights, and resolve the exacerbated social tensions caused by globalization, excessive concentration of economic power and unrestricted speculation in the world's financial markets.

Finally, a last comment on this subject. As has been seen, changes in the mode of production have brought with them growing automation and, as its main consequence, structural unemployment and a potential for social unrest. Beyond these changes, and furthermore, they have introduced sensitive alterations in the way work is organized. Contracting out to third parties and the fragmentation of the work place have produced an autonomous and, at the same time, salaried worker. State supervision of labor relations is adapting to these new trends, as are its methods for calculating revenue. From the changing ways of organizing work is emerging the concept of partnership and networking as new forms of relationship that will produce its own methods and paradigms.

Finally, transnational enterprises have developed their own new operating methods, of financing and marketing of goods.

FOURTH THESIS

Relations between organizations are changing as hierarchical structures give way to networks and partnerships.

Enterprises that emerged from the Industrial Revolution adopted a structure modeled on military organization. So did governments. Essentially, it has a tree-like, hierarchical configuration, with many at the bottom subordinate to fewer and fewer at higher levels. As enterprises grew and expanded into the international arena and, indeed, as they became transnational companies, they found it necessary to develop new organizational criteria. Decentralization was one of them, and, to maintain the high productivity so necessary to compete successfully in international trade and production, great stress was laid on management and the manager.

Drucker (1993) emphatically underlines the new role of the manager in transnational production. Instead of being the chief, the owner of a portion of power within a hierarchical structure, the new manager is now “responsible for the performance of the people who work with him” and, in future, will also be “responsible for the application and the performance of knowledge” (pg. 143). As these changes occur within an organization, accelerated by advances in computer technology, what is happening in the relationships between different types of organizations?

It is necessary here to distinguish between the characteristics of an industrial-age society from those of a computer-age society. According to Rosnay (1996 in *Le Monde Diplomatique*), the former is noted for the concentration of the means of production, for the large-scale distribution of standardized goods, for the specialization of tasks, and for the application of the hierarchical principle in the organization and control of institutions. In a computer society, on the other hand, decentralization of production, desynchronization of activities, and dematerialization of exchanges are the norm. Goods and services are produced by a spontaneous pulling together to attain certain common objectives, by jumping over legal and formal barriers, by networking, all in the name of achieving goals at lower cost and in least time.

Networking will inevitably bring about a review of old paradigms and work methods, the results of which will eventually be reflected in a new social contract. If a certain task is to be performed by the government and an outside partner, be it an enterprise or NGO, or by all three, how can such a scheme be put into effect with gains in productivity and efficiency? In several countries and at several levels, the state is already calling for “participation,” summoning partners to share responsibility in the performance of tasks and their costs. But the institu-

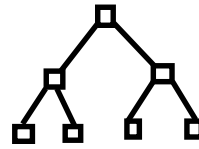
tions and the legislation that shape the state as it is today are neither keeping pace with the rhetoric nor with the experimentation that is already widespread, notwithstanding very positive results. The current legal framework prevents progress in the direction of more flexible arrangements and at the same time protects the forces of conservatism.

When the three potential partners (the state, the private sector, and civil society) belong to different hierarchical categories, the natural and traditional form of partnership is for the state to contract the services of the other two. However, since oftentimes the public sector is prevented from doing this because of lack of funds, a way of getting around the difficulty is to network. Setting up a network can be proposed by any one of the three partners, but since the state is responsible for establishing public policies and regulations, as well as proposing development goals so that they can be democratically endorsed, it is very likely that it will be the initiator of a network when crucial issues are at stake.

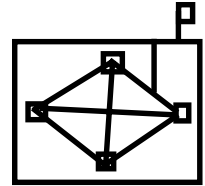
In such a network, the partners draw up a protocol wherein the procedures and the obligations of each are clearly defined. Most important in this process is the establishment of a consensus with regard to the “goals” and “products” to be attained, on the basis of which the partners devise strategies and a work program, including timetables and the assignment of tasks. Because the hierarchical principle does not obtain in a network, leadership is divested of the power to command. Any member of the network may exercise ad hoc leadership for the sake of efficiency, if all are in agreement. Guidance is achieved by constant discussion and even by negotiation. Communication between the partners, which makes for strengthening mutual confidence, must be constant and proceed both ways, in contrast to a hierarchical structure where it is usually top-down.

The difference between a hierarchical structure and a network can be clearly seen in the graph below:

HIERARCHICAL



NETWORK



What are the practical steps to form a network? For each network, the partners would draw up a protocol where procedures and the obligations of each one are clearly defined. Most important in this process is the establishment of a consensus with regard to the “goals” and “products” to be attained. On the basis of these goals and products, the partners would then proceed to devise strategies and a work program, wherein timetables and the commissioning of tasks are contained. In a network, leadership is divested of the power to command, for in it the hierarchical principle does not obtain. Guidance, however, is achieved by constant discussion and even by negotiations within the group. Any member of the network may exercise ad hoc leadership for the sake of efficiency if all are in agreement. Communication between the partners must be constant and should proceed both ways, in contrast to a hierarchical structure where it is usually top-down. The continuous flow of communications makes for strengthening mutual confidence.

The new work paradigms that emerge from the patterns of these partnerships will, in time, bring about substantial changes in institutions. On the side of the state, they will facilitate its engagement in such arrangements. For the private sector, it will entail a change of roles, from one of subordination as in a contractual relationship, to one of equal status within the framework of the partner-

ship. Furthermore, instead of receiving money for work performed, the private sector will foot part of the bill. A promising future may also be seen in the development of the third side in the partnership triangle, represented by foundations and non-governmental organizations. Their inclusion will add efficiency to the exercise, especially when important social issues are at stake.

