

**DRAFT II**

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**DECLARATION OF PARIS**

## **THE CHALLENGES OF GLOBALISATION**

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1. Humankind is witnessing a new change of era marked by the phenomenon of globalisation. The transformation of an industrial society into one dominated by information and knowledge is taking place at a pace and extent hitherto unknown in history.

2. The technological revolution surrounding biotechnology and information is the driving force in this historic process. The globalisation of information, the economy, commerce and capital movements brings, completely new opportunities with far reaching implications, as evidenced by the extension of rapid development to new countries and regions as well as scientific changes in areas such as healthcare and agriculture. So far, however, the more visible results have been extreme increases in inequality, within nations and throughout the different regions of the world.

For this reason, in terms of public opinion, the most notable features of globalisation are:

- The globalisation of information together with radical changes in communications and the drastic reduction in time and distance has made it possible for contacts to be made to any part of the globe on any matter in real time. The fact that such contacts usually go in one direction, without mutual agreement being necessary with the receiver, is in some countries provoking a cultural reaction, as identities are reaffirmed in the face of what is felt to be a homogenising threat.
- The globalisation of the economy and trade is substantially altering the dimensions and structures of companies, markets, industrial relations and investments. Productivity is increasing, technology is breeding redundancies in existing jobs while continuing new ones, surpluses can be distributed unfairly, and the traditional concept of employment is changing.
- The globalisation of the financial system has brought about the exponential increase of short term capital movements, without an effective regulatory framework that would make them predictable. Over 90% of these capital movements take place in periods of less than a week, and do not fit the existing pattern in the exchange of goods and services. Since the beginning of the decade, entire countries and regions have been subjected to a series of crises which

threaten to spread and seriously curtail growth, earnings and employment in the areas affected. This phenomenon tends to increase with the liberalisation of savings flows due to the budgetary adjustments that are being made in most countries. This decade's financial crises clearly expose the detrimental deficiencies of neo liberal doctrine.

The great paradox of this historical period is that never before has mankind had more possibilities of fighting ancestral problems such as inequality, hunger, disease or lack of education. Yet these opportunities are currently being used to increase and not to bridge the existing gaps. It is our resolve to reverse this trend and thus put globalisation to work at the service of human progress.

One of the more severe remaining inequalities is that between men and women, in spite of the fact that the demand for equal rights has been one of the century's greatest achievements.

Our interdependence increases as the scale of major problems such as financial crises, migration flows, environmental hazards and military conflicts encompass the entire planet.

The principal countries have managed to contain the more serious consequences of the financial instability within their borders, preventing their spread to the emerging nations, but this is becoming increasingly difficult. The Southeast Asian, Russian and Latin American epidemics could become pandemics.

The tropical forests are a source of major concern in the principal countries as opposed to developing countries in which they are located and where hunger and underdevelopment still prevail.

3. The fall of the Berlin Wall ten years ago was a symbol of the political changes of our time. The doors to the terrible certainties of the second half of the 20th Century were finally closed and the windows of uncertain hope for the new century were opened.

The elimination of the communist model as an all encompassing alternative to "capitalist" democracies encouraged neo conservative and neo liberal ideologies towards an arrogant, fundamentalist simplistic view of the world which confused market economies with market societies and proclaimed the end of ideological debate about different forms of political economy.

The reaction to this has resulted in the emergence of the large diversity of political ideas and cultural concepts previously subsumed in the opposing models of communism and

capitalism on which the systems of bipolar power blocs and the balance of terror were based. The rejection of aggressive neo conservative fundamentalism has turned a large number of citizens towards the greater solidarity offered by democratic socialism, social democracy, labour and other progressive alternatives. This opens the doors to a renewed democratic left , that will be able to commit itself to change and to use the newly available instruments to achieve its goals of justice, freedom and solidarity.

The fall of the Berlin Wall has in many countries in Eastern Europe brought about a recovery of lost freedoms and re-established democracy, the “dividends of peace”, have not yet fully appeared. What was supposed to be the opportunity to create a new international order which would replace the balance of terror has turned into more generalised disorder in terms of security, economy and finance. Multilateralism with only one global power is giving rise to innumerable ethnic and cultural conflicts as well as exclusive and aggressive nationalisms which are destroying established frontiers and threatening new disintegration.

