



## XXII CONGRESS OF THE SOCIALIST INTERNATIONAL

São Paulo, 27-29 October 2003

**Governance in a Global Society – The Social Democratic Approach  
Equal Opportunities and Participation for Women and Men,**

**Poor and Rich, Developing, Transitional and Developed Countries**

### SUMMARY

#### I The Social Democratic Approach to Governance in a Global Society

1. Under the conditions of globalisation, democratic governance has to be reinvented. The aim of the social democratic movement is to reconcile its historical values - social justice and democracy - with the new challenges, tasks, forms and instruments of politics that globalisation will bring about. A global governance concept has to be developed opposing the neo-liberal market ideology, the neo-conservative agenda, and the unilateralist approach. This alternative has to bind the dynamics of the global market to social, ecological, and democratic values. This requires citizens, women and men alike, their organisations, parties, parliaments and governments to act globally and in accordance with democratic principles.

2. Globalisation is calling into question very basic elements of the political and social order we are used to. The nation-state which for more than a century has been a central element of the political, social and economic order of more and more of the world's societies, is losing strength and importance. New trans-national units, like global and regional organisations or trans-national corporations, and sub-national units, like increasingly autonomous sub-regions and municipalities are taking over parts of the state's discretionary capacities. In many policy fields, domestic solutions alone are no longer sufficient or adequate and have to be replaced or accompanied by internationally coordinated political efforts.

3. Globalisation is a little like technological progress. In itself, politically or on an ethical level, it is neither good nor bad. Technological progress has allowed us to manufacture both increasingly devastating weapons and increasingly effective medicines and vaccines. The same is true of globalisation, which we may define as integration on a global scale of both commercial exchange and financial flows and of cultural contacts and information.

4. Globalisation is a source of wealth – firstly of economic wealth. More and more jobs across the world are dependent on international trade and/or have been created by trans-border investment. Thanks to economies of scale, wider markets lead to increased productivity and thus to more rapid growth in incomes and the standard of living.

5. Globalisation is also a source of cultural and social wealth thanks to the exchanges it generates. It leads to greater international openness, access to the cultures of other countries and learning about diversity. It may become a source of greater freedom by allowing all the world's citizens to construct an identity beyond the strict confines of language, nation, religion or place of birth.

6. Globalisation opens up chances and opportunities, especially for those who have not profited from the economic order of the post-World War II era. Hitherto unincorporated areas are being integrated into global trade and new technological and productive centres are springing up all over the world. The end of the Cold War has brought about a worldwide improvement in the ideas of democracy and open society. Human rights and sustainability are increasingly accepted as central elements of political thinking. The "anarchic" order of the traditional international system, in which economic and military strength tended to be the only decisive power resources, is giving way to a more complex system of global governance, in which mutually binding agreements should replace the traditional "right of the strongest".

7. However, globalisation is also a source of new problems and threats of a global dimension: the increasing divide between rich and poor, environmental degradation, cultural conflicts and the global migration of women and men.

8. Globalisation is a source of huge imbalances, which is to the detriment of the least developed countries, in particular. It gives free rein to speculative movements of capital, which have brought recurrent financial crises to South East Asia, South America, Russia and Turkey, for instance. In the absence of fair regulation, the free flow of goods around the world brings greater risks of social, fiscal and environmental dumping, including the dumping of medicines even. On a political level, we have seen a rolling back of democratic controls. Instant communication leaves the conventional public authorities powerless, in the face of crimes committed on the Internet for example. The intensive exchange of information and images leads to a loss of cultural reference points, leaving a uniformity that threatens the identity and the creativity of whole

countries.

9. In a nutshell, globalisation – ruled, as it is, by liberal financial logic – creates economic and cultural wealth, which is distributed in an unequal fashion. The major challenge posed by globalisation is, therefore, that of enabling democratic policy to be effective in the new global environment so that the benefits of globalisation may be shared equitably and be an opportunity for all.

10. Democratic global governance has to intervene if it wishes to come to grips with the effects of globalisation. Yet coping with globalisation is not only a question of international efforts and international institutions. It is not just a matter of global governance, but of state and local governance, too. There is a need for multi-level governance, which blends global instruments and strategies with those at the regional, state, sub-regional and local level.

11. This process poses a particular problem for the democratic left, for the social democratic and socialist parties of the Socialist International. For more than a century, the democratic state was the central instrument in attempts to build more equitable, participatory and democratic societies. This social democratic project found its apogee in the welfare state of Western European post-World War II societies. Globalisation and its underlying processes now threaten to undo part of the progress that has been achieved. Now a new triangle of principles characterising global social democracy has emerged. These are sustainable development, human rights – including their full and equal enjoyment by women and girls – and democracy. Each of these principles has three dimensions: sustainable development encompasses a sound environment, economic progress and social justice; human rights encompass individual security, cultural identity and social integration; democracy encompasses good governance, transparency and participation. This is the essence of the new social democratic project, that bases its strategy in a set of actions borne in a better governance and a substantial improvement in the education at universal scale.

## II Sustainable Development

In the last quarter of the 20th century a worldwide awareness of the importance of protecting the global environment emerged. Issues of environmental, economic and social development took on equal significance. The SI fully supports the concept of sustainable development combining the ecological, economic and social dimensions of globalisation.

In the view of the SI, development implies material wealth, human dignity, human security, justice and equality. Under the chairmanship of the former SI President, Willy Brandt, the Independent Commission on International Development Issues agreed on this definition and recommended a full-scale restructuring of the global economy in accordance with its definition of development and an emergency programme to end poverty in the developing parts of the world.

20 years later, many of these recommendations still remain valid. The policies of the developed countries have not changed much. As a result there are high levels of poverty and increasing economic disparities.

The SI endorses the definition of sustainable development supplied by the former first Vice-President, Gro Harlem Brundtland, as *development that meets the needs of the present without compromising the ability of future generations to meet their own needs*. The three fundamental components of sustainable development are environmental protection, economic growth and social equity. The SI emphasises that if sustainable development is to be successful there will have to be a change in attitude on the part of both individuals and governments with regard to current lifestyles and the impact they have on the environment.

A global strategy for sustainable development has no prospect of success unless it balances the interests between developing and developed countries. Development and economic growth must be much less at the expense of natural resources, in particular the non renewable, and the environment than in the 20th century. Growth and progress should now be inexorably linked with natural balance and sustainability.

The 1992 UN Conference on Environment and Development in Rio set the stage for a new global agenda, the Agenda 21, focusing on various aspects of global sustainability. The World Summit on Sustainable Development in Johannesburg 2002 contributed to the implementation of the Agenda 21. But its results are far from what the SI is aiming for. It has clearly shown the limits of the current institutional framework in getting a new global deal under way. There is a striking contrast between the problems the world faces and its system of governance.

Hence there is a need to establish a new United Nations Security Council on Economic, Social and Environmental issues – a Council for Sustainable Development – for the purposes of global co-ordination.

### 1. Sound Environment Policy

A sound environment is the indispensable basis for economic development and the enhancement of welfare and the quality of life in all parts of the world.

The 1992 UN Summit in Rio increased global awareness of the importance of global environmental policy, but the promising signals sent out from Rio failed to materialise. The global environmental problems have got even worse.

The developed countries are called upon to change their patterns of consumption and production, but developing countries have a responsibility of their own to bear, too.

Global environmental problems are caused by the growth in world population, the increasing consumption of goods and resources, short-term economic targets and the essential search for profit that leads to a dangerous waste of natural resources.

The outlines of a global environmental policy have emerged which begin with individual ecological media.

a) If the climate challenge is to be tackled successfully the world must rely on conservation, use less non-recyclable and more renewable energy. The huge potential to be tapped by increasing energy productivity is the core answer to the climate challenge.

b) Global warming is the greatest threat to the environment. Global efforts to combat global warming rest on the United Nations Framework on Climate Change. The Kyoto Agreement was reached as part of this Framework. Ratification of the Kyoto Protocol by all the players involved remains a central objective of the SI.

c) Environmental policy needs to focus on the consistent avoidance of waste and the development of a materials management system on a global level. As consumers and producers, carers for their families and educators, women play an important role in avoiding waste and promoting sustainable development.

d) Global environmental policy on the elimination of dangerous chemicals has concentrated up to now on chlorofluorocarbons and persistent organic pollutants. The Montreal Protocol has achieved a total stop in the production and use of ozone-damaging chemicals. It implements North-South priority.

Persistent organic pollutants are used as pesticides. A world chemical policy, stimulated by the Agenda 21, was brought about in 2001 in the Stockholm Agreement. Its essence is the prohibition of twelve particularly dangerous pollutants. Since new and potentially highly dangerous pollutants are constantly being developed, more effective steps are required as part of the Stockholm Agreement.

e) The complexity of biodiversity as a global object of protection entails a focus on several targets: stocktaking of biological diversity, conservation of particularly sensitive regions and benefit sharing in the exploitation of genetic resources.

f) Water is a fundamental good for everyone. Where water services exist, they must be closely controlled and regulated by public authorities. Every delegation to the private sector must be within a strict framework. The free use of water is essential for the establishment of peace between territories that are interdependent as regards natural resources.

g) Soil degradation and desertification are issues of international priority. The respective UN Convention includes among its main points the reduction of poverty and the active participation of civil society in combating desertification.

## 2. Economic Progress in a Global Economic Order

Globalisation has undermined the ability of states to steer their economies according to given aims, such as full employment, growth or redistributive taxation. Broader international cooperation and coordination are needed to reverse this tendency.

But the principles on which the welfare state is based have not changed. Its mechanisms – regulation, redistribution and public goods – have now become the basis for a global order involving the welfare-oriented protection of the poorest in a manner that is compatible with incentives for private initiative and economic growth, welfare-oriented distribution and global public goods.

There is a need to reform the international coordination of economic and financial policies, the rules of trade, the roles of the International Financial Organisations (IFIs) and International Organisations (IOs).

a) The present system of the World Trade Organisation remains inadequate and unsatisfactory. Large parts of the developing world are still economically marginalized and not integrated into world markets. The WTO has yet to produce an adequate response to this challenge.

Negotiations and procedures at the WTO must be made more transparent and opened up further to political dialogue and participation by all the relevant actors, including parliamentarians.

The working methods of the WTO, including the voting procedures, should be seriously reviewed in order to facilitate the negotiation of agreements.

The current round of negotiations should be a Development Round. The ministerial meeting in Cancun ended in deadlock, but it was useful in that it identified the trade-offs and launched a new process of negotiations involving new organised actors, such as the G 21.

The SI stresses that there is no alternative to a fundamental reform of the agricultural market, including cotton. Long-term challenges for the WTO are to tackle concerns about the environment, core labour standards, the preservation of national cultures, rules regarding investment and gender-sensitiveness.

Within a coherent global mechanism there must be cooperation between the WTO, the IFIs and IOs, which are responsible for tackling environmental, social, labour and cultural issues.

b) The process of globalisation influences the financial markets. Shaping these markets in accordance with global sustainable development means reforming the Bretton Woods institutions and the regional banks as well as global taxation in order to fund global public goods and global development.

There is a need to reform the IMF and the World Bank, including a modification of the quota system so that developing

countries are better represented, to adopt better regulations on speculative funds and to combat money laundering more effectively. The present basis of global economic policy is the so-called "Washington Consensus" of the G7 and the IFIs, whose strategy has been unable to resolve problems and bring about rapid sustainable development, as can be seen in many countries. The "Washington Consensus" should be rejected in favour of an approach which takes into account the objective state of a country's economy, its level economic development, drivers of growth, external constraints on development and the social and employment circumstances of its people.

The transparency of the IMF's decision-taking has to be increased - for member countries, parliaments, civil society, borrower countries and public opinion - and the Fund's governance structures made more democratic.

The reforms of the World Bank should be deepened to include a rethinking of the fundamental development concept, a breaking free from neo-liberal market orthodoxy and an acceptance of the relevance of human development and sustainability.

The regional development banks should work more effectively to promote regional integration, because they are perceived as being closer to their regional clients than the IFIs.

c) There is a need for global financing of development and of global public goods. New global resources are needed to achieve these aims. A new International Financial Facility and some form of global taxation have to be introduced. The World Solidarity Fund recently adopted by the United Nations General Assembly should be supported.

Several types of global tax could be envisaged:

- a so-called globalisation surtax on the net profits of companies;
- a Tobin Tax or taxation on financial market transactions;
- a tax on CO<sub>2</sub> or Carbon Added Tax;
- a tax on armaments;
- a solidarity tax on trade value in goods and services.

d) Work is essential to ensure human existence. An inclusive and equitable labour market is the filter through which wealth is redistributed and poverty can be tackled at the global level. Global development policy has to stay focussed on the impact of globalisation on labour markets. It is time to make sustainable and decent employment a central macroeconomic aim for the IFIs, to combine macroeconomic with structural policy and to link economic and social policies.

In almost all the countries of the world the participation of women in the labour market still remains below that of men. Barriers in law and tradition still impede women's full economic progress. Rethinking employment policies and integrating the gender perspective is essential to address the negative gender implications of current patterns of work and employment. It is of the utmost importance to promote women's economic rights and independence, to eliminate occupational segregation and discrimination, to ensure that international labour standards on equal pay and working rights apply equally to female and male workers, to encourage women's business and enterprise and to promote the reconciliation of family and working life.

Over the next ten years about one billion young people will reach working age. But there is a fundamental divide in their skills and knowledge. A part of them belongs to the best educated generation ever, while others lack educational opportunities. A global employment strategy for the 21st century must focus on creating jobs that are both more viable and sustainable so that these young people will have decent employment and thus be fully integrated into society.

### 3. Social Justice

The world economy must be more social. Unregulated globalisation has had a high social cost in the past 20 years; global inequality between poor and rich countries has increased and is reaching historically unprecedented levels.

a) Development policies went out of fashion in the 1980s and 1990s. In 2000, the United Nations agreed on the Millennium Development Goals as an ambitious agenda for reducing poverty and improving lives. These goals are part of the SI's approach to global governance.

b) The 2002 Monterrey Conference on Financing for Development put issues of development finance back on the agenda and the EU and the USA made commitments to increase their ODA. This is positive, but it is not enough.

c) Debts are the most important obstacles to development in a very large number of countries. The debt cancellation programme for Highly Indebted Poor Countries must be continued and reformed in conjunction with the conditions for improving good governance. A new debt workout mechanism should be set up.

d) Respecting development goals implies a flexible application of special treatment arrangements within the WTO. Regionalisation has to be promoted. Developed countries should reduce and ultimately eliminate protection and gradually lower the subsidising of key markets, particularly of agriculture. The ILO's Labour Conventions have to be implemented by voluntary action, positive incentives and sanctions.

e) The social principles of a global economic system are sustainability and employment, which must be strengthened in global strategies. Alliances for more and better jobs must be forged.

The report of the ILO's World Commission on the Social Dimension of Globalisation can initiate a global policy focusing on the problems people face in their everyday lives.

f) Trans-national corporations, as the big winners of the era of globalisation, must be forced to assume their social and environmental responsibilities. They could be better controlled if international regulations in the field of global competition and consumer rights were introduced. TNCs are at the core of the taxation gap in present societies; due to deregulation policies, capital is avoiding taxation, thus putting the burden of state finances on consumption and labour. Joint international efforts are needed to reverse this trend.

## II Human Rights

Human rights form part of the foundations of the international legal order. The 1948 Universal Declaration of Human Rights lent enormous momentum to the international legal protection of such rights. Working to put into practice the principles of human rights remains a permanent task. The human rights of women throughout their life-cycle are an inalienable, integral and indivisible part of universal human rights.

The world community should put greater emphasis on the implementation of human rights agreements and on ensuring that all states ratify the core body of human rights agreements. States have an obligation to support each other in ensuring observance of human rights; this requires that help be given to developing countries.

The sovereignty of states is beyond dispute, but consideration must also be given to the sovereignty of individuals, which is violated by state terrorism. In such instances there is a case for intervention on humanitarian grounds within a multilateral framework.

The role of human rights includes empowering communities. Protecting their rights must be considered a contribution to preventing conflicts resulting from poverty, discrimination and exclusion.

Poverty deprives millions of their fundamental rights.

Ensuring human rights is a task for states and for civil society. Support should be given to committees charged with the implementation of human rights agreements.

### 1. Human Security as a Challenge for Governance

For the vast majority of people around the world security is not a question of inter-state relations; it tends to have a more individual character. Most people see security as being protection from harm, either from violent human beings, famine or drought. The fight against violence inflicted on individuals is the foundation of human security.

In 1994, UNDP introduced the concept of human security as a fusion of policy concerns related to trans-national and domestic security, political and economic development and the environment.

a) There is a growing feeling of insecurity as different parts of the world witness violent crime, organised criminality, terrorism, human trafficking and drug trafficking. More and more people are living in social environments where physical integrity is less and less secure. People react by organising self-help.

Corruption is one of the most important global and trans-border problems.

Social democratic political forces underestimated the importance of the issue of human security. They are ready to pay closer attention to it.

b) The world is aware of the existence of failing states, where private actors and warlords tend to impose their own law and to use force, threatening people's security. Their activities are based on the material resources of the territories they hold as well as on drugs and diamonds. The conflicts are fed by the illegal trade in small arms and light weapons and a vast number of landmines.

Poor people tend to become the main victims of state failure.

c) The events of 11 September 2001 provided a reminder of the urgent need to return to the shared basic values of all our civilisations and to rethink social models. In many situations irrationality is triumphing over the values of enlightenment. Racism, xenophobia, chauvinism and religious fundamentalism, in the form of violent ideologies, are becoming major threats to peace and democracy.

There are no excuses for terrorism. It must be condemned. Terrorism cannot be justified by poverty or by regional or religious conflict. The instruments to fight against terrorism should be improved in a multilateral framework.

If terrorism merely inspires the USA to display its military might, the future looks very bleak. It would be tragic if combating terrorism were to become a crusade against Islam. Terror cannot be used to fight terrorism. Global security depends on a new commitment to stand beside the peoples of the world and on extending the concept of human rights to each and every one of them. It must not be forgotten that justice and social cohesion are factors of peace and stability on the local, state and global level. They make it more difficult for terrorist organisations to find revolted and desperate recruits. That will also be the case if double political and moral standards in modern states of Europe, North America and Australia are overcome.

d) There is no simple answer to the issue of personal insecurity. What is needed is a set of instruments relating to crime prevention and the build-up of social, economic and political structures, including food security and working health and education systems.

The central element is prevention.

An integrated plan of crime prevention is needed, running from the local to the international or global level, including a set of measures. Application of these measures requires money and the appropriate political will.

In some of the developing countries, especially in Africa, the reconstruction of statehood and regional integration are key aspects of a policy aimed at reducing the high levels of violence. For that a concept of structural stability is needed, with international efforts to stop the disintegration of states.

## 2. Cultural Identity

Cultural identity is a human right. Cultural differences must be recognised. The world is witnessing the evolution of patchwork societies, in which common national identities are losing their significance and a growing variety of cultural and social groups coexist. This coexistence is not always peaceful. Poorer countries, in particular, are facing a growing number of conflicts inside their borders. The global community of states has to accept that all societies can be multicultural. No state can impose only one particular culture, language or faith on its population.

a) Many conflicts afflicting the world in recent years were partly religious conflicts, representing a search for identity. However, it should be borne in mind that nearly all conflicts have their origins in a struggle to assert economic interests.

Various kinds of fundamentalism have flourished around the world. This return of fundamentalism can be accompanied by political militancy. Countries that have remained under the boot of authoritarian regimes have become breeding grounds for fundamentalists. The answer to fundamentalism given by social democrats is persistent assertion of the values of human dignity, freedom, social justice, solidarity and gender equality, of the values of tolerance, the coexistence of religions and dialogue between them and of the ideas of the enlightenment.

The very communications technology that has made the global village possible has at the same time stimulated an increased awareness of cultural differences. Societies should cultivate their distinct cultural characteristics and use them for the resolution of social and political problems.

But the human right to cultural identity and global democracy are interdependent. Democracy respects diversity and in doing so it assumes the reciprocity of this respect. Different cultures have different types of democracy, but they adhere to the same principles. No culture is incapable of democracy, as the defeat of fascism in World War II and the failure of communism at the end of the 20th century in Europe show. The same principle applies to all states in which totalitarian, authoritarian or undemocratic regimes are in power at present.

b) Trans-border and domestic migration has reached a historically unique level. This is mainly caused by demographic and economic factors. In addition there are ecological and war refugees. Migration takes place from the less developed to the more developed countries, from the rural areas into the towns and cities. More and more women are involved in domestic and trans-border migration. Female migrants are especially vulnerable because of their gender.

The permanent influx of labour has a significant influence on the labour market in the receiver countries, especially in the developed countries. The effects differ depending on market regulation. If the labour markets are more flexible, immigration tends to have a lowering effect on wages. If they are more inflexible, they tend to increase unemployment.

c) A global cohesion policy is the answer to the threats of intercultural conflicts and migration.

## 3. Social Integration through Education

Education is the key to sustainable development, democracy and peace within and among countries, and thus an indispensable means for effective social integration and participation in the societies and economies of the twenty-first century. Education is the most important tool for achieving freedom, progress and social justice. Education is a human right.

All Children, boys and girls alike, should have access to full primary education. The international community must step up its efforts to achieve that aim by 2015.

Primary education is the first step; post primary education systems in developing countries must be strengthened and gender disparities in primary and post primary education eliminated. A knowledge-based development strategy is needed to establish knowledge as a key element of global progress.

a) After the end of the Cold War a more intractable division of the world took hold, based on the creation of technology. There is a technological divide aggravated by the development of new key technologies. Developing countries and old industrial regions are losing out in the digital race. At the same time the digital divide is cutting across old boundaries. China and other Asian regions will soon have more Internet users than the USA. In conclusion, a technological revolution is changing the world's economic and social landscape.

b) The digital divide is also taking hold inside societies and states. New exclusions are being created; the gender and generation gap are further dimensions.

The shift from resource-based towards knowledge-based production and value creation implies that renewed attention must be paid to the human factor. But many of the developing countries are not able to spend the same percentage of their GDP on education as the developed ones.

Among the problems to be tackled are insufficient investment in the development of human resources, illiteracy, inadequate teacher training and obsolete primary education. This is an obligation on every single state and the international community. Education must be seen globally as a process of social integration, which provides elements of social and cultural identity.

c) States must play an active role in building bridges over the digital gap. The USA and the EU have taken effective action in

this respect.

In the age of new information and communications technologies public education is becoming indispensable. Public funding is absolutely necessary for basic education and for facilitating access to information technologies.

d) Generally politics has to put more emphasis on education, apprenticeship and training. That is obvious in the developed countries, but critical in most of the developing ones. There are several avenues that can be explored to help the technologically disconnected countries. International cooperation has to be rethought, the General Service Agreement within the WTO framework has an impact on education, and private financing of education could be useful; Public Services are to be specifically excluded and GATS cannot force countries to privatise services against their will. The access to education for all should be guaranteed.

The UN Information and Communication Technology Task Force and the G8 Digital Opportunity Task Force, based on the Okinawa Charter on Global Information Technology adopted in 2000 are instruments of global efforts. The UN World Summit on the Information Society 2003 should provide a further breakthrough to close the digital gap.

#### IV Democracy

The time has come to set up efficient democratic structures of global governance. There are still obstacles to democratic decision making in global policy.

##### 1. Good Governance

Governance which will meet the challenges of globalisation must be good, i.e. effective, democratic and subject to the rule of law, at the state level as well as at the global, regional, sub-regional and local level. A new global order is at stake. The SI needs to build global alliances to make this order multilateral, multipolar and multilevel, not unilateral and unipolar.

a. A system of global governance will have to

- strengthen the legal framework for states by reinforcing the conflict settlement mechanisms - the International Court of Justice, the International Criminal Court, the World Bank International Centre for Settlement of Investment Disputes;
- comprise a Council for Sustainable Development in addition to a reformed Security Council;
- contain effective norms and mechanisms to protect the global biosphere;
- Reform existing international institutions that will help to stabilise the world economy.

On the state level the executive tends to dominate in international and global affairs and there is a lack of participation by parliamentarians and democratic parties.

The position and influence of the different states in global development is extremely unequal.

The economic and financial strength of trans-national corporations is a growing political factor; they largely outweigh the position of state governments.