FIFTH THESIS

State/private sector/society relations are changing as anew social contract is being negotiated.

Private organizations dedicated to the production of goods and services, the so-called productive forces, are referred to today as *the private sector*. During its development, the private sector, that is business, has suffered reverses, such as in the Great Depression (1929-33), but it has also shown incredible flexibility and powers of adaptation. For example, when Fascism took hold in Europe, following unemployment and the social crisis brought on by the Great Depression, the private sector allied itself with the state to produce a very efficient war economy. After 1960, businesses evolved into transnational companies, the harbingers of globalization, which, as they took root with the help of the rapid advance in computer technology, created a totally new environment—as a matter of fact, a new system of international trade—that was to present capitalism with new challenges, perplexities, and risks.

In the Soviet Union, development on the basis of state ownership of the means of production, an authoritarian regime, and central planning of the economy resulted in the failure of the system in the long run. Therefore, the private sector, for the time being, does not have to prove that a market economy is superior to a state-run economy and that private ownership of the means of production

is definitely better than their ownership by the state. Nevertheless, capitalism faces new dilemmas, not only those pertaining to the rules of the game, such as the ability to compete, to maintain high productivity, and to restructure production methods, but those that stem from the relationship between the private sector and the state, on one hand, and between it and civil society, on the other.

The primary, and shortsighted, impulse of private enterprise is to want the state out of the way so as not hamper its activities. In other words, the state should not engage in the business of producing goods and should reduce its regulating functions to a minimum. But the more far-sighted representatives of the private sector realize the risks involved in the minimization of the state, some of the very serious possibilities among them being unemployment and violence. Such concerns are not just the fruits of *ethical* and ideological lucubrations but are indigenous to the long-term interests of the sector as a whole. A world of redundant manpower and a Third World reduced to irrelevancy can only mean *smaller markets* and cutthroat competition with all their attendant risks.

These considerations are impelling the private sector to participate, to collaborate, and to enter into partnerships with the state for the solution of social problems. But the *productive* private sector should not be restricted to the shareholders; it should also include its workers. Curiously, workers and their organizations are often not included in discussions on a renegotiation of the social pact. They are patronized by well-intentioned intellectuals or NGOs instead of being invited to participate in their own right. Their frequent exclusion from the debate results either ideologically from the collapse of the Soviet Union and its supposed dictatorship of the proletariat or from the natural perplexities of workers' unions facing the profound transformations in the production system and the global economy.

Also noteworthy is the response of civil society in the last four decades to the social, cultural, educational, environmental, and health problems that are besetting the planet with increasing magnitude. The extraordinary number of organizations dedicated to the solution of these problems eloquently testifies to the acute awareness of society to the malaise that marks the present transition period. The coming of age of civil society was signaled by a number of events easy to identify a posteriori: the hippie movement of the 60s, the environmental movement of the 70s and 80s, the women's liberation movement, the peace movements, especially in the United States as a reaction to the Vietnam War, and the antinuclear movement in Europe in the 80s. In this context, one should not forget the very profound effect that the invention and propagation of contraceptives had on behavior, bringing about a new dialogue between the genders as well as changes in private life.

Political decisions and initiatives, therefore, will come from different sources, mainly but not exclusively from the state, who will no longer be their sole initiator. With the risk of being pedantic, a governmental organization with political functions linking two or more equal partners could be called a *polyarchy*, a word used by Fernando Henrique Cardoso (1993).

How will the state, the government, move from its current hierarchical manner of doing politics to a new and promising redefinition of its functions and a reorganization of its style of governing, tapping, in its new role, format and methods, the energy of new social partners?

SIXTH THESIS

In its new role, the state will act as a strategic planner, regulator, rights guarantor, and facilitator of partnerships.

The globalization of the economy, as we see it today, puts a premium on competition and underlines the role of transnational companies. It has also given rise to the creation of regional groupings, like the European Union and Mercosur, that can bargain competitively from a position of strength for access to markets. As Celso Furtado said in 1997, when commenting in an article (*"Folha de S.Paulo"*) on Lester Thurow's book:

Globalization has given prominence to transnational companies to the detriment of national states. These, however, while refusing to disappear, take on new functions, since it behooves them to monitor the emergence of a new standard of income distribution. (Furtado 1997)

But the state has not yet demonstrated its willingness or its readiness to do this. For a start, it would have to think out the country's position vis-à-vis globalization because, though this new phenomenon is universal by definition, its effects vary from country to country. For example, in Brazil the state has not yet elaborated a coherent development policy that takes into account the risks and opportunities of globalization as it stands today; in the United States, on the other hand, globalization has been instrumental in the consolidation of US world hegemony.

What are the risks and opportunities that the state must be aware of in developing a policy for globalization? Sachs (1993, pg. 48) has pointed out some of these risks very clearly:

a) Do not rely on artificial competition based on very low wages and setting too low a value on natural resources and energy . . . but instead use as a base the dynamic competitive advantages obtained through knowledge.

b) Do not put too much emphasis on the competitiveness of companies to the detriment of systemic competitiveness, which rely on efficient infrastructure, banking and insurance systems, telecommunications, etc.

c) During the process of sustained export growth, do not forget the internal market, whose importance is fundamental, especially in large countries; the greater the present degree of social exclusion and asymmetry in the distribution of income, the better are in fact the perspectives of expanding the internal market by applying the instruments for redistributing income and growth. The internal market is an asset, not a liability.

d) Do not cause the collapse of the industrial structure of the country by total deregulation, instead of adopting selective processes of liberalization.

e) Be selective when applying policies with regard to technology. They always demand a balance between the importation of black boxes, the acquisition followed by its adaptation, and adequate support for local research efforts.

