

The impact of forces driving global change on the global economy and south africa...



Name: Ongama Mtimka Student Number: 206516430 Programme Name: Masters in South African Politics and Political Economy Module Title and Code: Risk and Scenario Studies SLP 420 Title of Assignment: What are the most important forces driving global change. How will these forces shape the political economy of the world by 2014 and which of these forces are most likely to affect South Africa and why? This essay seeks to identify what the most important forces driving global change are; how these forces will shape the political economy of the world by 2014 and which of these forces are most likely to affect South Africa and why?

However before attempting to achieve this requirement it will be explained why such concerns about the future are critical to interrogate because such is not common sense like many would assume. Not all people believe it is necessary to attempt to predict or even plan for the future because the future “ is not in our control”, “ no one knows about the future”. In fact, although all human beings do prepare potential reactions to anticipated events, whether they call it budgeting or planning, some, be they individuals, organisations or countries, are often caught off-guard by many events.

The attacks on the World Trade Centre in 2001 are cases in point. Therefore it is important for this essay to first briefly explain why we should interrogate the future; what methods we can use given the complex nature of social phenomena. It is only then that I will attempt to achieve the requirement of this essay because all methodological issues, which are useful for this essay, would have been covered in that first section.

In order to answer the critical questions raised here I will first identify and discuss each force affecting global change explaining why I consider it important and how will it, in combination with other forces, influence global change. I will then identify and discuss those that are likely to affect South Africa in the next ten years and explain my choice of them. It is important to note in that regard that I will look at South Africa within the context of the Age of hope and Accelerated and Shared Growth Initiative (Asgisa) because these are important concepts that will shape the political economy of South Africa in the near future.

In a global world of growing uncertainties there seems to be increasing demand for planning about the future. Individuals, companies or organisations and even governments spend a significant amount of their resources trying to analyse what the future holds and how best to respond to future threats or reap the benefits of potential future fortunes such as looming increases in consumer demand. However, planning about the future is not a new thing and one can argue that it is as old as humanity itself.

Throughout the history of humanity different religious groups and communities have sought the counsel of their prophets, fortune tellers and mediums who “informed” their respective communities about the future. That was very prominent in “primordial” societies in which governments were advised by mediums and prophets who were “experts” of the time. Although many have challenged the importance of such since the Enlightenment period, they do acknowledge the importance of planning for the future and one can argue that, to some extent, every human being is

preoccupied about what the future holds including a simple plan about a meal.

The question addressed in this section therefore is not whether or not it is important to confront or interrogate the future but given that it is no longer a prerogative of mediums, what methods do we employ in confronting the future. Following is a brief explanation of methods for predicting the future. This section is necessary so that one can be able to locate various academic works that will be quoted in this essay within their respective theoretical frameworks and therefore have a better understanding and ability to critique if necessary.

According to Scott-Armstrong (1985), methods used for forecasting can be classified under two main ones namely judgmental as well as objective methods. Judgmental methods are based mainly on (subjective) judgments by mostly experts in various fields of expertise. Examples of judgmental methods include Delphi Technique, Pest Analysis as well as Swot Analysis. The Delphi technique allows one to estimate the likelihood of future events from judgments of various experts through using surveys (Scott-Armstrong, 1985: 116).

Pest Analysis focuses on identifying the most important issues under particular subjects and debate how those will impact a particular country or institution and Swot analysis refers to an analysis of an organisation's strengths and weaknesses and its ability to respond to imminent threats or opportunities. Objective methods are less focused on personal judgments but on empirical evidence from historical data and trends. This essay

includes all these methods of forecasting. There is no concentration on one instead of another.

Expert judgment, published in books and newspapers, has informed my conclusions with regards to what is likely to transpire in the near future. Also, extrapolative methods have been used regarding population growth and environmental degradation. The estimates about population growth, for example, have been arrived at using current and historical data and the same has been done with regards to environmental degradation with a cut off date being 1970 because of data availability.

Having built a proper foundation for my inquiry in this essay, I now venture to the crux of my analysis, which is to identify those forces that drive global change and how they are likely to affect the world economy by 2014. The following discussion of these forces is not arranged according to the relative importance of each factor but it is rather random and there is no particular reason for that. The discussion hereunder is carried out with sensitivity to the fact that cause and effect cannot be reduced from some mechanistic “self-evident truths” referred to above.