4. The effects of the revolution of technology, economic and financial globalisation and the disappearance of opposing power blocs are transforming the role of: THE NATION STATE, as focus of democracy and sovereignty.

Macroeconomic policies which are disciplined by the operation of the global financial markets have been constrained in what they can attempt to achieve and compelled to meet stringent requirements relating to public deficits, inflation etc. With considerable debate, a new public policy focus has been established in the mix of income and expenditure destined to produce the required macro outcomes, and not the outcome itself, which is not seriously questioned. There are also difficulties in coordinating monetary policies for the stabilisation of prices and policies for the generation of employment.

The very structure of the Nation State is changing in a twofold process of decentralisation: from bottom up, it is creating supranational scenarios which seek greater capacity of response to new challenges in shrinking national space. Whereas from top to bottom, new ways of distributing internal national territorial power are being created with a view to achieving greater flexibility, closer proximity to the people, and , in some cases, better adjustment to differing national and cultural identities. The concept of subsidiarity is emerging as a means of distribution of power but, as yet, the concepts of devolution on the basis of distinct identities is often derided despite the fact that without these there are greater risks of social and territorial disintegration. The centralised structures which formerly intervened excessively are now a thing of the past. New discussions are now underway to determine the necessary dimensions of a State in this new era. In the processes of decentralisation whether from bottom up or top to

bottom, the Nation State is the true guarantor of cohesion between these groups. Its role is thus fundamental.

The very functions of politics are changing. The tendency towards a Minimum State in line with the neo-liberal ideology and the new conservatism goes hand in hand with the strengthening of new actors in the so-called market society, which is really a market economy in a democratic society. There is a danger of an individualism which disintegrates the sense of public space and spirit where coexistence, freedom and cohesion prevail. The concepts of 'value and price' are confused and anything which adds value without heeding the narrow rules of cost benefit is scorned. Within the Nation State the scope of politics is shrinking and the Nation State can no longer fully represent the public interests. It has lost its capacity to respond to the transnational phenomena resulting from the process of globalisation.

In the neo-liberal and neo-conservative ideologies consequent on globalisation, the satisfaction of universally proclaimed rights such as the right to education or health are no longer considered political obligations. The public sector not only withdraws itself from direct control of industry, it further questions its responsibilities to satisfy these recognised rights. The challenge presented by this sanctification of the market as against its utilisation to serve the public interest, generates increasing problems in privatisation. In some countries there are no rules for the sectors which deliver the traditional public services, such as communications, telecommunications, energy, transport, and in their delivery, generate equalities or inequalities of opportunities.

Political space and functions are indeed changing but the debate on these matters cannot be addressed in a defensive nor resigned manner where the optimisation of profits is placed before political obligation. The public authorities must promote an efficient market economy while guaranteeing equal opportunities to their citizens, satisfying their universal rights, defending consumers against the natural monopolistic market trends. A critical relationship with capitalism which has always defined our political approach, improving the possibilities of redistribution while at the same time making the social market model sustainable. To abandon public monopolies wholly for the sake of private oligopolies whose only aim is to optimise corporate profits, could lead to the serious inequalities which are starting to show in many countries.

5. This new era is having a strong impact on the international scene. The post war structures which were adapted to the requirements and restrictions of a world organised around two blocs whose hegemonies covered not only politics and security but also economic, commercial and financial aspects, are now inadequate and in some cases obsolescent. The political and technological changes which we are witnessing, along with environmental problems and the assertion of cultural identities, the unstoppable migratory movements, and the dwindling of political autonomy are causing disorder and

inefficiency. Challenges are becoming increasingly global. Politics is reduced to local dimensions, without the necessary instruments to respond to universal challenges. The problems of governability and security, peace, economy, finances, and the environment are creating uncertainty, increasing inequalities and the danger of disorder.

Faced with the threats to peace, ethnic cleansing, the massive violation of human rights and regional conflicts, the structure of the United Nations and its Security Council appear ineffective, lacking the means of action and blocked from making the necessary decisions. The dissemination of arms of mass destruction, the increasing access of terrorist groups to highly sophisticated weapons, international organised crime with similar easy access to new technologies, all constitute new threats to the international community with which it is powerless to deal for lack of the necessary instruments.

