
THE PRESENT GLOBAL ECONOMIC DEVELOPMENT AFTER CRISES AND LOCAL AND REGIONAL CONFLICTS

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„A developed country is a country that can provide all its citizens a free and healthy life in a safety environment”

Kofi Annan

(former General Secretary of the UNO between 1997 - 2006)

***Abstract:** The actual article is intended to underline the way in which crises and local and regional conflicts nowadays influence the global economic development*

The dependence of the small states on the actions of the more developed countries, the economic growth accelerated by the scientific-technological developments and the attitude of the geopolitical actors on global context, describe in detail the ideas extracted from the theme of this article. The economic development is necessary, convenient and unavoidable, the main problems appearing when the main raw materials and essential resources for human survival must be insured.

The present international relations and the ways in which political-diplomatic differences are solved, support the need of existence and involvement of some organizations and unbiased pacifist forums wherever societies have differences of opinions. The globalization phenomenon, the migration of the work force, the insurance of a normal standard of living for the population according to the present times and the rise of the standard of education are study issues for the developed countries.

Protecting the present values and the identification of a solution to maintain peace and social balance among international relations, by facing the new technological challenges will invite the states to a constant and efficient development, without excessive and unjustified consumerism as far as natural resources are involved, or the creation of economic gaps which will inevitably lead to a global instability.

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The economic development is one of the most frequently used concepts with many connotations, being assimilated most of the times with economic growth, it has acquired a special meaning for the last few decades. The global economic development is a process which wishes to express the upward evolution of economic values, in a period of a time considered a model, analyzed at global level, with multiple effects on social and economic life. As a multi dimensional process, as maintained by the well known American economist, Michael Todaro¹, the economic development involve major changes in social structures, national institutions and the attitude of the people, leading to an accelerated economic growth, the reduction of inequality and the eradication of poverty.

Territorial crises and conflicts, interethnic, economic, cultural, medical or of other nature, appeared in different areas on the globe, develops behaviors of social instability, which cannot be compared with the ones studied previously.

If the fight for the resources vital to life is maintained as a determination decided by history, the actual technological supremacy and the domination of special systems are part of nowadays challenges, which cannot be found in history books but more likely in science-fiction magazines. Time develops new situations of inter-state relationships, relied on motivations which do not only come down to power, territory and primary resources and will extend towards influence, compelling and manipulation.

The intervention of multinational organizations in order to assure security or stability in certain areas on earth, humanitarian actions of those and the steps to assure democracy, will bring major modifications regarding the culture and the religion of the states and areas affected by crisis and conflicts economically weakened become spiritually fragile.

Contemporary international relationships are strongly influenced by the globalization phenomenon, the possibilities of some developed countries or some developing nations ensures the beginning of new multiple

¹ Todaro, Paul Michael, *Economic Development*, fifth edition, Longman, New York, 1994, p.15.

collaborations, in the following domains: politic, economic, military and educational, the unintegrated countries determining the apparition of some bordering lines which will start new situations of geo-strategic analysis and political diplomatic decisions, in order to identify the resources and conditions to fulfill the statutory and inter-state rules. In this context, globalization becomes a big challenge for underdeveloped countries, which are further and further from the possibility of an economical increase, necessary for the population. Thus, crises and conflicts will differentiate from case to case, and the ways of solving the disputes will be complex. Each geopolitical actor needs to acknowledge his techno-economical capacities of engaging in promises and to be able to make political decisions which will ensure economic and social stability on a medium and long term, high living standards should not be limited to a certain social class over others.

At the same time with globalization, current scientific and technical findings show a sudden development, people not using the research results at their adequate value and positive side of their creation, but seeking to ensure compatibility or use in the military system.

Amassing a large volume of equipment, high potential states wish the continuous improvement and replacement of this equipment with more advanced technologies. The costs involved in replacing the old ones and producing new ones, oblige politicians and military strategists to identify and implement options to recover the amounts consumed. Being an unparalleled state power, with a special status and actively involved in international organizations, USA can be identified among the first states which proceed as shown in the previous example. Exchanges of equipment or import and export trade, made on economic principles have no connection with military equipment donations made in order to carry out missions or to support conflict states.