In the context of the globalization of the economy and an informational society, the role of the state will grow in importance. Its withdrawal from productive activities, at which the private sector and the market have shown themselves to be usually superior, should not, however, mean that the state should abdicate its role as “regulator” or its primary function of democratically determining public policies of national interest. New systems, mechanisms, and specialized public agencies should be set up for this purpose.

In a transition period, when exclusion becomes an ever-growing social problem and changes take place at an ever-increasing pace, social tensions are aggravated, leading very likely to violence. In such a situation, the importance of the state can-

not be overemphasized, for it is the only competent social organization able to defuse tensions and politically arbitrate between contending sectors of society, some with more clout than others, persuading them to sit at the negotiating table. In other words, the state is the ultimate guarantor of civil rights.

Therefore although the state should reduce its public debt and increase the efficiency of its bureaucratic apparatus, the pressures of the private sector toward minimizing the state reveal extraordinary shortsightedness. Social tensions without the soothing presence of the state can only result in reducing the size of the market, thus frustrating the very goals the private sector has set for itself. Such tensions, when they lead to social unrest and violence, are detrimental both to the citizens and to the market.

It would seem necessary to ponder the role of transnational companies in the evolving new context. When they first appeared, in the early 60s, it became obvious that their interests and strategies did not always coincide with those of their country of origin or where their main office was located. This parting of the ways would not only give them the ability to act as independent players in the international political arena, but would also make transnational companies potential partners in the developing *polyarchy* defined by Fernando Enrique Cardoso (1993, pg. 151) as a governmental organization with political functions linking two or more equal partners.

There are about 37,000 transnational companies today. Though they continue to pursue individual strategies for expanding their market presence, especially in emerging economies, some of their tactics are once again influencing policies in certain countries. Martin Carnoy (Carnoy et al. 1993) proposes a revision of the theory of “disconnection” (the objective’s disjunction between transnational companies and country of origin) because of the importance he assigns to national governments in expanding domestic markets, still vital to the life

of the transnational company. Carnoy argues that the revision should examine the role of the state, particularly in the United States, in the education of experts in development and telecommunications. He also assigns importance to state backing of public policies and formulation, as well as the participation of transnational companies in diplomatic negotiations.

Moreover, since 1997 two new factors call for urgent state and international regulations: the recent phenomenon of huge corporate mergers, initiating a new stage in monopolistic market economy; and the recent successive financial crises caused by massive global speculation that could very well be pointing to a systemic crisis in the world economy.

In support of the significance and the probably increasing role of the state, Cardoso (1998, pg. 12) describes the situation in the countries below the equator and in the east: "Policies aimed at inclusion are necessary in order to overcome the new and growing inequalities in the ability to produce information." These policies can only be democratically drawn up at the initiative of the state. Therefore, the search for an adequate role for the state becomes more urgent as society moves forward and deeper into the computer age—"the information era," as Castells (1998) defines it—and faces new fields of endeavor and demands. Besides establishing public policies tuned to a strategy consistent with the problems of transition and capable of avoiding the traps of globalization, regulation of the economy and coherent planning seem to be necessary ingredients to deal with the situation. Planning here, of course, though strategic in concept, would not only be indicative, limited to evaluating situations, constructing scenarios, but also

serving as a framework, proposing and inducing interaction with society to garner inputs for decision-making.

The state can also play a vital role in a social pact that encourages the convergence of partners. This is particularly relevant with regard to the changing nature of work and production. Here, the state can propose partnerships, create a favorable environment for social participation, and reform institutions to allow and facilitate the "decentralization of power" and the setting up of synergistic networks. Politicians, and the state itself, speak frequently of "participation," but in the majority of countries, the legal framework that defines the state, as well as the ingrained habits of bureaucracy, frustrates such rhetoric and the good intentions it may hold and places many difficulties in the way of establishing partnerships with non-government entities.

Patrimonialism in Brazil has always pervaded the bureaucratic apparatus of the state, keeping it weak and submissive, pliant both to the powers that be and to the manipulations of the private sector. Hence the appropriate observation of Fernando Henrique Cardoso when he said (1993) that it is necessary to "de-privatize" the state.

From patrimonialism and the accompanying weak bureaucracy, aggravated by the strange Brazilian habit of appointing members of *Congress* to high positions in the *executive* branch, thus violating the republican principle of the separation of powers, stem the ills of administrative discontinuities. A smaller but stronger bureaucracy with a new brief should be able to change the prevailing political style and do away with political practices that have fed both populism and authoritarianism in the history of Brazil.

SEVENTH THESIS

Society is moving into the information era, seeking knowledge, hoping for wisdom.

Telematics disseminates data globally. Sometimes it goes beyond “data” and propagates “information.” But this still does not constitute “knowledge.” And nothing assures us that knowledge will lead to “wisdom.” Technology is an extremely useful tool; it is, however, necessary to build and to operate educational systems to create knowledge. This goes beyond the mere employment of available technology.

Everything seems to indicate that “to teach a way to learn,” a “method,” a discipline, together with a good knowledge of where “to look for information,” would constitute the operational base of education at all levels. This base should prepare the specialist to interact with other fields of knowledge, because there is no field that can really be said to be self-contained. The issue here is not only to be able to work in multidisciplinary teams, but to develop the intellectual ability to place things in perspective, both in time and in space, and a broader understanding of one’s own field, of *understanding* what one is doing and why. Specialization on one side, and a broader understanding on the other, would therefore be two important paradigms for maximizing productivity at the workplace and for a more significant performance and participation in the shaping of new values.