On the economic and commercial levels the World Trade Organisation has not advanced sufficiently in its efforts to find new balances in trade between countries at different stages of development. Solidarity with emerging or poor countries is not compatible with protectionist policies which worsen this imbalance. Neither has the WTO succeeded in preventing the exploitation of child labour or slave labour which are the most painful examples of 'social dumping', nor has it been able to ensure respect for the established rules of the game. The gap between the principles which inspire the ILO and its capacity to take action is proof of the shortcomings of the international community vis à vis the social dimensions of these problems.

In terms of finance, following the breakdown of Bretton Woods and the spectacular growth of short term financial flows, the IMF, the World Bank and the regional financial institutions as presently constituted are clearly unable to respond to the increasingly frequent financial upheavals. The fissures in the IMF and the World Bank can be explained by the different functions of both institutions and the obsolescence of the rules and regulations which were established half a century ago. The new emerging reality of globalisation is shifting the traditional boundaries of development, incorporating regions hitherto left out, while, at the same time it is dramatically excluding other regions which are sinking further into poverty.

For other challenges, such as the preservation of the environment, the necessary instruments for action are lacking. The commitments made as a result of the Río and Tokyo summits, instead of producing solutions, have brought to light the deep divisions between the developed and developing countries which have been further excluded from the process of globalisation.

The greatest paradox is the fact that in a world where the borders and barriers to information, trade and investments, to movement of capital and exchange of services are being dismantled, the barriers to human movement are being put in place. Indeed,

freedom of movement is widely proclaimed, but not for the people, who remain prisoners of their own fate in their own country, regardless of whether or not their future and their dignity are ensured! Nevertheless, the migration flows continue, despite widespread xenophobic reactions. It is proving impossible to stem these tides or to foresee their impact on our own societies and those from which they originated. Over 50% of these migrants are women and the numbers of those fleeing from political, ethnic, cultural or religious persecution are still growing.

Therefore the key issue in this new era is governance, and the possibility of creating a sustainable model of what we have come to call the information society or, more grandly, the knowledge-based society, in social, economic, environmental and human terms.

### **Our Commitment:**

#### **GLOBAL PROGRESS**

In the history of the organisations which today make up the Socialist International, in this its period of greatest growth, there has always been agreement on the need to create fairer, freer, more equal, more cohesive societies along with the great range of traditions and the versatility of the instruments and actions taken to achieve the goals which are defined in our commitment to solidarity. This is perfectly natural in a historic plural and democratic movement which respects the identity of every country and the immediate priorities in the different stages of the history of all national societies.

At the same time democratic socialist, social democratic, labour and other progressive movements have been capable, throughout history, to renew themselves and to initiate new phases, as Willy Brandt reminded us. In Europe, for example, social democracy has demonstrated its reformatory strength, while the so-called 'real socialism' was shown to be a failure. The desire to initiate new trends in social democratic thinking emerges from a wish for justice, based on the need for liberty. This belief separated us from and led us to confront the concept of communism, which was incompatible with the freedom of citizens. We are recognised for the reformatory and up-to-date nature of the means we use to achieve our goals. We stand out against a view of socialism as a limited alternative to capitalism which has only served to confuse systematically means and ends as though they were religions or immutable concepts.

That is why we respect and value the various efforts to renew our ideas in various fora for debate, by member parties of the Socialist International or other progressive groups elsewhere in different regions of the world. These are valuable alternatives to open out new forms of thought and action in the face of the new conservatism. There are many

points of convergence, not only as regards the objectives of solidarity in national societies and the international community, but also as regards the understanding of the phenomenon of our changing times and the globalisation of information, the economy, finance or the removal of politics of blocs. All of this requires of us reforms in our new political instruments and the renewal of the political content of our policies. And this being so, respect for the cultural diversity of each society, which demonstrates the versatility of human beings and their communities, must also be an element of convergence to advance towards common objectives. This shared wealth of ideas should and could become the subject of an open, respectful dialogue which would produce a variety of different experiences that could be transferred from one culture to another.

