1. Introduction

The picture of the contemporary world, in many ways, is extremely versatile. People are becoming aware of the fact that the world as a whole is facing threats and problems which, until recently, had been disregarded, or had not existed at all. It is not only economic affairs, but also related problems that have become international in nature.

What does the term “global problems” imply? Which problems of the contemporary world should be regarded as global? Most people, offering an answer to this question, would probably refer to environmental threats. Indeed, such problems are among major global concerns, but they are not the only ones. One should be aware of the fact that the global character of problems results from the rapid economic and civilization advancements of the 20th century. A number of problems, owing to economic relationships and the application of specific technological solutions, have a global dimension. Many of such problems, originating from the same premises, are interlinked and share common characteristics. Let us just mention a few: overpopulation, pollution, deforestation, a decrease in farmland areas and natural resources, climatic changes, epidemics and famines, high crime rates, terrorism, drugs, etc.

The mutual relationships between the particular problems enhance their adverse impact, making the problem solving process more difficult.

Are we facing a global disaster, affecting the world’s demographics, food resources, raw materials and environment? What is the potential of the world to feed its inhabitants? How much time does the world need to safeguard against
global disasters? Is the contemporary medicine capable of finding a cure for the civilization and contagious diseases of the recent years? Are we facing the problem of the warming up of world climate? Is our planet facing the problem of global terrorism?

These are just a few problems addressed by a number of scientists. Apart from the fact that mankind has made such enormous progress in the field of technology and economy, no answer has been offered to many of these questions.

2. Demographic and food problems

Statisticians have been sending us warning signals related to a demographic boom for years. The world population amounted to more than one billion people 150 years ago; 50 years ago it stood at 2.5 billion, and currently it is estimated at over 6 billion [11].

Are we facing the problem of overpopulation? For a number of years the global level of food production has been lower than an increase in the number of world population. Or is it the case of T. Malthus’s (1766–1834) grim projections becoming a reality: an increase in the number of population progresses geometrically while food resources progress arithmetically? Obviously, the opinions expressed by this demographer and economist are still causing much controversy.

The problem of overpopulation concerns underdeveloped countries whose inhabitants account for more than 75% of world population, and where birth rate is the highest amounting to 3–4% annually [5, p. 667]. Overpopulation is the major factor which hinders economic growth in those countries. Industrialised nations may face the same problem in the future as a result of migrations from overpopulated and poor regions to wealthy and economically stable countries.

The growing population increases demand for food. This problem mainly concerns densely populated regions of the Third World. Farming in those countries is very much backward, employing 60–70% of the total number of population; productivity is very low due to primitive farming and tools, let alone the draughts which frequently inflict those countries.

As a result of the surplus of food in North America, Australia and Western Europe, world food market is close to the state of equilibrium. Unfortunately, apart from the food surplus in those countries, 50–70% of the Earth’s territory is facing the threat of starvation. Aid programmes implemented by wealthy nations play a significant role, but are not sufficient. Financial restraints, in turn, prevent poor countries from importing sufficient amounts of food stuffs. Those countries
should be making efforts to be self-sufficient in terms of food production, otherwise they are bound to face the problem of under nutrition, and, eventually, starvation.

The sufficient supply of food is not possible in those countries without radical reforms (appropriation of farmland to peasants), and the introduction of a versatile system of farming.

Ironically, Third World countries, in which a great number of population face the problem of under nutrition, export food stuffs to those countries which have the surplus of food. The funds generated in this way are not assigned to food importation, but the purchase of weapons. Consequently, apart from international aid programmes, a number of countries are threatened by degradation and poverty. The number of starving and illiterate population is constantly increasing, which is coupled with heavy military spending and local conflicts. United Nations data indicate that the highest increase in military spending is recorded by the countries of Asia and Africa, which face major economic problems.

Statistical data indicate that the distribution of wealth in underdeveloped countries is more unequal than in industrialised nations. The so called middle classes are practically non-existent in the poorest countries, and the gap between the few wealthy and those who face under nutrition, or starvation is enormous. Middle classes in highly developed countries, on the other hand, contribute to diminishing the differences between the wealthiest and poorest social groups, and the existing gaps in terms of wealth are not viewed by the public opinion to be as shocking and annoying as in the poorest countries [4, pp. 342–343].

