

## **The Future of World Society: the rich and the poor**

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### **Lord Giddens**

Good, afternoon again everybody. This is the last in this little series of 5 lectures that I've been giving and I would like to say even before this one, how much I've enjoyed giving them and thanks to you faithful people for still coming, it shows what a lively and intellectual community the LSE is and I must say when you look through the LSE agenda this term, there's been an amazing number of visitors, interesting people coming, so the LSE is certainly sustaining its intellectual vitality really, really well.

In the last lecture, if you remember I was talking about global terrorism and if you look at groups like Al Qaeda, one of the things about them is that they demonstrate how difficult it is for governments to regulate what are essentially stateless decentralised organisations of global scope and one of the things that I suggested to you throughout these lectures is that in the global age such organisations do gain immense influence and impact. I also suggested last time that the war on terror is a mistaken form of rhetoric but it also serves to obscure some of the other battles that governments are trying to fight against other forms of networks which are operating at the level of world society and which governments by and large are not winning. I mentioned three of them in the first lecture I gave, there is a so called war on drugs but governments are not winning that war. The global turnover, you remember I mentioned in the first lecture, the drugs trade is absolutely gigantic, about \$450 billion a year which is about the same as the overall size of the Spanish economy so you can see the gigantic trade that is. Money laundering is the second one that I referred to in the opening lecture. It's very important for this lecture because a lot of the money that's laundered in world society is capital which leaks out of poor countries, of where those countries actually need that capital more than anything else as a form of investment and third is the trade in global armaments, not just the one I mentioned at the end of the last lecture, very disturbing trade in nuclear materials and nuclear weaponry but there's also a massive global trade in small arms and as I mentioned in the first lecture about something like 70% of total small arms in the world are not owned by armies, they are owned by private individuals. It's a highly militarised world of you like as a result of the global illegal arms trade let alone what happens as a result of the legal global arms trade which in itself is very large.

There are two other areas worth mentioning I think because of their interest and because they lead up to the topic of what I'm going to talk about today, the divisions between rich and poor in world society. One is the trade in intellectual property which is also massive, which unlike most of these other forms of illicit global network type systems, actually probably tends to operate in favour of the poorer countries rather than the richer countries because it's a trade in piracy. The piracy of intellectual property which in principles belongs normally to organisations in the developed countries.

There's a story about the actor Denis Hopper who made a film in 2001 in Hollywood and he recorded the sound track of that film and then he flew to Shanghai two days later and he went to a street market and someone offered to sell him a copy of his own film with the soundtrack already on that film and this is what the global trade in pirated good is. If you look at business software for example, in countries like France or Japan or the US, indeed about 40% of total

business software is estimated to be pirated. In some countries, including Greece for example in Europe, and South Korea, it's reckoned to be 60% total business software is actually pirated rather than done under license and apparently it's true that about 70% of all the Honda motorbikes that are sold in China are actually pirated, they are not directly produced by Honda. So there's an amazing trade in these things and most people here will remember the impact of NAPSTA, through NAPSTA you could download music files on the internet for nothing which of course undercut the basis of profits of the global music industry. Well, NAPSTA was closed down but other modes of access were invented, the latest estimate there are something like 900 million tracks which you can download for free on the internet today which is about 2½ times NAPSTA at its peak so it's very hard for both business organisations and states to keep track of this sort of illegal global trade whatever its consequences are.

Much more important I suppose and disturbing especially when you come on to issues of poverty and exclusion is the global trade in people. In the latest United Nations World Report, the global trade in people is estimated as one of the biggest, fastest growing illegal global systems of exchange. Global trade in people, there are two kinds, one concerns immigrants and the other concerns especially women and children. About 500,000 immigrants, it's estimated, enter the US every year illegally and about the same number enter the European Union every year illegally. Of these numbers significant proportion are actually smuggled by organised criminals and some people who are smuggled, although they do it in a certain sense voluntarily, certainly pay for this. They sometimes pay with their lives and sometimes they pay with actually very large amounts of money. Apparently the top dollar if you want to be exported as a person from China to New York is something like \$35,000 you have to pay the smugglers who do this but quite a large proportion of the people who come up from Mexico into the US are actually smuggled through organised crime.

