

# **CHALLENGES OF THE 21-ST CENTURY**

## **(core theses of the lecture)**

*Tigran Sargsyan, Candidate of Economic Sciences  
Director of Institute of Research of Transitional Society*

It is undeniable that we live in an age of changes with continuously growing scale and speed. The world changes and our understanding of it changes as well. Yet quite often we cannot manage to grasp the entire depth and essence of such changes in due time. This makes us hold back and surrender positions in the competitive battle.

In the past 20 years the world has seen dramatic changes in geopolitical, geo-economic and geo-cultural landscape. The world suddenly has turned from being bipolar to a unipolar one. And we are witnessing collapse of powers on one side and rising of other powers on the other side.

Today we have moved from the notion of global confrontation of the two ontological (liberal-democratic and Marxist) concepts to the notion of multiple ontological definitions of moral and ethical norms of [global] world order, or, in other words, to the notion of dialogs and conflicts of various cultures and civilizations.

Modern world faces the following pressing and unsettled problems:

1. There is strong need to develop and build effective mechanisms of governance, the lack of which makes corruption further halt the development of society;
2. Economic growth fails to bring in poverty reduction. The gap between rich and poor countries gets no narrowing. The number of poor countries increases. The problem of social disconnection in societies deepens. Reforms are not supported by population;
3. The sentiment of social injustice and social inequality creates ground for either showing of an insipid political populism or for utilizing authoritarian methods of governance. Tension and fears of peril and uneasiness intensify;
4. Along with obvious slowdown of democratic processes, what seems to be spreading is the radical Islamic ideology that supplies people with an illusion that the accumulated problems can be solved through radical approaches, the ones that transgress all principles of co-existence. This will breed a fertile ground for intensified terrorist actions and a world charged with intolerance and confrontation;
5. Rapidly advancing technological progress increases the threat of proliferation of weapons of mass destruction, making the world more vulnerable;
6. The matter of ageing, outbreak of new viruses and danger of pandemic are vital not only in the developed world. Along with AIDS, the world learns of new types of viruses that can quickly propagate, leaving a devastating effect especially in countries with poor healthcare systems.
7. The change of climate and its consequences are still debatable, but in general, it perpetuates fear among the people.

The above-said can be regarded as challenges of the 21-st century only if we figure out the solution to which problem would be crucial for the development of one or

another scenario of the future. To understand what challenges are due to come from the future we have to be able to foretell the future. To do so, we need to spend efforts to change our thinking and be able to grasp new, already formed knowledge, and if we want to make a break-through, we should be able to shape new knowledge consistent with the 21-st century,.

Thus, the main challenge of the 21-st century is the human ability to change his perception of reality.

## INSERT DIAGRAMS

Diagram 1	Diagram 2
-----------	-----------

S – situation

I – insight

Development is impossible without changing of our understanding of the world. Changing of our understanding of today’s world gives us a chance to ponder over possible changes of our understanding of the future world.

Changes in understanding bring in change of reality. Change of reality entails a change in our understanding of reality.

European and American economists, for example, are busy with elaborating new canons of conduct for a new economy and try to make a transition to a new system. The essence of the new system is that the core of the modern economy lies in production of knowledge as well as in infrastructures that help produce such knowledge. Meantime, Armenian economists work at the transition to an obviously outdated model of traditional economy.

Sorting out the schemes of thinking, let’s try to think over the future, if nothing else than to portray its general outlines.

We propose to address three possible scenarios of the future of the world in order to gain an understanding of the challenges Armenia faces. Then, based on this, to project these scenarios on Armenia and determine the agenda for Armenia for the coming decades.

### Scenario 1

**Pax Americana** – which presumes that the USA will keep its lead role in the world. The USA will be responsible for the world security. There will be no alternative to the military power of the USA. The Americanization and globalization will be identified as the same in the eyes of the world, while anti-American mood will flourish. The USA will maintain its dominant role in the world economic system, its economy will remain the most flexible and dynamically developing, demonstrating to the rest of the world the prospects of the concept of new economy – the economy of knowledge.

Propagation of the American lifestyle will meet serious counteraction, including on behalf of the European Union.

## Scenario 2

**Confrontation Scenario** – which presumes a sharp vitalization of radical religious movements which will come together against the Americanism on the one hand, and in pursuit of common identity, on the second. A challenge will be posed to western norms and values, i.e. the issue of admitting western values as global may well be called into question.

This process will be accompanied by the spread of terrorist movements. One should not rule out the possibility of emergence of a global movement, fuelled by a radical religious policy of identity that may pose a challenge to global players. The fear of terrorist ambitions to dispose weapons of mass destruction will intensify, and this will trigger a new cycle of arms race aiming at protection of national interests. Global players will be forced to employ preventive interventions in the territories of other countries, while the role of international institutions will inevitably weaken. The world will be charged with an overall atmosphere of fear and uncertainty. On the whole, the processes of glocalization and anti-globalization will strengthen.

## Scenario 3

**Dialog of Civilizations** – assumes globalization will lose its western face and character. In the processes of global integration, the role of non-western civilizations will strengthen. Culturological and worldvision conflicts will be resolved by way of a humanistic civilized dialog. Steadfast economic development steered by China and India will be likely. The increasingly sustainable growth of economies of China and India will turn these countries into global players on both political and economic landscape. This will make pressing the problem of seeking for forms of co-existence of global civilizations and will reveal a space for independent existence of local civilizations.