This means that in forecasting the future there has been a conscious attempt not to assume mono-causality because social phenomena and change does not often progress in a linear and unidirectional fashion similar to a fundamentalist interpretation of Marx’s base-superstructure model of society which understands Marks as arguing that the economic base determines the superstructure (Radar, 1979), meaning changes start from the economic relations of production to the superstructure. According to Mastny and

Cincotta (2005: 22), there are currently 6. billion people in the world growing with more than 70 million people every year (most in developing world); the global population growth rate is currently at 1. 2% (lower than expected 35 years ago); life expectancy in developing world has increased from 41 years in the early 1950s to 63 years and the infant mortality rate has declined by two-thirds. There seems to be a unanimous understanding amongst researchers that such demographic changes form part of the most important forces driving global change.

In fact, it is no doubt that, among other things, the size, growth and the structure of the global population have and will continue to have impact on economic activity, social and political changes and so on. For instance, among other things, the environmental, economic and political costs of maintaining 6. 4 billion people are much more than the costs of maintaining a lesser number of people and any changes in that number have certain implications for global change.

A population structure dominated by youths as opposed to adults might be more desirable for economic growth than one dominated by older people, assuming that youths will be economically active and depend less on social grants. It is clear that these dynamics point to the significance of demographic changes in driving global change. If these are important how are they likely to affect the political economy of the world by 2014?

After many decades of rapid expansion, the world population is expected to slow dramatically over the course of the 21st century and many countries around the world are expected to experience substantial aging of their

populations (Sellon, 2004: 2). Sellon (2004: 2) points out that: two key demographic changes underlying these trends are increases in life expectancy and reduction in fertility. The effects of these which are aging of the population as a result of increased life expectancy and decline in new population as a result decreasing fertility rates will be a negative impact on population growth.

This period has been dubbed “ demographic transition” and Batini et al (2006) identify four main consequences from this trend: reduced economic growth in industrialised countries; stronger growth in developing world given a relative increase in the size of their working age population; large declines in savings and a deterioration in current accounts of developed countries as elderly run down their assets in retirement and lastly sensitivity to productivity growth and external risk premia in that productivity might decrease and risk premia might increase.

It is estimated that the demographic transition will have negative impact on labour supply in industrialised countries because such countries are well ahead in demographic transition than many countries in the developing world. Shortage in labour supply in developed countries might increase labour costs (Froyen et al 2004) in such countries and arguably may drive Foreign Direct Investment to developing world which will have increases in working age population as more than 95 percent of the increase in world population will be found in developing world by 2015 (NIC, 2002).

However the demographic transition might not affect the world economy significantly in the next few years to 2014 given the fact that they have long

term effects (Sellon, 2004). It is estimated, for example, that only Japan will be highly affected by population aging in the developed world in the next decade and then the rest of other industrialised countries by the middle of the century" (Batini et al, 2006: 3). Therefore the spin offs from such demographic changes for developing world may be minimal in the short term.

Moreover the flexible movement of labour as a result of globalisation may offset the negative impact of shortage of labour supply in developed countries people in the developing world may migrate to such countries attracted by high wage rates. The declining global population growth rate however will not have a negative impact on global population growth because the population is expected to continue to increase in the coming decades with a significant number of 700 million people per year. It is expected that there will be a staggering 7. 2 billion people by the year 2015 (NIC, 2005).

The increase in the population of the world is likely to put pressure on resources in the world economy in the next few years to 2014 and beyond. The maldistribution of world resources might see vociferous uprisings in developing world particularly if such economies fail to absorb increasing youth populations into the labour market. According to Mastny and Cincotta (2005: 23) there is empirical evidence of the connections between population and security in that developing countries which have increasing numbers of youths are much more likely to be embroiled in civil conflict due to the incapacity of such economies to absorb the youths.



This then means that more redistribution of resources in the world economy is required quite urgently to offset the negative impact of unemployment and poverty. There is evidence of sensitivity to this fact by developing world and debt relief is one redistributive measure that has been taken. It is possible that more redistributive trends can emerge in the next few years with emerging market economies being new geographies for Foreign Direct Investment. Another factor that has a huge impact on global change is environmental degradation.

Although the advent of the industrial revolution has been praised as the most important milestone in the history of human civilisation, it has been condemned by many because most of the environmental problems experienced in the world today are attributed to it. The very technological developments that are said to have enhanced human civilisation have come to be the recipe for humanity's apparently looming destruction. According to Helleiner (1998: 60, Industrial Revolution and new technological advancements have proved detrimental to the environment and are not sustainable.