There is however a growing trade in women and children, mainly for the purposes of prostitution. It's reckoned in the UN Report that about 2 million women and children are "traded" every year. Quite a few for example in Western Europe come from Eastern Europe. They're sort of lured into Western Europe with promises of jobs and rewards but end up in careers of prostitution. The trade in children is even more disturbing. It's quite strongly pronounced in West Africa especially where apparently it still goes on about 200,000 children every year are sold into slavery so there is like a network of movement of people which responds to the other big changes going on in the world but a lot of it is cover and a lot of this is very difficult for governments even with the best of intentions to clamp down on. The importance of these things is that they tend to converge around global divisions, around global inequalities, apart from the exception of intellectual property nearly all of the others also centre on the divisions between rich and poor and this to some extent includes terrorism as well. Is in some sense a fight back although one is which has problematic implications and consequences partly because the kind of conjunction between the smuggling of arms, the smuggling of drugs, the illegal militia, the breakdown of civil order, failing states and the impact in the wider world.

I think with some reservation you could say the history of the 20th century was the history of strong states because you had millions of people killed in warfare especially in the two World Wars between armed industrial nations. Just as important for us is the issue of failed states because of the changes that have happened over the last 30 or so years you have major areas of the world often where poorer people are concentrated, where there is state failure, where you don't have effective government and without effective government you often get

civil wars, local violence and the persistence of poverty essentially because all these things tend to lock on to poverty.

The division between rich and poor is one of the main phenomena which fuels the rise of the anti globalisation movement that I also discussed briefly in the first lecture. I think the anti globalisation movement whatever its excesses around the edges, has had a substantially positive impact on global thinking about inequality because it forced, especially as it were the rulers of the world, these are the big corporations and leaders of Western governments to take very seriously the issue of global poverty and more broadly the issue of division between the 'haves' and 'have nots'. It forced that on to the global agenda. It forced it to some extent through street demonstrations and even you might argue to some extent through violence because of its confrontational nature but after that it's impossible to remove these concerns from the global agenda of the West, as it is of course from those who actually suffer from deprivation, under privilege and poverty. So the issues involved here are very serious and some people feel that the division between rich and poor are the single most important problem facing world society in the early part of the 21st century.

Now I stressed that we have to look at the impact of the global age or globalisation on industrial countries too, not just treat it as a synonym for the developing world so we might start by looking briefly at the impact of economic globalisation on our societies or industrial countries of the West because many people feared that as global free markets accelerated that there would be increasing inequalities in western countries too, that the welfare state would tend to be eroded and many people thought there would be a so called race to the bottom. Race to the bottom is the idea that when western countries have to compete with other countries in production that there will be a lowering of the wages at the bottom because people will work in factories in Asia for example for much cheaper wages than they would in western countries. We now know a lot about these phenomena and we know that within industrial countries most of these fears are actually misplaced.

There has been a certain rise in economic inequality in most western countries but the origins of this rise in inequality don't seem to have much to do with economic globalisation, they're more to do with technological change and they're more to do with wider patterns of social change more generally. Technological change has meant that you have many people who are unskilled in western countries who no longer are needed as it were within the economic system so unemployment especially among younger working class men is a big problem in most western countries but that's mainly because of changes in technology which means that you don't need a manufacturing labour force in the same sense that you did in earlier generations.

In western countries the welfare state contrary to the doom mongers has remained largely intact. You look at welfare spending for example over the past 30 years, its very interesting, because many people assumed under the impact of a more global market place spending on the welfare system would decline but it hasn't. In all western countries spending has either gone up a bit actually or tended to stay stable. The welfare state is not a compatible with global competition. If you get your socio-political framework right you can sustain a string welfare system even in a much more competitive economic environment than was true previously.

More importantly and very importantly I think for global society as a whole, does not prove to be a race to the bottom. You don't find a kind of reduction in average wage levels of

people of the lower levels in western countries as the result of economic globalisation. Economic globalisation therefore has not produced massive transformation of welfare systems and in a way this is encouraging because it shows that with the right political policies you can continue to have societies which are decent, which are humane, which protect vulnerable people, which have a welfare system which helps you across the life cycle all the things that western countries, especially if I might so under the influence of social democratic left have been good at, those things do seem possible to sustain. With this proviso no one knows what's going to come next, no one knows for example what the full impact of outsourcing might be because outsourcing is the next phase really of the transportation of production from the west to other areas especially to India but a range of other countries too. Outsourcing is different from manufacture because here you're outsourcing human skills. You have a call centre in Bombay when you phone up Barclays Bank for example. Is that taking jobs away from western countries? Most people at the moment would say no and I would say no but you don't really know what the long term impact would be and remember when Kerry was running for the Presidency he actually ran on a fairly protectionist platform even though he was a Leftist because the American unions were worried about the impact of outsourcing on their jobs.