3. Problems related to raw materials and energy supplies

Industrialised nations, unlike backward regions, record low birth rates, and in some of them the rate has a negative value. High living standards are constantly increasing demand for goods, energy and natural resources.

The population of North America, which accounts for 5% of world total population, consumes 35% of world natural resources, which are constantly decreasing, and whose deposits are not unlimited [11].

The public opinion’s attention focused on raw materials and energy in early 1970s, when the authors of the first report for the Roman Club, entitled „Limits to Growth“ (1972) claimed that the deposits of a number of raw materials were much limited, and some of them would be exhausted within the period of one hundred years. The shortage of non-revolving deposits of raw materials would prevent any possibility of economic growth.
Undoubtedly, the fact that our planet is not unrestricted in terms of its resources and available farmland may undermine the foundations of the future economic growth. The limited character of resources may lead to a catastrophe on a global scale. Fortunately, scientific progress and market mechanisms are powerful enough factors to prevent this ominous vision from becoming a reality.

Firstly, the pricing mechanism plays a significant role in directing man’s business activities. When resources are scarce, their price rises. For example, higher oil prices make consumers and producers lower their demand for expensive oil-related products and fall back on less expensive substitutes. It is also true of other non-revolving resources.

Secondly, governments may exert some influence on resources and the manner in which they are used by applying administrative incentives (e.g. bans, or extraction restrictions), or economic ones (tax concessions, subsidies, etc.).

Thirdly, in view of the scarcity of non-revolving resources originating from earth gas, oil and coal, scientists believe that alternative, revolving sources of energy will prevail in the future, including water, solar as well as geothermal energy. Depending on the country’s geographical location, alternative sources of energy may also include the wind and high tides, bio-gas power stations, and thermal sea power stations making use of temperature differences between the particular layers of water.

Research on the above projects is being conducted worldwide [9]. Holland, for example, is a country in which several dozen per cent of its energy is generated by wind power stations; similar proportions of energy originate from water power stations in Switzerland and Norway.

It should be noted that nuclear energy accounts for ca. 40% of the required energy in highly developed countries. The use of nuclear energy, however, causes serious concerns related to the possibility of radio-active contamination.

Fourthly, further economic expansion will hardly be possible without extending the closed distribution systems of raw materials. The dissemination of the concept of recycling – making use of industrial waste – which implies the closing of production and consumption processes, seems to be indispensable. It may result in the reduction, or even elimination of those factors which adversely affect the environment. Almost all materials, apart from nuclear waste, may be used for creating new products [2]. It is absolutely necessary, however, to adopt a new way of thinking and introduce new technologies. A significant amount of waste and rubbish is used all over the world in the process of generating energy. Water management systems are based on the closed systems of circulation.

The rational management of all available resources, allowing for the needs of present and future generations, is to be viewed not only as privilege of selected entities and nations, but a commitment made by the global community.
4. Ecological problems

The use of the natural environment in economic processes leads to various tensions due to the scarcity of raw materials as well as the fact that the extraction of raw materials and the production processes are detrimental to the environment.

Therefore, among all global problems, the issues related to environmental protection have reached a dimension of a global crisis affecting both industrialised nations and developing countries. This is a crisis of man’s attitude to the environment.

Most of ecology-oriented economists agree that man’s business activities have exerted a considerable and adverse influence on the environment.

Economic growth, an increase in the number of population, industrialization, urban development, the motorcar industry as well as the use of chemicals in farming are the factors which, directly or indirectly, pollute the environment, disrupting the state of natural equilibrium.

All the elements of the environment are subjected to such threats: earth, air, water in the form of gases and dusts, waste and solid materials.

Many of those threats are “international” in character, spreading across country borders [1].

Households and manufacturing companies are mainly to blame for environmental contamination. Manufacturing companies are too much concerned with maximising their profit, putting it above the public interest. It concerns the manufacture of dangerous products, especially those which are consumed on a mass scale [3, pp. 293–297].