Drucker (1993) comments that developed countries today spend around one-fifth of their Gross National Product in the production and dissemination of knowledge. But not every country has been able to extract the best return on their invest-

ment in knowledge. Although Great Britain lost the leadership in the production and use of knowledge a few decades ago, Japan has had spectacular successes. Drucker (1993, pg. 148) goes on to say:

As knowledge becomes increasingly specialized, it is necessary to develop a methodology to realize this potential, because if this is not done, a greater portion of available knowledge will not become productive and will remain as mere information.

If this period of transition leads to a society in which work means first and foremost “to know,” the challenge of facilitating this passage would impose on society the obligation to draw up development strategies that take this new paradigm into account. The state here plays an important role, and a significant part of its efforts should be devoted to providing education guided by this new vision, and less spent on trying to create new opportunities for a kind of work that is quickly becoming obsolete. Strategies for the transition period will have to be carefully thought out politically and socially (with an eye on unemployment) and will vary according to each social context. The wise timing for their introduction represents one of the greatest political challenges facing every country.

To know cannot be limited to acknowledging the existence of immense amounts of available information stored away in an electronic medium. To know implies “learning” and “understanding”; this goes beyond the ability to recover data from a computer file. The real challenge lies in education *latu sensu* and for each separate subject requires answers to very basic questions: what? for whom? why? how? Without these answers, we will remain lost in the vastness of available files, under pressure to decide quickly, unable to understand what we are doing.

EIGHTH THESIS

The 21st Century will see a mainly urbanized society.

Toward the end of the Neolithic period, humanity invented agriculture and became sedentary, and this was the beginning of human settlements. From then on, the collection of huts grew into a village, then a burg, a city, a megacity, a metropolis, and finally a megalopolis. Urban space took on different forms and varied according to functions, customs, rites, production, services, and, of course, the natural environment. Available technology also helped to shape these spaces as it performed the role or roles required by society in each stage of its development.

We live in a world that is on the threshold of having the greater part of its growing population living in cities or other types of human settlements. The status of world urbanization was 37.5 percent in 1975, and will be 47.5 percent in the year 2000, reaching 61.0 percent in 2025. Although these numbers show that the 21st Century will be an “urbanized century,” it is the *rate of growth* that lends a dramatic touch to the changes cities are undergoing. Africa will have the highest urbanization rate—a yearly average of 4.37 percent between 1975 and 2000, and 3.81 percent during the period of 2000 to 2025. In countries like Burkina Faso, Mozambique, Botswana, Kenya, and Tanzania, human settlements will increase between 7.05 and 9.64 percent a year. Poor countries, with scarce human and financial resources and an underdeveloped infrastructure, when subjected to rapid urban expansion, face grave difficulties in coping with burgeoning city population, with all the attendant health, food, housing, and security problems.

It is undeniable that the 21st Century will see the advent of a highly urbanized world, and attention must be paid to the concentration of huge masses of people in metropolitan conurbations, where

problems tend to multiply instead of converging towards common solutions. These megacities will be a feature of the coming century and they will be concentrated mainly south of the equator, in that part of the globe that used to be called the Third World.

The rates of growth that produce such huge human conglomerations are occurring parallel to and in the context of a period of transition in full swing; that is to say, in a chaotic environment resulting from insecurity, employment instability, and anxiety in the face of changing structures. How, then, can one expect to have comfortable, pleasant, and secure cities if a large part of their inhabitants suffer exclusion, lack of solidarity, and hopelessness, besides job insecurity and all sorts of other fears? The discontinuities of the current transition period make for dangerous and tense cities, thus setting the stage for conflicts that, undoubtedly, will give birth to a new and better world, but only after a painful and cruel period, when violence, intolerance, and the breakdown of solidarity might prevail.

In nearly every metropolis, the citizenry is no longer a patrician class with strong local roots, but an amalgam of successive waves of migrants impelled there by diverse circumstances. In the 19th century, organized emigration from Europe to the Americas relieved the pressure of social problems caused by unemployment in Italy, Portugal, Spain, and other countries caught up in the throes of an agricultural crisis. Emigration in this century followed wars and political and racial persecution.

The turmoil that is at the heart of the present transition period is partly due to a remarkable, unorganized, and spontaneous mobility of populations. Whether organized or spontaneous, the ongoing process of cultural adaptation was, is, and will be an enriching experience in the long run. But this is not enough. For city dwellers to become citizens, they must have access to services, be able to house themselves and their families properly, as well as

to sustain them. To express themselves and to participate in the life of their community are also necessary ingredients of urban citizenship. Are these conditions being met in cities today?

Dwellers in a large metropolis or a medium-sized city nowadays have two distinct experiences. On the one hand, they are in permanent contact with the rest of world. On the other hand, they are striving to find their own corner in the vast urban landscape. These two forces, one cosmopolitan and centrifugal, the other “tribal” and centripetal, must somehow be accommodated in the apparent social chaos of the city. However, to find one’s niche in a metropolis that does not enjoy the benefits of proper planning, especially in this transition period, a heavy price must be paid. Traffic jams will get worse until society draws a line limiting the number of vehicles in circulation to the available space for driving and parking. Insecurity will penalize everyone, both rich and poor, if violence, resulting from increasing inequality in the distribution of income, is not kept in check by an efficient police force.