Obviously, no one of these scenarios would be realized in their pure form, but the trends in various periods of coming decades will be displayed in form of core factors that are laid down in these scenarios. What is more, we reckon that in the coming decade the trends laid down in the first scenario will show up more intensely, while in the second decade--the trends laid down in the second scenario, and the third decade -the trends of the third scenario.

Now, in view of the above said global scenarios, let us identify the **core challenges faced by Armenia**.

Within the first scenario (**Pax Americana**) a guarantee of peace in the future will be ensured by the military power of the USA and NATO. The rules of the world order will be known beforehand. The Karabakh problem will be addressed within the framework of negotiations with an active involvement of international institutions. The process of Turkey's accession to the EU will be pacing intensely, which would have to ensure opening of our borders with Turkey. To Armenia, this means access to sea and a large-scale attraction of foreign investment. Regional integration processes will recover step by step, which would give Armenia a chance to regain its leading role in the region as the main promoter of new rules and norms of behavior characteristic of new economy.

**The Confrontation Scenario** will intensify the problem of national identity of Turkish people, the pursuit of national identity in a changing world will become

pressing, religious movements and tendencies will increase, Turkey's integration with the European Union will be called into question. Armenia will stand at the split and conflict between two largest world civilizations.

For Armenia, the main problem will be to ensure security and safety as the danger of usage of weapons of mass destruction in local military confrontations would intensify.

The weakening of positions of Russia in the international arena will entail a necessity to develop a new military doctrine. Continuous transport blockade will impede the economic growth of Armenia, will increase political and country risks, with all consequences. The peaceful course of resolution of the Karabakh problem will be called into question.

The importance of private transfers will continue to be prevalent for fuelling the economic growth, hence the stability of financial and banking system will be the most pressing issue.

From the viewpoint of the third scenario (**Dialog of Civilizations**), a nation's self-identity will become an increasingly pressing issue. This will create conditions for rethinking of the past, the present and the future of Armenian people.

The rethinking of the past should, above all, give us an opportunity to reveal uniqueness of the identity that has enabled Armenian people to live in the framework of civilizations with various religious dogmata and various patterns of household and culture. Along with this though, Armenian people have preserved their national identity, thus shaping the keys to a dialog of civilizations and peaceful co-existence. There however arises a need to seek an independent way of development, a rethinking of fundamental causes that led to the Genocide, preparation of own doctrine of co-existence with other civilizations. Demonstrating to the world its own doctrine of co-existence of civilizations will be the principal mission of Armenian people in the 21-st century.

Having described the core challenges to Armenia within the framework of proposed global scenarios, we are offering the following agenda for the coming decade.

### **1. Overcoming the intellectual poverty**

The formation of an effective system of governance in modern theoretical interpretation means first of all development of intellectual capacity and overcoming intellectual poverty of the nation (for this, the expansion of critical thinking skills, accumulation of information and creation of knowledge is necessary). For initiating long-term growth it is necessary to have enough intellectual capacity. Only the nation that can develop a high-quality system of governance, can adapt to rapidly changing terms of the world course, can foresee the trends of development - only that nation is able to change and govern the development.

In the framework of possible developments of technological factors it is clear that the pace of time is accelerating and it deeply influences all the spheres of life. Consequently, the system of governance should automatically adopt to our pulsating world.

We must become a very mobile nation with a very high intellectual potential.

## **2. The problem of identification of the Armenian nation**

In simple phrase this means answering the questions “Who are we?”, “What differs us from others?” , “What is our currently experienced system of values?”, “What must be transformed in that system of values?”, “What must we get rid of and what must be activated and actualized?”

We must determine our place in the dialogue of civilizations from this point of view, aiming at being a local independent civilization.

If we ignore this question we may be obliged to identify ourselves with this or that global civilization. For example, there are seven according to Huntington: to Western, Orthodox, Chinese, Japanese, Muslim, Latin American, African civilizations.

## **3. Problem of protection of the nation**

Security in its broad sense includes physical, economic, political and cultural safety.

Physical safety means specification of military doctrine and solving of the problem of cooperation with different military alliances.

The armed forces must be ready for the worst scenarios of the future and all Armenians must have the skills of self-defense in its wide sense: both for the cases of terror and in case the enemy uses weapons of mass destruction.

Political safety means the development and maintenance of the effective governance system, system of independent and autonomous power, capable of making and realizing decisions under conditions of diverse threats and in different extreme situations.

Economic safety means ability for functioning under conditions of blockade and other extreme situations. Economic safety also means ensuring a very solid foundation for stable, sound economic growth resulting from accumulation of physical, financial and human capital. Obviously, this system will work not only in RA but in the worldwide network space of all Armenians. Generally, economic, political and cultural concepts must consider the peculiarities of geographic and virtual dispersion of the nation as a core factor for accumulating the power for development. To ensure this, it is necessary to provide for the stability of financial system, as well as the development of multilevel system of social protection that is based on three foundations – public health, education and pensions.

Cultural safety means maintenance of national uniqueness and defense against alien, aggressive, fundamental tendencies.

In other words, it is necessary to realize the policy of overcoming fears – the policy of ensuring the readiness to overcome difficulties in this rapidly changing world.

“Be ready for hard times and you will live easier!”

**Conclusions:**

The rise of vision of future shapes the future itself, moulds expectations and becomes the guide to action.

If we want to build a bright future we must learn to dream!!!

Thank you for your attention.