



ORIGINAL PAPER

Scenarios Regarding the Impact of Romania's External Relations, Considering the Framework of Human Society Globalisation

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Abstract:

The fundamental characteristic of contemporary society is the globalization process, generated mainly by economic globalisation. For this reason, I have chosen to relate the analysis of the impact of Romania's external relations with the major global actors to the framework of globalisation and not to a specific actor. The global governance model can be understood as a unit of all institutional processes, both formal and informal, that guide or constrain activities on a global or regional scale, thus influencing the organization of human society. The type of future global governance will be different from the current one, mainly because of the radical change in the world economic and political balance. The global balance will tilt more towards Asia and power will be much less concentrated than in the last century. On the other hand, globalization will lead to increasing interdependence among a number of key players.

Keywords: *scenario, global governance, regional blocs, national protectionism, the control of economic interests*

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According to the model of global and European governance, our world will follow a more or less global course and be governed by more or less regulated systems. These, in their turn, will be influenced by economic growth, wealth redistribution and the sustainability of our activities. The process of globalization involves the exchange of knowledge and the acceleration of innovation, therefore, that developing countries will pick up a major speed catching up with the already developed countries. On the other hand, foreign trade and the development of global value chains will lead to the maximum development of production, that is, to effective globalization. In the scenarios I will develop, I will assume that an increase in the level of globalization is based on a development of foreign trade and supply chains. Globalization itself will not generate sustainability, and most likely, the reality of 2045 will be a combination of the proposed scenarios or one of them with unexpected nuances, or even an unforeseen reality, generated by disruptive elements or a black swan phenomenon.

The first scenario, that of global governance, is based on continued economic globalisation. Therefore, new effective mechanisms and institutions may appear to support globalization instruments. In this scenario the world is governed in a coordinated and constructive way by various organizations, including political institutions, during which the States of the European Union will flourish considerably. (OECD, 2008) In this scenario we encounter a remarkable economic growth worldwide, including for Romania, but we can witness an increase in inequality, since no state institution has redistributed wealth as a priority of national governments, and their room for maneuver is limited due to tax restrictions and the need to guarantee an attractive job market for companies. (OECD, 2008) For Romania, this scenario means developing over the principle of the European economy, ensuring an influence in the European institutions, proportional to its size. But the aging of the population and the concentration of wealth can represent a great risk for the sustainability of the pension system and other social policies. Between 2022 and 2045, the states of the European Union will drive the globalization process through a multilateral system of governance, in which international organizations will coordinate the world in a constructive way. Based on the agreements reached, the Great Powers will be able to manage the peaceful transition to a world in which the West will no longer be predominant. In 2045, a new, more inclusive notion of legitimacy will already be taking shape, leaving behind the distribution of power derived from the Cold War. The rebalancing of the world economy would be accompanied by a representation of the emerging economies, already consolidated. Paradoxically, the deepening economic globalization that will accompany this global governance will instead have an exacerbation of inequality on an intrastate scale, generated by a new productive model.

The European integration process will be completed in 2045, in a political union according to the economic, monetary, fiscal and banking organizations. As a result, the European Union will endow itself with a sizeable budget, financed by taxes and fees collected directly from Europe. The euro will become a world reserve currency, while the dollar will retain its position as the great leader. European GDP will be slightly lower than the American one, but it will maintain a growth of almost 2% as a result of the innovative character of the EU. In 2045, the European Parliament will continue to represent the center of European political life, trying to pursue a policy of defending its interests externally, which will add value to the member states. Due to this, European regulations will be taken as a model for international norms and standards. From a military point of view, the Union will represent a force capable of carrying out military

operations around the globe. The balance between the actors will lead to a globalized world governed by multilateral institutions that will protect and strengthen the legal security of international investments. International agreements and bilateral negotiations will cease to be the norm, seeking to end the fragmentation of international trade by increasing economic interdependence. The new governance will bring together actors regardless of their nature and political level. Due to its open character, the society of 2045 will enjoy a similar education, and its most important values will positively influence national and international state institutions.