What is essential are the values that bring us together: solidarity in the improvement of human living conditions to attain more social justice, based on the universal respect of human rights, the equality of the sexes and individual and collective freedoms which is the essence of democracy .

Our supposed differences would become in such a climate of open dialogue a way of enriching, allowing us to share interdependence and act together to advance our goals.

The discussion which we have begun, and which we must continue, offers us the possibility of renewed commitment to face the global challenges of this new era, taking advantage of the immense range of new opportunities on offer and minimising the risks entailed if such opportunities were to fall into the hands of disintegrated individualism which is promoted by neo liberal fundamentalism.

We call for an open debate with participants from the sectors which are committed to science and innovation, the protection of our environment, new entrepreneurs from the business or the cultural worlds, and responsible citizens. This debate should be forward-looking in the analysis of new facts which revolutionise knowledge, and the renewal of instruments of policy.

***Solidarity***, as an expression of our identity has always guided our proposals for the redistribution of material wealth, of education, health and the care of the elderly. It directs us in our fight for equality of the sexes, and our struggles against any form of discrimination based on origins, belief or others.

However, we are aware of the dangers of passiveness towards redistribution policies when the recognition and satisfaction of universal rights do not go hand in hand with civic responsibility. We are also aware of the difficulties of sustaining policies of solidarity in societies which have well-established welfare systems and are subject to pressure when it comes to the re distribution of welfare. That is why we are calling for a



balance between rights and responsibilities, between active policies which include the largest number of persons and universal policies which do not exclude anyone.

We propose the redistribution of initiative, the encouragement of personal creativity, a willingness to take risks, since this has the social value of creating wealth and opportunities for others. Promoting a spirit of enterprise in economic, social or cultural matters is a new dimension of the solidarity which requires change in social attitudes, as well as education and training systems, by generating a new culture where individual initiative and creativity are rewarded. The redistribution of the spirit of enterprise in this cooperative sense is an expression of solidarity which is directly opposed to the mercenary individualism which rejects society.

*The year 2000 symbolises for us the start of a renewed commitment to give a social dimension to the current process of globalisation and to place it at the service of humanity. At the start of this millennium we are presenting a global platform of our agreements and commitments in the face of the challenges of the new era. We shall further add the regional contributions (from Europe, Latin America, Africa and elsewhere) which will reflect their respective priorities. On this basis we shall develop national programmes which, though adapted to our respective identities, remain open to any exchange of useful experiences with others.*

It is our intention to foster and improve the role of representative democracy. It is crucial for society at large that men and women deploy more equal participation and share responsibilities in public as well as in private life, so that the issue of gender may become a part of every policy, at all levels and in all areas.

*We are very satisfied with and welcome the work that the Global Progress Commission has accomplished in the course of these three years. The results of such of open debates will engender proposals for action.*

*This is the International that we want, an organisation in which global values and objectives converge; where there is diversity and a willingness to use the instruments to achieve our goals, in accordance with the priorities and the identities of the societies which we are addressing.*

*An organisation that is open to an increasingly universal dialogue, where the spirit of solidarity prevails in the fight against injustice and inequality. An organisation which is active in the international forums and proposes the reforms that are needed in this new era of globalisation.*

*For all the above reasons, and having convened in Paris, on the eve of a new century,*

### **WE AFFIRM:**

The prime importance that politics respond to the challenges of globalisation. The revival of its independence in representing the public interest which is expressed by the citizens of all the democracies on this planet. Our task is to encourage responses and actions which will meet the new challenges of our times and to provide more freedom, equality and solidarity.

We are addressing the citizens who are threatened by exclusive fundamentalism, or who feel abandoned to the so-called 'invisible hand' of the market. We offer to renovate and strengthen the democratic systems. We want free societies, in which citizens can assume responsibility for their own fate and that of their communities, where diversity prevails, along with the ability to create new forms of added value that will benefit both the individuals and the universal society.

We are addressing those who feel that solidarity is the noblest of human sentiments in the struggle against inequality because it opens doors to new opportunities for education, employment and the fight against poverty and hunger. We are addressing men and women from different regions with different cultures and inviting them to commit themselves to join in our common tasks and shared goals and to join the great current of hope in the new opportunities that await humankind in the new era before us.