The recovery of important amount of money comes in other forms of financial contributions, such as fees from participating countries or from vital and essential resources, like raw material, from the supported states, which are unable to fight back. Iraqi oil reserves, which ranks fourth in the world after Saudi Arabia, Venezuela and Iran, and rare minerals in Afghanistan, with a value of over a trillion dollars, could not leave the USA indifferent to the international situations created, and in the absence of solid

reasons, new terms and scenarios may appear in the geopolitical scene, such as terrorism and ethnic conflicts.

Asymmetric economic development, major differences between states possibilities and low standards of living for a large part of the humanity, leads to occurrence of crises and contemporary conflicts. Social contradictions classify as extreme certain behavioral ideologies, acts of terrorism being methods and ways of showing the opposition towards the inhuman phenomena currently perceived by these groups.

Throughout history colonial powers wanted to convey experience to colonized states, the development of an institutionalized system of organization and management, the need to implement the educational system, the importance of investing in industry and the option of choosing the social system, democracy or anarchy. Thus, not only Western European countries have benefited, but also colonized states, therefore socio-economic relationship is widely spread nowadays too, even though the countries mentioned above gained their independence.

As a global superpower, the USA have not enjoyed such opportunities in the Middle Ages, but after the twentieth century, the expansion policy of the international relationships and the involvement somehow brutal in the decision-making bodies, gains a primary position, in certain respects well deserved. Interventions in Iraqi and Afghanistan aimed for maintaining the access to resources, mainly to oil, U.S.A. investing a considerable amount of money, also in the federal budget since 2015, for the airstrikes against ISIS and for the protection of the Kurdistan area and the capital city Erbil, where are the most important oil resources, the destruction of this location meaning the economical destabilization of the USA for a long time. Trying to introduce in these regions occidental democracy lessons has proved to be a mask of the real purpose, the access to natural resources, and, as in economy is not enough to produce, the USA are trying to develop a new marketplace, which will ensure accurate commercial exchanges, on medium and long term. The USA, exporting modern technology and military equipment in these areas, generates long term effects, forcing the states from the Middle East and from Central Asia to a permanent collaboration, of long-lasting perspective.

If we were to make an analysis of the conflict throughout the history, the opinions differ, existing many specialists who consider that it is rational,

benefic and constructive for a world order with balance, even though there will be considerable human and material losses. Precisely these losses prove the necessity of a new international decisive institution, of modern equipment and defending systems. This way, the economy has to allocate a great deal of effort to the military production, which represents enormous costs, new available jobs and, whatsoever, a better lifestyle. In other words, poor states involved in conflicts invest important sums of money in order to own an army, armament purchasing and military technique, determining an extension of the state of crisis, while the majority of population lives in misery, hunger, disease and poverty.

Conflicts that have started in certain areas or regions will call the attention of several developed countries, which identify the situation as an ideal opportunity for the consumption and long time investments in economy and territorial infrastructure. International relationships will adjust to the specific of crisis and existent conflicts, international institutions having the difficulty of making choices and directing the intra and international attitude regarding the unanimously accepted human behaviors.

The developed states, realizing the importance of financial-banking interrelations, founded a Group² in 1975 where relaxed and private discussions were mainly about the petrol crisis from that period. The states members of the group, represented by the prime ministers or the economy ministers, supervise the coordination of macroeconomic policies and the exchange rates among these countries, installing the international balance at international level and the worldwide economic order. The economic-financial and banking cooperation is beneficial for the global stability, therefore was constituted in 1999 the Forum G20 in order to reunite the developed economies and the emergent economies, to identify solutions for a prosperous global economy. Moreover, the states interrelations will produce positive effects in the diplomatic relations, the crises and the conflicts being determined in the entire world. The establishment of BRICS³ in the 2000s, as a top competitor for G8, created concerns related to world peace; in 2014, BRICS announced that they intended to introduce their own

² G8 – was initially made of 6 member states: France, West Germany, Italy, Japan, the UK and the USA, a year later Canada, and in 1998 Russia.

³ BRICS is the acronym for an association of five major emerging national economies: Brazil, Russia, India, China and South Africa.

currency, as well as alternative institutions to The World Bank and The International Monetary Fund.

The European Union, WTC⁴, G8, G20, BRICS or the International Criminal Court have replaced or extended national functions, in order to facilitate the signing of international agreements in the virtue of contemporary challenges and the creation of a global stability. Regarding these geostrategic actors, the UNO remains only an intermediate, having an observatory status, the instruments of persuasion and compulsion being limited, the 193 members have not managed to stabilize a permanent structure of forces for military actions, only when there are issued resolutions of the Security Council, there are formed structures, which will get involved, depending on the established missions, in order to ensure the security and stability in some areas.