There is a need to establish a global political structure that is both efficient and democratic and thus the best for all citizens of the world. The basis for all efforts towards achieving global democracy should be the UN Millennium Declaration, in which the heads of state and government agreed with respect to human rights, democracy and global governance that they would spare no effort to promote democracy, strengthen the rule of law and secure respect for all internationally recognised human rights and fundamental freedoms, including the right to development.

b) Globalisation means that the areas of ecological, economic, social, cultural, political and interpersonal interaction tend to exceed to an ever greater extent the limits of single states or regions. At the same time, there is in many parts of the world a process that can be termed "fragemegration" – a combination of fragmentation into smaller units and integration into larger global or continental entities or spheres of interaction. The institutional arrangements needed to respond to these trends operate at four levels: global, regional, sub-regional and local.

What appears to be at stake is the capacity to build a multilevel system of governance designed to:

- take the best advantage of each level according to the principle of subsidiarity;
- improve the interaction and collaboration between these different levels;
- enhance the global and multilateral level, which clearly seems to be the

weakest level in the light of the problems it should address.

##### 1. Transparency

The transparency of democratic decisions and processes is a prerequisite for democracy. The higher the level of decisions, the more demanding and more necessary this prerequisite is. There is a new need for transparency on the global level.

Citizens can support the cause of transparency by endeavouring to obtain information as individuals and as groups in civil society.

Transparency also requires free and independent media.

a) Civil society organisations play a crucial role in increasing the transparency of global decision-making processes. Formal and comprehensive mechanisms of civil society participation and of access to information have to be established in all international organisations, including the WTO, the IMF and the World Bank.

b) Freedom of the press and freedom of expression are essential for the defence and development of democracy. They contribute to the establishment of transparency, counteract authoritarian trends and correct excesses, negligence and management errors within states. The media gather information and shape it. This mediation function between governance at all levels and societies is a highly responsible one.

Democracy is currently experiencing a crisis of growth and adaptation to the new contemporary world realities. The causes of this crisis are

- the inadequacy of the mechanisms of democracy to handle the effects of globalisation;
- the emergence, in the context of nascent globalisation, of social communities who fear they will not be able to adapt to the new conditions and are sensitive to populist and national-populist messages;
- the weakening of the credibility and, indeed, of the efficiency of democracy's traditional mechanisms because of the lack of transparency, electoralisation and commercialisation of political action.

The mass media have an immense responsibility and an essential role to play in respect of all these three causes.

Democracy with a market economy and private property made it possible for free media to become a real power. Consequently it is indispensable that the media should behave in a transparent and accountable way. There is a need to recognise the fact that the activity of the press is in the public interest and must, therefore, be carried out in accordance with professional norms, deontological standards and within a legal democratic framework.

#### 1. Participation

a) The participation of civil society in global governance expanded dramatically during the past decade. Thanks to their high level of commitment and their expertise, trade unions and other social partners, on the one hand, and NGOs, on the other, were able to play a key role in the cycle of world conferences.

Therefore, no restrictions must be placed on the consultative status of NGOs at the UN that is currently under review by the UN Secretary-General's Panel of Eminent Persons on United Nations Relations with Civil Society. Instead, formal consultative relations between non-profit NGOs and the UN need to be strengthened and expanded to all institutions of the UN system, including the UN General Assembly and all its specialized agencies.

However, NGOs shouldn't be overburdened by excessive expectations. They influence global decision-making by dint of their experience, analysis and advocacy, but they are not the political decision-makers. Democratically elected parliaments and governments are the only actors that are legitimised to set global rules and standards and to take global decisions. They are accountable to their electorate and should not be allowed to privatise their duties by shifting global responsibilities to NGOs and other private actors. Civil society participation must be complementary to, not a substitute for, the role of parliaments. Participatory democracy goes hand in hand with representative democracy, and should include both the political and the social experience. People cannot be citizens in the political life and servants in the economic life.

States and global institutions alone cannot finance the development needs of the developing countries. More intensive cooperation with the private sector is needed to induce private investment. Global corporations have responsibilities as formulated in the UN Global Compact. However, public-private partnerships that include trans-national corporations, business associations or private foundations of wealthy individuals in their decision-making bodies can cause problems, since they allow representatives of private business interests to take part in political decisions about public policies and the expenditure of public funds.

b) The development of democracy in the last two centuries was determined by the development of political parties. Competition between parties allows citizens a choice between political alternatives that accumulate different values, theories and projects.

Parties are mediators between society and governments. They fulfil the function of political integration.

Parties have been misused in totalitarian and authoritarian political systems, particularly by communism and fascism. One-party systems evolved which are the fundamental opposite of the self-concept of democratic parties that are in electoral competition with others.

It is in democratic Europe, above all, that the basic alternative between parties of the democratic left and the democratic right developed. The concepts of left and right have determined the basic structure of democratic institutions from the beginning. This applied first to the parliament elected after the French Revolution and still applies to parliaments in most democracies, to parties and also to groups close to politics.

The global political positions of the parties in the USA show that parties are already active and necessary not only on a national level but also on a global and regional level.

The parties of the democratic left have joined together on a world level; the Socialist International has been in existence since 1951. Initially, it was a union of primarily European parties. In the 1970s and 1980s, SI chairman, Willy Brandt, inspired the admission of parties in Latin America, Africa, the Arab states and Asia. The SI thus became a global organisation of left-wing democratic parties with very different democratic cultures caused by their history and geopolitical situation.

The parties of the democratic right have also joined forces. The International Democratic Union has existed since 1983.

Globalisation demands that the large global party communities intensify their work and increasingly promote conceptual and strategic communities of interest. They can then consider themselves democratic alternatives on a global level – just as their member parties provide those alternatives at the state level.

c) Democratic parties are involved in political decisions through their participation in elections and through the work of their representatives in parliament. Parliaments elect and monitor governments. This applies at state level and it must also apply at global level.

The Socialist International firmly believes that free and fair elections must be the fundamental source of legitimacy for parliamentarians. However, for both elected and appointed parliamentary entities openness, transparency and accountability are crucial conditions for a real democratic exercise able to keep the people involved in the decision-making process.

Democratically elected parliaments and governments are the actors that are legitimised to set global rules and standards and to take global decisions. They are accountable to their electorate and should not be allowed to privatise their duties by shifting global responsibilities to NGOs and other private actors. Civil society participation must be complementary to, not a substitute for, the role of parliaments. Participatory democracy goes hand in hand with representative democracy.

The goal of the SI must be to parliamentarise the global political system – with the representation of political parties that offer alternative global political values, theories and projects.

Better structured democratic control and accountability are needed if the world's democratic deficit is to be seriously addressed. At some point, contemplation of a UN Parliamentary Assembly will be needed. Such a development should be supported by the gradual emergence of truly global citizenship, underpinned by rights drawn from the 1948 Declaration on Human Rights and the 1966 Covenants on Civil and Political Rights and Economic and Social Rights.

Such an assembly should be more than just another UN institution. It would need to become a building block of a new, democratically legitimate world order. Recent developments and trends are opening up the path towards an assembly of this kind, which is far from being utopian. The Inter-Parliamentary Union was established more than a century ago. Now, a WTO Parliamentary Assembly is being set up. The UN is already organising a Parliamentary Forum in the context of major international conferences.

Every effort needs to be made by the large party communities to attain the goal of a UN Parliamentary Assembly and they need to strengthen their cooperation in the process. The principal starting point could be in the assemblies of the Inter-Parliamentary Union (IPU).

The large party communities will also need to seek links with parties that do not belong to one of them. That is necessary in particular in highly populated countries such as China, India, Indonesia, the United States and Russia. It will be even harder to represent the global political and democratic alternatives in a potential UN parliamentary assembly without the involvement of parliamentarians from these states.

#### V Sustainable Development, Human Rights and Democracy need Peace; Peace needs Sustainable Development, Human Rights and Democracy – A New Coalition for a New World Order

The former chairman of the SI, Willy Brandt, formulated the major challenge for international and global policy as follows: peace is not everything, but everything else is nothing without peace. Our concept of a world in which there is sustainable development, human rights and democracy, therefore, assumes the existence of peace. But peace can only be preserved if sustainable development, human rights and democracy gradually become a fact of life in all the countries and regions of the world.

Security is a part of human rights and includes measures against criminal and terrorist violence. They are a part of global human rights policy. External security, the prevention of a war between states, also remains an ongoing task for the international community.

The Socialist International - in accordance with the UN Millennium Declaration – is determined to establish a just and lasting peace all over the world in accordance with the purposes and principles of the UN Charter. The SI rededicates itself to supporting all efforts to uphold the sovereign equality of all states, respect for their territorial integrity and political independence, resolution of disputes by peaceful means and in conformity with the principles of justice and international law, the right to self-determination of peoples which remain under colonial domination and foreign occupation, non-interference in the internal affairs of states, respect for human rights and fundamental freedoms, respect for the equal rights of all without distinction as to race, sex, language or religion and international cooperation in solving international problems of an economic, social, cultural or humanitarian character.

The SI will spare no effort to free peoples from the scourge of war, whether within or between States. The SI will also seek to eliminate the dangers posed by weapons of mass destruction.

The SI therefore resolves to

- strengthen respect for the rule of law in international as in national affairs and, in particular, to ensure compliance by member states with the decisions of the International Court of Justice, in compliance with the Charter of the United Nations, in cases to which they are parties.
- make the United Nations more effective in maintaining peace and security by giving it the resources and tools it

needs for conflict prevention, peaceful resolution of disputes, peacekeeping, post-conflict peace-building and reconstruction.

- strengthen cooperation between the United Nations and regional organisations.
- ensure the implementation, by states parties, of treaties such as arms control and disarmament and call upon all states to consider signing and ratifying the Rome Statute of the International Criminal Court.
- minimise the adverse effects of United Nations economic sanctions on innocent populations, to subject such sanctions regimes to regular reviews and to eliminate the adverse effects of sanctions on third parties.
- strive for the elimination of weapons of mass destruction, particularly nuclear weapons, and to keep all options open for achieving this aim, including the possibility of convening an international conference to identify ways of eliminating nuclear dangers.
- take concerted action to end illicit traffic in small arms and light weapons, especially by making arms transfers more transparent and supporting regional disarmament measures.
- call on all states to consider acceding to the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on their Destruction.

The SI stresses again: there can be no division between peace, on the one hand, and sustainable development, human rights and democracy, on the other.

At the dawn of the new century, humankind is at the crossroads. The present world disorder, marked by unilateralism, disrespect for human rights, social injustice and unbalanced development is reaching its limits. Global public opinion is now becoming more aware of these problems and of ways to face up to them. The time has come to build a new world order based on multilateralism, respect for human rights and democracy, and sustainable development for all. This is the SI's goal and the commitment that it wishes to share with all women and men around the world, with global alliances leading to a coalition with the aim of building a new world order.

#### VI The Socialist International Action Plan for Global Democracy

In adopting a social democratic approach to global policy – Governance in a Global Society – the Socialist International has formulated its democratic global policy goals and agreed on concepts and strategies for their implementation. This forms the basis for the ongoing work of the SI and its member parties in the field of global policy.

1. The Socialist International will submit its approach to governance in a global society for worldwide discussion with a broad range of civil society organisations – NGOs, trade unions and employers' associations – as well as with academics and researchers. The first step will be the Global Progressive Forum in November 2003 in Brussels. The SI will participate in the World Social Forum in Mumbai in January 2004. It will present its approach to governance in a global society to the World Economic Forum.

2. The Socialist International will discuss its approach to governance in a global society with other globally organised democratic party associations.

#### 3. The Socialist International will create a high level group on the reform of the United Nations system.

4. The Socialist International will coordinate the work of the parliamentarians of its member parties in international conferences of parliamentarians, especially the Inter-Parliamentary Union, as well as conferences held in conjunction with the WTO, the World Bank and UNESCO, and work out joint positions wherever possible.

5. The Socialist International will elaborate concepts to deal with the manner in which the various large regions of the world are affected by globalisation and the tasks they face in structuring it. This applies to North America, Latin America, Europe, Russia and the states of the former Soviet Union, the Middle East, Africa, the Asian regions, Australia and New Zealand.

Contributions dealing with the tasks to be tackled in certain regions have also been included in the work performed in preparing Governance in a Global Society. They will form the basis for the SI to continue its work on drawing up the relevant regional concepts. The aim of these efforts should be to adapt the SI's approach to governance in a global society to the specific conditions of each region.

6. The Socialist International will contribute to the major global policy projects as well as to the conferences held by the UN, the IFIs and the G8 at the beginning of each year. It will adopt proposals, suggestions and demands to this end and monitor and assess their follow-up.

7. The Socialist International will arrange cooperation between representatives of its member parties, on the one hand, and staff at the UN, the IFIs and other international organisations, on the other.

8. The Socialist International will implement its approach to global governance by influencing and thereby linking global policies of its member parties by arranging exchanges of positions and meetings of parliamentarians, members of governments and civil servants belonging to their member parties.

9. The Socialist International will coordinate the work of the parliamentarians of its member parties in regional conferences of parliamentarians, such as in the OSCE and the Council of Europe, where it will cooperate with the Party of European Socialists (PES).

10. The Socialist International is prepared to discuss the involvement of parties and parliamentarians in the shaping of global policy with other global democratic associations of parties and to agree on common procedures wherever this appears meaningful. Parties and institutions are urged to promote gender equality and the empowerment of women in all fields and at all levels in order to shape a truly democratic global policy.

11. The Socialist International is attempting to work together with influential parties in the United States and Russia. This applies first and foremost to the cooperation with the Democrats in the United States and it also concerns democratic parties in Russia.

In China, too, the question arises of developing relations with the Communist Party of China, even though this party does not conform with the concept of a democratic party as formulated by the SI. The transition process under way in China should be carefully monitored.

## CHAPTER I: SUSTAINABLE DEVELOPMENT

### 0. Global Economic and Environmental Development after World War II

In the last quarter of the 20th century a worldwide awareness of the importance of protecting the global environment emerged. While the aim of safeguarding the global heritage lies at the heart of this new agenda, issues of economic and social development are of equal importance and are closely linked to environmental concerns. The SI, therefore, fully supports the concept of sustainable development and calls for a triangular approach combining the ecological, economic and social dimensions of globalisation.

#### 1. Development

a) According to the Brandt Commission, development is more than the transition from poor to rich, from a traditional rural economy to a complex urban community. It implies not only the concept of material wealth, but also those of human dignity, human security, justice and equality. Under the chairmanship of the former SI President, Willy Brandt, the Independent Commission on International Development Issues examined the problems facing the global economy in the late 1970s. With its comprehensive definition of development and its far-sighted strategies and concepts, the work of the Brandt Commission can still be considered as a milestone in the debate on development.

b) In its North-South report the Brandt Commission found that developing states were economically dependent on developed states, which in turn had a dominating influence on the international rules and institutions for trade and finance. This economic division resulted in political instability not just in poor states, but also across the world. The Commission moved beyond day-to-day disputes to focus its attention to the menacing long-term problems. It saw a world in which poverty and hunger still prevailed in many regions; in which resources were squandered without consideration of their renewal; in which more armaments were produced and sold than ever before; and in which a destructive capacity had been accumulated that could blow up the planet several times over. In its recommendations, the Brandt Commission boldly called for a full-scale restructuring of the global economy as well as a new approach to development and an emergency programme to end poverty in the developing parts of the world.

c) Twenty years later, many of the Commission's findings still remain valid. Seen in the light of the objectives formulated by Willy Brandt, the policies of the developed countries, which put their own interests first, have not changed much. The stubbornly high levels of poverty and increasing economic disparities they lead to have been well documented by institutions as different as the UNDP, the World Bank and the IMF.

#### 2. Sustainability

a) In its well-known statement the Brundtland Commission defines sustainable development as *development that meets the needs of the present without compromising the ability of future generations to meet their own needs*. Chaired by Gro Harlem Brundtland, former first Vice-President of the SI, the World Commission on Environment and Development further suggested that equity, growth and protection of the environment are simultaneously possible and that each country is capable of achieving its full economic potential, while at the same time enhancing its resource base. It recognised that technological and social change is needed to achieve equity and sustainable growth.

b) The Commission's report highlighted three fundamental components of sustainable development: environmental protection, economic growth and social equity. The environment must be conserved and our resource base enhanced by means of a gradual change in the ways in which we develop and use technologies. Developing states must be allowed to meet their basic needs of employment, food, **energy**, **water** and sanitation. If this is to be done in a sustainable manner, their populations must be kept at sustainable levels. Economic growth must be revived and be of equal quality in both the developing and the developed countries.

c) Sustainable development encourages the **conservation and preservation** of natural resources and the management of **energy**, **waste** and **transportation**. Sustainable development is development based on patterns of production and consumption that can be pursued in the future without degrading the human or natural environment. It involves the equitable sharing of the benefits of economic activity across all sections of society so as to enhance well-being, protect **health** and alleviate **poverty**. If sustainable development is to be successful, there will have to be a change in attitude on the part of both individuals and governments as regards present lifestyles and the impact they have on the environment.

### 3. Sustainable Development in Developing and Developed Countries

A global strategy for sustainable development has no prospect of success unless it balances the interests of developing and developed countries. Development and economic growth must be much less at the expense of natural resources and the environment than in the 20th century.

#### 0.3.1. Developing Countries

a) In developing countries, poverty and environmental degradation are two sides of the same coin. Many of the environmental problems encountered in poorer countries, such as deforestation or soil erosion, present them with enormous risks and are closely linked to their poverty levels. The stronger economic growth needed in developing countries in the years ahead to lift people out of poverty cannot be achieved by ignoring the impact of such growth on the environment. The already unsustainable production and consumption patterns of the developed countries cannot be extended to several billion people or more without risking global collapse.

b) In the coming years, most developing countries will not have the resources to achieve the goals of sustainable development. Attracting private investment and combining it with public funding will meet their financial needs to a certain extent. But this will not be enough. Developed countries must help the developing world to rise to the sustainability challenge by providing adequately funded development programmes. They must also stimulate eco-friendly technology transfers.

#### 0.3.2. Developed Countries

Sustainable development also poses a major challenge to the advanced parts of the world. The prosperity of the developed countries is based on an over-consumption of the world's finite natural resources. Global threats, such as climate change, point to the need for remedial action and show that the developed countries not only have a moral responsibility to play a leading role in driving such change, but that it is also in their self-interest to do so. There is a need to pursue a growth policy that unites the economic, social and environmental dimensions. The role of environmental technology in sustainable economic growth and increased employment must be utilised and enhanced. In the developed countries there is a need to promote economic growth that provides scope for more people to play an active role in the labour market, thereby reducing social exclusion. Less social exclusion, in turn, paves the way for active social participation, thereby safeguarding the common good for the future. Sustainable economic growth based on investment in technology, which leads to reduced consumption of resources while enabling a social and environmental level of protection to be established, acts as the driving force in the positive spiral triggered by a strategy for sustainable development.

#### 0.4. Rio 1992 - a New Global Agenda

The United Nations Conference on Environment and Development held in Rio de Janeiro in 1992 supplied the fundamental principles and the programme of action for achieving sustainable development, the Agenda 21. It set the stage for a new global agenda in the form of a round of global conferences focusing on various aspects of global sustainability. They included the Population Conference (Cairo 1994), the Social Summit (Copenhagen 1995), the Women's Conference (Beijing 1996) and the Second Conference on Human Settlements HABITAT II (Istanbul 1996). Rio+5 (New York 1997) was followed by the UN Millennium Assembly (New York 2000), the Conference on Financing for Development (Monterrey 2002) and the World Summit on Sustainable Development (Johannesburg 2002). A characteristic feature of these processes, even if they are far from fulfilling the SI's expectations, was their common desire to achieve equality, solidarity, respect for nature and shared responsibility in managing worldwide economic, social and environmental development.

Transforming this common desire into tangible, forward-looking commitments acceptable to all was the key political challenge of the Rio+10 process.

#### 0.5. World Summit on Sustainable Development 2002

a) The World Summit on Sustainable Development (WSSD) contributed to the implementation of Agenda 21 and the goals of the Millennium Declaration. The international community must fully and speedily implement the goals it contains as well as those set out at other major UN conferences and summits. There is a need for a new global partnership encompassing economic, social and environmental considerations.

b) The outcome of the WSSD and the reaffirmation by the international community – in the form of the Declaration on Sustainable Development and the Johannesburg Plan of Implementation – of the importance of economic development, social advance and environmental protection as interdependent and mutually reinforcing pillars of sustainable development constitutes progress towards its attainment. The summit gave new impetus to global action to fight poverty and protect the environment. It helped to broaden and strengthen the understanding of sustainable development. Governments reaffirmed commitments and agreed to new specific targets for action to achieve more effective implementation of sustainable development objectives.

c) The Johannesburg Plan of Implementation contains important commitments regarding:

- education for all and the promotion of women's equal access and full participation in decision-making at all levels as a means of poverty alleviation;
- improved access to water and sanitation;
- the shift towards sustainable consumption patterns;
- respect for biodiversity;
- enhanced health education and better access to health services and the struggle against HIV.

d) But the results are far from the aims of the SI.

- The setting of more precise targets for the adoption of renewable energy sources was blocked.
- The outcome regarding global governance was disappointing.
- It also clearly showed the limits of the current institutional framework in getting a global deal under way. There is a striking contrast between the problems the world faces and its system of governance.

e) With regard to financial issues, the reaffirmation during the WSSD of the commitments of the Monterrey Consensus constituted a positive outcome. But there has been little discussion about alternative models for financing development and the maintenance and provision of global public goods. The reaffirmation in Johannesburg of the decisions set out in the Doha Ministerial Declaration to place the needs and interests of developing countries at the heart of the work programme, including unrestricted market access for products of interest to developing countries, can be regarded as positive. But no progress was achieved on the issue of agricultural subsidies and trade barriers for the export of products from developing countries to developed countries.

#### 0.6. Proposal for a United Nations Council for Sustainable Development

a) Hence there is a need to establish on a global coordination level a new United Nations Security Council on Economic, Social and Environmental issues - a Council for Sustainable Development.

b) This Council should be composed and function in a manner that takes into account the difficulties facing the current UN Security Council. The eventual permanent members should be more representative of the world as a whole and of all the major economic regions, including the United States, Europe, China, Africa, Latin America, Oceania and Asia. In other words, it should reflect the world of 2005, not the world of 1945.

c) The Council for Sustainable Development should be independent of the Security Council and have the same standing with respect to international economic and social matters as the Security Council has in peace and security matters. It should be in a position to improve coordination between international economic, financial, social and environmental policies. It should be a deliberative forum aimed at contributing to world social and economic justice, stability and prosperity on the basis of the UN Charter. It should have the task of

- continuously assessing the state of the world economy and ensuring macro-economic coordination;
- providing a long-term strategic framework for sustainable development;
- securing consistency between the policy goals and activities of the international economic, social and environmental institutions;
- producing common guidelines on the priorities of the global agenda, monitoring their follow-up and acting as a coordinating body for trade-offs between trade, employment and the environment.

Once a year the Council should meet at the level of heads of state and government together with the chief executives of all main global agencies related to sustainable development.

#### 1. Sound Environment Policy

a) A sound environment is the indispensable basis for economic development and the enhancement of welfare and quality of life in all parts of the world.

The protection of the natural resources and an efficient and precautionary handling of materials, substances and energy are, therefore, paramount tasks in the mapping out of political measures for sustainable development.

The 1992 UN Summit in Rio increased global awareness of the importance of international environmental policy as a fundamental prerequisite for poverty alleviation and economic and social development.

The promising signals sent out from Rio failed to materialise. Despite important steps forward in several fields, such as climate policy, global environmental problems have worsened in recent years. It is, therefore, urgently necessary to reinforce efforts towards international agreements for the protection of natural resources.

b) The developed countries, in particular, are called upon to change their patterns of consumption and production and to work out solutions to the global environmental problems. They are responsible for most of the worldwide consumption of natural resources and the ensuing global environmental problems.

c) But developing countries have a responsibility of their own to bear. Protection of the environment must be a key element of strategies to alleviate poverty and promote economic development if their sustainable, long-term success is to be guaranteed. Developed countries have an obligation to support developing countries in their efforts to this end.

d) A global environmental policy is necessary because of

- the large number of political players, their contradictory interests and the difference in their potential for action;
- increasing ecological and economic interdependence across borders;
- the potential irreversibility of environmental damage;
- the long-term nature of the effects of environmental change.

The resolution of global environmental problems requires a policy that does not relieve states of their responsibility yet does not demand too much of them individually. International cooperation is required to coordinate goals and provide an appropriate apparatus and effective institutional conditions.

e) As consumers and producers, carers for their families and educators, women play an essential role in the development of sustainable and ecologically sound consumption and production patterns as well as in approaches to natural resources management. The national and international communities must pay due heed to the role of women and their contributions to a sound environment.

f) Global environmental problems are caused by the growth in world population, the increasing consumption of goods and services and insufficient pollution control. Moreover, short-term economic rationality and the quest for profit lead, amongst other things, to a dangerous waste of natural resources and technologies that are inimical to the environment. To solve these global environmental problems, the outlines of a global environmental policy have emerged which begin with individual ecological media.