It's a problematic thing when you start to discuss global inequalities actually. The actual politics, internal politics of western countries can have a big impact on how those inequalities are experienced across the world.

Now when you come to look at the divisions between rich and poor there are three basic questions that one has to ask. First, how unequal exactly is the world in which we live? Are we living in a globally, highly unequal world. Second, if we are and in fact we certainly are, if we are living in a highly unequal world, are those inequalities increasing? Have they been increasing particularly over the past 30 years, the main period of the acceleration of what I'm calling the global age and thirdly if they are increasing, are these increases the result of economic globalisation? Especially are they the result of the sorts of things that many people in the anti globalisation movement or the movement for global social justice or NGOs are worried about is the expansion of free markets actually producing a radically more unequal world, one in which the West is always going to come out on top and the rest of the world will do poorly.

Well, I haven't brought any tables with me, I'm not going to deluge you with statistics but if you ask and answer the first question, of course it is a statistical question what's happening in world society in terms of inequality, the answer is easy to say. The world is highly unequal. The division between the rich sections and the poor sections of the world is massive. You have essentially about a billion people, just under a billion people usually recognised who live in western society, if you include within western society Australasia and Japan or if you like the industrialised sector of the world, this billion people it applies to most of us sitting here are pretty affluent by any wider standards of the world society. You have about 6 billion people in the world, about 5 billion are pretty well excluded from the affluent of the leading top billion. Then at the bottom, you have today something under a billion people who are radically poor, who live on \$1 a day or less. That number as I'll mention in a minute seems to be shrinking but it's still a very, very large number of people in the world living on virtually nothing because a dollar a day, even in a country where things don't cost a lot, is nothing as a means of subsistence. These are people who live in absolute poverty if you like, not just relative poverty, relative to richer people but absolute poverty, in a sense of struggling to survive, suffering from malnutrition and many other problems that come along with that.

It's because of this situation that the United Nations adopted the millennial goals in the year 2000. The goal of the United Nations Millennium programme is to reduce absolute poverty in the world by a half by the year 2015. It's to achieve universal literacy in the world. It's to develop toward universal primary education. It's to reduce child mortality which means children under the age of 5 by two thirds by the year 2015 and the programme is also to combat AIDS/HIV in those areas of the world especially of course parts of Africa where those diseases are rampant and we have to ask a bit later how far the world has got towards these ambitions and whether we are on track to meet them.

So if the world is highly unequal are those inequalities increasing? Well, we would all like to know but I have to report to you that academic economists who study this issue are bitterly divided about it. There is a big division of opinion over whether economic inequalities in world society are increasing or decreasing. If you look at the usual comparisons of the made, which is the GDP of different countries, world inequalities by that measure are increasing because the GDP of the rich countries, the western countries is pulling away from the GDP of countries at the bottom. There is a gap opening up, bigger and bigger, between the richer countries and the poorer countries of the spectrum of countries in the world. However, many people say and I would agree with them that this is not an appropriate measure. It won't do just to compare GDP of countries because countries are radically different in terms of their size and the populations they have so therefore you should be comparing population rather than just the average GDP of nations and if you compare population, at least many economists say the picture is reversed, that is, certainly some economists who have been working on this recently have done probably the most detailed studies of it, tracked back inequality over a long period, what they say is that inequalities in the world increased during the early colonial period from 1850 through to about 1980, across the world, and this was because of the rich countries getting richer but since 1980 they say, if you look at population size rather than national average GDPs inequality has either levelled off or is actively declining.

The main reason for this that's offered is the increasing economic development of China, the increasing economic development of India since deregulation in India a few couple of decades ago, in which millions of people have become more prosperous than they used to be and intuitively you have to feel this is possibly correct because this is the biggest phase of economic development that the world has ever known in India and China. Two fifths of the world's population live in those countries, the economic fortunes of those countries have certainly improved radically compared to the industrial ones suggesting that overall economic inequalities in terms of numbers of people affected might very well be declining. If you look at the growth rate of the European Union for example over the period 1990-2002 it was only 15%. The growth rate and GDP of China over that period was something like 280%, in that sense overall China must be closing the gap on the western countries but of course it depends also in what is happening in other parts of the world, other parts of Asia, Latin America and Africa. I think in the end it is difficult to decide about this debate and therefore anyone who makes dogmatic statements about it I think you should treat them with caution.