It is also estimated that, with rapid economic growth projected to increase in the next few decades through mass production, waste, pollution and toxic by products are expected to be produced at levels that cannot be absorbed by the biosphere, which is another important but neglected aspect that affects the human economy. The negative externalities that have emerged from the human economy have had severe effects on the biosphere as well as on humanity itself though the emergence of new diseases, depletion of the ozone layer, global warming and loss of biodiversity.

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Capra (1983) argues that these trends characterise a very profound world-wide crisis that began to manifest itself at the beginning of the last two decades of the twentieth century. Capra (1983) echoes the same sentiments that human civilisation has proven to have negative impact on the biosphere. “ Human technology is severely disrupting and upsetting the ecological processes that sustain our natural environment and are the very basis of our existence. [Of particular significance in this regard is] the poisoning of water and air by toxic chemical wastes (1983).

As a result, most species are said to have been having declining rates in terms of population especially during the last three decades of the 20th century. The Terrestrial Species Index, for example, indicates that populations of terrestrial species declined by 30% between 1970 and 2000 given changes in temperate and tropical ecosystems. Terrestrial species that have been affected most are grassland, savannah, desert and tundra species whose index declined by more than 60% from 1970 to 2002.

Furthermore, there was a rapid decline of 50 percent in freshwater species from 1970 to 2000 and that trend has been associated with increasing demand for food, fibre, energy and water. These and other similar trends in the biosphere reveal that humanity is facing a crisis. The decline in the species has some repercussions on the socio-political as well as economic life of the human species whose actions trigger such negative effects. The decline in freshwater has resulted in certain species being extinct and this is likely to increase given the increasing demand for freshwater-intensive products.

A very critical environmental trend is the decreasing capacity of the planet to replace natural resources at a pace that counterbalances human consumption. The ecological footprint which is the sums of humanity's consumption of natural resources and ecological services, reached 13.5 billion global hectares in 2001 - a very staggering figure measured against the earth's biocapacity (based on its biological productive areas) which is only a quarter the earth's surface (WWF, 2004).

According to WWF (2004) humanity's ecological footprint exceeded global biocapacity by 21 percent per person in 2004. The trends highlighted above point to a very critical crisis that humanity faces nowadays. Capra goes on to argue that the crisis is complex, multi-dimensional and that its facets touch every aspect of life be it, health and livelihood, the quality of the environment and social relationships, the economy, technology and politics.

As a result of that he points to a need for change of approach on how we treat or even perceive nature to an all inclusive approach that incorporates out interdependence with nature. Capra argues that unless there is change in approach and perception humanity might not be able to effectively respond to its crisis in that resources are concentrated in fighting the manifestations of the crisis rather than its roots. For example, more resources are put on fighting diseases that are but manifestations of the problem while the real problem, degradation of the planet is left intact.

Hammond (1998: 6) elucidates this point even further: At the dawn of the twenty-first century, the challenge for the human race is no longer primarily surviving the onslaught of natural forces, winning a living from an often

harsh and unpredictable environment, as it has been for most of human history. Nor is it a titanic struggle between the two opposing economic and political systems that overwhelmingly shaped the last half of the twentieth century. Today, humanity faces a fundamentally different challenge – that of managing a planet and a global human civilisation in ways that will sustain both indefinitely.

Therefore this means that environmental degradation is a very important area of concern and it is one of the main forces driving global change. The rise in the movement for environmental preservation has been a key highlight in the end of the twentieth century and the beginning of the twenty-first. The movement has been a very serious one that has not only ensured that there is consciousness about humanity's negative effects on the environment but has also gone as far as setting up strong governance structures at a global and nation-state level that ensure compliance with certain environmental standards.

Such structures are complimented by interest groups which are both organised within and transnational borders. Such dynamics are likely to affect the world economy in the next few years to 2014. In fact one can argue that there is a high probability that environmental issues may continue to be critical in global political economy. The effects of an increasing population and deteriorating biocapacity may further politicise environmental issues.

It has been said that it is developing countries that are mostly affected by environmental degradation and it is such countries that are still behind in the

process of industrialization which is seen as necessary for economic growth and development. Given the fact that many environmental regulations are seen as counterproductive by a significant number of investors, there are potential clashes between environmental interest groups, ruling elites as well as “ordinary” citizens that can be seen in the developing world.