- Global environmental policy has been applied most rigorously to the ozone layer in the stratosphere. The 1985 Vienna Convention and the 1987 Montreal Protocol gave birth to a vigorous international ecological regime that resulted in a complete freeze on harmful chlorofluorocarbons (CFCs).

The most widely discussed global environmental problem is climate change. The global political response to this came in the form of the 1992 Framework Convention on Climate Change and the 1997 Kyoto Protocol, which provides for initial reductions in greenhouse gases. This is only the beginning of the implementation of climate policy and it needs to be intensified. The Ratification of the Kyoto Protocol by all the players involved remains a central objective of the SI. The Russian Duma carries a special responsibility with regard to the completion of the Kyoto process. The SI urges it to ratify the protocol signed by the Russian government.

The 1992 Convention on Biological Diversity embodies an innovative global environmental policy.

g) Practical implementation began to a limited extent with the Cartagena Protocol (2001), but this still needs to be complemented.

- No global regulation has been achieved to date on the quantitative loss and qualitative deterioration of soils. The different assessment as to whether such loss and deterioration constitute a global ecological problem or simply a ubiquitous local one is no excuse for the deficiency of an agreement.
- Many industrial products, chemical substances and wastes are either barely degradable or cannot be stored for long periods. The 1989 Basel Convention controls trans-boundary movements of hazardous wastes.

h) An important financial instrument of global environmental policy is the Global Environmental Facility (GEF). The GEF's function is to protect global environmental goods: the climate, the ozone layer, international waters, biodiversity as well as soil in arid regions. But the fund's budget is not sufficient to meet its needs.

i) An institutional milestone in global environmental policy is the Commission for Sustainable Development (CSD), which was founded in 1997 and assigned to the Economic and Social Council of the United Nations. Its 53 members are elected on a regional basis. Intensive work still needs to be done by the Commission for Sustainable Development to bring about a global environmental policy based on a consistent political concept. Building on this process, a World Environmental Organisation needs to be created within the UN system. It should oversee and help implement the present treaties and other international agreements, prepare new ones, elaborate principles and strategies, and work out a credible data basis. Sanctions against perpetrators and the conditions under which they may be applicable should be subject to further consultation and discussion.

### 1.1. Energy and Material Flows

a) If the climate challenge is to be tackled successfully the world must back conservation, use less non-recyclable and more renewable energy. To avoid irreparable damage to the environment as a consequence of burning fossil fuels, energy production must become cleaner and the use of energy more effective. The huge potential that resides in increasing energy productivity is a core answer to the climate challenge.

b) Most countries have considerable potential for new sources of renewable energy. They include wind, tidal power, large amounts of biomass, small-scale hydropower, heat pumps, geothermal energy and solar radiation, all of which are readily available for the production of energy. All countries should develop strategies to harvest renewable energy sources.

c) There is a need for technological improvements that will lead to changes in production and consumption patterns, especially in developed countries. New fuel cell technology and advanced solar energy are essential in this respect. Governments in all countries will have to contribute much more substantial resources than today in cooperation with the business and scientific communities to promote the implementation of these new energy technologies. Developing countries should be given access to these technologies.

d) Participation "on equal terms" in international negotiations requires technical assistance to define programmes regarding international negotiations on the environment; aid measures to implement the Kyoto Protocol in conformity with national laws; training programmes in the field of environmental protection; and the transfer of clean technologies and skills in sustainable development.

### 1.2. Climate Policy from Kyoto to New Delhi

a) Global warming is the greatest threat to the environment. Poor countries suffer the most from global warming due to the fact that the consequences hit them the hardest and because they lack both the technology and the financial resources to meet the challenge.

b) Scientists are now more explicit than ever before: climate is affected by human activities which result in changes in the climate.

c) In 1988, the United Nations Environment Programme (UNEP) and the World Meteorological Organisation (WMO) jointly established the Intergovernmental Panel on Climate Change (IPCC) as concern over climate change became a political issue. The purpose of the IPCC was to assess the state of knowledge about the various aspects of climate change. The IPCC is meanwhile recognised as the most legitimate scientific and technical voice on climate change. Its assessments had a profound influence on the negotiators of the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol.

d) In its third assessment report in 2001 the IPCC concluded that the climate is being altered more quickly than was originally thought and that the threat of major environmental disruptions linked to global warming is greater than previously expected. As evidence accumulates that we may already be witnessing the early signs of global climate change, the need to communicate this issue to both policymakers and the general public becomes ever more urgent. Knowledge of complicated issues is a prerequisite for progressive policymaking. The Socialist International, therefore, supports the efforts to strengthen climate research domestically and internationally and will help to disseminate the results to decision makers as well as to the general public.

e) The United Nations Framework Convention on Climate Change is the foundation on which global efforts to combat global warming rest. It was concluded in 1992 in New York. Its ultimate objective is the stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic, human-induced interference with the climate system. The Convention's supreme body is the Conference of the Parties (COP), which comprises more than 180 states that have ratified or acceded to the agreement.

f) On 11 December 1997, at the Third Conference of the Parties in Kyoto (Japan), 160 countries reached agreement on an implementation protocol to the convention. This is known as the Kyoto Protocol. It contains individual emission limitation and reduction commitments for the parties. These range from an 8 per cent reduction for most of the countries to a 10 per cent increase for a few other countries by the period 2008-12, calculated as an average over these five years. The Kyoto Protocol enters into force on the ninetieth day after the date on which not fewer than 55 Parties from the so-called "Annex 1 countries" to the Convention, which accounted in total for at least 55 per cent of the total CO<sub>2</sub> emissions in 1990, have ratified it. As of September 2003, 117 states had ratified the protocol. As a result, it is expected to come into force at end of 2003. Regrettably, the Bush administration has announced that the United States will not be party to the Kyoto Protocol.

### 1.3. Waste

a) In the 1970s and early 1980s, serious incidents occurred involving dangerous wastes. In reaction to these, the "Basel Agreement on the Control of Trans-boundary Movements of Hazardous Waste" was adopted in 1989. The main regulation of this system is that cross-border movement of waste may only be carried out if written consent has been obtained in advance from the country of import or transit.

b) For developing countries, due to their limited administrative, financial and technical capacities, introducing this kind of Prior Informed Consent approach often provides no effective protection against unwanted imports of waste. As a result, the Second Conference of the Parties in 1994 passed a comprehensive ban on the export of dangerous wastes from industrialised countries to developing countries. So far, however, this agreement has only been ratified by a few nations.

c) The Basel Convention is generally regarded as a success for international environmental policy. However, some problems in the trading and handling of dangerous wastes have yet to be resolved, including

- the increasing significance of South-South trade;
- necessary technology transfer measures;
- the formulation and implementation of definitions of liability appropriate to the problem.

The ongoing target is the systematic avoidance of waste and the development of a materials management system on a global level.

As consumers and producers, carers for their families and educators, women play an important role in avoiding waste and promoting sustainable development.

### 1.4. Chemicals

Global environmental policy on the elimination of dangerous chemicals has concentrated up to now on chlorofluorocarbons and persistent organic substances.

#### 1.4.1 Chlorofluorocarbons

The Montreal Protocol, signed in 1987 and now ratified by more than 180 governments, provided for a reduction of 50 per cent in the use of chlorofluorocarbons (CFCs) in industrialised countries by 1998 compared with 1986 figures, while developing countries were granted a transition period of ten years. The Montreal Protocol was the first global environment treaty to assert the precautionary principle: it took decisive action even before the suspected damage had been proved. Only after the treaty had been negotiated was it demonstrated that the phenomenon of damage to the ozone layer observed over the Antarctic really was caused by CFCs. This added momentum to the demand for a total stop to the production and use of ozone-damaging chemicals. At follow-up conferences the protocol was extended and substantially tightened up. The number of controlled substances, which also includes bromine compounds, rose from the original 8 to over 80, and by 1996 the most important ones had been taken out of production in industrialised countries. The stratospheric ozone layer will thus be able to recover by the middle of this century. The Montreal Protocol is the first international treaty with North-South priority, providing for finance and technology transfers in a multilateral ozone fund in order to facilitate the practical implementation of the agreements for developing countries.

#### 1.4.2 Persistent Organic Substances

a) Persistent organic pollutants (POPs) are poisonous chemicals which, if released, can represent a danger to human beings and the environment on account of their specific properties. They are hardly degradable, accumulate in tissue and potentially spread over wide

areas in water, soil and air. Through repeated evaporation and condensation they migrate towards the poles, where in high concentrations they endanger the local human population.

b) Persistent organic pollutants are used in agriculture and industry as pesticides. Although the production and use of many of these chemicals is already banned or extensively regulated in industrialised countries, they are still being used in developing and transition countries, where large stocks of old or hoarded pesticides are becoming a problem.

c) The wide variety of harmful chemicals and their use, and the damage they cause at a great distance from where they are applied, indicate the global dimension of the problem. Several international attempts were made to deal with the global problem through regulation, e.g. in international trade, marine environmental policy and clean air policy. Stimulated by Agenda 21, these efforts led to the treaty negotiations organised by UNEP on a world chemicals policy, which were brought to a conclusion in 2001 with the Stockholm Agreement on Persistent Organic Pollutants as a binding regulation under international law. The core of the Stockholm Agreement is the prohibition and limitation of twelve particularly dangerous POPs, the "dirty dozen". With the exception of DDT, which is still being used by some developing countries to combat malaria, it was decided either to cease production or restrict the use of all twelve of the other groups of substances.

d) Since new and potentially highly dangerous POPs are constantly being developed, the test procedure prescribed in the Stockholm Agreement acquires a key function in terms of environmental policy. This is why the precautionary principle was embodied in it. This dynamic element is essential to environmental policy.

### 1.5. Biodiversity

a) The Convention on Biological Diversity (CBD) was passed in Rio de Janeiro in 1992 and has since been signed by 181 states and the European Union. The agreement has not yet been ratified by the USA. The CBD came into force at the end of 1993.

b) The CBD is regarded as the central international agreement for the protection of the biosphere. It is the expression of a paradigm shift in the protection of nature and species that has taken place since the mid-1980s, moving away from the separation of protection and exploitation and towards an integration of both interests. Three measures typify the broad character of the CBD:

- the preservation of biological diversity;
- the sustainable use of its components;
- the balanced sharing of the benefits arising from that use.

c) The complexity of biodiversity as an object of protection is shown by the fact that the CBD contains several targets:

- promoting the "stocktaking" of biological diversity;
- taking biological diversity into account in the various sectors of exploitation, such as agriculture, fisheries and tourism;
- conservation of particularly sensitive regions, such as arid areas and mountainous regions;
- socio-economic and legal functions, such as arranging "benefit sharing" in the exploitation of genetic resources in pharmaceutical research and development.

### 1.6. Water

a) Water is a fundamental good for everyone. Quality water must be made available to all inhabitants of the planet at accessible prices. This goal is far from being achieved, although some progress has been made and there are more reports and world forums on this subject.

b) Everything possible must be done to accelerate progress in this field.

c) Where water services exist, they must be closely controlled and regulated by public authorities and the participation of users should be envisaged. There must be strict regulations on the duration of any delegation of public services to the private sector and on the financial amounts involved.

d) In cases where potable water is not available in sufficient quantities, the international community must be mobilised to attain this objective. The SI proposes, among other things, the creation of a "World Water Fund" financed by revenue from global taxation. This fund, managed within the framework of the United Nations, must support all public, private or organisational initiatives that aim to achieve the Millennium Development Goals for water that were reiterated in Johannesburg and Kyoto.

e) Water conservation and its efficient use, particularly in industry and irrigation, is a global responsibility. The required technology must be made accessible, especially to regions in Africa and the Middle East where there is a chronic shortage of water.

f) Inadequate access to water resources, which can be an impediment to the very survival of the population in some regions of the world, constitutes a major threat to international security. The free use of water is essential for the establishment of peace between territories that are interdependent as regards natural resources. The Socialist International calls for the United Nations to create a special mission responsible for dealing with known disputes between different states on this question.

### 1.7. Soils

a) The "United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa" (UNCCD) aims at the conservation of soil in arid areas and the fight against poverty. It has its roots in the 1970s, when Africa was suffering devastating droughts and the subject of desertification was arousing worldwide attention. With the Rio process and the inclusion of desertification as a theme in Agenda 21, the problem of soil degradation in arid areas attained

international priority.

b) The negotiation of a convention on combating desertification was concluded under pressure from the developing countries. The UNCCD came into force in 1996. To date 190 countries have ratified the convention. The UNCCD is the most significant of the three Rio conventions in terms of development policies. The main conceptual points are the reduction of poverty and the active participation of civil society in combating desertification. Once measures are agreed, they will be implemented by state action programmes.

## 2. Economic Progress in a Global Economic Order

a) Globalisation has considerably undermined the ability of states to steer their economies according to given political, social and economic aims, full employment, growth or redistributive taxation. Broader international cooperation and coordination are necessary to reverse this tendency. This holds true both for the OECD countries and for North-South and South-South economic relations. Not only the UN and other international organisations like the IMF, WTO and the ILO have to play a major role in this process, but also regional organisations like the EU, ASEAN and Mercosur.

b) The decline of the state's capacity to steer the economy has been paralleled by new challenges for the traditional European welfare state. Globalisation, technological developments and structural changes in the world economy have - at least partially - changed the economic and social base of the 20th century welfare state. The principles on which the welfare state is based have not changed. The mechanisms of the welfare state are regulation, redistribution and public goods. These now have to form the basis for a global order involving the welfare-oriented protection of the poorest in a manner that is compatible with incentives for private initiative and economic growth, welfare-oriented distribution and global public goods. The growing competition between states and regions for investments, tax havens and new forms of international trade and financial operations have weakened the ability of states to finance welfare systems.

c) It is necessary to look into questions such as the international co-ordination of economic and financial policies; "rules" for the international economy; social and environmental standards in trade; the roles of the international financial institutions (IFIs) and organisations (IOs); the relationship between trade and development; and the issue of a new international financial architecture. It is also necessary to examine questions such as competition between regions, states and sub-regions; the international coordination of tax policies and minimal labour standards; the problem of a "race to the bottom", welfare reform and new instruments of social policy.

d) Globalisation cannot be understood merely as a continuation of internationalisation and the growth of interdependence in the world economy - a familiar process which has been going on for centuries. Given the sheer quantity of cross-border trade and capital as well as other factor movements, present-day globalisation is qualitatively different from the internationalisation of the past. Even more important are the new elements brought about by the development of technology in general and by information technology, in particular. Transactions of capital and knowledge are possible in real time.

e) The markets for commodity services, capital and labour are globally interdependent. As borders and protection of the respective markets are disappearing, global regulations are needed to achieve the goals of welfare-oriented protection and welfare-oriented balance. These regulations can differ between regions depending on the level of their economic development. Special attention has to be paid to public goods, which cannot be distributed solely according to the rules of free markets.

f) There is a debate whether there is such a thing as a "new economy" that calls old economic truths into question. While the basic elements of political economy have not changed, the development of information technology has nevertheless brought many new challenges with it. Only if consistent answers are given to the many concerns and fears people have about globalisation - and if the relevant action is taken - will people be convinced that globalisation in itself is neither bad nor good. It is the result of the continuous growth of human knowledge that needs to be harnessed and controlled in order to ensure that the benefits of economic cooperation, trade and foreign investment are distributed in an equitable way, which will also benefit the least-favoured groups and countries.

g) The governance of globalisation must be managed in a way that will respect and enhance local, sub-regional, regional and state environmental, economic, social and cultural diversity.

### 2.1. Globalisation and Trade

a) The World Trade Organisation is a rules-based, multilateral trading system that provides objective procedures to deal with trading conflicts and is designed to protect its members from unilateral and unfair treatment. Since its inception, the WTO has proved effective in solving trade disputes and has undoubtedly contributed to the enormous rise in international trade. Nonetheless, while the present system may serve as a basis, it remains completely inadequate and unsatisfactory.

b) The benefits that flow from rising volumes of trade are distributed unevenly. Large parts of the developing world remain economically marginalised and have not been able to integrate into world markets. Finding a way to reverse this trend and to ensure that international trade contributes to the eradication of poverty remains one of the key challenges to global policy making. The WTO has yet to produce an adequate response to this challenge. Policies are needed that enhance the capacity of developing countries to participate on a more equitable footing in the multilateral trading system. These policies must be embedded in comprehensive and coherent country-specific poverty reduction strategies with trade issues comprising an essential element.

c) Negotiations and procedures at the WTO must be made more transparent and opened up further to political dialogue and participation by all the relevant actors. The working methods of the WTO, including the voting procedures, should be seriously reviewed in order to facilitate the negotiation of agreements.

d) The capacity of delegations from developing countries to meaningfully participate in the WTO processes must be strengthened by means of capacity-building programmes and technical cooperation. The relevant programmes agreed on in Doha should be implemented and the funding of the WTO Secretariat for such programmes increased.

e) At the level of member countries, the information, consultation and participation of parliaments in the ongoing negotiation process must be enhanced. In February 2003, the first meeting of parliamentarians of the WTO member states took place in Geneva. Such

meetings should take place regularly and be institutionalised.

f) Civil society, trade unions, business and NGOs should be offered a formal consultative process ensuring that they can present their views and voice their concerns to organs of the WTO.

#### 2.1.1. The Current WTO Round after Cancun

a) The current round of negotiations should be one that can rightly be called a Development Round. As the WTO and the multilateral trading system is the best route towards a fair and balanced system of international trade, it is regrettable that the 5th WTO Ministerial Conference in Cancun failed to reach an agreement on advancing the Doha agenda. Nevertheless the conference was useful in that it identified the trade-offs and launched a new process of negotiations involving new organised actors such as the G 21.

b) The task now is to restore the trust necessary to put the Doha Development Round back on track and to make progress on the issues which have led to the breakdown in Cancun. The highest hurdle to be cleared is in the field of agriculture. Due recognition must be given to the legitimate interests of the developing countries, such as improved market access for their agricultural products and the phasing out of the trade-distorting system of subsidies. While it is equally legitimate for the developed countries to formulate their demands, they should be aware that the Singapore issues - investment, competition, government procurement, and trade facilitation – must be postponed in order to facilitate the global negotiation process.

c) The SI reaffirms its concerns regarding the issue of trade in services (GATS) where the next phase of liberalization is on its way, as it has the potential to affect the provision of vital public services.

d) There is no alternative to a fundamental reform of the agricultural markets, including cotton. The agricultural policies of developed countries, which combine heavy export subsidies with rigid market protection schemes, are a major obstacle to a fair and balanced global trading system. A breakthrough in agriculture is vital if the current WTO round of negotiations is to be given a truly developmental dimension.

e) Increased participation by developing countries in the global trade in services - an objective agreed on in Doha - must be welcomed. Measured against this objective, the ongoing negotiations on GATS are a cause for considerable concern. While developed countries and some large developing countries have presented long lists of "requests" asking other countries to open up a wide range of service markets, most less advanced countries have not yet tabled any requests. This is just one of many indicators showing that the liberalisation of trade in services has mainly served companies and providers from the more developed parts of the world. Moreover, it reinforces the view that the benefits of the WTO are unfairly distributed. Taking this into account, developed countries should refrain from any direct or indirect pressure concerning the further liberalisation of services. In addition, the liberalisation agenda of GATS should not have a negative impact on the provision of vital public services, such as education, health and essential public utilities. The state has to exercise its responsibility to guarantee a minimum level of service provision.

f) The opening up of labour markets is one of the most sensitive issues on the global policy agenda. As regards "Mode 4" in the GATS - the temporary cross-border movement of natural persons – any further steps towards liberalisation should take the following issues into consideration: the protection of migrant workers against all forms of discrimination; the observance of international labour standards and national labour laws; and respect for existing collective agreements covering the sectors concerned. Furthermore, state and international labour migration policies should be designed to minimise the negative effects of out-migration. Brain drain must be prevented and existing shortages of qualified teachers, nurses and doctors must not be exacerbated by aggressive international recruitment programmes.

g) Key to the success of Doha was the compromise reached between developing and developed countries on the dispute about intellectual property rights (TRIPS) and the compulsory licensing of drugs in cases of emergency. Although it is regrettable that the implementation of this agreement was delayed, the breakthrough which has recently been reached on this issue is a step in the right direction and should be used to the full benefit of those in need.

#### 2.1.2. Long-term Challenges for the WTO

a) While negotiations on agriculture and services are important, they are not enough for the broad and comprehensive agenda that the next round requires. The international community must have the farsightedness and courage to tackle the more difficult issues relating to trade, on the one hand, and to adequately address concerns about the environment, core labour standards and the preservation of national cultures, on the other. Rules and guidelines on investment must also be drawn up that take these concerns into account. Last but not least, the policies of the WTO must be made more gender-sensitive and respond to the gender-differentiated impacts of trade policies.

b) The WTO cannot and should not strive to be the international organisation that settles environmental, social, labour and cultural issues. However, since trade policies directly impact on these areas, there is a need for a clear division of responsibilities between the WTO and the international organisations that have the competence to tackle these issues. Cooperation between the WTO and these institutions must be intensified and could be modelled on that between the ILO and the WTO. There is a need to establish a coherent global mechanism that will enable trade and other issues to be dealt with in a balanced manner and prevent social, environmental and cultural issues from developing into divisive and disruptive trade conflicts or creating new, unfounded barriers to access by developing countries to developed country markets.

c) The WTO is not the only, and not necessarily always the most effective, organisation for addressing all trade or trade-related issues. Trade capacity building calls for strengthened and improved cooperation between the World Bank and other international development organisations and donor countries. The revised Integrated Framework provides a good platform in this respect.

d) A multilateral investment regime facilitated by the WTO has the potential to ensure better investment practices if – and this is a very important provision – it is designed in a way that will address both the rights and the obligations of investors. Today, the international regime on investment consists of numerous bilateral and regional agreements with the aim of securing the rights and interests of international investors. However, the status quo lacks regulations that adequately address the social and environmental responsibilities of international investors. Considering the rapid growth of export processing zones and the loopholes that this practice has generated in the area of social and environmental standards, the deficiency of the existing investment regime is all too obvious

and a matter of great concern. A multilateral investment regime has the potential to ensure better investment practices. In this context it is regrettable that the proposals on investment tabled at the WTO fall far short of such considerations.

e) The relationship between multilateral environmental agreements (MEA) and trade policies must be clarified. Crucial to this relationship is the question of the hierarchical order in which trade and environmental agreements are dealt with. Balancing concerns of economic growth and development, on the one hand, with those aimed at protecting the global environment, on the other, the relevant stakeholders and organisations should work together and come up with concrete proposals on how to define the relationship between the two.

f) It is increasingly recognised that trade policies have gender-differentiated impacts and that gender inequalities affect trade performances. Recent studies focusing on the relationship between trade, gender and poverty show that men and women are affected differently by trade policies and performance due to their locations and command over resources within the economy; that gender-based inequalities impact differently on the outcome of trade policies, depending on the type of economy and sector, with the result that trade liberalisation policies may not yield the expected results; and that gender analyses are essential to the formulation of trade policies that enhance rather than hinder gender equality and human development.

g) Despite these findings, gender issues are not yet considered an important factor at the WTO. The SI, therefore, calls for a serious commitment on behalf of all trade policy-making institutions aimed at promoting gender-sensitive trade policies. A reform of these institutions is also needed to make women's voices heard and to give women a presence within them.

## 2.2. Globalisation and Financial Markets

a) The globalisation process influences the financial markets. Shaping these markets means reforming the Bretton Woods institutions and the regional banks as well as global taxation in order to fund global public goods and global development.

b) The increasingly integrated global economy with its internationally integrated corporations and trade networks, global financial markets and institutions and globally organized capital is seriously undercutting the ability of the traditional states to regulate markets, redistribute wealth and protect the poorest and most vulnerable sections of society. It is neither feasible nor desirable to try to stop the process of technological progress and integration that drives globalisation. Yet there is an urgent need to strengthen the role of democratically legitimated public policy in order to balance the role of capital and to create a more equitable and inclusive world economy.

c) The present basis of global economic policy is the so-called "Washington Consensus" of the G7 and the IFIs. The principles of this approach apply fiscal strictness, tight monetary controls, open markets, privatisation and small government. The evidence is, that the narrow implementation of these conditions can actually worsen the economy of developing countries because they fail to consider the objective economic circumstances effecting a nation, the level of its economic development and the need for investment in generators of growth such as infrastructure, education and skill, employment creation, and health and social conditions, and external obstructions such as restricted market access for exports, dumping and in some cases onerous intellectual property restrictions. Unfortunately often developing countries are forced into accepting many of these controls or face a loss of support.