In the midst of this chaos, values (both personal and of groups as well as ethical and moral) will be strengthened by the coming together of like-minded individuals to form a new “tribe” wherein the citizen will seek identity and refuge from encroaching massification. It is here that the new social contract will open the way for efficient and gratifying partnerships. Through participation in this cooperative exercise, citizenship will develop and flourish, leading to a *polis*-tized society. The urban panorama of the 21st Century will thus be represented by and reflected in the polis, the place where politics was born and where it is exercised. Participation in partnerships, networking with the state, can motivate and reinforce civic awareness, public ethics, and the feeling of responsibility of citizens and their organizations toward the com-

munity, thus transforming each individual into a politicized member of society. And civic society will increasingly become a political society.

There is a felt need to resurrect human solidarity in cities, to uphold and redeem indignation in the face of corruption and injustice, and to deny cynicism and vulgarization. The emerging civil society is placing before the public themes that were once the exclusive domain of academic circles and the state power elite. It can be said, therefore, that the role of the citizen in democratic regimes will further expand as a result. It is not unthinkable that democracy will finally realize its full potential as each citizen is called upon to dedicate a substantial part of his or her time to running the affairs of his or her community. As Bobbio suggests, the 21st Century could be the century of human rights.

There are, however, limits to such optimism.

NINTH THESIS

Values are changing, and ethics, gender, longevity, and the use of time will become major issues.

Globalization, the extremes of urbanization, and the acceleration of processes are new cultural phenomena. Following the creative chaos they have set in motion, certain standards and common traits will emerge and eventually coalesce into what historians of the future shall call “the culture of the 21st Century.” Urbanization and globalization, that is, close and intense collective existence and the condition of being permanently plugged into the world, seem to point to the two opposite trends of the cosmopolitan and the “tribal.” Since they are old words, “neo” must be added to each to stress the novelty and the characteristics they represent. Neotribalism, therefore, connotes here a bonding through affinities and a commonality of interests, and not, as in the original meaning, a social system defined by common ethnic origins, creeds, traditions, and family ties.

Global connectivity, enabled and encouraged by telematics, makes it impracticable to ignore what is happening in the world beyond the confines of the community. The flood of information exacerbates the difficulty of placing events, data, or the information itself in an understandable framework or in a meaningful thought structure. These are practical difficulties that must be faced, for the individual cannot escape the fact that he or she is a “world citizen.” This cosmopolitanism is still in the early stages, in spite of the emerging transnational connections even at the level of small enterprises and individuals.

As members of two worlds both in a broad and narrow sense, individuals, even today, are already placing a premium on whatever helps them to insert themselves harmoniously in these worlds. Owning a computer and a cellphone and being plugged into the Internet are the material conditions of connectivity, but the knowledge of English, the new “Esperanto,” and traveling abroad are part and parcel of the cultural outlook of the cosmopolitan person.

Nevertheless, even the most cosmopolitan of individuals will still lead daily life in one place, one city, one country, with an indigenous language, local customs, and its own peculiar culture. This place, however, is nowadays big, complex, and, especially, heavily populated. Under these circumstances, although maintaining open links to the rest of the world, one will naturally seek a restricted social environment one can call one’s own, with which one can identify, and that is inhabited by other individuals belonging to one’s own “tribe.” In this new non-ethnic tribalism, the individual circulates in an environment that transcends the immediate family. It is a network, or in a broader sense, a universe inhabited by like-minded people, defined by the interpersonal relationships so necessary to conduct professional and productive life and pervaded by a common culture that facilitates communication and mutual understanding.

What, then, are the emerging values? Neotribalism needs formal rituals and meeting places where experiences, both personal and professional, are exchanged. Urban spaces are thus turned into “*places*,” that is, *loci* that have special meaning for their patrons. Distinctive forms of behavior peculiar to the neotribe will develop and, with them, dress and speech codes used by those who are “in.” A mass society, segmented by affinity groups, does not necessarily limit the exercise of citizenship. On the contrary, by individual participation in these groups, citizenship is enhanced, acquiring legitimacy and representation.

In a society made up of “tribes,” affinity groups, and other types of nodes, two issues will remain on the agenda whose development will raise questions that concern its every member: *gender* and *old age*.

Despite major progress in human rights in this century, the struggle for equal rights and opportunities for both sexes is still an issue that is very much alive. In most countries of Africa and Asia, women still lag behind with respect to ownership of property, inheritance, freedom, and rights over their children. In some countries in Europe and the Americas, discrimination against women in terms of salaries, managerial positions, and high offices in government and politics is far from being resolved.

Nevertheless, by virtue of the strong participation of women and their representative organizations in economic and political life, it is becoming evident that their contribution has a distinctive quality that is clearly identifiable and is being increasingly appreciated. The feminine, that is, the peculiar outlook of women towards life, society and the many ways and circumstances that give it expression, is changing the approach, sometimes in a fundamental way, of facing and solving social problems. Therefore, alongside the struggle for equality, another should be initiated in favor of *the right and value of being different!* The gender difference as a new value.

In fact it would be useful to recall and acknowledge the very basic differences between male and female in their approach to the preservation of the species, as well as the anthropological consequences of the different strategies that were built upon them throughout history. The two genders look at a same phenomenon from different perspectives and slightly different ultimate objectives. Thus, an analysis based on the recognition of these differences, a male/female approach, will very likely produce a more balanced understanding of the issues under discussion, resulting in a richer perception of reality.