It may be concluded that the problems of ecology and economic growth may not be treated as alternative solutions. Reaching the condition of equilibrium in this respect determines the future survival of the environment, which is equivalent to the survival of mankind. The process of devastating the environment is continuing apart from a number of conferences, reports and global campaigns related to the cause of environmental protection. The pollution of the environment is increasing at a faster pace than the level of the social output.

The prerequisite for any improvements in this respect is the common understanding of the fact that the abandoning of the methods of waste exploitation is in the interest of the entire mankind. The violation of basic natural laws is a form of slow suicide. The countries of the West were the first to realize the existing threats, and they were the first to counteract the adverse impact of environmental degradation; more damage was done to the environment in those countries than in other regions, but the Western countries, at the same time, took the most radical measures against environmental pollution. The countries of Western Europe and
North America have made successful efforts in counteracting pollution as well as taking measures to protect the environment. The undeserved credit for those achievements may be attributed to the “exportation” of polluting industries to the underdeveloped countries of Asia, Africa and Latin America. A number of companies from industrialised nations have moved their operations abroad in order to avoid the stricter environmental regulations enforced in their own countries [8, pp. 5–10].

One may have reservations about the way in which environmental issues have been dealt with, as well as the consumption attitudes adopted by a number of countries. Excessive consumption in wealthy countries, and a growing demand for extravagant consumer products should be viewed as the waste exploitation of scarce resources, additionally polluting the environment.

Excessive consumption of contemporary societies causes much concern among philosophers as well as sociologists and economists [6, p. 146]. The humanistic values in those societies have been replaced with the desire—originating from selfish and uncontrolled motives—for possessing much wealth, which often exceeds the reasonable human needs. What matters is the hierarchy of objectives, which favours “possessing” rather than “being”.

One of the major problems discussed by ecologists and climatologists worldwide is the indirect impact of production activities on the world’s climate. An increasing attention is being paid to so-called “greenhouse effect”, which results from the discharge into the atmosphere of industrial gases (carbon dioxide, methane, nitrogen peroxide and Freon). Those gases absorb infra-red rays, increasing global temperature. It is estimated that the world’s average temperature will have risen by 1.8°C by the year 2020 as compared with the pre-industrial era. Higher temperatures will result in higher levels of seas and oceans (the melting of snow in the Antarctic), by the average of 50 cm up to the year 2070. This might lead to the flooding of 500 million hectares of land throughout the world, which accounts for as much as 30% of the most fertile farmland. This area, including metropolitan areas, is inhabited by approx. one billion people [10].

The greenhouse effect will also bring about changes to the vegetation of plants, increase the number of natural disasters (typhoons, floods, fires, etc.), change the zones of food production, and lead to the migration of people from coastal areas and islands to the mainland.

All the above consequences of industrialization processes would generate specific social costs, which cannot be easily estimated from the point of view of a given country, or in global terms.

Another significant problem discussed by environmentalists is the disappearance of ozone in the atmosphere. The conducted analyses indicate that at the turn of 1996 and 1997 the amount of ozone spreading over the northern hemisphere was almost 40% lower than 15 years earlier [7]. It may be concluded that
the Earth’s protecting ozone layer has been weakened. The ozone layer of the stratosphere (10–50 km above the earth’s surface) is the only filter which absorbs life-threatening infra-violet radiation. On the basis of the data collected by ecologists it is still too early to define the reasons for this phenomenon and conclude whether it results from the accumulation of industrial gases in the atmosphere, or whether this is a temporary fluctuation independent of people’s production activities. It is worth noting, however, that scientists have been speculating about the adverse impact of nitrogen oxides on the ozone layer for dozens of years.

In conclusion it should be stated that regardless of the interpretation of the above facts it should not be forgotten that our planet is our only home. All changes resulting from man’s business activities have a permanent impact on the earth’s surface, and it is up to people whether they testify to man’s wisdom or extreme stupidity.