The "Washington Consensus" is neo-liberal ideology expressed in the form of economic policy. It should be rejected in favour of policies which:

- focus on the provision of support which will stimulate growth through investment in infrastructure, development of industries and services, education and skill and employment generation aimed at increasing aggregate demand in the economy;
- implement sound macroeconomic policy sensitive to the needs of building and strengthening the institutional structures and the social needs of a country;
- implement capacity building in developing countries and levels of development of industries and services which can ensure phased liberalisation of the market will improve its competitiveness;
- recognises that good governance, while an essential condition for development, is best and more sustainably achieved hand in hand with strengthening economic and social conditions;
- recognises that fiscal and monetary policy are tools to stabilise economies and to stimulate growth.

The IFIs need to maintain a flexible approach to changing economic circumstances, recognise that their original mandate was to stabilise the world economy and guard against recession. Their role in the present circumstances is also to help eradicate poverty and partner equitable economic development.

### 2.2.1. Reforming the Bretton Woods institutions

a) The Bretton Woods institutions are tools of public policy at the global level. They could potentially be of great help in furthering good governance as well as sustainable development at the global level. Global markets need global regulation and global governance. However, the governance must be perceived as being both legitimate and grounded in democratic mechanisms. At present, despite some progress in recent years, neither the IMF nor the World Bank are seen as having this kind of legitimacy. They are regarded as being – and, indeed, often are – the tools of the G-7 and the international financial community rather than the instruments of truly global and democratic governance. This is because the governments of the large shareholders want it to be so, while often blaming outcomes on the staff of these institutions. This situation has to change and these institutions, within the overall framework of a reformed United Nations system, must become effective instruments of global reform.

b) It is therefore necessary to

- reform the International Monetary Fund and the World Bank to ensure a modification of the quota system so that developing countries are better represented, and a stronger monitoring role for these institutions enabling them to anticipate financial crises;
- adopt new and prudent regulations of speculative funds and, acting within the UN framework, to remove the right to banking secrecy in financial havens and off-shore centres in order to combat more effectively the laundering of 'dirty' money. Better use of the G20 and the Financial Action Task Force (FATF) will be needed to achieve this. A World Financial Authority should be created and linked to the proposed United Nations Council for Sustainable Development.

c) The world has witnessed a long chain of crises that the International Financial Institutions (IFI) were unable to prevent and, some would argue, at times exacerbated. This time it is not only the capacities and recipes for crisis management of the IFI that are in doubt. The "Washington Consensus" on structural adjustment is itself the problem. In the case of Argentina a textbook case of the application of the IMF recipes proved an utter failure. The country has followed the Washington model as closely as is ever likely to be possible in the real world of policymaking. It has liberalised its financial markets, eliminated trade barriers, privatised state assets, made labour markets flexible, tied its currency to the dollar and pursued monetary and fiscal austerity in the midst of a deep economic slump bordering on depression. All this was done, however, in the context of a corrupt, right-wing populist regime, with the IMF failing to notice or warn against increasing inequality and an unsustainable social structure.

d) Argentina is clearly not the only victim of this type of politics. The difference is that this time one of the most advanced economies of the South has – with the very active collaboration of its own political class – gone over the edge. In the last decade the World Bank and the IMF have given 36 poor countries 10 or more loans each with conditions attached. Over the past 20 years, the income growth rate per person of a typical member of this group has been zero. Even if one takes into account the deep crisis situations these countries have fund themselves in, it is clear that something is missing.

e) The fundamental question, therefore, is not how the IFIs should reform their structures and procedures, as is often called for by critical observers and some member countries. The fundamental question is whether the IMF, and in a certain way the World Bank, will change their model of economic and social development. The primary task in the reform of the IMF is to break away from the neo-liberal dogmatism of its market-opening/deflationary programmes that often deepen crisis, pay insufficient attention to the fundamental sources of economic growth and all too frequently serve only the short-term interests of the lender banks and countries.

f) The transparency of the IMF's decision-making must be increased dramatically at all levels and for different constituencies: member countries, parliaments, civil society, borrower countries and public opinion. Up to now, the IMF is one of the most opaque international institutions of all.

Participation should be increased dramatically. Again, this applies to the borrower countries and the shareholder countries. It must result in a thoroughgoing democratisation of the Fund's governance structures. In the end, it is taxpayers' money, not least from the poorest countries of the world, that the Fund is working with. Additional democratic participation by parliaments and civil society is necessary.

Once the Fund concentrates on the "core competencies" it was created for, it can be scaled down drastically, thus lowering operating costs and curbing the "natural" tendency for institutional "mission creep" of overstuffed bureaucracies.

The distribution of the voting rights has to be rearranged to give more weight to emerging economies.

g) Much of the criticism levelled against the IMF also holds true for the World Bank. But whereas the IMF has on the whole maintained its ideological intransigence, the World Bank has undergone a process of rhetorical and structural reorientation over the past 10 years. Especially at the level of discourse, the World Bank has reacted to criticism and responded to a list of long-standing claims by developing countries and NGOs. Critics argue that this type of "responsiveness" to NGOs and the political and theoretical reform ideas has gone too far and forced the Bank to lose sight of its core business. While this is at least arguable, the fact remains that many of these changes, such as the introduction of mandatory environmental and social impact assessments, only apply to project financing. Yet, the main and growing element of the Bank's lending portfolio is structural adjustment lending. Here neither participation nor transparency nor social or economic considerations prevail. Since 2001, at least, social impact assessments have been carried out of adjustment programmes in a number of pilot countries.

h) De facto, the Bank still accepts a pre-eminence of the IMF in the definition of Structural Adjustment Programmes and the conditionalities attached to them. Information disclosure is still inadequate. Structural adjustment programmes are not released by the World Bank or the IMF until they have been approved by the board of executive directors.

i) Reforms of the World Bank should deepen the reforms undertaken in recent years, giving them more substance and reducing their "window-dressing" in respect of the politically interested public and NGOs in Europe and North America.

j) The reforms of the World Bank should include

- a rethinking of the fundamental development concept, breaking free from neo-liberal market orthodoxy, and the paradigm of export-driven growth, which works for some, but not for all countries.
- An acceptance of the relevance of human development and sustainability.
- an enhanced participation of receiver countries in the decision-making of the Bank, especially of the middle-income countries, whose high and growing interest rates on credits finance the operating funds of the Bank and hence one of the central instruments of the G7 countries' hegemony in the international system - a very specific "free-rider problem".
- an enhanced "ownership" on the part of the borrower countries of the structural adjustment programmes and their contents: loans should be extended according to essential conditions only, defining goals, not means, such as good governance, including human rights.

k) Any reform package must include enhanced transparency, accountability and cost-effectiveness. There is a good deal of structural adjustment that can and should take place within the Bretton Woods institutions themselves.

### 2.2.2. Reforming the Regional Banks

a) The regional development banks, such as the IDB in Latin America, the African Development Bank for Africa and the Asian Development Bank for Asia, as well as the EBRD for Eastern Europe and organisations such as the Islamic Development Bank and the Arab Fund in the Middle East and North Africa, are perceived as being closer to, and in some ways more "legitimate", by their regional clients than the global institutions, which are seen as G 7 instruments. This is an advantage that should allow these institutions to work more effectively to promote regional cooperation and regional integration.

b) Despite this advantage that already exists, it is still important to reform the governance, ownership shares and policies of the regional banks in the same direction as that proposed for the IMF and the World Bank: greater transparency, greater weight for the client countries and policies that complement stabilisation and efficiency-oriented measures with sufficient emphasis on equity, poverty reduction, improved, i.e. more equal, income distribution and good governance.

c) Regarding the avoidance of duplication the aim should be to achieve overall efficiency of the international system, but not to forget that a certain degree of competition and choice is useful in international development. In that sense it may not necessarily be a bad thing for the regional banks to do some of the same things as the global institutions.

### 2.2.3. Global Taxation to Fund Global Public Goods and Global Development

a) A new international finance facility and an international taxation regime will be needed to boost development aid, finance global public services and regulate the globalised economy. The introduction of a taxation regime for these purposes would be legitimate.

b) Once sufficient new resources have been raised to more or less double public development aid, they must be put to work in pursuit of the aims established at recent international summits and of the regulation of liberal globalisation.

c) The aims to be pursued should be the financing of development and of the global public goods. This implies the establishment of a list of 'essential goods', as the economist, Amartya Sen, has called them. A specific effort should then be undertaken at the international level to provide these goods to the people of those countries where they are currently in shortest supply. The definition of these global public goods should be debated widely in order to draw up a list that will enjoy the broadest possible acceptance. A number of areas should be prioritised immediately: training, health care, transport, communications, nutrition, water and energy. Progressive organisations or programmes already exist in several of these areas, but present resources are insufficient. For example, the Camdessus Report on the global management of water indicates that a doubling of public aid for a major water provision programme is needed. It seems likely that this is the scale of provision required for each of the global public goods.

d) If new global resources are made available they must not simply be added to the existing public development aid programmes. On the contrary, the raising of global resources can only be justified by action to be carried out in the context of global programmes. The use of these funds should be the responsibility of international agencies operating within the framework of the United Nations and under the aegis of the proposed Council for Sustainable Development. This implies either the strengthening of the existing institutions or the creation of specialist institutions:

- One possibility would be to use part of these new global resources for the World Solidarity Fund, as proposed by the UN General Assembly in 2002.
- It appears essential to continue fighting for the establishment of a World Water Fund that would be responsible for developing water access programmes.
- Similarly, the establishment of a global fund or organisation responsible for guaranteeing access for all to communications resources, and especially to telecommunications and data exchange infrastructure, is worth considering. This is surely an essential public good that should be prioritised.

e) The introduction of a global tax, of whatever kind, would symbolise the need to balance global capital and market forces with public policy at the global level. Greater equity, the traditional aim of social democracy, could thus be realised in a new way and help to reduce global inequalities. Such new policies, managed by transparent and democratic international institutions, would signify a world which, far from rejecting globalisation, had risen to the challenge and resolved to benefit from its positive effects by deciding to govern it and place it at the service of all the world's people.

#### 2.2.3.1. A New International Finance Facility

An international finance facility, which will levy the additional resources needed to deliver the Millennium Development Goals is necessary.

#### 2.2.3.2. Potential Global Taxes

a) Several types of taxes could be envisaged:

- A so-called globalisation surtax on the net profits of companies. The introduction of such a tax would not threaten the fiscal sovereignty of states. It would lead to a harmonisation process which could begin in the European Union. It is necessary to avoid the distortions of competition that could hinder the implementation of this tax if its introduction is not coordinated. The surtax, which might be set at a level of 1 or 2 points, would yield a priori a sum equivalent to public development aid.
- A Tobin Tax or taxation on financial market transactions. During the 1980s, the Tobin Tax became a symbol of the desire to reclaim the loss of democratic control to the financial markets. However, a Tobin Tax would imply a reorganisation of the markets. There would still be a distortion of competition as well as a reduction of the tax base. A tax on the speculative movement of capital in financial market transactions would mean the introduction of a viscosity in financial exchange, even if

its feasibility on a global level remained a problem. The volatility of financial markets can lead to crowding out, and the establishment of any such system would require a broad agreement backed up by strong sanctions against states not signing up to this.

- A tax on CO<sub>2</sub>, or a Carbon Added Tax (CAT). Climate change is in itself sufficient proof of the link between CO<sub>2</sub> emissions and the quality of the atmosphere shared by everyone on this planet. The link between a tax on CO<sub>2</sub> and development aid is, however, only an indirect one. Furthermore, it would penalise certain sectors and certain countries more than others. Nonetheless, this proposal, which figured in the Zedillo Report, is in line with the Kyoto Protocol. The best formula, in theory, would be a 'carbon added tax', on the model of VAT, which would have less unfavourable effects than a tax imposed directly on the production of CO<sub>2</sub>. In any case, incentives for the reduction of emission at source would need to be established, such as tax credits linked to investment in energy saving and negotiable rights.
- A tax on armaments. Needless to say, the introduction of such a tax would not encourage enhanced transparency in the sector. There would be the risk of a huge increase in arms trafficking if this tax were imposed on trade. On the other hand, this risk would be much less if the tax were levied on arms production, which tends to be heavily concentrated in certain countries.
- A Solidarity Tax on trade value in goods and services. Easy to collect and based on reliable trade statistics, this tax would only aim at raising funds for global policy purposes, not at fulfilling any regulatory function. It should be set at a low level not to impede on world trade. At 0.5 per cent ad valorem, the tax would have generated 40 billion USD in 2001. With trade growing further in coming years, the tax could be set at an even lower rate and still raise a significant amount of revenue. Poorer countries could benefit from a further reduced tax rate or, if among the poorest, from full tax relief.

b) Having set out these five new ways of raising revenue, it seems clear that the first one to consider seriously is the idea of a surtax, followed by a tax on greenhouse gas emissions and possibly a tax on armaments. The effectiveness of a taxation regime is negatively affected by the volatility of the market on which it is imposed. It is, therefore, important to envisage taxation instruments that are credible and practicable. It is difficult to imagine any progress in this field, especially as far as taxation on financial market transactions is concerned, without powerful international agreements, financial regulation and strong international economic and financial governance, as described at the beginning of this paper. Suitable means would be needed to impose sanctions on countries practising 'moral hazard' or 'free riding'. This explains why the taxation of speculative financial transactions, which is in principle a very attractive idea, is not the best strategy to pursue in the short term if real change rather than mere rhetoric is to be achieved.

### 2.3. Globalisation and Work

Work is essential to ensure human existence. In the historical process of the division of labour in society, work has been shared among families and kin, between men and women, in line with pre-industrial hierarchical rules. Industrialised and post-industrial societies have produced the economic functions of employer and employee. The issue of the division of labour is bound up with the question of remuneration for the work performed.

The arguments over the distribution of work and income that have emerged in societies with a constitutional state are also encountered at the international level in the process of globalisation.

#### 2.3.1. Employment for Development

a) An inclusive and equitable labour market is the filter through which wealth is redistributed and poverty can be tackled at the global level. It is, therefore, crucial to remain focussed on the impact of globalisation on an economy's labour market. In the UN Johannesburg Declaration, governments agreed "to provide assistance to increase income-generating employment opportunities, taking into account the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work".

b) This commitment to decent and qualitative employment, underpinned in rights as a way of fighting poverty, is a new and important priority for development strategies. It offers a way out of the present global economic crisis. It constitutes recognition of the fact that absorbing one billion young men and women into more productive work is the massive challenge faced by state governments, social partners, UN agencies and Bretton Woods institutions over the next ten years.

c) Economic development in the first years of this decade will not provide the job opportunities and economic resources needed to bring about the commitment to employment. A new macroeconomic strategy is needed that is well designed and identifies the growth dividend of the present and future labour force. However, there is a long way to go before labour markets on all levels work so well that they can achieve the requisite growth in productivity and employment, ensuring quality, security and flexibility at work.

d) It is time to

- make full and sustainable employment a central – not residual – macroeconomic aim for the Bretton Woods institutions as well as for state governments;
- make all policies, macro as well as structural, work together towards full and sustainable employment. Employment policy should not be a sector on the margins of economic policy. Labour market policies should contribute to bridging economic and social policies;
- make employment a centrepiece of global development strategies and give strong support to employment in poverty-reduction strategies.

#### 2.3.2. Women and Work

a) The participation of women in the labour market is increasing steadily in almost all the countries of the world, but it still remains inferior to that of men. This does not mean that women work less than men. It simply reflects the fact that women's work is undercounted in statistics as women are over-represented in the informal sector. It also reflects the socio-cultural context that determines what activities are to be considered economic. Housework and care work, the production of goods for household

consumption, community work, such as protecting the environment and assisting vulnerable persons and groups, are completely excluded by the system of National Accounts, but most of them are performed by women and all of them contribute in a fundamental way to the comprehensive well-being and development of society.

b) There are two main factors explaining the increased presence of women in the labour market. Everywhere women are working more outside the home as their income becomes increasingly necessary for households, one fourth of which are headed by women. Having become aware of and demanded their economic and social rights, women are also entering the labour market by choice.

In recent years, women in developing countries have moved on from non-remunerated work and self-consumption agriculture to a monetary economy, mainly in intensive labour industries, low-level services and industrialised agriculture. In developed countries, more and more women are switching from industries to services. In many regions there has been a growth in female entrepreneurship and other self-reliant activities, especially in the informal sector.

c) Although many women have advanced within economic structures by entering and making progress in the workplace and improving their pay and working conditions, barriers imposed by law and tradition still impede women's full economic progress and prevent them from realising their potential. Both in developed and developing countries women are paid less than men for equal work or work of equal value. Female unemployment rates are higher, especially for young women. Segregation in the labour market persists even though a growing number of women are now entering sectors that were traditionally considered to be dominated by males. Climbing the career ladder is always a slow and difficult process for women even in those parts of the world where women have a high level of education and training. Young workers in the informal and rural sector and migrant female workers remain the least protected by labour and migration laws.

All the obstacles women are confronted with in the labour market must be seen in conjunction with the competing demand of housework and carework due to lack of services. This combination – occasionally involving a double and sometimes a triple role – places a disproportionate burden on women's shoulders.

d) Since the Fourth UN World Conference on Women held in Beijing in 1995, at which concerns were expressed on these and other problems affecting women and where a platform for action was adopted by governments, some progress has been made in the field of work and employment. A number of measures have been taken that address women's economic and social rights, equality in employment, equal access to and control over economic resources and women's role in entrepreneurship. Awareness has been spreading of the need to reconcile family and working life. Steps have been taken in a few countries to give consideration to the unremunerated work of women in the form of National Accounts. Action has also been taken to promote equal opportunities in employment for women and men, also by means of positive actions.

e) However, the global context is constantly changing at great speed and new challenges have to be met, given that the gender impact of these changes and their negative consequences have not yet been properly evaluated. The benefits of the growing global economy have been unevenly distributed and this has led to greater – and in some cases extreme – economic disparities. In very many countries the presence of women in the labour market has increased, more women have access to education and training and more women decide to migrate in search of better jobs and economic autonomy. But these potentially positive changes have not always been matched by improvements in wages, training, careers, and safe and decent working conditions. Cuts in social expenditure and privatisation processes, which result in the reduction of already insufficient social services, only help to worsen women's lives.

f) Given the combination of ongoing inequalities and elements of progress that is encountered at present, any rethinking of employment policies must incorporate the gender perspective if the negative gender implications of current patterns of work and employment are to be addressed and advantage taken of the opportunities provided.

To this aim, it is essential to implement the strategic objectives contained in the Beijing Platform of Action and further actions and initiatives incorporated in the Outcome Document approved by the 23rd UN General Assembly special session entitled "Women 2000: gender equality, development and peace for the 21st century". In particular it is of the utmost importance to

- promote women's economic rights and independence, including access to employment, appropriate working conditions and control over economic resources;
- eliminate occupational segregation and all forms of employment discrimination, which includes introducing and implementing equal opportunity laws and positive actions;
- ensure that international labour standards, such as International Labour Organisation Convention No. 100 on equal pay and working rights, apply equally to female and male workers;
- promote and support women's business and enterprises, including those in the informal sector, and to facilitate the transition from the informal to the formal sector, especially in rural areas;
- adjust employment policies to facilitate the restructuring of work patterns so as to promote the sharing of family responsibilities and the reconciliation of family and working life;
- develop tools so that the contribution of the unremunerated work of women be recognised and recorded in the system of National Accounts;
- mainstream a gender perspective in all policies and programmes and use gender-impact analyses in the development of macro and micro-economic and social policies.

g) Achieving equality between women and men as regards their contribution to the economy requires recognition and appreciation of the contribution that the work in all its forms, experience, knowledge and values of women and men have in society.

To seek equality at work without seeking equality in society at large is an illusion.

### 2.3.3. A Global Employment Strategy

a) Over the next ten years, about one billion young people now aged between five and 15 will reach working age. But there is a fundamental divide in their skills and knowledge. A part of them belongs to the best educated generation ever, while others lack educational opportunities. They will be looking for decent work to earn a living for themselves and their families. These young people – the real wealth of the world – constitute an enormous potential for economic growth and prosperity and for the fight against poverty. However, the global economic system is not geared to tapping into any more than a modest share of this potential; working life today offers opportunities to some, but poor jobs and unemployment to a great many. The facts are striking.

- Unemployment is a serious problem in many countries, both developed and developing. Some 160 million people are officially registered unemployed in the world today, almost half of them young people;
- Unproductive work is an even bigger problem in the developing world. There has been a significant drop in the percentage of people living in extreme poverty, i.e. living on less than a dollar a day. But one billion people, mainly women, are still very poor, including 500 million 'working poor', most of them young people;
- In the next ten years, the one billion newcomers will lead to a huge increase in the world labour force. There will be an additional 500 million people, nearly all of them in developing countries;
- More than 150 million young men and women are illiterate, most of them in developing countries, where access to basic education, the precondition for training and employability, is still limited.

b) A global employment strategy for the 21st century must focus on creating jobs that are more viable and sustainable as well as jobs that are more productive.

c) Productivity is the basis for competitiveness and business success. It is the basis for adequate wages, decent work and improved working conditions. It is the way to fight poverty. Improved productivity counteracts risks of inflationary pressure and gives more room for growth-oriented macroeconomic policies. It is a shared interest of employers and workers, governments and global actors. Productivity is created by change, by expanding trade, by new technology, by business and entrepreneurial initiatives. Technology is the most important factor in globalisation, a vital ingredient in the growth of the developing world. Promotion of technological change is a cornerstone of successful development and employment strategies.

d) However, such changes have a profound effect on the labour market and on working conditions. They create winners and losers, including some and excluding others. While competition is necessary in markets for goods and services, they may lead to a race to the bottom in labour markets and to exclusion from working life. That is why the labour market needs both a policy for human resource development and a social floor in the form of labour standards and social protection. In other words, one policy is needed to promote "best practice" and another to prevent "worst practice".

e) Powerful forces of change in the globalisation process must, therefore, be balanced by strong social policies and an active social dialogue. Employment policies must pay more attention to the socially acceptable management of change. Greater emphasis must be placed on the promotion of change for productivity and on the management of change for widely shared prosperity. This entails both flexibility for firms and security for workers, not an either/or policy. To this end, we need a new approach to labour market policies.

### 3. Social Justice

a) The world economy must be made more sustainable – and that includes the social dimension. This requires structural reforms in the present global economic order.

b) Opening up economies and markets has had some positive effects. However, unregulated globalisation has had a high social cost in the past 20 years. World trade in commodities, services and finance has grown rapidly. In addition, inequality within both developed and developing societies has increased. Inequality between poor and rich societies and states is rising steadily and reaching historically unprecedented levels.

c) Whereas Keynesian economic theory emphasised that the state had a democratic responsibility to influence economic development, neo-liberal theories stress the separation of economics and politics with the ultimate goal of keeping the economy beyond democratic control.

d) The world economy must be more social. There are several elements of a global strategy that have to be tackled if the current deadlock brought about by neo-liberal globalisation is to be overcome.

#### 3.1. Global Development Policy

Development policies went out of fashion in the 1980s and 1990s. The debate was dominated by market-based strategies that focused on opening up developing economies to foreign investment and dismantling state structures in production and public infrastructure. The results have been extremely meagre, particularly in African countries where the influence of the Bretton Woods institutions has been strongest. If the world economy is to be made more social, development issues must be taken seriously again.