Getting pressure to fight poverty, governments are likely to strive for global competitiveness so as to attract investment and less strict environmental laws might be used – a move that would raise eyebrows of environmentalists. In addition to that, as world resources continue to decrease while population increases there is bound to be conflict or more cooperation over resources in the next few years to 2014 and beyond. Global oil prices will surely increase given increasing demand as a result of increased economic activity and population.

In addition to that, it is estimated that by 2015 more than 3 billion people will live in countries that are “water-stressed, that is, have less than 1,700 cubic metres of water per person per year. Also the number of chronically malnourished people in conflict-ridden Sub-Saharan Africa will increase by more than 20 percent by in the next decade or so. All these factors may put pressure on nation-states and have certain might have negative repercussions on territory. Globalisation is another force that drives global change.

Globalisation is “a term used to describe how human beings are becoming more intertwined with each other around the world economically, politically, and culturally. Although these links are not new, they are more pervasive

than ever before” (Wikipedia). Globalisation here is defined as a particular stage in history where there is increased activity beyond nation state borders. Understood in this way globalisation is a process of change in its own right in that nation state borders are being opened up to facilitate trade and human interaction.

If globalisation is to be understood merely as a process of interlinking and intertwining of economies, political systems and cultures, one can conclude that it affects global change because it is change in itself. However globalisation is not a smooth process of change that emerges as merely another stage of evolution. It is rather strategic and controlled by particular interests which set the terms of reference and the manner in which globalisation progresses.

As an attempt to elucidate the above argument, an explanation of the structure of the global political economy and power dynamics within that structure need to be explained. According to Drainville (2004), the global economy can be understood as a space of its own independent of nation states although nation states as well as non-state actors are its constitutive parts. In that space or geography there are particular power relationships that throw some light on certain issues such as the flow of capital through it to nation states.

At the centre of global political economy are powerful countries and multinational corporations which determine rules for capital accumulation and good conduct. At the periphery are countries mostly poor countries and somewhere in between are developing countries. Although there is a sense

in which the countries and actors in that space are interdependent, some are more dependent than others. Given that inequality then certain “ global forces”, be they nation states or multinational corporations, set conditions of behaviour and have dominant influence over other actors.

Frankly, a neo-liberal ideology of free-market system is propagated by powerful states and less powerful states have to cooperate. Certain global forces have become so important that they have put into question the power on nation states. Multinational corporations, for example, have been able to get countries cooperating in terms of deregulating their economies all in the name of relative competitiveness that is meant to attract Foreign Direct Investment. Powerful nation states have imposed their political systems through military coercion or through ideological domination.

The process of globalisation therefore happens within that particular context. As a result of inequality in the global economy, nation states have not been able to effectively address pressing internal problems because they often conflict with global forces. The Nigerian military regimes for example struggled to legitimate their regimes in Nigeria due to mostly external factors such as preserving the interests of multinational companies within Nigerian borders turning what was supposed to be a blessing into a curse, oil.

The implementation of Structural Adjustment Programmes which were prescribed by the international financial institutions are another good example of how global forces constrained nation-states from fulfilling their national roles. Globalisation has brought about not only political and

economic domination of marginalised countries but it has also brought about cultural domination through mass media. The dominant access to means of communication by industrialised countries, particularly the United States, has been a privilege for them to promote their culture while marginalising those of “ other” peoples through misrepresentation.

This has given such countries invaluable benefits in that they have had the opportunity to define what is fashionable and therefore create consumers for their cultural products, be they clothing, sport and entertainment.

Globalisation has also brought about increased global forms of government. Such developments have had some positive outcomes for particular nations while they have compromised the sovereignty of others. Regional peace keeping forces are examples of how cooperation in terms of governance and maintenance of stability has been of help.

The formation of civil society groups at a global level culminating in what is now known as Global Civil Society has been very significant in terms of governance. It can be argued that the impact of such global governance structures will improve in the next few years to 2014 given increases in pressing issues such as treatment of HIV/AIDS and Environmental preservation to name but few. Also regional cooperation and integration seems to be on the rise and is on the rise in developing world.

This will have positive economic and political prospects for the world in 2014 in that as the number of regional blocs increases power might not be concentrated to only a few industrialised states but to other regions and that can increase the influence those emerging markets have. According to the



CIA (2005), Emerging Asia is estimated to be the fastest growing region led by China and India among other countries. The growing importance of these two countries in international trade might place them in a better position in the global political economy in terms of influence.