Probably much more important is just asking the question, are overall inequalities increasing is to say that one should focus on patterns of inequality between different continents and between different regions and there I think you do identify the different problems and dilemmas around inequality and world society. If you look at the example of Africa, for instance Africa and some of the countries in Africa, are some of the few examples where

GDP per head has actually declined in absolute terms over the past 30 or so years. There are very few areas in the world, where average GDP, either a nation or a region, certainly some in Eastern Europe for example, or the ex Soviet Union, but there are not that many areas where you've seen economic development, where people are actively poorer than they were 30 or so years ago but Africa does include some of them. So if you look at Zambia for example in 1960, it had an average GDP of about \$750, today that's only \$300 so you have seen in some parts of the world an absolute decline in living standards but that is relatively uncommon within the overall world society so the issue for us is putting together these patterns, you have some parts of the world that have been dramatically successful economically. Far more people have been moved out of poverty in China for example than as ever happened in a comparable phase of economic development before but you have many areas of the world where this is not working. You have many areas of the world where you have terrific disjuncture really between the life circumstances of people and the more affluent sectors of the world which are becoming successful.

If you look at these patterns then, how much are they influenced by globalisation where we are talking of economic globalisation and what practical policies stem from this? There's a very important debate about this also going on amongst economists and sociologists all over the place. I think you can summarise the results of this without too much difficulty. First of all there is no case that we know of, of a society which has had successful economic development, which has not engaged with the wider world and wider world economy. There is no case which we know of over the last 30 years where this has happened. Those societies which have been successful have in some sense, and we'll come to what that sense might mean in a minute, open themselves up to the wider world and have successfully engaged with wider patterns of world trade. This applies for example to the successful Asian economies, small and large which we have just been mentioning.

Second, there seems to be substantial evidence that if you get conditions right, opening up a poorer economy can create both economic growth and some circumstances reduce economic inequality. One of the best studies of this produced by the World Bank which shows that if you look at small, poor economies over the past 30 or so years, that is poor countries that have had closed economies, that haven't opened themselves up to the wider world market, they've got an average growth rate of about zero per cent. Those that have opened themselves up have got an average growth rate of about 5 per cent and of course some have got growth rates much higher than that so there does seem to be a connection between engagement with the wider world and the possibility of economic development although for reasons I'll mention in a minute, it's absolutely not an automatic one.

Within the wider world society you have about 2 billion people really who are not well integrated into the world economy and this does include large chunks of Africa. I think you have to, when you study Africa, when you look at what's happened in Africa, which is of course a big continent with many different stories, some of them quite successful going on in Africa and I think my view would be that many of the problems of Africa don't come directly from the period of globalisation. They come from the lack of integration of Africa with the wider world and that lack of integration of Africa with the wider world stems primarily from the Cold War period when the super powers fought out their struggles, their wars in Africa and they produced these massive divisions and conflict that afflict chunks of Africa today. They left behind states which were not effective and those states have not been able well to manage the socio-economic changes which are happening in the wider world society today.

When you ask what are the conditions of economic development, certainly the state plays a role normally and the problem for many poorer countries is not so much the market itself but the problem of the state. In many poorer countries states are too large, states are too bureaucratic, states are too corrupt, states are too cumbersome, states are too undemocratic to be able to manage the sorts of transitions which successful economic development presumes. However, it is very important to affirm I think that there has been successful economic development. If you look at the figures on manufacture for example, there's fantastic rise in the exports of developing countries in manufacture as opposed to agriculture. 25% of the exports of poorer countries were in manufacture in 1980 and today that figure is about 80% so those countries have made a transition from essentially an agrarian economy to a much more industrial one producing effectively for world markets.

Do these things mean that neo-liberalism, that is the expansion of markets in the wider world, the idea that you just open up an economy to the wider market and everybody prospers, does this mean that this is a kind of formula for world society. Well, I think one has to say very strongly, absolutely not. Neo-liberalism is a formula, the Washington Consensus if you like, is a largely failed philosophy. It failed in parts of Latin America, it failed in parts of Africa, it failed also in parts of Asia and we know much more I think about the reasons for these failures than we did 10-15 years or so ago because we got so much more material on them. The Washington Consensus I hope is not a complete consensus anymore because even the world organisations, which practised it such as the World Bank, to some extent although, think not nearly enough modified their pre-existing philosophy.