##### 3.1.1. The Millennium Development Goals

In 2000, the United Nations Millennium Summit agreed on the Millennium Development Goals as an ambitious agenda for reducing poverty and improving lives. For each of the eight goals one or more targets have been set, mostly for 2015, using 1990 as a benchmark:

- 1) Eradicate extreme poverty and hunger

*Target for 2015: Halve the proportion of people living on less than a dollar a day and those suffering from hunger.*

2) Achieve universal primary education

*Target for 2015: Ensure that all boys and girls complete primary school*

3) Promote gender equality and empowerment of women

*Targets for 2005 and 2015: Eliminate gender disparities in primary and secondary education, preferably by 2005, and at all levels by 2015*

4) Reduce child mortality

*Target for 2015: Reduce by two thirds the mortality rate among children under five*

5) Improve maternal health

*Target for 2015: Reduce by three-quarters the ratio of women dying in childbirth*

6) Combat HIV/AIDS, malaria and other diseases

*Target for 2015: Halt and begin to reverse the spread of HIV/AIDS and the incidence of malaria and other major diseases*

7) Ensure environmental sustainability

*Targets:*

*Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources*

*By 2015, reduce by half the proportion of people without access to safe drinking water.*

*By 2020, achieve significant improvement in the lives of at least 100 million slum dwellers*

8) A global partnership for development is needed to implement these seven goals. Its targets are to

- *develop an open trading and financial system that includes a commitment to good governance, development and poverty reduction – nationally and internationally;*
- *address the least developed countries' special needs, including the special needs of landlocked and small island developing states;*
- *deal comprehensively with developing countries' debt problems;*
- *develop decent and productive work for young people;*
- *provide access, in cooperation with pharmaceutical companies, to affordable essential drugs in developing countries;*
- *make available, in cooperation with the private sector, the benefits of new technologies – especially information and communications technologies.*

The Millennium Development Goals are part of the social democratic approach to governance in a global society.

### 3.1.2. The Monterrey Conference on Financing for Development

a) In 2002, the United Nations organised the international conference on Financing for Development (FfD) which took place in Monterrey, Mexico. The conference succeeded in putting issues of development finance back on the international agenda. The most important outcome of the conference were the commitments made by the European Union and the United States to substantially increase their official development assistance (ODA). Although these commitments fall far short of the 0.7 target, they for the first time reversed the trend of the 1990s, which saw continuously falling levels of ODA. This is positive, but it is not enough.

b) Apart from the issue of ODA, the Monterrey conference generated a number of other and potentially more far-reaching outcomes.

Most importantly, the conference marked a shift in the institutional set-up of economic global governance. For the first time, the United Nations was able to break into a territory that had hitherto been seen as an area reserved for the Bretton Woods institutions. The UN and the IFIs should continue along this road by following up the Monterrey process and institutionalising their cooperation. However, in order to make the system of international finance more legitimate and effective, the increased involvement of the UN eventually has to translate into an adjustment of policies. That this will be a thorny and difficult task can be seen from the controversial debates around the official conclusions of the conference, the "Monterrey Consensus". In substance, it deviates very little from the "Washington Consensus" and hence is far from signalling the "Copernican turn" that is necessary.

### 3.1.3. Debt Relief Policy

a) In a very large number of countries, very high and unsustainable levels of internal and external debt persist. They are one, if not the most important, obstacle to development. Matching the unsustainable debt levels are the financial crises that have grave consequences for income and poverty levels in the countries concerned.

b) Against this background it is regrettable that the efforts of the international financial institutions to address the debt problem have fallen far short of expectations. To allow developing countries to escape the debt trap, international institutions must redouble their efforts and consider new approaches. In order to steer very poor countries towards a sustainable level of debt, the work of initiatives such as the debt cancellation programme for Highly Indebted Poor Countries (HIPC) must be continued, monitored and reformed in conjunction with conditions for improving good governance.

c) In addition to existing debt cancellation initiatives, a new debt workout mechanism – also called an international bankruptcy system – should be set up. The establishment of an international bankruptcy system would address a crucial but often neglected problem of international debt – the joint responsibility of the borrower and the lender to ensure that the loans are used for the purpose of development. To a large extent, unsustainable debt levels are a consequence of an improper use of funds, for which both sides – the borrower and the lender – are to blame. A new mechanism of debt workout would facilitate new lending practices and eventually shift attitudes towards a more proper use of loans. In this context, it is important that the debate on debt should not be isolated from the issue of democracy, civil, political and social rights. The more "legitimate" debt is, the greater the likelihood that it will be used for truly developmental purposes.

### 3.1.4. Trade Policy and Social Needs

a) The emerging world economic order has to respect development goals and strategies. This implies more room for manoeuvre for the protection of nascent industries and a flexible and generous application of special treatment arrangements within the WTO system.

b) Regionalisation has to be encouraged and promoted. Regional economic integration, if properly handled, gives rise to favourable development strategies and permits a more just, balanced and efficient integration into the world market, while at the same time avoiding some of the negative effects that characterised the classical national development strategies of import substitution in the 1960s and 1970s, such as the absence of competition, overprotection, narrow markets and technological stagnation. The role that European economic integration played in the 1960s and 1970s in allowing technological innovation and economies of scale, thus making the European economy much more competitive, may be instructive in this respect.

c) Developed countries reduce and ultimately eliminate the protection of key markets. This applies, in particular, to agriculture.

d) Developed countries should gradually reduce the subsidising of key markets. "Free trade" which puts subsidised European or North American farmers in "competition" with peasants in the developing countries is extremely unfair. The average per capita transfer to each US farmer is more than 30,000 dollars - one hundred times the annual income of farmers in many developing countries.

e) A thoroughgoing debate of the future of international trade in agricultural products between the developed and developing countries is needed. The question is how to make agriculture more sustainable and how to reduce the social costs of the international trade in agricultural products, especially in the developing countries, while keeping the social effects of these processes in the developed countries at a reasonable level.

f) The increasing flow of commercial exchanges calls for minimum standards in respect of basic working conditions and workers' rights. These minimum conditions are enshrined in the ILO's Core Labour Conventions. The core labour standards refer to conventions in the areas of freedom of association and the right to collective bargaining, prohibition of forced labour, prohibition of child labour and prohibition of discrimination in hiring and employment practices. Respect for these conventions has to be assured by a system of strong social standards, and by incorporating such conventions in all regimes of global economic integration, including trade and investment agreements.

Such a policy will begin to redress the enormous injustice in the current system of globalisation of prioritising capital and property rights to the detriment of social rights. This policy can and must be implemented in a manner that will assist all states, and especially, the developing states, to achieve more faithful compliance with core labour conventions.

The objective can and must be improved, including more effective compliance with the core labour norms, not the punishment of developing countries. In point of fact, effective compliance with core labour rights does not depend on the level of development. Core labour rights are not quantitative floors that eliminate necessary growth options. To the contrary, they will promote genuine and socially just economic development.

This system can be implemented by:

- voluntary action;
- positive incentives;
- sanctions.

A discussion is needed of how positive incentives can be financed and what the consequences of sanctions might be for poor

countries.

### 3.2. Some Social Principles of a Global Economic System and Global Employment

- a. The future reform of the global economic system should be guided by principles, respect for which appears crucial for a more social economy:
- b) The principle of sustainability, which includes respect for socially viable structures;
- c) The principle of employment. The new global framework, based on the Millennium Development Goals and the conclusions of Doha, Monterrey and Johannesburg, offers new opportunities for ambitious initiatives to strengthen employment in global strategies. One way is to get UN organisations and the Bretton Woods institutions to build alliances for employment. One such alliance – the Youth Employment Network – has already been set up by the UN, the World Bank and the ILO following the initiative of UN Secretary-General. This initiative led to a General Assembly resolution to encourage member states to draw up reviews and action plans on youth employment and to involve youth organisations and young people in the process. This model of *global alliances for employment* should be developed by global organisations. At the regional level, political and economic organisations, including the development banks, should be mobilised to build strong alliances for more and better jobs. At the global as well as the regional and state level, social partners need to play a leading role, focusing social dialogue on the creation of more and better jobs. Generating more productive jobs requires promotion as well as the better management of change. The more the social partners can do together in policy development, the more credible, concrete and successful the global and regional strategies will be;
- d) The principle of the primacy of political decisions and democratic control: markets need control and a framework of institutions and regulations to function properly;
- e) The principle of public goods and public services: the market by itself cannot satisfy all human and social needs;
- f) The principle of the distribution of political tasks and democratic responsibilities: these have to be implemented at local, state, regional and global levels by different democratic institutions;
- g) The principle of competition: concentration of economic power through Trans-national Corporations (TNCs) is a source of monopolistic power and exploitation of consumers and society. Sound competition policies at a global level must be considered and implemented;
- h) The principle of disease prevention: An approach suggesting that everyone is responsible for their own health is not acceptable. Because it would only become available for rich people, who have information and resources sufficient to maintain good health. Only with good information can people take the right decisions. That is not the case for the majority of people in particular not for people in the developing and transitional countries.

The significance and importance of the prevention of the diseases with the highest mortality rates has to be taught to all people in the world. That is a common responsibility of the governments of states and the World Health Organisation (WHO). The WHO needs sufficient resources to be successful in this aim.

- i) In 2002, the ILO set up the World Commission on the Social Dimension of Globalisation. The Commission tries to see globalisation through the eyes of people in their daily lives. Members of the Commission are concerned that the recent upswing of globalisation, notably of capital mobility, has increasingly undermined democratic states. They are more restricted than in earlier times in collecting taxes for the financing of public goods and for social equity. The report of the Commission is due to be published in 2004.

### 3.3. The Social Obligations of Trans-national Corporations

- a) TNCs are the big "winners" of the era of globalisation. Among the 100 leading economies of the world, only 49 are states. 51 are enterprises - the leading TNCs. The 200 leading TNCs today produce more than a quarter of the world's GDP - a share which is constantly rising. At the same time, TNCs are at the core of some of the most urgent problems of the world economy.
- b) Trans-national corporations, prime actors in the global economy, must, in one way or another, be forced to assume their social and environmental responsibilities. In addition to national and international law, "soft" laws and the ILO tripartite declaration on trans-national corporations and social policy, can also be effective if governments, consumers and investors demand that TNCs observe them. Trade offers one of the best ways out of poverty for developing nations, however poor countries are being exploited by injustices in the application of international trade rules, while some multi-national corporations erode workers rights and basic human rights.
- c) Trans-national corporations could be better controlled if international regulations in the field of global competition and consumer rights were introduced.
- d) TNCs are assuming an ever higher degree of control of developing and emerging economies. About 90 per cent of foreign direct investments in developing countries today are mergers and acquisitions - TNCs taking over national enterprises. This process tends to concentrate decision-making power, profits and technological competence in the developed world. One may well ask whether Korean enterprises would have been able to enter the international chips market in the 1980s if they had been local departments of American or European TNCs. At the same time, the high productivity of TNCs is crowding out small and medium-sized enterprises, informal sector producers and small craft industries, thus destroying jobs and business initiatives at the local level. Whereas the world's exports nearly doubled between 1982 and 1999, the value of the sales of TNC affiliates worldwide grew almost sixfold.
- e) TNCs are highly productive economic structures. The discrepancy between their share of world GDP and world employment is striking. ILO sources indicate that while TNCs produce more than a quarter of the world's GDP and control over a third of the world's fixed capital, they, together with their subcontractors and indirect job effects, employ only 5 per cent of the global workforce. The 300 leading TNCs today employ less people than they did at the beginning of the 1980s. At the same time they are at the core of the "taxation gap" in present-day societies. Profits and production have soared in the meantime.
- f) Due to the deregulation policies of the past 20 years, mobile factors like capital are escaping or avoiding taxation, putting the burden

of state finances almost exclusively on immobile factors - consumption and labour. Joint international efforts are needed to reverse this trend.

## CHAPTER II. HUMAN RIGHTS

### 0. Guaranteeing Human Rights - a Permanent Challenge

a) Nowadays human rights form part of the foundations of the international legal order. Given that international law is made by states primarily to regulate their mutual relations, this is a remarkable development. The 1948 Universal Declaration of Human Rights lent enormous momentum to the international legal protection of such rights. A system of norms evolved which helped many people all over the world to defend themselves against inhumane treatment by states and to demand protection when human rights violations were perpetrated by others. On the other hand, the current massive violations of human rights understandably place a question mark against what has really been achieved. Working to put into practice the lofty principles articulated in the Universal Declaration of Human Rights therefore remains a permanent task for states and civil society.

b) The human rights of women throughout their lives are an inalienable, integral and indivisible part of universal human rights. Their promotion and protection must be a priority for all, since they are essential for the advancement of women. Action should be taken to design and implement policies to promote and protect women's enjoyment of all human rights and to create an environment that does not tolerate violations of the rights of women and girls.

c) The list of international legal agreements on human rights is long and has been supplemented by various regional human rights agreements. The large number of human rights agreements indicates that the emphasis in future ought to be placed on their implementation. Since the end of bloc confrontation, sovereign states have shown themselves increasingly willing to submit to international obligations in the field of human rights. That said, there are states that have remained on the sidelines or have expressed reservations in regard to particular provisions - reservations which, for them, preclude the legal enforcement of these contractual stipulations.

d) The world community should put greater emphasis on ensuring that all states ratify the core body of human rights agreements. Efforts must be made to guarantee that these agreements become the common human rights standard. States have an obligation to support each other in ensuring observance of this standard. In particular, this requires that help be given to developing countries. In addition, measures must be taken to overcome reservations about the agreements, thus paving the way for an equal minimum legal standard everywhere. This will underline the universal nature of human rights.

e) Respect for human rights also has more general implications for international law. This law is based on the sovereignty of the states, but consideration must also be given to the sovereignty of individuals, which is violated by state terrorism. In such instances there is a case for intervention on humanitarian grounds within a multilateral framework. International law and the behaviour of the UN institutions should be changed in the light of this new approach.

f) The role of human rights is to empower individuals and communities. Protecting these rights must be considered a contribution to preventing the conflicts resulting from poverty, discrimination and exclusion - social, economic and political - that continue to plague humanity and destroy decades of development efforts. The vicious circle of human rights violations that provoke conflicts, leading in turn to more violations, must be broken. The 1993 World Conference on Human Rights and the 1995 World Summit for Social Development highlighted the importance of an integrated approach to social advancement. Lasting progress depends on respect for human rights and the effective participation of citizens in public affairs. Nevertheless, democracy and human rights will prove elusive without social justice and sustainable development. Poverty deprives millions of their fundamental rights. Societies, in turn, are deprived of these people's contributions. Achieving sustainable progress requires recognising the interdependence between respect for human rights, sustainable development and democracy.

g) Only a few blank patches are left on the map documenting the international legal protection of the individual, but there are still many shortcomings in the implementation of the existing agreements. These must be remedied primarily by a more intensive and better targeted use of the many committees charged with implementing the individual human rights agreements. This naturally requires better material and financial backing for the work of these committees. There is no question that this kind of investment pays off. Practice shows that grave or massive human rights violations engender huge costs, because they generally trigger refugee movements and necessitate humanitarian aid. Collaboration on human rights in a spirit of cooperation presupposes a willingness on the part of all states to be self-critical and to establish adequate legal means to combat human rights violations on their territories. Individual states then have the right to criticize others if they fail to comply with their human rights obligations. Of course, diplomatic considerations and economic interests often stand in the way of this kind of critical and supportive cooperation among states. It is, therefore, crucial that human rights should not be left to states alone to deal with. Ensuring such rights is also - or perhaps primarily - a task for civil society.

### 1. Human Security as a Challenge for Governance

a) Traditional security concerns, such as military balance, a ban on the proliferation of weapons of mass destruction and stable normative frameworks for state action are far from being outdated. For the vast majority of people around the world, however, security is not a question of inter-state relations or the assertion of the state's interests. It tends to have a more individual character instead. Most people see security as being protection from harm, either from violent human beings or non-personal phenomena like famine or drought, as a healthy environment, as political and social participation and as a perspective for personal development. All of these values are jeopardized in areas where economic development and political order are in disarray - where the resource base is insufficient for human survival.

b) To meet these challenges, an all-encompassing idea of human security emerged in the middle of the 1990s as an alternative to traditional security policy concepts and as a model for a people-centred policy approach. The UNDP Human Development Report of 1994 introduced the concept of human security as a fusion of policy concerns related to trans-national and domestic security, political and economic development and the environment. A closer look needs to be taken at the aspect of violence against individuals. The fight against such violence is the foundation of human security.

### 1.1. The Growing Feeling of Insecurity

a) There are different aspects of the growing feeling of insecurity that ever more people live with. Different parts of the world witness violent crime, organised criminality, terrorism, human trafficking and drug trafficking. Violence is concentrated in the rapidly growing urban areas of the world and affects women worst.

b) In many developing countries the very essence of statehood – the monopoly of the exercise of legal physical force – is disappearing. More and more people in the world, especially the poor, are living in social environments where physical integrity and the defence of property are less and less secure and where laws and regulations are confused and ignored. People react to this in social and political terms by organising self-help. They also vote massively for the political forces that promise to take the problem seriously and to put an end to the increase in crime and insecurity.

c) Regrettably, the feeling of insecurity in Europe and North America is sometimes linked with migration. One reason for this link is the insufficient integration of migrants, particularly in the surroundings of major cities. The SI stresses the importance of a much more efficient integration policy whose implementation will pave the way for a migration policy in the interests of economic growth and balanced demographic development.

d) Corruption is one of the most important global problems, which finds expression, among other things, in trans-border criminality.

e) For quite some time socialist and social democratic political forces underestimated the importance of the issue or at least its psychological dimension. They are paying a high political price for this today. They must be prepared to pay fresh and closer attention to the issue of human security in the future. Many of the elements that have led to an increase in levels of violence and insecurity in many parts of the world are not about to disappear. They are closely linked to some of the central processes of the globalised world:

- high unemployment, slow growth rates, increasing inequality, rapid urbanisation and migration tend to have negative effects on crime levels;
- illegal economic activities like drugs and arms dealing, trafficking in human beings and money laundering (often with connections to terrorism) constitute an important business with an increasing share of the world economy;
- the implosion of weak and failed states in many parts of the world gives way to the anarchistic enforcement of the rule of the strongest based on arbitrary exercise of physical violence.

### 1.2. Failed States and Non-State Violence

a) Wherever failing or failed states have lost the capacity to exercise a legal monopoly of force private actors tend to impose their own law. Threats to the security of people in these parts of the world do not stem from classical war or armed conflict, but from the spread of a multitude of private actors, who use force to impose their will.

b) In many cases, these warlords impose their own rule of force on shifting "areas of authority", thus inflicting high levels of anarchistic violence on the civilian population. These local rulers base their violent pursuit of power and profit on the natural resources of the territories they hold and on the criminal structures that prevail in areas where state authority has vanished. Drugs and diamonds are the economic foundation for the protracted conflicts between warlords in Asia and Africa. The illegal trade in small arms and light weapons not only provides funding for the commanders and their armies who are engaged in such civil wars, but also feeds the conflicts themselves, since the availability of small arms makes violence more likely. Added to this is the personal threat posed by the vast numbers of landmines that are still distributed in areas of conflict. An adequate policy needs to address a system of responsibility ranging from the community of states, which does not help to stem the spread of small arms or conflict diamonds, to companies that do not stop doing business when their partners in profit are criminals, and to the individual level, where mostly men are driven into violence by anachronistic rules of masculinity and honour.

c) This holds true for Colombia, where narco-guerrilleros and right-wing paramilitaries contribute equally to an ever-increasing spiral of violence, as well for Liberia, Sierra Leone, Congo. The anarchic blend of crime and internal strife in parts of Western Africa may be the future trend for many more "marginal" areas of the world. These processes are closely linked to the breakdown of states in many parts of the world. Once the legal monopoly of armed force, long claimed by the state, is wrested from its hands, existing distinctions between war, terrorism and crime will become blurred.

d) Even though crime rates in industrial societies - at least in the countries of Western Europe and North America - tended to stagnate in the 1990s, the global figures are still frightening. According to the UN Global Report on Crime and Justice, the "chances globally to be victimised by serious contact crimes like robbery, sexual crimes or assault are one in five". The situation for the inhabitants of the great urban agglomerations is far more critical. Two out of three inhabitants of big cities anywhere in the world are victimised by crime at least once over a five-year period. The most critical situation today is in Latin America and Africa.

e) In many of the slum areas of Africa's crime-ridden cities, the state has long since disappeared and with it the basic "public goods" that states are supposed to deliver: electricity, water, infrastructure, schools and public order. In many cases, in fact, the "forces of order" are part of the insecurity problem. Corrupt police officials are regularly involved in all types of violent crime.

f) Poor people tend to become the main victims of this type of state failure. All over the world, crime rates are higher where large numbers of people are economically deprived. Well-off people can pay for their security, which again becomes a private service supplied by private agents. For many people in the urban centres of the developing countries today living in peace, or even surviving, depends on their ability to pay.

g) Part of the growing crime problem is related to drug consumption, one of the most lucrative global businesses. The market has expanded rapidly over the past decade following the breakdown of the Soviet Union and its satellites and the "opening up" of new markets in countries that traditionally served as transit countries, the extended production of heroin and cocaine and the introduction of new pharmaceutical drugs. Drug-related crimes have increased disproportionately in the past 20 years.

### 1.3. Consequences of 11 September

- a) The events of Tuesday, 11 September 2001 provided a reminder of the urgent need to return to the shared basic values of all our civilisations and to rethink social models.
- b) In many situations irrationality is triumphing over the values of enlightenment. Racism, xenophobia, chauvinism and religious fundamentalism, in the form of violent ideologies, are major threats for peace and democracy.
- c) Terms such as 'extremism', 'fundamentalism' and 'fanaticism' have been abused for too long. Now the time has come to focus on the distinctions and nuances within these concepts. The blame cannot be laid on any religion as a whole – too many elements of both the past and the feverish present, the transcendent and the immanent, the secular and the irrational are coming together in the call for battle between 'good and evil' and for a 'holy war'.
- d) World opinion and the major powers are neglecting terrorist violence in states of the Middle East. In Algeria, for example, some 120,000 people have been killed in violent conflicts with terrorists.
- e) There are no excuses for terrorism. It must be clearly and resolutely condemned. It is true that social cohesion promotes stability and peace, but terrorism cannot be justified by poverty or regional or religious conflicts. The instruments to fight against terrorism should be improved in a multilateral framework.
- f) But there is a danger that the concept of terrorist threat is misused by totalitarian or authoritarian regimes as an instrument to oppress non-terrorist opposition movements including democratic ones. It can also be abused to violate human rights.
- g) While the conflict between the state of Israel and the Palestinians is used by terrorists to explain their actions, it does not justify them. The resolution of the conflict will make the prevention of terrorist activities a more viable prospect. The road map drawn up by the United Nations, the USA, the EU and Russia is a suitable means to this end. The state of Israel and the state of the Palestinians have the right to guarantee sovereignty and borders and the security of their inhabitants.
- h) If terrorism merely inspires to display military might, the future looks very bleak. Military force alone will not bring peace or reduce the risk of a new and even more devastating terrorist attack. Today's states are too vulnerable to be protected by the traditional remedies of surveillance, fortification or emergency planning. All countries should work with the international community to meet the challenges posed by international terrorism. We must ensure that military actions take place within the UN Framework and in accordance with international law.
- i) This is not a plea for inaction. In the long term, global security depends on a new commitment to stand beside the peoples of this world, especially the most abused, and on extending the concept of human rights to each and every one of them. It must not be forgotten that justice and social cohesion are factors of peace and stability on the local, state and global level. They make it more difficult for terrorist organisations to find revolted and desperate recruits. That will also be the case if double political and moral standards in modern states of Europe, North America and Australia are overcome.
- j) So much of what has been said only subscribes to a dangerous logic of war. It would be tragic if combating terrorism were to become a 'crusade' against Islam, for example. Identifying the terrorist threat with one region, one religion or one civilisation is a trap that people should not fall into. What is required in the present context is a return to shared human values as the basis for action founded in solidarity.
- k) To wage war in response to terror might be politically legitimate, under certain conditions. This is not a war consisting of armed conflict between identifiable, if not yet identified, enemies or a conflict to which humanitarian norms can be applied. Terror cannot be used to combat terrorism. It would be disastrous if, in the name of humanitarian values, we were to resort to the weapons of the enemy. To trigger the spiral of hatred, to call for a so-called crusade for 'goodness', is to go against democratic values. Democracies pride themselves on not practising the law of the jungle and on opposing hatred with justice. Maximum security will never suffice. It is **also** important to search for the roots of evil, and this evil is very complex.
- l) There are so many illusions from which we must free ourselves if we are to restore the idea of politics in an uncertain world as quickly as possible. However great the combat which lies ahead, the strength of democracies rests, above all, in their capacity for reflection and self-criticism.
- m) It is possible to transform the risk of another escalation of terror into an opportunity for peace. One immediate priority is to redouble our efforts to find political solutions to those conflicts that too often serve as pretexts for barbarity. Human rights, respect for human life and the rule of law are not Western values, but universal values.

