



Deutscher Tropentag, October 9-11, 2002, Witzenhausen  
“Challenges to Organic Farming and Sustainable Land Use  
in the Tropics and Subtropics”

## Global Policy and Economy

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### Abstract

Globalisation has become a key term of present days. This process of accelerated global integration is characterised by rapidly increasing international trade, flows of capital, and technological change. Markets, societies, cultures are growing more and more together. Almost without any exception, all countries in this world have a share of these changes.

Hardly any term is more controversial. People relate globalisation to the fear of loss of familiar values, of social disintegration, of levelling of cultural diversity, the destruction of the natural resource base, unlimited transactions by world-wide active enterprises and speculators. Others perceive globalisation as advantageous and as the greatest opportunity for increased welfare. Quite a number of countries has significantly gained from economic integration. When corrupt one-party systems vanished, this brought gains in democracy and individual opportunities. The fact that all over the world women are breaking the bondage of patriarchal dominance is also the result of the fact, that the idea of the universal validity of human rights has reached the last hidden corner of the world. Literature, arts, cinema and theatre are inspired by ideas from different and far distant cultures. Undoubtedly: globalisation carries opportunities as well as risks.

Today, the risks seem to prevail: At global level, one fifth of the population earns eighty six times the income of the poorest fifth — and the gap is widening dramatically. Global public goods are dilapidating — and thereby the basis for the livelihood of future generations. The stability of international markets — especially financial markets — is deteriorating. The respect of human rights and social justice are increasingly under pressure. Violent conflicts spill over local and national borders — equally reaching global dimensions. This is unacceptable according to the standards of a civilised world — and even less for the people directly involved.

When we speak today about global policy — the political shaping of globalisation — then we speak in the first order about a normative and structural political framework. We speak about political landmarks, which direct globalisation processes towards social justice and sustainable development. In order to make sure that these landmarks will guide us towards a world which creates life-worthy conditions for all its people, political decision makers have to rely on profound analysis. The political vision of a world of justice and ecological sustainable, in which all people share fair opportunities to participate in the benefits of development has to meet profound scientific analysis. This is the major challenge for politicians and scientists as well.

The ultimate and most urgent issue is the question of a rational steering of globalisation processes, in order to maximise advantages and to minimise disadvantages. As globalisation encompasses a wide scope of manifold and inter-linked processes, which deal with

international financial markets as well as with the international trade of goods and services, global natural resources, and global knowledge systems, the complexity of the task is further increased. One dimensional concepts and approaches, recipes, which set apart human behaviour, the power factor or inequality within society often create more problems than solutions. Similarly, many scientific models based on simplified assumptions may be useful for the advancement of theory, but they seldom provide direct answers to emerging political issues. Much too often politicians and scientists have not yet met in this point.

In the past decade under the so-called neo-liberal paradigm, the world market was considered as the dominant institution — uncontrollable and unpredictable. The only solution for states and enterprises was to strive for a maximum of competitiveness. The point of orientation for political decisions was the power game in the world market, co-ordinated by the “invisible hand” with international finance brokers and global players in the main roles. National governments were disciplined by market requirements in order to avoid that investments and employment shift to more attractive and more profitable locations. This logic reacts allergically to any political measure with the aim of safeguarding social balance or to protect the environment, especially when they cut on short term returns and profit. National policy making became more and more similar to business policy.

However, it is a fact, that the scope of action for purely self determined national policy making has narrowed down. Therefore international governing bodies become more important and necessary to co-ordinate actors in society and economy and to set required land marks. But this does not mean that national decisions depend entirely on international frame conditions. Also in times of globalisation, genuine forms of social and political systems will persist. Most successful development strategies continue to be based on historically evolved political, cultural and institutional particularities. With the evolution of Global Governance, national policy making receives a renewed quality by taking into account the political and social dimensions of economic development. Global policies such as the HIPC-initiative, WTO and others can only create a climate for fair and just competition. But national and even local policy making according to the principles of good governance and participation are the key to mobilise the potential, which results from opportunities at the global level.