The rise of women to position of *power* in organizations, in businesses and in the state administration, although not a central desire for most women, will very likely have a strong effect in the selection of priorities, putting more emphasis on those that benefit and protect the human development of people. I would go so far as to say that women in positions of command would insure greater peace in the world. Women are more vulnerable to emotions (for better or for worse) and more immune to transgressions, perhaps due to a historical fear of their comparative physical frailty and the resulting male social and economical dominance. Therefore, it would be natural to expect that, as women participate equally in decision-making or ascend to positions of command, ethical values will also be given increasing social authority.

Another social and cultural change that calls for more thought and for the development of new paradigms is the change in the *daily* division of time brought about by change in the structure of employment and the way work is performed. Technological changes “free up” labor. In the current transition period, however, productivity is increasing to such an extent that one can question if there will be enough consumers to match productive capacity. A time will come when work will occupy fewer hours. What is to be done with longer hours

away from work? How can undesirable idleness be replaced by gratifying activity?

One also has to deal with the change in the *life-long* division of time. Improvements in the quality of life, in sanitation and public health, together with advances in medicine, have constantly expanded life expectation and longevity. But while developing countries still have a lot of catching up to do to reach the health levels of developed countries, and new illnesses threaten the excluded in the latter, the fact is that a growing proportion of the population in both the First and Third worlds is made up of those who have reached the “third age”: the *senior citizens*.

Until today this segment of the population was considered a burden because they are not productive and have to be supported by those who work. Some economists go so far as to consider them a liability, while there are politicians who would “exclude” them altogether from statistics so as to enhance national income figures. However, society cannot afford to exclude such a large part of itself. It would seem more rational to find social functions to which this ever growing segment, bearer of increasingly valued and necessary qualities, such as “life experience” or “accumulated knowledge” or even “wisdom,” can make its contribution.

The last twenty-five years of a lifetime, if ill health does not impair them, are those that develop an understanding of the historical process, a sharper perception of underlying causes, and the ability to synthesize reality, all of which adds up to wisdom. The younger generation can derive much benefit from such an understanding, so vital to putting to better use the vast stores of information available to a computerized society. Norberto Bobbio, in his reflections on old age (1993, pg. 29), wrote: “The elderly know from experience what others do not yet know and must learn from them, be it in ethics or custom or even survival techniques.” It is precisely the knowledge of the recent past that young

people and adults could use in order to place in perspective the daily flows of information that swirl around them.

How will the time of day and the days of a lifetime be divided as a result of such profound changes, to which adequate values must be appended? It is not just a question of reducing work hours with the immediate purpose of accommodating a larger number of workers. Although such measures could be part of a transition strategy, the new division of time will represent a very significant cultural change. What will men and women do, at different ages and in different circumstances, during the 24 hours of their day and during their lifetime to improve the quality of their lives, besides gaining their daily bread?

TENTH THESIS

To reach the Renaissance of the 21st Century, obstacles must be overcome.

The long 19th Century came to an end with the First World War, which signaled the beginning of a new period, called the “short century” by Eric Hobsbawm (1994). He argues that the First World War and the Bolshevik Revolution introduced a new period in history which, after passing through the Great Depression of 1929-33, unemployment and recession, Nazi-Fascism and the resulting Second World War, came to an end with the disintegration of the Soviet Union. From this point on, a transition period has set in, bringing with it the discontinuities and breaks with the past we have been discussing.

There are indications that within the current social crisis, a new cultural synthesis is in the making. Historians of the future might call it the Renaissance of the 21st Century. As with the rebirth of classical culture in the 15th and 16th centuries, the characteristics of this new Renaissance are becoming evident in the arts and will reflect a spirit, a culture that will acquire internal coherence around

a number of basic values, principles, and criteria. But in contrast to the humanism of the 15th and 16th centuries, whose main characteristic was the rediscovery of classical ideals, the new humanism will be a response to the dramatic features of the current transition period. Its purpose is *the rebirth of human solidarity*, the retrieval of human values and fundamental ethical principles from the chaos that has strained social fabric to breaking point in the last decade of this century.

As a result of the instability and insecurity caused by current structural changes, aggravated by uncertainty as regards to the future of work, governance, and customs, the majority of human beings will understandably seek self-preservation, adopt conservative attitudes, and even take up a posture of self-defense. A similar trend is also observable in institutions, where a hardening of a defensive esprit de corps is going hand in hand with symptoms of withdrawal. This trend is particularly notable with regard to trade unions, whose perplexity vis-à-vis changing structures has forced them into the defensive. Organizations of civil society, such as NGOs, are also being affected. Excessive fragmentation as a result of the search for ultimate autonomy is an observable trait, as is the adoption of extreme and exclusive positions and goals. With regard to national policies, there is a resurgence of nationalism and an insistence on regional autonomy. For individuals, suspicion and fear have become hallmarks for determining social behavior, leading to a rekindling of the destructive fires of prejudice, to an exacerbation of self-centeredness, and to the phobic and at times violent rejection of everything that is “foreign.”

These attitudes of self-preservation and extreme conservatism might, in the long run, lead to despair, violence, and other forms of senseless behavior. The stage is thus set for a fin-de-siècle drama, full of exclusions and frustrations, probably violent and irrational. Perhaps Nostradamus (1503-1566) was right when he foresaw the end of the world at the close of this millennium. His pro-

phetic visions, according to Lemesurier (1993), predicted an Islamic invasion from Turkey, crossing the Balkans, overrunning Italy, and subsequently reoccupying the north of Africa, the Iberian Peninsula, and the South of France. Led by “a commander with a blue turban,” the Islamic hordes would destroy the Church of Rome. Though the invaders would eventually be defeated, the ultimate consequence of this episode, for Nostradamus, was the end of the Church’s moral hegemony, which meant for him the end of the world.