#### 1.4. Responsibility of Good Global Governance

Evidently there is no simple answer to these types of threat, since the phenomena that produce insecurity and victimisation vary widely. Hence it is all the more reasonable to look for a more complex, but nevertheless coherent, set of instruments relating to crime prevention and the build-up of social, economic and political structures, including food security and working health and education systems – in short, instruments that can be inspired by the human security approach. They must engage all levels of society from the government via central and local administration down to the police force and neighbourhood initiatives. The participation of citizens committed to the various areas of human security is not only desirable, but needed.

##### 1.4.1. Fostering Structural Stability

In view of the deep crisis facing several developing countries the European Commission and the OECD came up with the concept of "structural stability", which defines an area of action for national and international efforts to stop the disintegration of nation-states, especially in Africa. In several respects this concept goes beyond the neo-liberal logic of the "Washington consensus" – long considered sacrosanct – which imposed structural adjustment programmes on these states. This involved heavy reductions in public spending that quite often also affected police and security forces. The concept embraces "the mutually reinforcing objectives of social peace, respect for the rule of law and human rights, social and economic development, supported by dynamic and representative political institutions capable of managing change and resolving disputes without resorting to violent conflict". The reconstruction of

statehood thus becomes one of the central aspects of a policy aiming at reducing the high levels of violence, be they of the "ordinary crime" or the "warlord" type. This "regaining" of something like a legitimate monopoly of force is a process that cannot be implemented by repressive means or law enforcement only. Essentially, it implies a minimum of *input legitimisation*, i.e. participation and democracy, and of *output legitimisation*, i.e. the deliverance of basic public goods, which legitimates the state in the eyes of its citizens.

#### 1.4.2. Prevention as the Central Element

a) When it comes to crime, the first thing that can be done is to take the problem seriously. It is doubtful whether this is already the case. Although governments are responding to trans-national criminal organisations and trans-national criminal activities, they are doing too little too late. Money laundering – a cornerstone of international criminal activities – might be cited as such a case. Many of the so-called "offshore financial centres" still operate out of OECD-controlled territories. Hitherto, the international community has also been unwilling to introduce anything resembling a global policy towards one of the most dynamic sectors of trans-national criminal activities: human trafficking, an illegal business whose annual profits are put at around five billion dollars and which, according to Interpol, has developed globally into "the third largest source of profits for organised crime", just behind illicit drugs and arms trafficking.

b) But the really important aspect with the most direct impact on the quality of life of millions, if not billions, of people is the fight against violent crime at the local level. Evidently, this is linked in several respects to more global phenomena. But still, many of the possible counter-measures have to be applied at state or local levels. Here, crime prevention emerges as one of the most important instruments, which must be reinforced and strengthened.

c) According to the UN Report on Crime and Justice a series of measures constituting an integrated plan of crime prevention is necessary, running from the local to the international level:

- Support for more effective national crime prevention structures which promote comprehensive collaboration between all the public and private agencies involved;
- Provision of financial and technical support for local authorities so that they can form and promote multi-disciplinary coalitions and partnerships;
- Rigorous implementation of prevention using the experience gained in projects that have proved effective in reducing crime; long-term action that is responsive to short-term needs; and sustainable measures that take advantage of scientific knowledge in a systematic manner;
- Cooperation with the policing and justice agencies for prevention, and the introduction of guidelines and laws making it clear that the goal of policing and justice is the safety and security of persons and property, which is to be achieved, in particular, through collaboration with citizens, local authorities and social agencies capable of tackling the causes of crime;
- Reallocation of resources to meet socio-economic and urban needs, particularly the needs of vulnerable groups, such as children, women and minorities, with priority being given to the prevention of violence and neglect in early childhood;
- Encouragement of individual citizens to participate in comprehensive crime prevention and to understand the importance to community development of implementing effective ways of making communities safer from crime;
- Promotion of global cooperation to limit access to facilitators of violence, such as firearms, trafficking of illicit drugs and media programmes that encourage violence and the sexual abuse of women and children;
- Concentration on the economic sources of non-state violence, such as the trade in drugs and small arms, as well as on the sometimes legal but hazardous trade in jewels and other natural resources, such as crude oil;
- Fight against corruption to win loyal partners in the fight against personal violence on all administrative levels;
- Monitoring of the cultural and societal phenomena that increase the propensity to engage in violence, such as gun culture, codes of honour and a violence-related understanding of masculinity;
- Focus on gender equality and the protection of women from personal violence in the spirit of the 1995 Beijing Platform for Action of the UNDP.

Application of these measures requires money and the appropriate political will.

d) One reason why these developments have proceeded unchecked is the low priority they have for decision-makers in the Northern hemisphere. The combined difficulty of raising money and spending it wisely has prompted many security experts to fight personal violence on the lowest level of individual security. The gap between rhetoric and action has meant that citizens must continue to put up with unacceptable levels of personal violence. Given the worldwide trend towards public spending cuts, the growing inability to tax capital and profits in the context of a globalised economy and the severe crisis of resources that many municipalities and cities in the world are facing, it is difficult for progress to be made in the prevention of personal violence.

## 2. Cultural Identity

a) The globalisation of societies is a process that is taking place in a world with cultural differences. These differences must be recognised. Cultural identity is a human right. The nascent world without borders, but with cultural differentiation, is confronted by cultural conflicts and migration. Both have altered the cultural and social landscape of the world. Towns, regions and states, which were once quite homogeneous social and cultural entities, have witnessed the arrival of people with different cultural characteristics. At the same time, cultural factors - the intrusion of the mass media, international influence and the projection of Western mass culture into the rest of the world - have had an influence on individual and collective identities. This trend has been deepened and has

resulted in the weakening of formerly relevant concepts, such as an insistence on the social and economic identities of social classes. Many of the mechanisms of acculturation and socialisation have been diluted.

b) New references for collective and individual identity are emerging, which have both cultural and economic elements. This growing importance of cultural "identifiers" in people's lives has political consequences, leading to an increasing degree of regionalism, inter-ethnic and religious differences and separatism.

c) What we are witnessing today is the evolution of patchwork societies, in which common "national" identities lose their significance and a growing variety of cultural and social groups coexist. This coexistence is not always peaceful. Only a few of the major armed conflicts since 1990 have not been internal conflicts. In addition to the major armed conflicts there is a multitude of daily confrontations between different ethnic and cultural groups in many parts of the world.

d) How identity conflicts are expressed within societies is tied up with economic factors. Almost 50 per cent of the countries below the average level of the UNDP Human Development Index witnessed armed conflict in the years between 1988 and 1998, but that applied to only 15 per cent of the countries above the average level. The slowing down of growth in many developing countries in the era of globalisation could signify that many of them may have to face a growing number of conflicts inside their borders in future – in addition to the high levels of violent crime already to be found in their mega-cities.

e) The global community of states has to accept that all societies can be multicultural. No state can impose only one particular culture, language or faith on its population.

## 2.1. Inter-cultural Conflicts

a) Unfortunately, there are already many signs that cultural and identity conflicts between and within states will continue, since the underlying causes will also prevail in the future. Ongoing urbanisation combined with domestic and international migration will steadily increase the ethnic and cultural heterogeneity of the world's societies. Western economic, political and cultural influence will continue to exercise a considerable impact inside almost all the countries of the world, thus triggering identity and value conflicts within parts of these societies.

b) For this reason, too, there is a need to alter the unequal distribution of economic wealth in the future. Up to now, the globalisation of recent decades has had the reverse effect in that it has concentrated even more of the world's wealth and technological know-how in the rich countries. In this world of growing inequality, precarious economic, social and ecological conditions and the uneasy coexistence of people who never before had to live together and who share neither language nor religion or culture, conflicts will abound. This is not to say that ethnical and cultural diversity in itself is a factor that provokes conflict. Rather, these conflicts occur where state authority and legitimacy have crumbled and where basic resources are scarce. In these conflicts, traditional divisions that may have been latent or largely forgotten for many years are resurrected and brought into play as a means of focusing present-day discontent.

### 2.1.1. Cultural Conflicts Around the World

a) Many conflicts afflicting the world in recent years were at least partly religious conflicts: the Balkans, particularly Kosovo, East Timor, Kashmir, Chechnya, not to forget the endemic conflicts in the Middle East, Northern Ireland, Afghanistan, Nagorno Karabakh and Tibet. These conflicts represent a search, particularly within religious doctrine, for identity and refuge when faced with the modernising impulse of globalisation and the push for the cultural homogenisation of all societies around the world. Account should be taken of the political and social identity crises brought about by conflicting liberal and socialist ideologies, which has favoured the re-emergence of religious and ethnic identity everywhere. However, it should be borne in mind that nearly all conflicts both within national borders and between states have their origin in a political struggle for economic interests.

b) But, whatever the economic and social causes of this new offensive on the part of religions, it should not be forgotten that religions such as Hinduism, Buddhism, Judaism, Christianity, Islam with their millennia of experience have intellectual structures at their disposal that are capable of offering every individual a whole philosophy of life.

c) Due largely to demographic changes these religions have undergone considerable geographic shifts over the past few centuries. Christianity has gained a strong foothold in countries with a high birth rate, such as in Latin America and Africa; Islam is less and less an exclusively Arab religion; Christian evangelism has become increasingly aggressive in Latin America, while new, Buddhist-influenced religions and sects continue to make headway in the West; and the influence of other religions is not necessarily dependent merely on the number of believers.

d) The world's peoples have a need for a spiritual life. It embodies the search for meaning, for the meaning of life. In their peaceful, non-fanatical form religions are able to respond to this need. But at their heart, of course, lies the appeal of the values of honour, justice and solidarity. These values oppose corruption in our societies, injustice, scandalous inequality and immorality. They demand a return to values. The demands arising from these values are primarily of a social and political nature.

e) Various breeds of fundamentalism, both conservative and revolutionary, have already blossomed around the world: Islamism, Hindu extremism, charismatic Catholicism, Pentecostal Christian evangelism, and ultra-orthodox Judaism in Israel.

f) In many countries this return to fundamentalism – supposedly to the origins of the religion concerned – is accompanied by political militancy. Virtually all parts of the world have seen the return of a religious dogmatism, which in turn nourishes an equally fanatical opposition. Alarmed by globalisation, which they perceive as a threat, many people are tempted to take refuge in religious discourse. But Islam, like Christianity and Buddhism, has also experienced radically reformist currents almost without interruption.

g) In Islamic countries there has been no acceptance either of modern European or North American style democracy because there is a feeling that double political and moral standards are prevailing in those states and societies. During the time of the Cold War, Marxist secular ideologies prevailed in Islamic countries as an alternative to capitalistic colonialism. But these ideologies have never really become established there. This failure paved the way to a proliferation of religious alternatives and, in some cases, breeding

grounds for all kinds of fundamentalists.

### 2.1.2. Cultural Differences and Democracy

a) Although the world is becoming more and more homogenised, cultural differences will continue to exist for a long time. The very communications technology that has made the global village possible has paradoxically stimulated an increased awareness of cultural difference. Not only do modern political and economic institutions coexist with religions and other elements of traditional culture; the latter often also prove necessary for the effective functioning of the former. So it is understandable that societies should cling to their distinct cultural characteristics and that they can contribute to the resolution of social problems.

b) The human right to cultural identity and global democracy are interdependent. Democracy respects diversity and gives it political rights; in doing so it assumes the reciprocity of this respect.

Every society and every state that heeds cultural diversity can only be based on human rights and plurality, which are the foundations of democracy.

Different cultures have different types of democracy, but they adhere to the same principles.

There is no globally valid pattern of democracy, since this would be inconsistent with cultural diversity. No culture is incapable of democracy, as Europe demonstrated in overcoming fascism and communism; the same principle applies to Islamic states.

### 2.1.3. Globalisation, Global Policy and the Clash of Civilisations

a) In the post-Cold War world, the world of globalisation, not only ideological, political and economic, but also cultural factors are dividing people. Peoples and nations are struggling to respond to the most fundamental of all the questions facing humankind: who are we? And they respond in the most traditional manner possible, by reference to what matters most to them. They define themselves in terms of heredity, religion, language, history, values, customs, institutions. They identify themselves in cultural terms with tribes, ethnic groups, religious communities, nations and, at the broadest level, civilisations. They make use of politics not just to further their own interests, but to define their own identity.

b) For the first time in history politics is truly both multi-polar and multi-civilisational. But this is not leading to one universal civilisation. The concept of global Westernisation is neither acceptable nor desirable.

## 2.2. Migration

a) Trans-border and domestic migration has reached a historically unique level, forming a specific pattern of globalisation with its growing mobility of human beings, money and goods.

b) Among the many reasons for emigration, those of a demographic and economic character are certainly the most compelling. According to recent United Nations statistics, the population of the world is now well in excess of six billion people; of these, about 60 per cent live in Asia, mainly in China and the Indian sub-continent, 5 per cent in the Middle East, 2.5 per cent in southern Africa, 10 per cent in sub-Saharan Africa, and 8.5 per cent in Latin America. The population of North America is 318 million, that of the European Union 377 million, and of the rest of Europe 366 million. These figures show a clear imbalance between the populations living in the rich areas of the planet and those in the poor areas. Altogether more than five billion people out of a total of over six billion live in developing countries. In a nutshell, six people out of seven live in conditions that disadvantage them to some extent. Income disparity throughout the world is enormous, too. From 1960 to the mid-1990s, the ratio of the income of the poorest 20 per cent to that of the richest 20 per cent jumped from 1:30 to 1:60. Within individual countries the distribution picture mirrors this situation almost exactly.

c) In addition to these factors, there is serious ecological degradation in some parts of the world. In general, the environmental situation in the countries of the South seems to have become much worse than in the countries of the North. The most obvious problem is the loss of soil that is suitable for agriculture. There are many reasons for this phenomenon. A few examples are: the encroachment of deserts caused by changes in climate and human activity; progressive salination due to the intense evaporation which results from the irrigation of tropical soil; erosion caused by poor land management; uncontrolled urbanisation; the disposal of highly toxic waste originating from the industries of Northern countries; and the use of toxic pesticides. This problem should not be underestimated in connection with migration, since in recent studies a new "category" of emigrants has been identified: environmental or ecological refugees.

d) In this situation, whose momentum must inevitably lead to continual population movements, there are particularly serious emergencies, such as famine, war and political oppression.

e) Western agriculture is reckoned to be 17 times more productive than that of the South. The lack of technology and irrigation, the impoverishment of the population in the wake of epidemics, such as AIDS, and war, and a reduction of foreign aid (help for agriculture has dropped 40 per cent over the past 10 years according to the Italian organisation, Caritas) are triggering a tragic crisis in Africa, for instance. This encourages emigration, in the first instance from the countryside to the town. The growth of mega-cities in non-industrialised countries is mainly due to these factors. From the towns of the South the immigrants from the countryside enter the network of global migration.

f) The number of people at risk of famine is put at 820 million, but malnutrition is a risk over a much wider area affecting billions of people. Children especially die of famine, direct starvation or the starvation of their mothers.

g) Flows of refugees brought about by war or politics constitute another emergency. The United Nations High Commission for Refugees reports that it is having to deal with nearly 20 million people. Although the figure is not large in itself on a world scale, we are talking about people who have nothing, and the tens of thousands of Afghans, Angolans, Congolese etc. make up a particularly

destabilising link in the migration chain.

h) In addition to these "push factors" consideration has to be given to the "pull factors", in particular the rewards in the developed nations compared with those in the developing nations. In various Northern countries the pay for domestic work, for example, can be anything up to 10 times higher than the salary of a diplomat or graduate in many developing countries. Another "pull" factor is the demand for labour on the part of some developed countries, which is caused by the constant drop in the numbers of people of working age. We are talking here about labour that is low-cost, highly flexible and vulnerable to blackmail. Moreover, a strong fascination is generated by the dissemination through the mass media of a picture of well-being in Western countries; by contacts with tourists; and by activities staged in the South by the embassies and cultural centres of developed countries in order to enhance their own image.

i) One final consideration is particularly relevant today, but it relates to a phenomenon that has been present throughout history. Migration, a collective happening by definition, is today also widespread in a "molecular" form. The fact that it increasingly concerns young people, who for the most part settle down in the country of arrival and become citizens, leads one to think that today, even more than in the past, migration is an inescapable element of the spiritual and intellectual dynamism of humanity.

### 2.2.1. Trans-Border and Domestic Migration

a) Over the past 30 years, some 35 million people have moved, often "illegally", from developing to industrialised countries. Some countries are more open than others: in Australia, for example, the percentage of foreign residents is over 20 per cent, in Canada over 16 per cent and in the USA over 8 per cent, while in Europe it is less than 4 per cent.

b) Right through the 1960s, 80 per cent of migration took place between industrialised countries. Towards the end of the 1980s, that percentage was stood on its head with 80 per cent of immigrants coming from developing countries. Industrialised countries responded to this change by making their immigration policies increasingly restrictive.

c) The year 1973 was a watershed in the migration process, which was due in part to the petroleum crisis. There was a move away from migration caused mainly by "pull factors", to migration mostly precipitated by "push factors". These, together with the demographic, economic, social and political conditions in both the countries of origin and the countries of destination, gave rise to migration flows.

d) More and more countries are receiving immigrants and more and more countries are sending them. This trend will increase in the future.

e) The ongoing industrialisation processes in some developing countries will not slow down international migration, but will accelerate it. Historically, industrialisation has been accompanied by an increase in out-migration, as more people tend to be uprooted from rural environments and acquire access to money, contacts and basic professional experience.

f) This analysis is corroborated by the economic "success stories" of the past decade, such as China or Mexico. Notwithstanding high growth rates, rapid integration into international and regional trade and the rise to OECD membership status, the average annual number of Mexican emigrants to the USA in the late 1990s was about 10 times higher than it used to be in the 1960s and double what it was in the 1970s.

g) Given these trends and the increasing income gap between the rich and the poor countries of the world, the peak in emigration from developing countries is far from over. Indeed, things may even only be starting to get serious. Almost all of the processes that provoke and facilitate emigration – economic, social, political, cultural and technological – are accelerating as globalisation unfolds.

### 2.2.2. Domestic Migration: Urbanisation

Trans-border emigration is only one dimension of migration. A similar but much broader process is taking shape within the frontiers of states. An exodus from the countryside is crowding an ever growing part of the world's population into urban areas. Every year between 20 and 30 million of the world's poorest people migrate to the towns and cities. Whereas in 1960 only one third of the world population lived in urban areas, that figure rose to 47 per cent in 1999. This trend is particularly marked in the developing countries, where the percentage people living in cities has almost doubled since 1960. Towns and cities have become the engines of change in all regions. Their rapid growth presents opportunities for future development, but also serious challenges. Urban population growth has outpaced the development of employment, housing, services and the rest of the social and physical infrastructure.

### 2.2.3. Migration of Women

a) More and more women are involved in internal, regional and international migration to find jobs, reunite families and find refuge from natural and ecological disasters, wars, political oppression, gender-related discrimination and the violation of their human rights. Some women are forced by traffickers to migrate.

b) Statistics on international migration by gender are scarce, but it appears that in the past 10 years there has been a strong trend towards the feminisation of migration. Women and men are now reckoned to be equally represented among the 130 million international migrants.

c) The trend towards feminisation concerns all elements of migration flows. In the past, the element involved under family reunification schemes predominated in female migration, but in recent years there has been an increase in employment-related migration, refugees and asylum seekers.

d) All these elements of female migration have a specific vulnerability that is linked to gender in common.

e) Migration for the purposes of family reunification continues to be the main reason for female migration. A tendency, therefore, persists in laws and policies to assume that female migrants are all dependants joining other migrants. This can become a very vulnerable position if women are not given permits of their own. They are dependent on the status of their husbands for the right to reside and work; divorce can mean them losing the right to stay in the country so they often suffer abuse and violence; most of them live in an isolated environment where the traditional role is kept alive, thus reinforcing the conservative family role.

f) The SI, therefore, demands that migrant women who want or have to be separated or divorced from their husbands **get** an independent immigrant status and can be secure in the host country.

g) Trafficking: alongside some "typically female" occupations, immigrant women are involved in the "sex trade" ranging from different kinds of services to prostitution in a condition defined as "abject slavery". This new form of slavery is on the increase all over the world and shows that globalisation is accompanied by an increasing incidence of trans-national crime. It is estimated that four million women and children from developing and transition countries are bought and sold into forced marriages, domestic servitude and sexual exploitation. On the global scale, most victims of trafficking are women and children, making this an age and gender-specific crime that must be fought at both ends of the chain.

h) International cooperation measures need to be set up to counter and prevent such exploitation, as was requested by 14 women foreign ministers who, in October 2000, wrote to the UN Secretary-General urging an international commitment to stop trafficking and the taking of appropriate measures. It is essential that global warning systems be developed to monitor possible flows of refugees and migrants so that trafficking can be halted at source. Destination countries should grant victims temporary permission to remain for the period of the judicial proceedings, irrespective of their willingness to testify.

i) The number of asylum seekers has risen and the problem of international refugees has grown as a result of ethnic and social disintegration in a growing number of countries. The numbers of women and men in these flows are the same on average, although in countries where special attention has been paid in legislation to gender-specific persecution the proportion of women tends to be more significant.

j) Refugee women are disproportionately affected by physical and sexual violence and abuse and are traumatised because of cruel torture or systematic rape. Rape has been a weapon of war since antiquity, but for the first time in history the UN War Crimes Tribunal in the Hague held a trial in 2000 dealing with war rape, which it called a crime against humanity.

#### 2.2.4. Work and Migration

a) Of the 130 million trans-border migrants at least 40 million were economically active in the countries of which they were not citizens. As has been the case throughout history, economic reasons are the crucial factor in today's migration processes. The income gaps between the poor and rich parts of the world are widening steadily. This process is related to ongoing globalisation. UNDP figures show that the share of global income of the richest 20 per cent of the world's population rose from 70 to 85 per cent, while that of the poorest 20 per cent declined from 2.3 to 1.4 per cent between 1960 and 1991.

b) This division between the haves and have-nots relates to differences in per capita income and levels of remuneration enjoyed by working people not only in the developed countries, but also in the "second generation" industrialised countries. As long as this type of divergence in payment for work exists, there will be an incentive for emigration. Inner-European work migration after World War II only slowed down significantly when the wage ratio between the richer Northern countries and the poorer countries of the South fell to around 4:1.

c) This constant influx of labour has a significant influence on the labour market in the receiver countries. The effects differ depending on the market regulation. Where the labour market is more flexible, immigration tends to have a lowering effect on real wages.

d) In countries with more inflexible labour markets, immigration tends to increase unemployment. This trend may become even more accentuated with the ongoing changes in the production structure of the industrialised countries. The switch to knowledge-based production in high-tech and service industries is being accompanied by a drop in the number of jobs in the old "sunset" industries, where immigrant workers in Europe tended to find employment, i.e. manufacturing, mining and heavy industries.

e) Furthermore, women are increasingly on the move in their own right as autonomous economic migrants. The main sending area in recent times has been Asia, in particular Japan and Korea, along with Latin America and some countries in Central and Eastern Europe.

f) There is a link between the increasing participation of women in the labour markets in more highly developed countries and the rise in the number of female economic emigrants from less developed countries. In recent years female economic migration has mainly been driven by growing demand in a few female-dominated activities, such as domestic work and care work, as well as in unskilled service sectors, where work was once performed by women from the more highly developed countries. However, these women are no longer willing to work in the domestic sector, and care services for children and the elderly in many countries are inadequate. Immigrant women are "replacing" domestic female labour in this field and are thus able to stay in the labour market, where they often work long hours and do not benefit from flexitime. The reconciliation of work and family life by women in highly developed countries may become a burden that immigrants have to bear. It is, therefore, crucial that domestic services should not develop into an area where basic rights are withheld and that women from higher developed countries should not play a role in exploiting immigrant women.

#### 2.3. Global Cohesion Policy

a) The answer to the threats of inter-cultural conflicts and migration is a global cohesion policy based on the values of sustainability, human rights and democracy.

b) Specific measures include

- reversing the trends in the world economy: finding ways to put developing countries on the road to high growth by allowing them to integrate into the world economy under conditions that are favourable to them; opening the markets of the industrialised countries to agricultural products, textiles, mining products;
- reducing the high levels of subsidies for agriculture that exist in the EU and the USA;
- stopping the crowding out of agricultural production in the developing countries that is caused by the export of highly subsidised agricultural products from the industrial countries;

- stopping the dismantling of state apparatuses and social welfare systems;
- regulating and humanising migration; investing in the integration of existing migrant populations;
- limiting the socio-economic inequalities inside societies;
- providing incentives to counteract the siphoning off from the developing countries of the most valuable and scarce resource that exists in a knowledge-based economy - trained human intelligence;
- seeking a fresh dialogue with countries and cultures outside Europe, accepting cultural difference and demonstrating the will to maintain it;
- supporting family planning in the developing countries, which is closely related to cultural patterns and negation of the fundamental rights of women;
- supporting regional cooperation between smaller states;
- guaranteeing policies to provide equal opportunities for women migrants, which should be aimed not at protective measures, but at rights of citizenship;
- promoting policies which empower migrant women, enabling them to be heard and to defend themselves against racism, discrimination and exploitation;
- drawing up a charter of women immigrants' rights of citizenship that embraces the right to health services, guidance and training, recognition of educational qualifications and the right to work in decent conditions;
- identifying and implementing policies to defend women's human rights in the fight against trafficking and trans-national organised crime.