We recognise that we have never before had such means to face these great challenges, but although our intelligence may grasp them, everything will depend our determination and commitment to achieve our goals by placing these new technologies at the service of humankind.

Democratic socialism has been born and has developed in permanent critical relationships with capitalism. Solidarity, which is defined in the struggle for social justice, equality of the sexes, the fight against discrimination as well as a fairer distribution of benefits all are the *raison d'être* for this critical relation. We recognise and respect the creative and productive function of the market. Democracy has always flourished in free market societies. But we do not demand more of the market than it can offer. We recognise that there are societies that have authoritarian systems and markets, whereas there are no democratic societies without markets. Hence we do not confuse markets and democracy. There are other human values besides those which govern the optimisation of profits. Education, health, culture, all add value and enhance the good working of an open economy, and making it sustainable. Nevertheless, these values cannot be spread by means of market regulation. This crucial relationship, which

has led to a redistribution of goods and opportunities, has rendered far stronger those societies in which democratic socialism has played a major role.

This must be done by POLITICS, by policy makers who are committed to the task of ensuring the co-existence of society in an atmosphere of freedom and equal opportunities which reaches beyond the boundaries of the markets. All societies are thus affected, regardless of their level of development, because this is part of future social cohesion of those reforms and improvements that have already been achieved.

The management of globalisation calls for better and stronger political actions, better quality and level of democratic participation locally, nationally, regionally and even internationally. A world without commitments and rules will tend towards inequality and disjunction. We will firmly oppose this vision of a world which is generating distrust, uncertainty, inequality and conflict in all parts of the planet.

We believe in economic policies which are healthy, balanced and capable of generating growth and employment. Monetary and economic policies are a tandem at the service of a stable growth and employment. We reject obsessive monetarism.

It is the job of politicians to promote economic activity, encourage competition among companies while avoiding any monopolistic tendencies in the development of the market whilst improving the conditions for the consumers.

It is a political responsibility to satisfy the universal rights to education, health care and the care of the elderly, protection of the children and the youth. The dignity of a society is measured by the willingness to commit itself to achieving these goals which represent the basic human rights.

It is a political responsibility to ensure the proper operation of public services such as transport, power, communications and telecommunications, regardless of the manner in which they are managed. They must meet the requirements of providing equal opportunities to all the citizens. They must prevent excessive concentrations of the population in vast urban areas which tend to generate new "ghettos" of marginalisation and exclusion.

It is a political responsibility to preserve the environment which is the heritage of all generations and which calls for greater solidarity with those who will take our place in the future.

It is a political responsibility to defend the human rights in all corners of the world where abuse is concealed under the surface of cultural differences which are an aberrant expression of the struggle for power. Equal rights for both sexes is not a cultural

problem, it is a basic requirement for human beings. Physical and moral integrity is a basic and universal right, as it is the individual and collective freedom.

It is a political responsibility to create a new international order which guarantees peace and security, respecting the diversity of identities and at the same time learning to share the different values while respecting universal human rights.

***In accordance with all these aims, we hereby declare that the following are the priorities in our GLOBAL PROGRESS PROJECT:***

1. The struggle against poverty and hunger, including the inherent lack of skills in the developing countries. The struggle against exploitation and unequal access to worldwide economic and technological resources. The year 2000 must be decisive in the annulment of the debt of the poorest countries. The commitments of the Group of 7 must be implemented so that the effects of this annulment will serve to relaunch investments in those countries, in agriculture, food products, basic infrastructure, education and training. We must develop specific strategies aimed at women in the struggle against poverty, since it is they who suffer the worst of conditions particularly exacerbated by globalisation. To erradicate poverty it is essential that women be autonomous. They must become active agents of development and not just passive recipients of support programmes.