So although opening up to the wider world is the condition of development, although if you are going to improve the conditions of the poor, you must have economic development, although we know that societies which have closed themselves off have not been successes. We know that countries like Burma for example and which tried to insulate it itself or North Korea are amongst the poorest countries in the world. Although it's true wider engagement is necessary it's certainly not true that just opening up a country to world markets, especially to world financial markets will produce favourable economic results for that country. So we have to have a different paradigm, we have to have a different approach from the one which had dominated world thinking at least for something like two decades until recently and let me just sketch in what I would take to be the rudiments of such an approach. I think we know at least some sort of formula for improving a lot of poorer countries although there is no way that one can apply it in an automatic fashion so let me make a number of points about it.

First of all Joe Stiglitz, who I'm sure many people here will know, Nobel Prize winner in economics. He used to be Chief Economist of the World Bank. Left the World Bank in a situation of some conflict with it. He wrote a book called Globalisation and its Discontents which anyone interested in these issues should consult of course among other literature but he makes the point which I think is a valid one, that there is no known case of successful economic development which does not involve the state. There is no known case of successful economic development where the state has not been involved. It was true of western Europe, it was true of China and India, it was true of Singapore, the other successful Asian economies. You cannot simply create a market society without the active intervention of the state but you can't do it if the state dominates. You can't do it if the state doesn't play the correct kind of role. You do need a reformist state. You do need effective state institutions to promote economic growth but the role of the state has always been fairly central. The reason for this is that a market economy depends upon wider social institutions. No market economy functions on its own, therefore you do need a wider frame of political power and many

people would still say I think that when you compare Russia and China, because China sustained greater degree of centralised political power, it was able to leverage economic development in a way which has proved very difficult in Russia, even though Russia opened up in a certain sense at least for a while its political institutions more directly.

Second, if you do open up a poor economy to the wider world without making institutional changes the results are often disastrous. They are disastrous because local farmers can be driven out of work, local products are not competitive with those which come in from the wider world market. You don't have an effective framework of banking finance in poorer countries. You simply introduce the market into poorer developing countries and have a devastating impact on those countries and that's what happened to some extent in some of the Latin American countries and African countries, as it were tried it.

Third, as we know, in the wider world society trade is not a level playing field. This is especially true of the trade in agricultural products. If poorer countries are going to trade effectively on the world market, they often need to trade agricultural produce but we know on the level of global trade in agriculture the West is hypocritical because the West professes free trade but practises protectionism, the protectionism towards American farmers or the protectionism from an agriculture policy in the European Union. This is a fundamental problem for poorer countries seeking to compete. It would therefore be unwise of them to open up their economies agriculturally too much unless special provisions are made because there would then be the danger of agricultural policy being dumped in those countries which would undercut their own economy. Another reason to be very careful under the conditions under which trade is introduced in a poorer country.

Fourthly, as everyone here will know, many poorer countries are crippled by debt although there has been a certain movement towards the resolution of the high levels of debt that some poorer countries have. It lags a long way short of what many people, including me, would like to see on the level of debt remission. We do need more debt remission if the poorer countries afflicted by debt are to overcome their problems. They can't overcome them without such remission because some poorer countries are simply spending a large proportion of their GDP simply paying back the debt which they incur. Sometimes they've incurred this debt because of corrupt regimes, that's one of the difficulties of debt remission. Those corrupt regimes have used money laundering to filter money around the world and have it in their own bank account but it's not just a matter of kind of oppressive western lenders who are producing that situation, it's often the next one but further debt relief is absolutely necessary for a range of poor countries to effectively leverage themselves out of a situation where there is no chance of economic development unless that is achieved.

Finally, crucially, inequalities still remain very pronounced within many of the poorer countries. You could say that economic inequality is possibly reducing on a global level comparing populations but economic inequality within developing countries is very pronounced quite often and very difficult to eradicate. A good example is Brazil in which we have very deeply embedded massive inequalities which are very difficult to reduce in the short term.

Now we know I think that there is only one way really of seriously overcoming mass poverty and that one way is economic development in which poor people participate. The problem is the second half of that equation. You can get economic development but ensuring that poorer people participate is much more difficult. Therefore one of the test cases I think in the world



economy will actually be what happens in Brazil because President Lula came in with a different agenda from his predecessor. President Cardoso certainly wanted to help alleviate poverty but President Lula wants to do something much more radical about it. Will he be able to? I don't think it is at all certain because if you don't have economic development you have nothing as it were to redistribute and a level of economic development in Brazil at this moment is still short of what's needed to make a serious impact on those inequalities. We know that some things can help, improving the position of women is crucial for example in poorer countries. We know that education is crucial, we know that regional anti poverty programmes can work but there are fundamental problems really of economic inequality in the wider world which no one in the short term knows how to resolve. We know that you can do it however, we know that some parts of the world have successfully made an impact and we still have to learn to see how this might be applied elsewhere.