The possibilities regarding the existence of conflicts within the Union will be reduced, since the Great Powers will already agree on their peaceful settlement. (Nico Stehr, 2001)

For Romania, it will be a favorable scenario from a diplomatic, economic, political and military point of view. Increased competition will make our country's economy a specialized one that will lead to increased exports. With time passing, there will be an internal devaluation, which will generate a deep social discontent as a result of the appearance of duality in the labor market. Young Romanians will significantly increase their mobility, which will facilitate the internationalization of the Romanian economy. The country's economic development will allow Romania to benefit from its status as an elite state in European institutions. The capacity of the Romanian society to assume the migration phenomenon will, in turn, facilitate the transition towards a multicultural social structure suitable to compete on a global level. Despite growth above the European average, the increasing aging of the population and the concentration of wealth will jeopardize the sustainability of the pension system and other social policies. Romania will excel in sustainable technology and manage to curb the threat of desertification. Externally, Romania will be fully integrated into the Euro-Atlantic structures and will have a growing and more important presence in South-Eastern Europe.

In the second scenario, regional blocs, European integration will be a consolidated reality, accompanied by a proliferation of regional trade entities and agreements and intra-regional trade growth. Therefore, a new global order is emerging, structured around different regional blocs. Governance at the regional level will replace the ineffectiveness of multilateral bodies, either through generalist organizations or through ad hoc organizations. The Euro-Atlantic strategic agreements will be examples of this trend leading to bilateral trade negotiations. Increased intra-regional trade will promote formal integration led by the private sector and strengthened by states through open regionalism. In some cases, these processes will lead to further institutional consolidation and regulated economic coordination, just like the ones in the Western countries. In this scenario we are faced with a coherent European Union, ready to compete with the rest of the blocs. (OECD, 2008) Gradually, the monetary union will be completed with the creation of a common treasury in the euro area. Eurobonds will also be introduced, which will complement national bonds and increase the workforce. All these measures will be done taking into account requests from creditor countries, especially Germany. (OECD, 2008)

Stricter common financial standards and a liberal economic policy will be promoted, through which the state must create appropriate conditions for the development of economic activities, according to the principles of the free market, but with social equity, with special emphasis on price stability, limiting public spending, the strength of the euro and some market regulations. The strict implementation of these

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regulations and the strong coordination of national economic policies will lead to a European Union in which certain states will aim at the same goal. The exception will be Great Britain, which will prefer to remain outside the eurozone, and Serbia. The European Union will be an economically strong federation governed by states under binding rules, with compliant institutions overseeing its proper functioning. The EU will be seen as a model for other regional initiatives to follow. Sovereignty will be shared between nation-states and supranational regional entities. In the Enational sovereignty will be limited by common rules, while outside this framework, coordination between blocs will be encouraged by simplifying customs procedures.

A global order without a hegemonic country will, of course, increase the struggle for regional leaders: Brazil and Mexico; China, India and Japan; Nigeria and South Africa; Saudi Arabia and Iran; Turkey and Russia. Multilateral organizations will be ineffective in managing global challenges, especially the economic ones. The International Monetary Fund and the World Bank will be irrelevant to the regional development banks, while the World Trade Organization will not be able to give impetus to global trade rules. Not all regions will enjoy the same way of integration, but intra-regional trade dynamics will turn reluctant countries into de facto members of trading blocs. Deterioration of relationships between the various blocs will be frequent as each promotes the development of its members, raising barriers to trade with the rest of the world. Non-tariff barriers to the rest of the trade areas will be erected to withstand the pressure of global competition. In order to reduce imports, the use of local technology will be mandatory, subsidies as well, thus limiting competition in national markets and reducing the prices of products and commercial services. (Institute for Security Studies, 2006) All these will lead to the encouragement of foreign investment. National policies will become much more predictable, which will lead to the acceleration of intra-regional investment. The regulations and institutional schemes of each bloc will provide a safety net for their companies that will stimulate trade flows within each zone. The need to supply large regional markets will lead to the concentration of business in each block. Technological development and innovation will continue rapidly in a context of global business technology transfer. (Millennium Ecosystems Assessment, 2005)

This scenario will generally be a positive one for Romania. Limiting global trade will not be good news for our country, which in 2045 will have an export-based economy. However, the exports that are addressed for this period, especially to the European Union, will not suffer as much as in other countries such as Germany. Having an extremely prolific geographical-commercial position, it will be considered a bridge or a mediator between the regional blocs of Western Europe and Asia and between those of Southern and Northern Europe. Romania will seek to position itself in Europe as a main supplier of goods. To do this, it will highlight its status as a great power in the agricultural field, being the main supplier in Europe for cereals.