2. The fight for human rights and democracy. We support the need to advance the 'right of intervention on humanitarian grounds', because no reasons of state or difference in identity can ever justify genocide or ethnic cleansing, or provide impunity to dictators who systematically violate universal human rights. Poverty and need cannot be eradicated unless we respect human rights and extend democracy. Frequently, and not by chance, the citizens of poorer countries which have been abandoned to misery and exclusion, are subjected to dictatorships, oppression, torture, if not genocide, ethnic cleansing, mass deportation and unacceptable discrimination against women. Human rights and the expansion of democracy throughout the world and among all the different cultures are the basic aspirations of the left which we represent. Women's human rights are integral, indivisible and not transferable as part of universal human rights. Their recognition and full implementation means obstacle must be overcome in order that women enjoy full freedom and dignity. This also entails fighting against violence, white slavery and enforced prostitution, promoting freedom of choice in family planning and health, and resolving the particular problems of female migration.

3. The establishment of peace and security through a new international order, with multilateral efficient instruments to prevent, manage and resolve conflicts is essential to facilitate government in this new era of globalisation. We propose the reform of the UN and its Security Council by democratically increasing the number of its permanent members. This would contribute to the democratisation of the United Nations, while the Security Council would be more representative of the new reality.

4. We aspire to a new global economic and financial order, which will necessitate some changes in the organisations which were created some 50 years ago, such as the IMF, the World Bank, and the World Trade Organisation. None of them have been able to keep up with the changing times, they all require new instruments of prevention and action. The absence of a regulatory framework for the vast short-term flows of capital makes it impossible to forecast increases in their movements and risks of financial crises and unchecked upheavals in the system. As there is no transparency or control, and the financial havens which conceal financial transactions survive, it becomes increasingly difficult to control the laundering of illegal money obtained from corrupt practices in some countries and international organised crime. International peace and security also have economic and financial dimensions which must be dealt with bravely from our progressive position. Hence it is essential to ensure greater transparency in the international financial system and to establish prudential rules for all financial institutions, including the speculative investment funds and extraterritorial entities; to abolish fiscal havens, to limit the potentially destabilising effects of the circulation of short term speculative flows of capital to emerging countries, by opening their capital markets in a more orderly manner; to involve the lender institutions in the solution of crises to which they were a contributory factor; to fight against organised crime, international drug trafficking and money laundering. To establish, under the auspices of the UN, an Economic Security Council.

5. Active protection of the ecosystem, which knows no human frontiers, calls for prompt and continuing responses. The promotion of technologies for preserving the balance of nature are available today. At the same time there are enormously important ethical, legal and cultural problems relating to biotechnological advances. They must be monitored and regulated on the basis of objective scientific evidence if we are to heed the concerns expressed by some who fear that misuse might have serious consequences. The technological revolution, though intrinsically neutral, offers hitherto unsuspected benefits for humanity, but at the same time it can represent a threat to our privacy, dignity, integrity, and our cultural identity. Our peaceful coexistence is threatened in new ways by our disregard for nature and cultural diversity. In understanding these problems and the way to act to solve them we must be guided by respect and consideration of the fact that they constitute a shared, plural wealth.

6. Regional cooperation is making headway in the international community. Europe is firmly moving towards economic and monetary union and strengthening political and cultural cooperation and, where necessary, shared sovereignty. Europe is aiming at an open form of regionalism which we support and consider to be the most appropriate way of meeting the challenges which cannot be met efficiently by Nation States acting on their own. A sovereignty which is shared regionally enhances their position. Other forms of open regionalism in different stages of development are starting in other parts of the world from Latin America to Africa and Asia. We are convinced that after the bipolarity which characterised the politics of blocs, the new international order will be more soundly based by strengthening regional cooperation between countries with common interests and identities, while respecting cultural diversity. These formations will not only achieve more effective development of their economies and their inter-regional trade, as well as trade with the rest of the world. They will also create new balanced policies for peace and security, environmental protection and the transference of technologies. The organisations which make up the Socialist International are in favour of such regional developments which can strengthen the role of Nation States more effectively than pure multilateralism.

*These are the political responses. As responsible politicians, it is our duty to commit ourselves to this task of transforming uncertainty into hope, by availing ourselves of the immense advantages of the technological revolution, the elimination of the balance of terror, and the minimisation of risks inherent to any new era.*

*We must claim the central role of politics, renew its functions and procedures while accepting the versatility of the instruments and affirming the commitment to greater equality, justice and freedom in each of our human and national societies. We propose GLOBAL PROGRESS to face the challenges of globalisation.*

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