

Part VI

NEW CHALLENGES: EQUITY AND ETHICAL IMPLICATIONS

Overview

1. The preceding sections of the present report have presented extensive information about a wide variety of issues concerning social policy and development. Within most societies, the ongoing processes of consultation, discussion and debate about fundamental decisions and choices are as lively and complex as ever. These are the processes that underlie political decision-making and economic and social policy-making, as societies seek to balance competing interests and demands to achieve general well-being for all their members. It is also apparent from preceding sections that many economic and social issues remain unresolved even as new challenges have arisen to present societies with a series of new choices. The moral, ethical and distributive implications of major recent developments will be the focus of this part of the report.

2. The new challenges facing societies derive mainly from recent developments in the international economy and from ongoing technological innovations. Part VI will introduce these issues, while recognizing that they tend to be more speculative in nature than the issues discussed in previous parts of the present report. Questions will be raised for which there may be no clear answers, at least not at the current time. The purpose is to raise some issues and pose some questions that clearly will require further discussion in the years ahead. That discussion may help shape the future contours of the policy agenda for local, national and international action.

3. The international economy has experienced a prolonged period of globalization, characterized by widespread expansion and a process of liberalization that affects national and international macroeconomic policy management, financial markets and capital flows, trade and production. Domestic deregulation and liberalization of external capital controls have propelled a vast worldwide increase in the volume and speed of capital flows of all types, ranging from foreign direct investment to short-term banking flows. Increased global competition has encouraged a reorganization of production networks, the restructuring of corporations and a wave of mergers and acquisitions on a global scale that have increased the size, breadth of operations and economic power of many corporations. The proportion of trade in goods and services – including banking,

telecommunications and even education and culture – relative to national income and consumption has expanded greatly.

4. The development and utilization of new technologies, particularly in the fields of medicine, information and communications technologies, are having a profound effect. Biological research has led to tangible advances in the fields of medicine, genetics and agriculture that would have seemed impossible a generation ago. Technological advances in the fields of information and communication technologies are connecting and bringing the world closer together, making possible a much faster and wider dissemination of information, encouraging new ways of doing business and profoundly altering social interactions. Mass media, such as satellite television and the Internet, contribute to the spread of a “global culture”. The processes of expanded interconnectedness known as globalization have had economic, political, institutional and cultural dimensions whose social impact is far reaching if not always easy to discern.

5. Most of these developments are happening on a scale that puts them beyond the power of many individual Governments to regulate or even influence. Yet globalization is as much the result of specific policy decisions to liberalize, deregulate and privatize as it is the result of market forces and technological innovation. Nearly all countries at all levels of development have taken steps to remove or reduce policy instruments that direct and control cross-border trade and financial transactions. They have also given market mechanisms greater scope internally and reshaped or restructured institutional frameworks, including labour and financial markets and taxation systems, to enable the freer play of market forces. The debate regarding whether increased liberalization implies increased responsibility for the private sector remains unresolved.

6. The opening of markets and the introduction of new technologies and new ways of doing business have stimulated growth and prosperity and expanded economic possibilities for millions of people all over the world. But these same changes have increased competition and uncertainty, leading to greater insecurity and anxiety. Policies and technologies are not neutral

but affect people differently according to their circumstances. The introduction of new technologies may also mean that individuals, communities and societies must confront and resolve new issues, challenges and problems.

7. The opportunities that the new economy can provide are best accessible to those who already possess the resources, skills and expertise to take advantage of them. The experiences of globalization and the desirability of new technologies – and perceptions of them – have to a great degree varied with the abilities of individuals, economies and societies to take advantage of the opportunities they present. Thus, while these developments have enhanced choices for many people they may also have diminished prospects for many others and reinforced existing inequalities within and among nations. The result is that economic growth has been impressive in some places but disappointing in others, and current patterns of globalization seem to have contributed to the marginalization of some countries, particularly developing countries, from the global economy.

8. The implications of these developments for social equity within and among countries are far-reaching. Among the issues that are likely to pose ethical challenges for individuals and equity challenges for societies, which are considered at some length in part VI below, are the shifting boundaries between public and private domains of activity, the increasing application of genetic research in medicine and the resulting bioethical debates, and the increasing attention given to the social responsibility of businesses, all in the context of the social impact of economic globalization and increased interdependence.

9. In part VI, little attempt will be made to forecast what lies ahead because such efforts are mainly futile in a world witnessing rapid technological innovation and hard-to-predict economic and social changes. Furthermore, no attempt is made to establish norms or universal generalizations for what ought to be because despite the forces of globalization that daily bring disparate societies closer together the world remains a vastly complex and diverse place, with strong cultural differences and perspectives based on diverse historical, philosophical and religious traditions.