I do not intend to give Nostradamus’s obscure texts a literal translation. Instead of a military operation, the invasion he foresaw could very well be represented by the spread of Islam and the challenge that competing Christian sects pose for the Church. Be that as it may, then, as now, a change in culture, customs, and civilizations *is* taking place, and it is not necessary to call upon Nostradamus to bear witness. All one need do is look around.

A review of art in this century, not just for enjoyment and intellectual satisfaction, but to search for “explanations”, could reveal a number of clues as to the intuitive vision of great artists regarding underlying trends in society. In all its manifestations, from painting to music, from literature to architecture, one can identify a constant search, an instability of trends, a multiplication of supporting media, imparting to contemporary art a panorama of chaos (notwithstanding its interest and beauty). Besides immateriality and variety in the support structure of art, not only the artists, but also the art critics and the theoreticians of art talk about a renewed anthropocentrism, as revealed in many exhibitions and writings that revolve around such themes as “masculine/feminine”, “sex and art”, “the new figuration”, “identity and alterity”, “antropophagy”. Could one infer that in a pendulum movement within the spiral of history, artistic expression might focus in the next

decades once more on a “classical” humanism, although new in its formats and expressions ?

The new humanism will be . . . called *collective humanism*. At the level of practical action something new is being generated, not based on the individual nor on his soul, nor on the state or its bureaucracy. Its thrust is addressed rather to the fashioning of intermediary bodies that are, in reality, not exactly that, but new spheres of public action. (Cardoso 1993, pg. 154)

This new collective humanism of the 21st Century will consolidate a set of values that are today in the making. They will enhance the concept of citizenship and the sense of collective responsibility, as well as confirm the individual as a fully cognizant member of a social network where protection from massification can be found. Confirmed in their social standing, in a world of radically less distance between rich and poor, having overcome the struggle for survival and finally attained a high quality of living, the chances are that the new citizens will become more tolerant of the “other” instead of excluding him or her, in the context of a worldwide process of cultural adjustment. Contrary to their counterparts in the current crisis situation, the Renaissance citizens of the 21st Century will be endowed with greater knowledge and cosmopolitan understanding, resulting from education systems adapted to the era of information, and from tolerance and a measure of regained privacy—and will have the means and the time to lead a more hedonistic lifestyle with social responsibility.

But, this Renaissance faces setbacks. Current difficulties and obstacles that could lead humanity astray and postpone “better days” must temper such an optimistic vision. Ethnic intolerance could, here and there, become exacerbated by global recession, mainly felt in the Third world, and by the increasing migratory flows toward the developed countries. In Europe and in the United States, tensions could be heightened by unemployment, recession, and the breakdown of the welfare system. Should this hap-

pen, violence and all its tragic consequences cannot be ruled out. In the context of future insecurity, fundamentalism, both political and religious, could make politics even more irrational. In the economy, arrogant protectionism of powerful countries might substitute solidarity by faked competitiveness. Political exclusion, ethnic intolerance, extreme nationalism, cultural repression, the loss of social benefits, all this can occur under the banner of fundamentalist ideologies. Political underdevelopment, a product of cultural backwardness still thriving in the Third World, is another major hurdle that the march of progress must overcome. Finally, authoritarianism can stifle for a long time the emergence of an organized civil society in many countries.

Delays in introducing countervailing economic measure to balance the tendency of neoliberalism and globalization toward monopolistic concentration and global hegemony—in a reedition of the untamed capitalism of the 19th century, as well as the lack of international regulations to restrict unbridled speculation in the world's capital markets, capable of destabilizing whole countries and provoking global recession—could result in an intolerable level of unemployment and a crushing absence of perspective. Such despair could generate rebellions and, more serious still, setbacks in the democratization process in those countries that are still grappling with its complexities.

Although birth rates are declining as a result of better education, longevity is on the increase and, in several parts of the globe, the “demographic problem” still defies the working out of a comfortable balance vis-à-vis the availability and concentration of resources. In China, India, and parts of Africa the absence of well-thought-out transition strategies could very likely result in excessive urban concentrations and intolerable frustrations, thus setting the stage for all sorts of serious social disturbances and political backsliding.

The social disasters described above could set in motion a chain reaction by feeding upon itself. If tragedies, violence, transgressions, pornography, unpunished corruption, and injustices occur frequently enough and are continuously disseminated by the media, they might become commonplace, *acceptable banalities*. Thus, a state of indifference, of alienation and insensibility, could develop, fostering a permissive attitude in the citizenry that will sap resistance and weaken the sentiment of indignation.

Intolerance, radicalism, demographic problems, and insensibility could lead to a disastrous future in the medium term as well as to political regression, to the detriment of one or more generations. These are the enemies that can postpone a renaissance. The expectation of empowerment of a set of renovated human values, together with the challenges outlined above, demand the attention of us all and a thorough discussion of what it all means for society. Laying before the citizenry the options, clarifying the potentialities and risks, constantly opposing those enemies of progress, caring and cherishing the seeds of innovation and solidarity, and proposing adequate strategies to guide society as it overcomes this traumatic period of transition, seem to be the only ways to make the most of the times' inherent potential for a better future.

FINAL THOUGHTS

Toward a transition strategy.

The foregoing ten theses seek to contribute toward setting up a framework, piecing together a coherent picture, placing reference marks, and presenting a consistent interpretation of the end of this century (or of the millennium, to be more dramatic). They do not make up a full-fledged theory, but are rather an invitation to debate the future and the best way to get there. For this purpose, it is not necessary to imagine a utopia or lay down a design for

the “good society.” All attempts to impose a simplistic, all-embracing concept should be shunned; there are enough hypotheses making the rounds and plenty of information available to guarantee a sufficiently lively and varied debate.