Modern economies, waste exploitation of the resources, water and air pollution have led to the situation in which the links between man’s activities and the environment question the very existence of mankind. The Earth’s ecological situation indicates that the prevailing concepts of carrying out economic activities do not meet the criterion of rationality in terms of global business operations. The functioning of the global economy, its disregard to the links between the environment and economic activities inevitably lead to self-destruction.

5. Global problems – necessary measures

Global problems cannot be solved by applying simple remedies, enforcing legal or political regulations; those problems will not be solved independently of one another. Finding proper solutions requires international efforts and thinking in global terms.

At the beginning of the 20th century the existing problems included social conflicts, overpopulation, racism, religious conflicts, aggressive nationalism, the increasing gap between the wealthy and the poor, discrimination of women, high rates of illiteracy, structural unemployment.

Most of the contemporary problems have occurred over the last 50 years, which is a period of the fastest changes in the history of civilization, technological and economic progress. Environmental issues, discussed in the above paragraph, have become manifest.

Dramatic terrorist activities of the last years are terrifying. Human tragedies and material damage may lead to unpredictable consequences, threatening the stability of global economy.
The world is facing new problems and finding it difficult to cope with them. People are witnessing a great war being fought between the good and evil. The increasing tide of the feelings of fanatical hatred may destroy the existing order. The question arises: what is the world aiming at? Quo vadis, man?

Over the recent years globalization, regarded to be a remedy for all cures, has been by far the most frequently discussed issue on earth. Globalization is a spontaneous process of unifying the world in terms of technological development and economic links. The process is related to scientific and technological progress, marking the beginning of the Age of Information. Until recently globalization had been spoken of in favourable terms as a process of bringing countries closer together. The negative aspects of that process have become manifest, including the excessive expansion of financial markets, which have turned out to be most vulnerable to crises leading to far-reaching consequences. It is now well understood that globalization, along with liberal economic trends, have not solved the problems of the contemporary world: gaps between the rich and the poor, mass-scale unemployment, poverty and starvation. National economies are so closely interlinked with international markets that they have started losing much of their autonomy. Therefore, globalization has become a target of protests and much criticism.

The process of capital concentration in the second half of the 20th century has resulted in setting up huge multi-national companies. The world is witnessing the process of merging large auto-makers, aircraft, electronics, pharmaceutical manufacturers, and banks, which leads to the creation of new companies of gigantic size. Such companies are taking control over the global economy, investing huge amounts of capital throughout the world. In this way, they contribute to the enormous flow of people, knowledge and capital. Underdeveloped or developing countries are not able to actively participate in global processes. They are doomed to adjust to the surrounding environment.

The process of globalization poses a number of threats. The world is forced to seek effective forms of activity within the new system, which, on the one hand, has a huge and expanding intellectual potential, but, on the other hand, is full of tensions and aggressive feeling.

Globalization as such is neither good nor evil. Its character depends on people’s attitudes. It must not, however, turn into a new form of colonialism. Pope John Paul II made the following statement at the 7th Session of the Papal Academy of Social Sciences in Rome: “globalization should serve the needs of the entire mankind, and not only the interests of the wealthy elites who exercise control over science, technology, means of communication and the resources of our Planet, to the detriment of the overwhelming majority of its inhabitants”. Globalization, just like any other system, should serve people, respecting cultural differences; it must not become yet another form of the relativity of values, unify-
ing life styles and cultures. The versatile forms of culture co-exist with human universal values, which should be given priority as the driving force of any progress and development.

References


About the Author

Zofia Dach engages in research and teaching at the Cracow University of Economics. She graduated from the University in 1965 with an M.A. She completed her PhD in Economics in 1973 and has been Reader in Economics since 1981. In 1995 the President of Poland conferred on her the title of Professor of Economics. She is now Head of the Microeconomics Department of the Faculty of Economics of the Cracow University of Economics. She is a permanent member of the Polish Economic Society and – since 2001 – she has been on the Society’s Scientific Board in Warsaw. She is also Vice-President of the Society’s Cracow Branch. Most of her research is dedicated to the following: microeconomics, transformation of the economic system in Poland, the labour market, employment policy and social policy.

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