Another force that drives global change is the opening up of the political arena by political players to liberal democratic practices. In fact this is not a driver per se but the extent to which there is progress towards that direction may set off some motion on global change. The manner in which the global political economy is organised, and the movement of capital, among other things, form the global context within which different polities exist.

Democracy and, arguably, neo-liberalism are implicitly or sometimes explicitly presented as ideals for nation states.

As a result many countries are democratising and adopting market-led development in order to compete with other countries for investments and aid. The rise of nongovernmental organisations and interest groups has also ensured that there are improved quality services that are delivered to needy people on time rather than being misused by inefficient state bureaucrats. The organisation of labour, as well as environmental groups and human rights movements have a potential to consolidate left internationalism in the next few years to 2014 and beyond .

Such a trend is necessary for the global political economy in that the capitalist development mode will no longer be challenged by a completely different mode of development professed by a particular country but rather a people with specific interests such as wage increases or environmental

degradation. However the probability of increases in labour movement and other groupings depends on whether issues relating to those specific areas emerge. Liberalisation of politics however is also open to unwanted transnational forces such as criminal syndicates and global terrorist networks.

The realignment of international politics is another driver of global change. By this I refer to the structure of the balance of power, the role played by the state in the international area. The role of the nation state as being in the centre of international politics has been affected by the re-alignment of politics within a global political landscape. However, contrary to many allegations that have been made about the nation state declining, one can argue that more avenues have been open for other actors rather than and their rise has put into question the central position of the nation-state in world politics rather than decline it.

The state remains the chief security agent of its citizenry as well as its businesses. The advent of the terrorist attacks on September 11 is an example of how non state actors have entered into the stage of international politics. Terrorism is likely to increase in the next few years to 2014 given the level of aggression demonstrated by the US towards oil-producing Arab countries. This coupled with the anger and frustration by what is seen as US imperialism or triumph of capitalism or Christianity may infuriate fundamentalist groups opposed to such.

It is estimated that by 2015 terrorists would adopt sophisticated technologies that are designed to achieve mass casualties. Advances

information communication technologies will have a very significant impact on global change. It is estimated that technological discoveries will continue as well as convergence of currently existing technologies as well as technological improvements. The technological advancements are meant to improve competencies, business operations, and security as well as improve the standard of life through minimising pollution.

Technological advancements will have invaluable impact on the global economy and technologically advanced countries will benefit most from it including South Africa in Sub Saharan. Moreover it is expected that the wide range of development in information technology will lead to many new IT enabled devices and services (CIA, 2005) President Thabo Mbeki has dubbed the current phase in South Africa as the Age of Hope referring to a phase in which it is hoped that the Proudly South African tagline, Alive with Possibility, will become a reality for all in the country rather than being mere political rhetoric.

One of the salient features characterising the Age of Hope is a shift in government thinking about development with a slight move away from orthodoxy and market efficiency towards a quasi-developmental state. This comes after the South African president acknowledged the failure of market-led development in the first decade of democracy in his state of the nation address in 2004. Mbeki expressed disappointment at the discrepancies between what he referred to as the “ first” and “ second” economies that had been exacerbated under a neo-liberal macro economic framework, Growth, Employment and Redistribution (Gear).

Now, Asgisa has kind of replaced Gear. According to Wadula and Samahlubi (2005), Asgisa is aimed at accelerating growth and ensuring that it is shared by all South Africans. Government has affirmed its commitments by announcing huge infra-structural spending and by supporting developmental projects in the country namely, Coega Project, through massive investments. Such an attitude is said to yield positive economic prospects for the country and especially the poor.

However in this section I argue that like, RDP and Gear, Asgisa exists within a context highlighted in the rest of this essay but mainly globalisation, environmental degradation as well as technological advancements to name but a few, and these are likely to set the limits and constraints on which development in shaped in the country and critical environmental issues are also likely to even dictate the manner in which development progresses in the country as it is noted above that managing the planet has become as important as managing global human civilisation itself.

South Africa is finally ready to address the “ social question” that has been postponed since the advent of democracy (Habib, 2005) Time has come for the government, the private sector and also civil society to make the dream of a better life for all come true. In the next few years to 2014 the country wants to half unemployment and to eradicate poverty by a significant amount. To fulfill this requirement, it has been noted that huge investments in labour intensive industries is required. In addition to that the country seeks to diversify its economy and reduce reliance on commodities but also increase services.