This debate about the future will produce enough scenarios from which can be chosen some that seem most feasible. For the chosen scenarios to become reality, however, it is necessary to prepare and implement appropriate transition strategies that fully grasp the essence of the crisis. If this period is indeed one of painful transition (albeit at times intellectually stimulating), it would seem that every effort should be made to shorten it. Such strategies must be able to minimize present and future risks and to make the most of opportunities (and even to create them) so as to reduce if not eliminate the turmoil and suffering produced by structural change.

Sachs (1993, pg. 12, 14) advances sound arguments for the need to differentiate between national and regional strategies of transition:

Growth through inequality based on a market economy without controls can only deepen the gap between North and South as well as the internal dichotomy within each society. In fact, the tendency will be to exacerbate the vicious circle of poverty and environmental degradation. (1993)

It is necessary to note from the beginning that the globalization of the economy and the acceleration of economic activity affect in different ways countries that find themselves in different circumstances:

The abyss between the North and the rest of the world becomes evident from the fact that the OECD countries, with only 16% of the world’s population and 24% of its land area, concentrate 72% of global gross product, 75% of international trade, 78% of all vehicles and 50% of all energy con-

sumed. They are responsible for 45% of all carbon dioxide emissions, 40% of sulfur oxides, 50% of nitrogen oxide and 60% of all industrial waste (OECD 1991). (ibid.)

It would, therefore, seem to be up to the OECD countries to shoulder the major responsibility for adjusting and correcting their development model with a view to lessening the damage, ecological and otherwise, stemming from this transition period. It is also up to them, particularly the members of the G-7, to take the necessary measures to set up some sort of control over the world capital markets where unfettered speculation can unhinge the world economy.

The asymmetry between countries should also be taken into account in international trade and law which currently allow countries in the northern hemisphere to practice protectionists policies with the excuse that they are “obliged” to do so in order to adjust their economies and their national legislation to globalization. This stance, however, does not prevent them from unabashedly demanding that other countries drop their tariff barriers and submit their economies to the full play of market forces, a policy that, in reality, is simply a return on a much vaster scale to 19th Century laissez-faire and untamed capitalism. Such unrestrained political arrogance can only be explained by the demise of the Soviet Union and the deliberate discrediting of the countervailing policies, whether valid or not, that it championed.

A national strategy for the transition period should include and emphasize local governance and should separate clearly those objectives that pertain to the transition period from those that purport to go beyond it. In other words, long-term and medium-term goals must be set up. The importance of this distinction and of the connections between the two sets of objectives becomes clear when developing policies to deal with the structural transformation in employment.

As to long-term goals, a transition strategy should take into account the “workers of knowledge” as a new emerging category of labor; salaried autonomous workers resulting from technological change and discontinuity in the work place; new and flexible rules for contracting out production and services to third parties; systems connecting academic centers, research institutes and the productive sector; an insurance system, most probably private, but flexible enough to cover the several forms of autonomous activity; a well-tuned policy for enhancing the dialogue with regional groupings represented by bodies that can negotiate competently; and so on.

As for the medium term, however, a transition strategy, if it is to lead the process, should consider, for example, employment policies and the division of time; insurance coverage of the autonomous worker reacting to unemployment; subsidies, decreasing and limited in time, for housing and basic foods; the adoption of the principle of minimum income; incentives for a policy of wage redistribution; emphasis on education, from the elimination of illiteracy to the sophisticated philosophy and methodology of learning. Of course, labor would have to cope with temporary setbacks if they are unavoidable. In this connection, renegotiating foreign debts and even the temporary suspension of international payments should be seriously considered if they lead to accelerated development and to the creation of new work opportunities. To this end, policies that reduce dependence on foreign capital, control international speculation, and carefully regulate imports (following the frequent example of OECD countries) should not be ruled out.

The future does not arrive all at once. If transition strategies are not put in place and implemented in a timely way, marginalization will occur as a new political map of the world is drawn showing pockets of well-being (in each country and city) surrounded by masses of the poor and the excluded, despairing and resentful in their struggle for survival.

The task will be to set up action strategies that address local, national, and regional circumstances. Thinking and debating the future and formulating a transition strategy are urgent tasks facing planners and an obligation for those in government who have a responsibility to look ahead. But, first and foremost, it is an undertaking in which every citizen and representative organization, as well as the private sector, should take part. Only partnerships that democratically bring together the state, the private sector, workers and employers, civil society, and all other players in a negotiating process will overcome probable conflicts stemming from the legitimate clash of interests. The debate and negotiation of a transition strategy should focus on the definition of what is the public interest at stake. In this respect, it would be well to recall Jean-Jacques Rousseau’s warning that the public interest and the interest of all should not be confused.

A market *economy* might be acceptable, but not a market *society*. This should be kept in mind when speculating on what a market economy will look like in the 21st Century. Even if the untamed 19th Century capitalism proposed by the neoliberal economists is purged from such speculation, it is difficult to visualize what profile the market economy and capitalism will take in the next century. Will it be a sort of “*social capitalism*” in tune with its social responsibility? Or a type of “*market socialism*” without state ownership of the means of production? New theories will appear, new concepts will be produced, and new words will be coined by the neo-encyclopaedists. Fine, as long as we collectively prove that we are able keep up the struggle to shorten the painful and hazardous transition period in which humankind is immersed.

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