Romanian products from different fields have started to become sought on international markets. The implementation of new technologies regarding the extraction of shale gas and the development of energy capacity has led to the emergence of companies with Romanian capital that produce ecological technologies. Following the war between Russia and Ukraine and the decline of Russia, Romania, following the close ties and unconditional support offered to Moldova and the union summit, will request the European Union to propose the integration of the Republic of Moldova into its structures. From the point of view of relations between states, we can talk about a

multipolar world for the year 2045, with much more active regional blocs. International organizations are present in all security fields, and Romania is an active member of the EU and NATO. With a well-organized infrastructure, Cluj, the capital of Romania in 2045, actively promotes the integration policy of the Republic of Moldova in NATO.

The third scenario, national protectionism. For the year 2045, the lack of common values and interests between traditional and emerging powers will lead to irrelevance regarding the existence of multilateral organizations such as the International Monetary Fund, the World Bank, the World Trade Organization, etc. Global problems such as climate change, the proliferation of nuclear energy, poverty-stricken states and new violent conflicts will remain without a concrete solution. (Nico Stehr, 2001) The United States of America will gradually lose the role as a dominant power and China will be unable to take its place. Each actor will pursue its own interests without fear of coercing or imposing new and common rules on other countries, and the world will experience a global upheaval that will move towards a less predictable and diplomatic situation. In the next two decades, due to increased trade barriers, emerging economies will reduce their growth rate and will be forced to please the new middle classes, who will demand better services for the population, an increased quality of public institutions, equal opportunities, a new transparent legal security in order to increase the fight against corruption. (Institute for Security Studies, 2006) In developed countries, increasing income inequality and a decrease equal opportunities will bring increased political instability. Before the destruction of the welfare state and given the unequal distribution of costs between different incomes, populist and nationalist political options will create a new path. In such a scenario, the economic growth of the European Union will be reduced by half compared to the previous projections provided by the financial crisis of 2008. In the next two decades of the deglobalisation process, the EU will clearly start from the position of the loser in front of China and the United States of America for its energy deficit.

The crisis created by the withdrawal of some countries from the euro zone will cause the creation of a new monetary zone in Central and Northern Europe. This will make the European Project less ambitious by redistributing powers to national governments and parliaments. The powers of the European Parliament and the European Commission will be greatly reduced compared to the Union states. Despite this, the market will remain common under some regulations. The members of the Union will use a variable geometry for improved cooperation, that is, there will be cooperation mechanisms for solving concrete problems. National economic policies will not be coordinated, which will generate a poor performance of the common market. The period before 2045 will be characterized by economic instability, which will lead to a widening of the gap between the north and the south. This phenomenon will also be stimulated by the success of Eurosceptic and populist parties, which will turn the arena of European politics into a dissonance of actors. In their turn, foreign policy and common security will show its lack of efficiency in the years leading up to 2045. This will accentuate the irrelevance in the world of member states. European public opinion will be very reluctant to participate in military interventions and will prefer the executive branch to focus on domestic issues. The world will forget about multilateralism. Diplomacy will be exercised in a bilateral form through ad hoc coalitions. The potential for conflict will remain high and the risk of a large-scale conflagration will increase in intensity. Democracy will lose ground to populist and nationalist countries. The US and EU political systems will not be able to cope with social discontent and will be forced to

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focus on domestic issues. Protectionism will increase and international trade will decrease.

Developed economies with large markets will continue to monopolize much of the world economy, but will be damaged by reduced exports, instability and corruption. The lack of a solid foundation in the financial systems and their poor coordination will lead to increased vulnerabilities in the system and the emergence of a major financial crisis. The phenomenon will be accentuated by the commitment of emerging economies to promote their national banks at the expense of large international financial entities. Some of the developing countries will suspend payments, unable to honor their external obligations. Multilateral bodies and banks will limit their lending, while multinationals will reduce their presence. Political fragmentation will lead to limited innovation. Increasing trade barriers will restrict the viability of global production chains, consequently having higher prices. The excess of tariff regulation will lead to the obligation of companies to impose themselves more and more on the markets in which they operate. The imposition of trade barriers will reduce the impact of competition on the wages of unskilled workers and mitigate the growth of social inequality. However, the limitation of international trade will mark a slow increase in poverty.