This shows that government wants to fast track the industrialisation process in South Africa. The timing for increased industrialisation however emerges within a global context of environmental friendliness and sustainable development which might not be conducive for massive industrialisation. Environmental issues are likely to constrain a robust industrialisation process in the near future. However, South Africa's case is very unique and interesting politics may surface in the near future with regards to industrialization and environmental friendliness. Development in the country is a serious issue that is taken with high sensitivity.

In fact the poor half of the country is getting impatient with jobless growth and this was evident in various protests for service delivery in the Eastern Cape last year. Environmental issues therefore might not be a priority for the majority of the country which eagerly awaits employment and better life. This means that the extent to which environmental laws concerns will constrain the industrialization process is minimal for South Africa. This is evident in the recent attacks on environmental impact assessments by government departments which have "launched a broadside against environmental legislation" (Macleod, 2006).

Liberalisation of politics is likely to have a strong effect on South Africa towards 2014 and this is likely to increase as the country wants to affirm its status as a true democracy. The political domain in the country will increasingly be characterised by rising civil society movement around specific issues outside traditional political party politics. This is partly due to the growing civil society participation in key policy and delivery issues. The

main issues that are likely to call for the consolidation of civil society movements are both policy as well as services related.

The labour movement in the country is very arguably strong in influence though sometimes government has implemented policies without consideration of this class' concerns, Gear to be more specific. The movement both within and outside the tripartite alliance has been so strong as to render any moves towards labour-market liberalisation impossible for government. Also, the labour movement has showcased its power in the country through industrial action that had huge economic costs for various companies including SAA last year and this year.

Therefore, any "corrective" measures towards a liberalised labour market might be detrimental to the country's stability and growth, although there is growing concern among business and government that "rigid" labour laws are counterproductive and impact negatively on the South African economy. HIV/AIDS victims, landless people as well as general victims of poor service delivery will continue to consolidate their positions within the political landscape in the country, should service delivery be derailed and treatment rollout not fast-tracked.

Government departments such as those of health, housing as well as social development would need to be more robust in terms of their approach to service delivery. All these potential trends mean the liberalisation of politics in the country counter balances the dominance of the ruling party in the political domain in the country and have a potential to channel development more towards a people-centred approach rather than a market-led one. With

issues of service delivery, government has been held accountable and at times forced into action.

The Treatment Action Campaign has gone as far as laying charges of homicide against the Minister of Health in South Africa. In 2006 there were civil disobedience campaigns in various districts of the Eastern Cape aimed at fast-tracking the roll out of antiretroviral drugs. Some of the protests resulted in direct confrontation with the police near Queenstown. Students are likely to reenter the political stage as well in the next few years ending the alleged apathy among students. Student protests for financial aid last year show that youths are increasingly getting concerned about their positions in society and therefore demand better education. The government might need to increase its spending on education in the country to calm the enthusiastic youths. In fact spending on education will become crucial as the country's economy industrialises and transforms from an unskilled and semi-skilled economy to a highly skilled one. Therefore there needs to be an increase in the number of educated youths so as to provide the labour that is required. This will have positive prospects for the economy and failure to deliver on it will have negative consequences such as crime and violence.

Another critical area of concern which might put into question labour supply in the country, however, is the impact of HIV/AIDS on the youth which form a very significant amount of the working age population. It has been stated that life expectancy in South Africa has decreased as a result of HIV/AIDS. All the factors highlighted above will impact the South African economy. It is important to note in that regard that other factors which have not been

identified as critical to the countries economy in this essay may prove very critical.

Social, political and economic phenomena are complex and that means that social changes do not progress in linear unidirectional ways. This means that although certain estimates and assumptions can be made about the future, dramatic changes can result in such estimates being null and void. The world economic system and the dynamic interplay of systems within that system will determine its own direction. It is not the analysis of the parts that can help understand the system but rather the parts, the larger system as well the interplay of the systems within it - emergent phenomenon in systems view terms (Capra, 1983).

In reading the forecasts in this essay therefore one has to have room for disappointment in how the " real" future will end up like. References: Batini, N. , Callen, T. , and McKibbin, W. 2006. The Global Impact of Demographic Change. [Online] Available: <http://www.imf.org/external/pubs/ft/wp/2006/wp0609.pdf> [Accessed: 06 April 2006]. Capra, F. 1983. The Turning Point: Science, Society and the Rising Culture. London: Fontana. Drainville, A. C. 2004. Contesting Globalisation: Space and Place in the World Economy. London and New York: Routledge. Habib, A. 2005. Don't be so certain. Financial Mail 2 December pp 44 - 45.

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