However, detailed analysis show that the EU and Japan will become the main candidates that will be able to take away the global leadership from the US, but there are still significant differences between these political entities in the fields of natural resources, technological discoveries, military capability and educational and scientific language, as the English language represents an advantage for the American companies in their international transactions, whilst the expansion of the American lifestyle has affected the ancient Japanese tradition.

The development of states such as Indonesia, Mexico, India, Brazil etc. and whether or not they are affiliated to different international organizations, reinforced by internal pressure, will produce significant changes in the current relationships between states, therefore increasing the risk of new zones of conflict. Internal contradictions can occur as a result of the differences between the social classes due to living conditions.

The great powers of the world provided the countries that had cheap workforce with technological discoveries, aiming to achieve a rapid economic growth and managing to impose new standards in the developing states. Consequently, countries like China or India became highly industrialized and include within their borders urban centers with populations of over 10 million citizens which continue to expand at a worrying rate (for example, there are over 20 such human establishments in

⁴ WTC – World Trade Organization

India). This situation creates concerns among the population: the standards of living remain low, the workforce is overexploited, the shadow economy develops and the working conditions are inhumane, determining a mass migration of the workers who are looking for better conditions, access to education and social protection in other states. As a result, qualified employees lose their jobs, as companies prefer unqualified cheap workers, this situation creating a conflict between the two social groups, which can become violent even in civilized states such as the UK, France or Italy.

The workforce migration and the extension of the outlet market cannot be stopped, as the economic globalization causes the emergence of marketing on a worldwide scale through the economic integration of the states and the free movement of goods and services that do not, however, diminish the importance of each country. Over the course of time, the technological progress will continue to produce alarming economic growths, despite the periods of crises and conflicts, as the importance of investments in the economic field will always be justified, while the mechanisms of social change will be ignored.

Mankind can initiate the process of social transformation by applying the principles of modernization, the occurrence of contradictions between social classes – exploited and exploiters – creating tensions between ethnic, racial or religious groups, as the economic exchanges can produce changes in the cultural and moral values⁵.

In the process of economic growth, the commercial exchanges can be effectuated by sea, forcing the great powers to resort to political and diplomatic approaches in order to obtain the supremacy in the main naval nodes: Panama Canal, the Suez Canal, the Dardanelles and the Bosphorus Straits, Gibraltar, Hormuz, Malacca and Singapore etc. These maritime routes, which are extremely important for world trade and marine traffic, also awoke the interest of the riparian states that aimed to gain economic advantages; such ambitions led to innumerable violent conflicts throughout ancient and contemporaneous history.

The increased production and the expansion of the outlet market determined the constant evolution of the powerful countries, while the

⁵ The French sociologist of Jewish ancestry Émile Durkheim highlighted in his work "The division of labor in society" the interdependence of institutions in society and how they interact with cultural and social unity so that primitive societies can evolve to more advanced societies.

resources of the developing states were overexploited. The continuous competition in the fields of communications and IT and the emergence of advanced technologies directly affected the international relations. The industrial and military espionage, the acquirement of classified information through specialized services, other attempts to influence political and diplomatic decisions are factors that will negatively intervene in an effective global economic development. Undoubtedly, these aspects are not recent, but they bring states and international organizations together in unproductive dialogues.

Great developers want to demonstrate the effectiveness of new technological breakthroughs in communications, computer science, cybernetics, media and the military field, attracting investors with offers that cannot be refused, relying on large and long-term requests.

A special attention is directed towards nanotechnology, especially in the medical field, but also in military, communications and computing, automotive and industrial domains, as nanotechnology includes complex structures, which are based on technologies that use a mechanical synthesis, leading to excellent results compared to the macroscopic level. This area has been intensively researched for more than a decade in states like the US, Japan, Britain and the Netherlands, which obtained remarkable results and developed equipment that can detect and identify nuclear, biological and chemical weapons, or perform reconnaissance missions and military and industrial espionage. These types of equipment will attract other competitors in the scientific research, thus leading to results such as MAVs⁶ (which has already entered the world market) and amplifying the gap between the competitors.