So as I would see it, the problem of rich and poor in the world at the moment is a bit analogous to what happened in the early phases of capitalism within western countries. In the early phases of industrial capitalism you had yawning inequalities. You had big pockets of poverty, you had degrading urban conditions in Victorian England for example but the state, especially the social democratic welfare state, helped to alleviate those inequalities. A social democratic state helped to create a decent society where inequalities are less than they are in a purely market economy, where funds are directed towards helping those who are less well off, where the cycle of the lifecycle is smoothed by political intervention. We need if we can to secure the same thing on a global level. We need if you like a more social democratic global society, analogous to the sort of society which has been achieved with the nation, the sort of thing that David Held from the LSE has recently argued in his book *Global Governance*. Now you might say that this is an unrealistic objective but I don't think it is. You have to remember that creating decent societies in western capitalism took at least 70, 80, 90 years to achieve, it's not a short term process.

In conclusion, if you look at the problems of world society, what kind of attitude will one have, what kind of appraisal would you make really or would I make if you like in the early years of the 21st century? Well, there are some issues that I haven't discussed at all in these lectures which are crucial to that, obviously the issue of the environment, ecological problems. People are always asking me, I don't know if you feel in this way yourself, that you look at the society around you, look at all these global problems, should you be pessimist or should you be an optimist? Well, I think if you've got choice, why not be an optimist, although if you were a pessimist you wouldn't choose to be an optimist! But there are reasons to be cheerful as it were about some of the possibilities inherent in the kind of world that I have been sketching in, in these lectures.

First of all, although there is to me a very disturbing problem of new style terrorism which we have to live with, which is kind of media organised terrorism because it's organised through media representation as well as violence and it's global in the sense in which the pictures, for example the awful thing of Margaret Hassan just flashed around the world, although this is true this is a dangerous world for us, threatening world for us and it comes home here, it's not just outside for us. Nevertheless it is true that the possibility of major war between nations seems to be less than it was. We have to hope that this is true. We have to contain potential conflicts between India and Pakistan, potential conflicts around Taiwan but nevertheless it seems quite plausible I think to suppose that traditional nation state war which killed so many people is pretty sharply on the decline and now we have to deal much more with these stateless networks of violence.

Second, surely we do know that economic development is possible. We do know that we can overcome poverty in many circumstances. We do know that if you look at the amazing example of China it's possible to bring millions of people out of poverty in a period of some two or three decades. We don't know if it can simply be repeated elsewhere but we know that it can be achieved.

Third, I think there's some reason to suppose that even with the problems of unilateral American administration in power that we can hope for increasingly effective global governance. The reasons are that we have a much wider range of global institutions being created, even if the Americans haven't always signed up to them, very important on the world scene. These include the Kyoto Protocol because Kyoto is not enough to save the world from global warming but its sure as hell symbolic commitment on the part of the other nations except for the USA to seek to do something about it. The same is true if the International Criminal Court which is surely an important feature of the emerging international law in the wider society. So you can see a sort of generalised movement towards more effective transnational institutions however problematic that might be and however fractured and difficult it might be. So there are reasons to be cheerful and there are reasons to be worried because the risk situations we face are simply different from the past. We just don't know how they will pan out, you can't calculate them, they are kind of incalculable because they are new. No one knows what the effect of GM crops will be for example. No one knows what the effect of new genetic technologies will be long term. No one knows whether mobile phones damage your brain if you use them for 25 years. No one really knows, you can't calculate exactly what the possibility of a major terrorist attack in a western country is.

So let me just leave you with a little joke about fortitude and courage.

*There's this platoon of soldiers going through the jungle and they get to this river which is full of man eating crocodiles and the commanding officer asks for a volunteer for someone to go across, take a rope and help them build a bridge and of course no one much wants to volunteer but then a Scots guy puts up his hand and says "Ok I'll do it" so he swims across this river and he reaches the other side completely unscathed and the commanding officer says, "That's amazing, how did you manage to do that?" He lifts up his shirt and on his back he's got a tattoo that says Glasgow, the fairest city in the whole of Europe and he says "No crocodile would ever swallow that!"*

Well, thank you for swallowing some of my stories and I wish you all a good term at the LSE, than you.

[APPLAUSE]