The existence of these phenomena, to which we can add the slowdown of technological development, are some of the main forms of social imbalance, especially in countries without democratic institutions, whose middle classes will feel this extremely frustrating barrier. Extreme poverty will not reduce and will further encourage migration flows to developed countries. (Millennium Ecosystems Assessment, 2005) Management of this phenomenon of migration by the government institution will be complex because of the boom of organized political groups that will promote racism on a large scale. Fragmentation will reduce trade and investment, profoundly slowing technological progress. The exploitation of shale gas and renewables will be limited, causing the overall cost of energy to rise. Competition caused by scarce resources will lead to food crises. It will increase the rivalry between China, Russia, Turkey and Iran for access to the energy resources of Central Asia. The lack of consensus will prevent the implementation of policies that reduce the impact of climate change, so the environment will continue to deteriorate. The dispute regarding exploitation rights over the Arctic will intensify. (Natural England Commissioned Report NECR030, 2009)

This is the bleakest scenario for Romania, with very little influence in Europe, it will see its international relevance diminished. Romania's economic horizon will be narrowed for many markets in Europe and the world. In the absence of a large internal market and without the existence of innovation capabilities, Romanian society will suffer considerable damage. Faced with populist pressure, the government will become less legal or moral. Companies will focus on the local market and lose share on those abroad. The middle classes of society will fall by leaps and bounds, giving rise to turmoil and tension that will prevent tranquility and the development of a normal life. In the year 2045 Romania is a country full of extremes and affected by pollution. More than 40% of the country's population lives, works and communicates in the virtual environment. Carelessness still characterizes the country's destiny, and the realities are devastating and unpredictable. Regarding Romania's bilateral relations, we can say that they continue to be cordial with countries such as France and the USA, but the rupture of relations with Russia led over time to the degradation of Romanian society in the Republic of Moldova.

The fourth scenario, the control of economic interests, emphasizes the inefficiency of the global governance system, as a result of the lack of coherence at the multilateral and national level. However, there will be implicit and minimal agreements between the Great Powers, dominated by the economic interests of multinational companies and financial institutions. This will guarantee global stability, both political and economic. (Norman Palmer & Howard Perkins, 1969:9) The institutional 'architecture' will be similar to that of today, but the emerging powers will assume a much more relevant role. The status quo will be maintained, although there will be substantial distancing as a result of the divergences created between the relevant actors. Global dangers, threats and challenges will not receive a common response, although economic interdependence will force the Great Powers to coordinate in extreme need. Both the European Union and the US will be more reluctant to intervene outside their borders, their place being taken by regional leaders whose actions will create panic among their neighbors. In this context, large transnational companies will impose their own programs. (Institute for Security Studies, 2006)

The tax collection capacity of the states will be greatly reduced and will generate fiscal dumping (selling goods on the market at lower prices) which will lead to problems in bilateral relations. Public administrations and political organizations will no longer be able to attract labor, since they will be in a very weak position compared to large corporations. Weak competition will prevent the setting up of companies, a phenomenon that will reduce the ability of medium-sized companies to enter new markets. At the European level, there will be a trend towards greater economic integration, while relevant political decisions will be made through intergovernmental processes. (Institute for Security Studies, 2006) The decrease in the citizens' identification with the European project, especially in the economies hit with great cruelty by the Great Recession and the reluctance to increase solidarity with other member states, will lead to a totally wrong direction, that of hindering the process of political integration. Even in this situation, the loss of relevance on a global scale of the European states and the fear of the disintegration of the euro zone, will encourage a better coordination of the countries engaged in the European project. In this way, a two-speed Europe will be established.

The main core of states will be around the strongest Eurozone economies, while the rest will be much more reluctant to give up sovereignty, keeping their access to the single market by joining various European initiatives based on increased cooperation. The entry into the euro zone of some states that, from an economic point of view, do not fully meet the criteria of the European Union, will generate a deepening of dissatisfaction among the member states that have not yet adopted the euro currency. They will consider that their voice cannot be relevant in European institutions. Despite the low demographic dynamism, Germany will position itself as the main financial center of continental Europe. The low population growth rate, which we can consider three times lower than today, will reduce the labor force. The dynamics of the European population will be in the process of diminishing and in the inability to support the European social model. (Norman Palmer & Howard Perkins, 1969:11) Growth in gross domestic product (GDP) will be moderate because of modest productivity growth and the rapid aging of the population, which will prevent reductions in the substantially high levels of unemployment and public debt. Immigration will reach quite high levels, and debates regarding its flow will dominate the European dialogue between states. In a multifaceted world with divergent interests, the effectiveness of international

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organizations will be very limited, and the international community will not be able to take advantageous measures in the face of global crises of extreme gravity. The potential for conflict will diminish slightly in the years leading up to 2045, but civil wars will exist, and new threats such as cyber terrorism will intensify.