During conflicts, funds were also allocated for robotics in order to achieve technological progress. There are still no soldier-robots or robots one could have a conversation with, but there are robots that successfully contributed to delicate medical surgeries. The US has invested 30 million dollars for researches in this field in Carnegie Mellon University. Other states have also been carrying out systematic inquiries in robotics for long periods of time: Japan – was a leader in robotics, especially in hardware and automobile industry; China – purchased over 36,000 industrial robots, in

⁶ MAVs – Micro Air Vehicles.

2013 only; France – is mainly interested in the development of software programs; Germany and Italy – in the automotive industry; Finland and China – in communications etc., this demonstrating the high economic level of the states and the competition between them.

Another factor of the global economic development is represented by space technology. The US reign supreme in this field too due to NASA⁷, which develops equipment for space exploration and aims to fully understand the cosmos and the natural phenomena. These actions are meant to destabilize the rival countries and lead to diplomatic contradictions, each research having applicability in the military domain.

Within this ample process of forming a worldwide web of diplomatic and economic relations, isolated actions aiming to disturb peace through cyber-attacks may occur; such situations are multiplying and causing huge damages to the states, to the international financial and banking organizations and non-governmental institutions, creating regional or even global instability and divergences that can rapidly become conflicts. In 2014, the cyber-attack produced losses of over one trillion dollars, which is considerably more than the damages created by other types of conflicts. Despite the existing security policies, legislation and local safeguards, the operating systems are vulnerable, easily attacked, this multiplying the number of victims of cybercrime. Attempts to protect communication and information systems at local and regional levels through the use of satellite systems lead to conflicts in outer space.

The current international life is full of difficult challenges; there are latent conflicts in Asia, less analyzed by geostrategic specialists (China, Japan, North-South Korea, Iran, Israel, Pakistan, India etc.), social unrest in Europe, while the terrorist activity in North Africa and Middle East is already popular and so are the outbreaks of the Ebola virus (West and Central Africa). All these will leave a deep scar in the interstate behavioral attitude.

The developed countries take precautions, while still being in a state of peace, for building the resources which are necessary for pass through the conflicting stages or the crisis stages, preparing their economy in order to

⁷ NASA – National Aeronautics and Space Administration, founded in 1958, government agency responsible for the civilian space program as well as aeronautics and aerospace research.

response to the contemporary challenges, the underdeveloped countries being, therefore, condemned to huge loss.

The economic gaps are predicted to be the next global issue. In a report of a British NGO, Oxfam, there is predicted that the part from the world's wealth which goes to the richest people, 1% has grown up to 48% in 2014, from 44% in 2009 and it is possible to reach over 50% in 2016. From the rest 25% of the world's wealth, almost 46% is held by the rest of 20% from the most wealthy people, while 80% from the world's population does not divide but for 5,5% from the worldwide patrimony. The Oxfam director, Winnie Byanyima stated that urgent measures are to be taken in order to fight against this inequality, from taxing the capital more than the work and tax avoidance, to introducing the minimum salary and improve the public services.

The national economies will be the base cells from the worldwide economy for good years from the end of the century we are living, even if all is happening too fast, these economies of the developed countries will influence the level of technological evolution. The worldwide economy will create interrelationships between the commercial and financial systems with influences on the national economic agents, which will lead to a competitive development and to an alternation of the ascension and recession phases, having as main purpose a positive resultant, the rich areas desiring to expand, meanwhile the poor areas desiring to narrow. For an efficient economy, there is a need to transform the economies into investments. This fact depends on: the rate on loans, the evolution of prices, the public investments, the fiscal politics and the economic establishment. The investments represent the main factor of economic growth and are based upon two main sources: the population's economies and the external loans.

The greatest challenge of this century consists of facing and defeating the poverty. The fear of dealing with economic, political or cultural major crisis has determined the well developed countries to emphasize on the long term objectives of the countries which come to support the internal balance, this way the countries have not only avoided the occurrence of new crises or internal conflicts but they have also met an important economic growth and a convincing establishment.

The conflict states existing at a time in a region directly influence the commercial relationships/bounds of the states, but these cannot totally

cease. Therefore, with all the measures and sanctions enforced in has had commercial trades valuing approx. 50 billions of dollars in 2014 with countries such as China, Netherlands, Germany and Italy, being presented a decrease with 10 % compared to 2013. We can conclude that the countries with great economic power are interested in solving Russia's issues because due to the sanctions applied to it, the regional and worldwide market is affected, therefore, the worldwide economic development.