### 3. Social Integration through Education

a) Education is the key to sustainable development, democracy and peace within and among countries, and thus an indispensable means for effective social integration and participation in the societies and economies of the twenty-first century. Education is a human right.

b) To redress the narrow focus on growth in per capita incomes as the central indicator of development policies, a new framework has emerged which emphasizes the extent to which people's capabilities have been enhanced and their choices widened in order to enjoy the freedoms that make life meaningful and worthwhile. In this framework, education is important for at least three reasons. First, the skills provided by basic education, such as being able to read and write, are valuable in their own right. Second, education can help to displace negative features of life. For example, free and compulsory primary education will reduce child labour. Third, education has a powerful role in empowering those who suffer from multiple disadvantages. Thus women who have benefited from education may simply survive better and longer than they would otherwise. Good primary education also has a positive impact on lower fertility rates, better diets and the earlier and more effective diagnosis of illness. The link between literacy and life expectancy is strong. Parents – particularly women – with greater amounts of schooling have healthier, longer-living children. Defined in this way, education that is universal, attained by all, regardless of gender or class, has a powerful impact in addressing social and economic barriers within a society and is central to realizing human freedoms.

c) The aim of extending a basic level of education to all children, young people and adults around the world was a major outcome of the World Conference on Education for All, held in Jomtien in 1990, and was reconfirmed in a series of summits throughout the following decade. The aim was re-specified as six major goals at the World Education Forum, held in Dakar in 2000. The Dakar Framework for Action declared that by 2015 all children of primary-school age would participate in free schooling of acceptable quality and that gender disparities in schooling would be eliminated. Levels of adult illiteracy would be halved, early childhood care and education and learning opportunities for youth and adults would be greatly increased, and all aspects of education quality would be improved. In the same year, the Millennium Development Goals were agreed, two of which – universal primary education and the elimination of gender disparities in primary and secondary education – were defined as critical to the elimination of extreme poverty. Provision of basic education was thereby properly recognized as being a central part of the world's strategy to halve the incidence of global poverty within less than a generation.

d) Today, nearly one billion people are either illiterate or have only very basic reading and writing skills. Two thirds of them are women, essentially in the developing world. One in five adults cannot read or write. Literacy campaigns of the past have largely failed to reduce illiteracy levels. The UN Literacy Decade 2003-2012 is an opportunity to tackle illiteracy, for literacy is the key to a better quality of life and essential to meeting some of the other Education for All goals. There are more than 100 million children aged between 6 and 11 who do not go to school. Even among those who attend primary school, one-quarter leave before completing it. The importance of this global education issue cannot be overstated. It is closely linked in the developing world to people's ability to find decent jobs at adult age. Moreover, education is a driving force for democracy, which makes it even more important that sufficient investment should be made. The international community must step up its efforts to achieve Education for All by 2015 and provide more resources. Here again it is essential to ensure policies that guarantee equal access to education as well as the elimination of gender disparities in education, including vocational training, science and technology, with special attention being paid to women and girls living in rural and deprived areas.

e) A rights-based approach to education has gathered pace in recent years, providing the basis for comparative assessments of domestic progress against international commitments, including those made in Dakar. Providing the right to education is an obligation of governments and requires that they translate their international commitments into legislation against which their citizens have legal recourse. Without legislation it is difficult to monitor and enforce obligations, so mobilising governments to develop and modernise legislation is a critical element of implementing the Dakar Framework for Action. The basic learning needs of all can and must be met as a matter of urgency.

f) Ensuring primary education for all should be the first step. However, many young people in the developing world will need more than primary education to acquire the skills they need for jobs that a global employment strategy must create. Post-primary education systems in developing countries must be significantly strengthened. This need must be taken into account in designing poverty reduction strategies. Innovative means of providing students from developing countries with access to developed countries' schools, universities and training centres, through e-learning schemes, should be developed as a promising longer-term route. Cooperation between Northern and Southern schools and universities should be stimulated to build up more and better education facilities in the developing world.

g) The General Agreement on Trade in Services (GATS) is a lurking threat to public education systems everywhere. Education is of such critical importance to the social, cultural and economic development of society that it should not be subjected to the binding rules of an international treaty that prioritizes trade liberalization over other goals. Governments must allow themselves enough policy-making freedom to ensure

that the educational needs of their citizens can be met now and in the future. The core disciplines of GATS do not permit this flexibility because liberalization commitments made under GATS are binding and extremely difficult to reverse. We do not accept the argument that GATS is necessary to address the chronic shortage of education provision in many developing countries. International cooperation between education sectors is likely to become an increasingly valuable tool in addressing this education shortage. However, young and/or expanding education sectors in particular require a careful, flexible and responsive approach to regulation if crucial social and developmental goals are to be achieved; it is vital that governments do not sign away the right to effective market intervention. The erosion of policy space by GATS thus poses particularly acute risks to education sectors in developing countries. Public Services are to be specifically excluded and GATS cannot force countries to privatise services against their will.

h) A knowledge based development strategy is valid for the political agenda of developing benefits with all of society, transformation of knowledge into sustainable economic development and sound policies. Cooperation in science and technology has always been a component of bilateral and multilateral relationships. A new paradigm shift is now required, however, to establish knowledge as a key element of global progress. Worldwide stability and growth depend on tapping new sources of growth. Technology and human capital are key in this respect, and the challenge is to develop policies that harness their potential.

To make a shift to sustainable development the world needs to magnify the number of people who reflect upon the environmental and social consequences of their actions, are able, motivated and active in working towards this goal. To enhance this effort towards social change, the United Nations has resolved to make 2005-2015 the Decade for Education for Sustainable Development. Education for Sustainable Development motivates, equips and involves individuals, and social groups in reflecting on how we currently live and work, in making informed decisions and creating ways to work towards a more sustainable world. It is about learning for change amongst adults as much as with young people.

### 3.1. A New Map of the World

a) The end of the Cold War put paid to old ideological divisions. Virtually all countries now proclaim allegiance to global markets. But a more intractable division is taking hold, this time based on the creation, possession and imposition of technology. A small part of the globe, accounting for some 15 per cent of the earth's population, provides nearly all of the world's technological innovations. A second part, involving perhaps half of the world's population, is able to adopt these technologies in production and consumption. The remaining part, covering around a third of the world's population, is technologically disconnected, neither innovating at home nor adopting technologies from abroad.

b) While significant technological differences in themselves are not new in mankind's history, they have new implications and effects in a world which, while being segmented technologically, is steadily integrating economically. Low-skill and low-technology production will be pushed aside by more productive forms of agricultural or industrial production based on state-of-the-art technology in the "technopoles" of the world. This technological divide has been seriously aggravated by the development of new key technologies over the past 30 years and it will be increased still further with the emergence of new key technologies, such as genetic engineering and the development of new materials.

c) The whole continent of Africa, with the exception of South Africa, has less Internet traffic than Manhattan, to say nothing of New York City as a whole. It is not only developing countries that are losing in the digital race. Old industrial or semi-industrial regions, especially in Eastern Europe, are also threatened by the digital divide. The gains derived from the use of technology highlight clear differences among the users, as is the case with people working in the new economy as opposed to those who use the Internet merely as a leisure-time pursuit.

d) At the same time, the digital divide is cutting across the old North-South and First World-Third World boundaries. Nevertheless, almost 98 per cent of Asia's population, 98 per cent in Latin America and 99.5 per cent in Africa are not connected to the World Wide Web. There are some cases in which the Internet market is growing rapidly, although the total percentage of internet users is still rather small. In 1990, 86 per cent of Internet users were US citizens, whereas today the USA accounts for only about one third of global Internet users. In 2005, China will have more Internet users than the USA. Internet use is more widespread among Korean youngsters than among Germans of the same age. Finally, the industrial boom in North East Asia and parts of South East Asia is based largely on microelectronics – a technological revolution that has been turning countries like Korea or Taiwan into first-rate technological innovators and driving the industrial transformation of coastal regions in China and parts of India, the two most populated countries of the planet.

e) Once again, a technological revolution is changing the world's economic and social landscape. As new industries arise, so old industries disappear. New technologies allow for new forms of industrial production based on a new worldwide division of labour. Traditional blue-collar jobs in the industrial sector of Western industrial centres vanish or "migrate" to the countries where labour is significantly cheaper and in some cases minimum labour standards are not met. At the same time knowledge-based forms of production are replacing the resource-based forms of accumulation in the old OECD countries. This has significant implications for the social structures of the industrial countries and for those countries that are able to integrate successfully into the new international division of labour.

### 3.2. The Human Factor

a) The digital divide is not merely an international phenomenon. It also takes hold inside societies and states. "Have nets" and "have nots" exist not only on a global scale, but also inside any given country. While new technologies are taking hold, politicians responsible to their electorates and democratic political parties have to give answers to the question of how to deal with the new exclusions and divisions created by these transformations.

b) The generation and gender gap are further dimensions of the digital divide. The new technology is used mainly by young people between the ages of 15 and 24 and very little by people over 55. Men use the technology more than women. Both of these factors may potentially contribute to social inequality.

c) One thing seems obvious. The shift from resource-based towards knowledge-based industrial production and value creation implies that renewed attention must be paid to the human factor. Human creativity, human knowledge and human intelligence are the key productive forces of the future. This implies that major efforts must be devoted to apprenticeships and training. Unfortunately, statistics do not indicate that the countries which are not highly industrialised are catching up in this aspect. Some of the developing countries are not able for economic reasons to spend the same percentage of their GDP on public education as most of the OECD countries do. The same holds true for research and development expenditures, which are concentrated to a great extent in the innovator countries that are making a sustained effort to increase the percentage of GDP invested in education.

d) But insufficient investment in the development of human resources is not the only problem in this respect. There are others, such as illiteracy, teacher training and obsolete education systems, particularly in primary education, where methods need to change and continuity has to be ensured between the various levels of education. Overcoming these problems is a common obligation of every single state, depending on its economic ability, and of the international community, especially the international financial institutions. Education must be seen as a process of social inclusion which, together with policies aimed at ensuring a democratic learning culture, will provide elements of social identity and commitment. The culture of education and learning should not only start at the very youngest age but should continue throughout life. This would help to ensure social inclusion at all stages of life and the dignity which comes from this.

### 3.3. The Role of States

a) States must play an active role in building bridges over the digital divide and in creating opportunities for private actors – individuals or enterprises – to seize. It is interesting to see how the world's leading digital nation, the USA, has acted in this respect. In the meantime, Europe and the Far East have caught up. Less developed countries should learn from all these countries and avoid their mistakes.

b) In the USA, the state has not only invested heavily in the creation of the technical infrastructure of the Internet age, the Data Highway programme, initiated in 1993. It has also invested far more than other countries in programmes aimed at bridging the domestic digital divide between the "users" and the "losers". Reacting to America's domestic digital divide, the Federal Government alone is spending some 5.5 billion dollars annually on the creation of infrastructure and Internet access for public institutions. Almost the same amount is being spent on Internet access for schools. A similar programme is being implemented in the European Union under the heading of the E-Europe Action Plan for the Information Society.

c) In the age of new information and communications technologies the role of public education is becoming indispensable. Teachers have to be seen as active researchers who continuously adapt the use of IT to the type of learning. Education is a process of social inclusion that is constantly disrupted by the non-continuity of political plans, which, among other things, lack a vision of the state.

d) In the USA, the state has reduced the cost of using information and communication technologies by creating competition, for which deregulation and privatisation provided the appropriate conditions. In this respect the USA could serve as an example for other states. Public funding is absolutely necessary not only for basic education, but also for facilitating access to information and communication technologies. The example of the USA demonstrates that bridging the digital divide both nationally and internationally is impossible without public expenditure either from national budgets or from international assistance.

e) Deregulation and privatisation will not suffice unless conditions for effective competition are assured. This implies free access to markets from outside, including the telecommunications infrastructure.

### 3.4. The Way Ahead

a) Governments have to give answers at both the national and global level to the problems of the technologically divided world. Generally, politics has to put more emphasis on education, apprenticeship and training.

b) In the OECD countries, the answer seems relatively clear: investing in research and development, education and training, in re-organising and modernising the educational sector and increasing efforts that enable technologically disadvantaged social groups to make use of the new technologies.

c) In most of the developing countries the most critical aspect is a lack of development and administration of the creative talent in science, art and technology.

At the same time, there are few encouraging signs in the broader field of general industrial development in these countries. Some countries have been able to nurture national enterprises capable of competing internationally not only in the field of production, but also in the fields of innovation and research and development. But there are few such centres of technological excellence outside the traditional industrial countries. Most have been created thanks to an active industrial policy on the part of the state. This holds true for almost all the success stories of non-European industrial development in the world after World War II. In an open global economy active national industrial policies prove ever more difficult.

Under such conditions, the key actors of successful technological development –competitive private companies – emerge only with great difficulty in developing countries.

d) Nevertheless, are there still several avenues that can be explored to help the technologically disconnected countries to narrow the

technological gap.

- International cooperation has to be rethought in some cases: more attention needs to be paid to the provision of high-quality training and apprenticeships. Elite institutions, such as universities and scientific training facilities, have to be valued for their vital role in the process of development.
- Within the framework of the World Trade Organisation, the General Service Agreement has a considerable impact on education. Existing plans to expand the functions of this agreement strengthen the privatisation of this sector. This may lead to increased interest and eventually to the private financing of education, which means that education should perhaps be made an exception.
- The opportunities for developing countries to build up proper technological capacities have to be improved. This has implications especially for the WTO system and for future trade negotiations on trade-related intellectual property rights (TRIPs). This may also require the right to partially and selectively opt out of the WTO system if this seems necessary for successful industrial development. Civil society, including the private sector, NGOs, trade unions and other stakeholders, are called upon to support the UN plan and develop complementary programmes of their own.
- Since the beginning of 2000, international institutions have started to pay more attention to the technology gap. Initiated by UN Secretary-General, Kofi Annan, the United Nations has set up an Information and Communications Technology Task Force. The G8 Okinawa Summit in 2000 passed the "Okinawa Charter on Global Information Technology" and established a Digital Opportunity Task Force to analyse the risks of a worldwide digital divide and to identify ways in which the digital revolution can benefit all the world's people, especially the poorest and most marginalized groups. In 2003, the UN World Summit on the Information Society will be held in Geneva. It is necessary that this conference should provide a further breakthrough to close the international digital gap. The Socialist International should pay close attention to these activities and review the opportunities it has to support, and to make its own contribution to, the global effort to bridge the digital divide.

### CHAPTER III. Democracy

#### 0. Global Democracy at the Beginning of the 21st Century

a) Considering the growing interdependence of our globalised societies, the process of ecological, economic and social globalisation, and the dependence of citizens on these interconnected processes, the time has come to build up efficient democratic structures of global governance.

Democracy and the political participation of all citizens in all parts of the world in the shaping of global development are of outstanding importance. However, there are still obstacles to democratic decision making in global policy.

b) They include the following.

- On the state level the executive tends to dominate in international and global affairs and there is a lack of participation by parliamentarians and democratic parties that contribute to the legitimatisation of governments through their function in elections;
- The position and influence of the different states in global development is extremely unequal. The future of most countries in the world, especially in the developing world and transition countries, is largely dependent on the decisions of a few regional and global powers;
- The United Nations and other multinational institutions and regimes, which still lack sufficient resources to fulfil their tasks efficiently as well as a decision-making parliamentary body, are directed by state governments acting mainly in their own interests and without the adequate participation of parliaments.
- The economic and financial strength of trans-national corporations is a growing political factor in global relations. They largely outweigh the position of state governments. The prerogative of politics in rule-making as such is under threat.

b. Over the past 20 years, parallel social and political developments can be observed throughout the world, that are designed to resolve regional and global problems in a civil and democratic way.

They include the following.

- A growing number of non-governmental organisations – both historically new as well as traditional organisations, such as trade unions – and their regional and global networks are playing a role in provoking transparency, initiating debate, mobilising public opinion, shaping global processes and influencing politicians. Despite their important role, they lack an adequate democratic mandate to represent the citizens, the resources to solve problems of their own and a constitutional link to the legislatures. Civil society organisations are voluntary associations of citizens representing a wide range of social, political, environmental and economic interests. They see themselves as being independent of governments, which is why they call themselves non-governmental organisations or NGOs. In view of their pursuit of non-profit-making objectives they can expect, and in some cases receive, direct or indirect government support. Disclosure of the support they are given is essential to transparency and provides a guarantee of their independence. Private economic interests can exert an influence on civil society organisations. These, too, have to be disclosed. The structure of societies with a market economy means that private-sector interests have their own organisations. The difference between such organisations and non-profit-making NGOs must not only be recognised, but also discernible. The political integrity of civil society organisations is greatly enhanced if the work they carry on is transparent and the internal formulation of their demands and objectives is subject to democratic rules and regulations. As socialists, we stress that free trade unions have exercised an important function in building a civil, democratic and socially just society for over one hundred years. It is essential that they should continue to exercise this function in a global society.

- Over the years a growing number of supranational parliamentary assemblies and networks have been set up to address global issues. They operate on a formal or informal basis and are linked to corresponding inter-governmental structures or address special issues. There are also assemblies of regional level parliamentarians in all parts of the world. All these bodies do important work, but they still lack a decisive influence on global matters.
- Parliamentary systems function democratically if they are linked to a multi-party system. Parties are mediators between society and governments. They fulfil the function of political integration.
- Political parties recruit their members and seek approval at elections in civil society. They actively pursue aims that are also the aims of civil society organisations. Many different forms of functional cooperation between political parties and civil society organisations are possible and necessary in the interests of democracy. The Socialist International and its member parties, therefore, seek contact and cooperation with civil society organisations on specific issues. Relations between the two sides can only bear fruit in the long term if the civil society organisations concerned accept and wish to have democratic global governance as the framework for civil and institutional political activities.
- At the global level there have been amalgamations of trade unions, employers and chambers of industry and commerce. A social dialogue has thus begun at the global level, which is an important element of political decision-making. The Socialist International emphasises the need for social dialogue at the global level. The Socialist International and its member parties cooperate closely with trade unions.

#### 0.1. An Efficient and Democratic Global Political Structure

a) There is a need to establish a global political structure that is both efficient and democratic and thus the best for all citizens of the world.

b) There is a broad consensus that the democratisation of global and regional decision-making and cooperation is on the political agenda. Democratisation requires transparency and accountability of political decisions at the state, regional and global level. This, in turn, means greater involvement by parliaments in formulating and controlling global and regional policy.

c) Democracy is founded on the citizens: women and men. This implies that parliamentarians need to have support from their electorate to work for the global common good and that groups of civil society should have free access to information as well as the opportunity to influence policy by means of their expertise and an open debate on international issues. Furthermore, there is a need to develop systematic links between parliaments and civil society to produce a synergetic democratic effect.

d) In applying the principles of democracy to global matters, consideration needs to be given to the fact that the globalisation process and technological progress constitute new challenges to the implementation of democracy. They include

- the growing complexity of interrelated phenomena in the economy, society, ecology and culture;
- multiplied quantities of data, information and communication;
- the existence of additional global players besides the states and multilateral institutions, such as trans-national corporations and trans-national mass media, which are able to mobilise considerable resources to assert their interests;
- more differentiated cultural values and views that have to be taken into account when elaborating global development concepts of democracy.

e) Many decisions at the international level are taken by multilateral institutions and regional organisations. The question will be how legislative assemblies and initiatives launched by international civil society groups can put multilateral policy-making on a broader democratic footing.

f) Given that globalisation and decisions taken at the global level narrow the scope for states to make free decisions and given that the world insists at the same time on democracy, there is a need to rethink the instrumental concepts of democracy when applying their principles at the global level. A new paradigm of global democracy is required. Achievements in three fields could be among the steps to a new paradigm.

- New and adequate forms of citizens' representation at supra-state levels. Neither one state-one vote, nor one person-one vote have proved to be both democratic and functional.
- New and adequate forms of information on global matters available for parliaments and civil society with a view to fostering transparency and accountability and making full use of modern information and communication technology.

#### 0.2. The UN Millennium Declaration

The basis for all efforts towards achieving global democracy should be the United Nations Millennium Declaration. In this declaration the heads of state and government agreed with respect to human rights, democracy and good governance that they would spare no effort to promote democracy, strengthen the rule of law and secure respect for all internationally recognised human rights and fundamental freedoms, including the right to development. They resolved to

- fully respect and uphold the Universal Declaration of Human Rights;
- strive for the full protection and promotion of civil, political, economic, social and cultural rights for every person in all countries;
- strengthen the capacity of all countries to implement the principles and practices of democracy and respect for human rights, including minority rights;

- combat all forms of violence against women and to implement the Convention on the Elimination of All Forms of Discrimination against Women;
- take measures to ensure respect for, and protection of, the human rights of migrants, migrant workers and their families, to eliminate the increasing acts of racism and xenophobia in many societies and to promote greater harmony and tolerance in all societies;
- to work collectively for more inclusive political processes, allowing genuine participation by all citizens in all countries;
- ensure the freedom of the media to perform their essential role and the right of the public to have access to information.

## 1. Good Governance

Governance which will meet the challenges of globalisation must be good, i.e. effective, democratic and subject to the rule of law, at the state level as well as on the global, regional, sub-regional and local level. A new global order is at stake. A neo-conservative agenda is being deployed to make it a unilateral and unipolar order. The Socialist International needs to build global alliances to make it a multilateral, multipolar and multilevel order capable of improving relations of partnership among the various stakeholders. It calls for multilateral institutions to be strengthened to increase international co-operation. The SI supports the UN reform under the leadership of the UN General Secretary.

### 1.1. Towards a System of Global Governance

a) A system of global governance is needed to provide citizens with the sovereignty that states alone can no longer provide in the context of globalisation. In a system of global governance, multilevel governance will supplement the sovereignty of states. It will complement it by supra-state institutions and regulations wherever they are necessary and feasible. If this system of global governance is to be able to address current problems it will have to contain at least the following elements or components:

b) It will have to strengthen the legal framework for states as actors in the international system by reinforcing the conflict settlement and resolution mechanisms within the framework of international law. This means strengthening the UN system and, more specifically, such institutions as the International Court of Justice, the International Criminal Court and the World Bank's International Centre for Settlement of Investment Disputes.

c) It will have to strengthen the political clout of the United Nations. Crucial to this will be a reform of the composition and mechanisms of the Security Council. It should become more representative of the regions, including developing regions.

d) There will have to be a new Council for Sustainable Development in addition to a reformed Security Council.

e) The main challenge to a newly-structured form of global governance will be to centralise the traditional tasks of global security in the reformed Security Council, on the one hand, and the tasks of global environmental, economic and social development in the Council for Sustainable Development, on the other. Both Security Councils will have the same rights on the basis of the United Nations Charter. All global institutions that are formed by states must be assigned to the two Security Councils. Only by bringing them together will it be possible to obtain parliamentary support and control. This structure poses major challenges to the cooperative capacity of global institutions that have hitherto been outside the UN system. An important issue is that of a name. A Council for Sustainable Development takes up the internationally successful concept of global development that was formulated by the Brundtland Commission and implemented in Rio and Johannesburg. However, other names are also conceivable, such as the proposal made by the Party of European Socialists to set up a Human Security Council and a Human Development Council.

f) It will have to contain effective norms and mechanisms to protect the global biosphere and ensure that participation in world trade will not be obtained on the basis of the overexploitation of nature. A strong social dimension is apparent here. It tends to be poor people who suffer most from pollution, "dirty" production technologies and their effects on the environment, health and the depletion of soil and water reserves.

g) It will have to create a system of international institutions that will help to stabilise the world economy. This embraces a reform of the IMF, the World Bank and the WTO as well as efficient regulation of the international financial system. The key issue here is not to reform single organisational aspects of these institutions, but to make sure that these institutions change their character. Up to now they have basically served to secure the institutional lock-in of an essentially neo-liberal view of the international economic order, maximising freedom for trans-national corporations and rendering unlawful many of the traditional instruments of economic, social and employment policy used by states. International economic rules must incorporate "opt-outs" or exit clauses. Such arrangements will allow democracies to reassert their priorities if these conflict with obligations to international economic institutions. These must be viewed as a generic part of sustainable economic arrangements.

h) It will have to create a system of binding social norms that mitigate the effects of economic globalisation and ensure that economic competition will not be based on the overexploitation of men and women or the environment. The *Core Labour Standards* of the ILO and the *Declaration of Fundamental Principles and Rights at Work*, which calls on all ILO member states to work actively for core labour rights, regardless of whether they have ratified the respective ILO conventions, should serve as the fundamental building blocks of this binding system of minimum social standards.

i) An independent international tribunal needs to be established to resolve the external debt problems of developing countries. The IMF cannot, and should not, assume responsibility in this area, as it is one of the main creditors for debt-ridden developing countries. A model for the solution mechanism could be the London Treaty of 1953, which resolved Germany's historical debt on terms that were much more favourable than anything the Western world would offer today to most of the crisis-ridden economies of the Third and Fourth World.