From an economic point of view, the process of convergence of emerging economies will continue, even if at a much slower pace. It will move timidly towards greater economic coordination, especially on a regional scale, with the aim of better solving financial crises, but will not limit the ability of global companies to act. (Natural England Commissioned Report NECR030, 2009) However, the creation of a complex investor will appear due to the fragmentation of international trade with the aim of helping the proliferation of free trade agreements and the greater inclination towards state capitalism. Competition between states, in fiscal matters, will increase even in Europe. The shift to an innovation-based production model will be the reality due to technological breakthroughs. Consequently, the income gap and inequality within each country will widen at a much slower rate than in the first decades of the 21st century. Major emerging economies will accelerate their plans to reorient to much greater domestic consumption based on new middle classes with the aim of developing new social protection systems that will reduce the need to save and free up disposable income. In the West, the deterioration of the professional prospects of the traditional middle classes and the decline in the quality of life will continue, albeit at a much slower pace, which will worsen and generate political instability. Governance will be complicated, and in some countries populist and nationalist options will gain electoral support.

In general, in this scenario, the dynamics do not differ from those exhibited in the Regional Blocs scenario. They will continue to advance post-materialist values and increase the decision-making capacity of individuals. Women will have access to much better job opportunities increasing their value in political life. The world's population growth rate will slow, while in developed countries the population will age. (Norman Palmer & Howard Perkins, 1969:11) Bad governance will not be able to create workable mechanisms to manage the problem of migration which, despite the development of emerging economies, will remain not only from south to north, but increasingly from south to south. The absence of effective political leadership will make it impossible to find consensus in the fight against climate change, and progressively the issues regarding these changes will disappear from the international agenda. The development of emerging economies will put more pressure on the environment, and making the new middle class aware of the environmental problems will be extremely difficult. Advances in the exploitation of non-conventional energy sources and the efficiency of renewable sources will be evident as a result of the private initiative that will support energy prices. Romania will seek its place on the international market dominated by commercial interest, projecting its own desire through the leading Romanian multinationals in this sector of activity. This way Romania will be able to diversify his exports to European markets. (Institute for Security Studies, 2006) By not investing enough in innovation, Romania will encounter numerous problems in 2045, which is why it will not be at the level of the countries around it. The monopoly of multinationals in business and their influence in politics will limit the possibilities of success for small and medium-sized companies. A dual economy will thus be imposed in which a small number of large companies will be able to compete on the global markets, coping with a lot of less productive Romanian companies that will not last.

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The process of global warming, increasing water stress, fluctuating temperatures, weather uncertainty, will be just some of the problems because of pollution that will lead to serious damage of agriculture and tourism, directly affecting Romania. From a diplomatic point of view, in the bilateral relations between Romania and Russia we can talk about a deterioration, reaching the violation of borders and the appearance of blockades. Against the background of these problems, relations with the Republic of Moldova will be marked by a boundless fraternity. Meanwhile, ties with France will grow in intensity, which will encourage internal migration into the Union, but will wage a permanent struggle against the migration of the Chinese and African population. The relationship between Romania and China will increase in intensity also as a result of the deterioration of relations between Romania and Russia. Following a major cyber attack on Europe, Romania in partnership with the United States of America will be developing the largest cyber defense and IT research center in Europe.

Conclusions:

Security is the main concern of contemporary leaders, primarily because it is an essential condition for the development and nation's well-being, therefore, we can say that it constitutes the main role in a world that is becoming more and more insecure. The main effect that led to the modification of the international system experienced in the last two decades, is the loss of predictability of threats and risks that mainly affect national states. In fact, the bipolar system prevailing until the end of the last century, granted numerous certainties that favored decision-making processes and strategic planning. However, today both the actors and the threats have multiplied and the states are the ones that have had the greatest difficulties to adapt to this new reality, forcing the leaders to accelerate the signals sent by the environment. Forecasting is therefore a discipline that uses various techniques and methods to expand the realm of possible futures. One of the methods available, that of the potentiality of a future hypothesis, applies a different concept from that of a probabilistic study, such as determining today a future scenario, which can be risk or opportunity. In other words, it's about finding a potential future condition now.

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