The international relationship existing in the context of the Globalization offers great commercial opportunities, the majority of the European countries relying on Russia's gas and petrol, on commercializing the exported products and on the import of other essential resources, on the well functioning of the industrial sector of the communications, financial and banking companies. The crises triggered in Ukraine directly affects the business numbers of the companies involved, Russia being the third economical partner with EU, after USA and China, the interest of solving the conflict being shared. Every economical decrease of a country produces reversed effects for other countries. If Russia breaks the economic relationships with Europe, it will be forced to identify new commercial opportunities in the regions of Asia, where it has already begun relationships with China and India.

The USA are and will remain the main power with global influence which can anticipate any weakness of states that are going through internal turmoil and will find means of engaging an ideological support of solving zone instability. The main purpose is that of ensuring platforms of commercial or military engagement and to open new opportunities of opening a diverse consumerism market.

The commercial and economic interest of the main states actors determines their geopolitical reconfiguration. It is hard to establish a faithful image of interests or affiliations of the states nowadays, the present crises and conflicts lead to permanent changes on the global geo-strategic chess board. The tendencies to insure a high standard of living, by opening new markets for consumption, the technological development and the economic rise, the eradication of the unemployment, poverty and human inequality produce mutations which are more and more obvious in the international relations zone.

Today, the economic development strategy adopted by the transnational societies admits that the main factor is represented by replacing numerous human workforces with an economy based on informatics and advanced technology, the process made being thus undeniable, the developed countries reaching the highest level in the standard of living.

CONCLUSIONS

The characteristics of the crises and conflicts in the 21st century are found in the military literature, in mass–media, in the informatics infrastructure and in the configuration of the existent international relations. The interaction of the states in the process of global economic development can produce decision changes and behavioral alterations, leading to political crises, economic and diplomatic crises, which escalate, most of the times, into large conflicts. The results of the scientific research and the products of the present technological development produce perception errors, mainly from the part of those who adhere to these contemporary phenomena, do not take part into the states competition and prefer an unexplainable conservatism, leading to radical measures with disastrous consequences for the humanity and the environment.

It has been proved for over two millennia the tendency of some peoples to extend their territory by different methods, more or less violent. The present forces us to adopt measures which have to protect humankind, the scientific discoveries and the technological advancement produce profound social changes, contradicting the forms of civilization which deny the progress.

The strength of the interstate relations must ensure a stable political situation, with constructive attitude and in the interest of the masses, not just of some important actors on the political scene. The institutionalized frame must make reference to simple terms, but important ones, from the borders and sovereignty to the research of the cosmic space, from the migration of the cheap working force to the insurance of a decent standard of living.

The replacement of human labor force with technological and industrial equipment will produce negative effects on the relation offer–demand, over the quality of the products, the demand of raw materials and massive lay–off staff, which will make room to new social discrepancies if

we do not identify unanimously accepted solutions in due time. In order to ensure consumption, the large producers must be preoccupied with the rising of the standard of living, the creation of possibilities of diversification of options for beneficiaries and the awareness of adaptation to the present technological challenges.

In order to create a global balance the companies' interest as well as the national corporations' must represent the integration in the international economic system and the valorization of the results to the benefit of the future generations. The same goes for the globalization phenomenon, because the technological progress is irreversible and the financial-banking discrepancy at global level may lead to economic instability. The diplomatic actions and social talks may successfully replace the interstates differences, ensuring an efficient raise of the worldwide economy.

Even if they have the same biological characteristics and human face features, people have different perceptions and beliefs about the world, and there are differences according to the historic and religious evolution. Therefore, the decisions of the international forums become flexible, according to the complex divergent situations that appear in a certain region. Thus, the economic development has a different meaning: some people wanting to resume living standards to minimum, others to invest in scientific research, which conduct the imagination beyond the power of comprehension of the majority. These differences of opinion will unavoidably attract long contradictory discussions and will end up in disputes or long-term conflicts.

In the context of an unfolding global economic development and due to the new technological discoveries and the redefinition of the interstate relations, the phenomenon of crises and conflicts must be studied and, viable solutions must be found in order to solve the differences which have appeared, that could influence the present security, all the instruments of knowledge must be put into the service of peace and for the benefit of the humankind.



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