### 1.2. Above and Below the Nation-State: The Role of Regional Integration and Sub-Regional and Local Communities in a System of

## Governance in a Global Society

a) In the first place, globalisation means that the areas of ecological, economic, social, cultural, political and interpersonal interaction tend to exceed to an ever greater extent the limits of single states or historical areas of dense interaction, such as regions.

b) Given this trend, there is an evident need to create institutions and regulations that can act as functional equivalents to those institutions that have been created historically within the confines of the modern state to provide and deliver those "public goods" that we perceive as being necessary for the collective well-being and the orderly functioning of society and markets.

c) At the same time, we observe in many parts a trend towards a "contraction" of spheres of authority, legitimacy and identity. This is not in opposition to globalisation, but in the form of a parallel process that receives its momentum from the "denationalising" dynamics of globalisation itself. This process can be termed "framegration" – a combination of fragmentation into smaller units and integration into larger global or continental entities or spheres of interaction. This "framegration" happened and is now taking place

- in the ex-Soviet Union;
- in Western Europe, where regions are re-emerging as important spheres of identification within the institutional context of the European Union.

d) Much more pathological forms of "framegration" can be observed in other parts of the world, where states of decolonisation give way to an anarchic reconstruction of economic and political spheres, as in many parts of Africa.

e) We will need new institutional arrangements to respond to such trends. These new institutional arrangements contain four levels:

- a global level including all states and consisting of international organisations and regimes, which correspond to challenges that are global in character;
- a regional level that reconstructs spheres of political and economic institutionality at levels, which correspond to spheres of dense trans-border interaction between states;
- a sub-regional level that satisfies the growing need for areas of identification and participation in times when the capacity of the traditional state to meet these needs tends to be shrinking;
- a local level preserving the historical importance of cities, towns and villages as a basis for social and political life.

### 1.3. Reforming the Global Institutions

#### 1.3.1. Reform Principles

Global institutions play an ever increasing role in international politics. Yet, a series of events in recent years has made it clear that serious structural reforms of these institutions are needed. Five elements will have a major role to play in these efforts:

- an increase in transparency and accountability of the institutions in respect of both the member states and the general public;
- a new political balance among the different agencies to be achieved by defining clearer procedures for resolving conflicts of interest;
- the coordination of these international agencies;
- a thorough democratisation of the institutions, thereby reinforcing the role of parliamentarians, parties and civil society;
- a major influence for the developing countries, especially in questions of crucial concern to them.

What appears to be at stake on our planet is the capacity to build a multilevel system of governance designed to address several concerns:

- to take the best advantage of each level – local, sub-regional, state, regional and global – according to the principle of subsidiarity;
- to improve the interaction and collaboration between these different levels;
- to enhance the global and multilateral level, which clearly seems to be the weakest level when faced with the problems it should address.

#### 1.3.2. Short-Term Action

a) In parallel, more pragmatic action should also be taken in the very short term on the process to be organised so that the concrete targets already adopted and involving the various stakeholders can be achieved. A concrete model is provided by the global issues networks, which are to be composed of a diversified set of actors from public administrations and civil society, who are committed to improving the practices and norms concerning a specific global issue, such as inadequate water supply, the digital divide or the fight against poverty. Another model consists of round tables on global issues dealing with difficult trade-offs, such as trade versus employment or trade versus the environment. The open method of coordination used in the European Union could also act as a useful tool.

b) Opinions seem more divided with regard to the concrete solution that could be adopted to improve the coordination of the different agencies. The current framework, as recalled by the Implementation Plan adopted at the Johannesburg Summit, comprises the General Assembly, the Economic and Social Council (ECOSOC) and the Board of Chief Executives chaired by the Secretary-General of the UN. The weakness of this institutional framework contrasts with the Security Council of the UN and is partially offset by the informal structure of the G7/8 and, more recently, of the G20 for certain financial purposes. The need to create a more legitimate body

of horizontal coordination, even if the G7/8 remains in place, has led more recently to several proposals, such as

- a Council composed of representatives of the main regional blocs;
- a Global Governance Group (3G) composed of heads of government, more precisely those who have directors on the boards of the International Monetary Fund and the World Bank, joined by the Secretary-General of the UN and the director-generals of the WTO, ILO and WEO;
- an Economic Security Council composed of permanent and elected members aimed at a better representation of the international community of nations.

c) The SI's main proposal is to establish a new United Nations Security Council on Economic, Social and Environmental issues – a Council for Sustainable Development.

#### 1.4. Regions as an Intermediary Level of Governance and Economic Integration

a) Regions are assuming an increasing role as areas of economic, social, migratory and cultural interaction. Several regions around the globe have reacted to this development by introducing regional integration mechanisms. Primarily, these integration schemes are a response to economic interests and dimensions. But a growing number of regional integration schemes tend to integrate more than merely commercial and economic dimensions. The European Union is clearly to the fore in this respect.

b) Regions create intermediary levels or institutional frameworks in at least three dimensions.

- Economically, they create intermediary levels of international trade allowing for specialisation, learning processes, nursing of infant industries and technologies and scale returns, thus preparing enterprises from less developed countries for competition in the world market;
- They create an institutional framework for problem-solving for those trans-state problems and interactions that are no longer at a state level, but are not global in their dimensions either, and they establish areas of social cohesion based on solidarity;
- They establish institutional frameworks for the growing need to stabilise activities in the context of increasing internal and international conflictivity, which is a direct result of the disintegrative "stress" exerted by globalisation processes on societies and states. As many of these processes are of regional but not global interest and implications, neither the USA nor NATO nor the UN system are willing to assume the financial and political costs of peacekeeping or peacemaking or even of preventive interventions before wider-scale conflict breaks out. Regional institutions led by regional "middle powers" are actually the only possible actor for this type of peacekeeping activity in the peripheral areas of the international system.

#### 1.5. The State, its Institutions and Instruments of Public Policy

a) Two concepts for the reform of the state are being left behind or thrown aside. One was limited to administrative logic and gave rise to the major reform of an omnipresent state. The other, minimalist in nature, the heir to processes of stabilisation and adjustment, pointed towards a static reduction in the functions and size of the state, such a reduction being regarded as a socially optimal and immutable objective.

b) Today, by contrast, there is a renewed conviction about the importance of the state and the role it has to play in modern societies. There is a need to reform the state in order to revitalise public life in the face of the challenge to seek growth accompanied by equity. This will require a renewed, active and powerful state that is neither bigger nor more onerous than the present one, but one that will undoubtedly have a closer relationship with its citizens. In that sense, the processes of change and renewal that have taken place over the past few years have a common pattern: the urge to improve the way public resources are used and to raise the quality of the action taken by the state, whether that be in terms of the decision-making mechanisms, the quality of the services provided or the transparency of its actions.

c) The reform of the state is like the enormous and difficult process of building up the values of citizenship. It needs to focus on the satisfaction of end-users, on the encouragement of social control and on transparency with regard to the cost and utilisation of resources and the quality of public services. There is a need to prevent administration from becoming closed off from the public and occupied with itself. Moreover, the administration must become more comprehensible, clearer, more accessible. In other words, the complete opposite of an autistic and absent state.

d) This long and complex process is accompanied by concepts of flexibility that apply to the relationship between the state and its civil servants and employees. It also concerns ongoing innovation in the decision-making mechanisms and in the way in which public services are rendered. There should also be attempts to increase productivity in the provision of public services. However, there are differences between goods and services that are traded in the market and goods and services that are provided in the public sphere.

e) It is in the cities of reformed states that politics will make greater sense than ever before. After all, it is in the territorial and social areas of sub-regions and municipalities that the closeness of the state to its citizens and the relations between them establish the conditions for political action. The way that public affairs are handled in cities and sub-regions has begun to play a major role in this respect.

#### 1.6. The Sub-Regional Level

a) In the process of globalisation the state is changing its role. People all over the world tend to react to these developments by "re-discovering" more limited and more parochial social and political entities, based on common cultural elements like "history", religion, language and customs. This rediscovery of cultural identity goes hand in hand with the growing importance of regional / sub-national territorial units in many parts of the world. States should adapt their constitutions to take account of these attempts to achieve decentralisation.

b) The principle of subsidiarity must be taken seriously. In the new sharing of responsibilities between supranational (global), regional, state and sub-regional levels, the sub-regional level should retain as many competencies as possible. This evidently stands in

diametrical opposition to the dynamics of the neo-liberal international system as it is taking shape today with its discrimination of any non-market / non-commercial way of organising social interaction. Many of the controversial aspects of current WTO negotiations have direct implications for the ability of regional and local communities to maintain community-oriented public policies and services, in particular trade in services, investors' rights, government procurement.

c) As the democratic "substance" is fading away at the state level and democratic decisions and preferences are being increasingly diluted in the compromise formulas of international politics, sub-regional and local levels are gaining in importance as areas in which the citizen's democratic participation can be exercised and intensified. This means that innovative forms of citizen's participation should be implemented and strengthened at the regional and local level.

## 2. Transparency

The transparency of democratic decisions and processes is a prerequisite for democracy. This applies to all political levels. The higher the level is, the greater the number of people affected by the decisions and the wider the territories covered by the decisions, the more demanding and the more necessary this prerequisite of democracy becomes. There is a new need for transparency on the global level.

Citizens can support the cause of transparency by endeavouring to obtain information and passing it on, as individuals and as groups, especially in civil society organisations. Transparency is thus a necessary demand that societies make on governments.

Transparency also requires free and independent media. The media gather information and shape it. This mediation between governance at all levels and societies is a highly responsible function.

### 2.1. The Role of Civil Society

a) The transparency of global policy and politics is a significant need for a democratic and civil society. Civil society organisations play a crucial role in increasing the transparency of global decision-making processes. By participating in international conferences and inter-governmental meetings at the UN and other international organisations they make common positions and the conflicting interests of governments more visible to the global public. Civil society organisations thus help to bridge the huge information gap that exists between the global and the state or local level.

b) In addition, civil society organisations contribute in various ways to the implementation of inter-governmental decisions, particularly the outcomes of the UN World Conferences of the last decade. They raise public awareness about global environmental, social and economic issues and disseminate information about the international commitments, standards and goals agreed by governments, such as the Millennium Development Goals of the UN and the core labour standards of the ILO. They thus promote the implementation of these universal goals and standards and contribute to the growing recognition of the urgent need for multilateral policy and democratic global governance structures.

c) However, while more and more international institutions – particularly within the UN system – increase their transparency and legitimacy through the involvement of civil society, there are still a lot of organisations without adequate mechanisms of participation and public information.

d) Therefore, formal and comprehensive mechanisms of civil society participation and of access to information have to be established in all international organisations, including the WTO, the IMF and the World Bank. They are necessary preconditions for the democratisation of these institutions and are indispensable for a comprehensive dialogue between international organisations and civil society, a civil dialogue in which any organisation or person can take part.

### 2.2. The Role of Mass Media in Contemporary Democracy and in the Context of Globalisation

The right to freedom of speech / expression and the freedom of the press, as a corollary of this right, constitute fundamental values of democracy. Without them much of the progress achieved in the contemporary world would be inconceivable. That is why these rights must be defended.

#### 2.2.1. The Positive Role of Mass Media in the Development of Democracy

Freedom of the press and freedom of expression are essential for the defence and development of democracy. The experience of the past decade in post-communist Europe and some states of Latin America and the Middle East shows that the mass media contributed in a major way to the establishment of transparency and civil society and to counteracting the authoritarian trends of some politicians and parties. They also correct excesses, negligence and management errors in countries with a consolidated democracy. Democracy is thus inconceivable without freedom of expression and freedom of the mass media. A free press sometimes makes life difficult for a democratic government and public personalities; it always makes a dictatorship impossible.

#### 2.2.2. Problems of Contemporary Democracy

a) It should be pointed out, nevertheless, that democracy is currently experiencing a crisis of growth and adaptation to the new contemporary world realities. The causes of this crisis are

- the inadequacy of the mechanisms of democracy to handle the effects of globalisation;
- the emergence, in the context of nascent globalisation, of social communities who fear they will not be able to adapt to the new conditions and are sensitive to populist and national-populist messages;
- the weakening of the credibility and, indeed, of the efficiency of democracy's traditional mechanisms because of the lack of transparency, electoralisation and commercialisation of political action.

b) In respect of the third cause, it should be underlined that the use of commercial marketing methods in the exercise of democracy opened up a gap between society and the world of politics and between power and truth. This is illustrated by the low turn-out at elections, civic non-involvement and the cynical views of the social actors. The mass media have an immense responsibility and an essential role to play in respect of all these three causes.

### 2.2.3. Problems of Abuses by Mass Media

a) A democracy with a market economy and private property made it possible for free media to become a real power. Consequently it is indispensable that the media should behave in a transparent and accountable way. In accordance with democratic principles, no power can be recognised as legitimate without accountability. Without limits, a power like the media could commit abuses just as any other power might. Media freedom does not mean that media markets should remain unregulated. At the same time the regulation of media markets should not mean censorship in disguise.

b) Mass media have a share of responsibility for both the development and deficits of democracy. The demand for a clear deontological commitment is today a basic condition for democracy and respect for basic human rights. Democratic governance must state that the freedom of the press is not restricted to its independence from public power, but must also include its independence from private interests. Thus, global standards for the regulation of media should be elaborated by the UN in cooperation with regional organisations like the European Union.

c) On the other hand, the emergence of media monopolies paves the way for a reduction in the number of options available to citizens and the possibility of their subtle manipulation. This decreases the quality of information and increases the danger of public disorientation, as the very laws of free market competition are not protecting the press consumer any longer. This means, at the same time, a decrease in the quality of democracy.

### 2.2.4. Common Responsibility of Mass Media and Good Governance for the Further Development of Democracy

a) All these negative phenomena become increasingly serious as globalisation advances and the press reports on events happening far away that the consumer cannot verify directly. This should lead to the recognition of the citizen's right to accurate information in addition to the right to free information, freedom of expression and freedom of the press. In light of such a right, support should be given to the following:

- Recognition of the fact that the activity of the press is an activity of public interest and must, therefore, be carried out in accordance with professional norms, deontological standards and within a legal democratic framework. However, political institutions that form part of the governmental or parliamentary system should not exercise control, which is restricted to the judicial courts and civil society;
- Recognition of an individual's right of recourse to a competent court for each person having a legitimate interest in correct information;
- The adoption of special regulations regarding the fight against the conflict of interests in the field of the mass media. These regulations would impose a ban on ownership, co-ownership and participation in the administration of some media instruments by those who are active in political life or those who are owners or majority shareholders in commercial societies with a different profile;
- The adoption of special anti-trust laws for media institutions. To this end, the media trusts in possession of a television or radio station with a national audience would be forbidden to own national papers and vice versa. Any cartelisation or commercial or editorial policy ententes agreed by several media institutions would also be forbidden. The conventions according to which a press institution will not criticise the position of another or will not denounce the information errors of another will be considered fully void;
- The organisation of professional institutions of journalists and the adoption of Deontological Codes by the mass media. The breach of the duties established by such codes could be sanctioned by special "press tribunals" formed by journalists themselves, which, when cases are submitted to them by the persons concerned, could apply moral, professional or pecuniary sanctions accordingly;
- The establishment at the international level and by international forums and institutions of international professional and deontological standards in this field in order to avoid the subjectivity that always emerges from internal political competition.

b) By endorsing such measures and simultaneously adopting measures aimed at defending the freedom of the press, the mass media would contribute to the essential process of "democratising democracy", a process that is necessary in the context of globalisation and the crisis that the traditional democratic mechanisms are facing.

### 3. Participation

#### 3.1. Citizens - Civil Society Organisations

a) The participation of civil society in global governance expanded dramatically during the past decade. Thanks to their high level of commitment and their expertise, trade unions and other social partners, on the one hand, and NGOs, on the other, were able to play a key role in the cycle of world conferences of the 1990s and were assigned important tasks in the follow-up processes. They have been instrumental in directing international attention to the importance of sustainable development, poverty eradication and the protection of human rights. Some of the most important milestones in global policy-making, such as the international ban on anti-personal mines and the establishment of the International Criminal Court, would not have been possible without the active involvement and support of civil society.

b) Therefore, no restrictions must be placed on the consultative status of NGOs at the UN that is currently under review by the UN Secretary-General's Panel of Eminent Persons on United Nations Relations with Civil Society. Instead, formal consultative relations between non-profit NGOs and the UN need to be strengthened and expanded to all institutions of the UN system, including the UN General Assembly and all its specialized agencies.

c) However, NGOs shouldn't be overburdened by excessive expectations. They influence global decision-making by dint of their experience, analysis and advocacy, but they are not the political decision-makers. Democratically elected parliaments and governments are the only actors that are legitimated to set global rules and standards and to take global decisions. They are accountable to their electorate and should not be allowed to privatise their duties by shifting global responsibilities to NGOs and other private actors. Civil society participation must be complementary, not a substitute, to the role of parliaments. Participatory democracy goes hand in hand with representative democracy.

d) States and global institutions alone cannot finance the development needs of the developing countries. More intensive cooperation with the private sector to induce private investment is necessary. Global corporations have responsibilities as formulated in the UN Global Compact. However, public-private partnerships that include trans-national corporations, business associations or private foundations of wealthy individuals in their decision-making bodies can cause problems, since they allow representatives of private business interests to take part in political decisions about public policies and the expenditure of public funds, in part at least. This practice can undermine the credibility of governments as well as efforts to establish democratic governance structures at the global level. Governments and inter-governmental bodies have to establish clear institutional policies, impact assessments and effective public safeguards to ensure that public interests are unequivocally at the centre of all their interactions with the private sector, business and civil society organisations.

#### 3.2. Parties

a) The development of democracy in the last two centuries was determined by the development of political parties. Competition between parties allows citizens a choice between political alternatives that accumulate different values, theories and projects.

b) Parties are mediators between society and governments. They fulfil the function of political integration.

c) In totalitarian and authoritarian political systems, most of all by communism on the one hand and fascism on the other, parties were misused. One-party systems evolved which are the fundamental opposite of the self-concept of democratic parties that are in electoral competition with others.

d) It is in democratic Europe above all that the basic alternative between parties of the democratic Left and the democratic Right developed. The concepts of Left and Right have determined the basic structure of democratic institutions from the beginning. This applied first to the parliament elected after the French Revolution, and still applies to parliaments in most Democracies, to parties and also to groups close to politics.

e) The material distinction between Right and Left lies in a fundamentally divergent access to the relationship between liberty and equality. Liberty is acquired individually – and also by inheritance or ethnic privilege – but has to be defended independently of its acquisition. That is the right-wing principle.

f) Liberty must be fought for on behalf of the greatest possible number of people, above all those who have fewer chances of it from birth. That is the left-wing principle. The association of liberty with privileged ownership and the nation is the basic position of democratic right-wingers. The association of liberty with fairness in distribution and internationalism on the other hand is the basic principle of democratic left-wingers.

g) This distinction is just as topical today as it has ever been in the past two hundred years. Even the debate between "right-wing" Republicans and "left-wing" Democrats in the United States reflects this. The Republicans defend upper-middle-class ownership against the social state and the ecological state, Democrats defend the social state and the ecological state. Internationally, Republicans represent hegemonic national interests of their country, while Democrats accept multilateral mechanisms under international law.

h) The global political positions of the parties in the USA show that parties are already active and necessary not only on a national level but also on a global and regional level.

i) The parties of the democratic Left have joined together on a world level: the Socialist International has been in existence since 1951. In its beginnings it was a union of primarily European parties. In the 1970s and 1980s, SI chairman Willy Brandt inspired the admission of parties in Latin America, Africa, the Arab states and Asia. Thus the SI became a global organisation of left-wing democratic parties with very different democratic cultures, caused by their history and geopolitical situation.

- j) The parties of the democratic Right have also joined forces. The International Democratic Union has existed since 1983.
- k) Globalisation demands that the large global party communities intensify their work and increasingly promote conceptual and strategic communities of interest. They can then consider themselves democratic alternatives on a global level – just as their member parties provide those alternatives at the state level.
- l) Between the states and the global level they should build up and intensify regional links. Thus the cooperation of party communities can be strengthened as far as the state levels are concerned, and decentralised on a global level.
- m) The integration of democratic right-wingers as well as democratic left-wingers in the European Union has progressed significantly. The European People's Party and the Party of European Socialists consider themselves the major alternatives and are being effective through their members of the European Parliament.

### 3.3. Parliamentarians

- a) Democratic parties are involved in political decisions through their participation in elections and through the work of their representatives in parliament. Parliaments elect and monitor governments. This applies at state level, and it must also apply at global level.
- b) The Socialist International firmly believes that free and fair elections must be the fundamental source of legitimacy for parliamentarians. However, for both elected and appointed parliamentary entities openness, transparency and accountability are crucial conditions for a real democratic exercise able to keep the people involved in the decision-making process.
- c) Democratically elected Parliaments and Governments are the actors that are legitimated to set global rules and standards and to take global decisions. They are accountable to their electorate and shouldn't not be allowed to privatise their duties by shifting global responsibilities to NGOs and other private actors. Civil society participation must be complementary, not a substitute, to the role of Parliaments. Participatory democracy goes hand in hand with representative democracy.
- d) The goal of the SI must be to parliamentarise the global political system – with the representation of political parties that offer alternatives of global political values, theories and projects.
- e) Better-structured democratic control and accountability is needed if the world's democratic deficit is to be addressed seriously. At some point, contemplation of a UN Parliamentary Assembly will be needed. Such a development should be supported by the gradual emergence of truly global citizenship, underpinned by rights drawn from the 1948 declaration on Human Rights and the 1966 Covenants on civil and political rights and economic and social rights.
- f) This idea is disputed and is often brushed aside as utopian. Before rejecting it, one should at least look closely at European experience, which, admittedly on a smaller scale, shows that international democracy is feasible and politically necessary.
- g) Such an Assembly should be more than just another UN institution. It would have to become a building block of a new, democratically legitimate, world order. Far from being utopian, recent developments and trends are opening the way towards it. The Inter-Parliamentary Union was set up more than a century ago. Now, a WTO Parliamentary Assembly is being brought to life. The UN is already organising a Parliamentary Forum in the context of major international conferences.
- h) In order to attain the goal of a UN Parliamentary Assembly, every effort needs to be made by the large party communities, and they need to strengthen their cooperation. The principal starting point could be in the assemblies of the Interparliamentary Union (IPU).
- i) The large party communities will also need to seek links with parties that do not belong to one of them. That is necessary in particular in highly populated countries such as China, India, Indonesia, the United States and Russia. It will be even harder to represent the global political and democratic alternatives in a potential UN parliamentary assembly without a representative involvement of parliamentarians from these states.
- j) The alternative between Left and Right is also valid on the global level. The social democratic principles – sustainable development, human rights and comprehensive democracy – are opposing the neo-liberal market ideology, the neo-conservative agenda, the unilateral approach. The principles of the Left must meet the interests of the developing countries, the principles of the Right meet the interests of the developed countries.

[Back to the top](#) | [Back to main page](#)

| [SI News online](#) | [Socialist Affairs online](#) | [Congresses](#) | [Councils](#) | [Campaigns](#) |

| [Press Releases](#) | [Committees and Working Groups](#) |

---

**Socialist International, Maritime House, Old Town, Clapham, London, SW4 0JW, United Kingdom**  
Tel: +44 20 76 27 44 49; Fax: +44 20 77 20 44 48/74 98 12 93; e-mail: [secretariat@socialistinternational.org](mailto:secretariat@socialistinternational.org)