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**SOCIAL DEMOCRACY IN A CHANGING WORLD**

We are gathered in Berlin, a symbol of the changes for which democratic socialists are struggling all over the world: peaceful transition from authoritarian rule to democracy and the removal of barriers which prevent the uniting of people for a common cause. The division of Berlin, of Germany and of Europe was overcome because of the popular demand for freedom, the failure of repressive regimes to meet the economic and social needs of the people, and international solidarity. The challenge today is to safeguard what has been achieved and to ensure that freedom and the promise of a better life become a reality for all peoples of the world.

We are aware of the many obstacles ahead, and there are new and formidable challenges to be met in our increasingly interdependent world. But our fundamental values remain unchanged. In the spirit of the guiding principles of the Socialist International, - freedom, solidarity, and democracy with social justice - we therefore will continue to strive for a world, one world, living in peace and in harmony with nature.

**Freedom and democracy**

We are heartened that democracy is gaining ground around the world: a decade of re-democratisation in Latin America, free elections in the countries of Central and Eastern Europe, and strides toward democratic government in Asia and Africa.

Yet we remain concerned by setbacks: the violent crackdown in Tiananmen Square; the tanks in the streets of Moscow during the coup that fortunately failed; the continuing repression and lack of respect for the will of the people in Burma; the coup d'etat against the freely elected president of Haiti; renewed violence which threatens to derail the reform process in South Africa; the attempted coup against the democratic government of Venezuela; and the relapse into authoritarian rule in Peru.... In far too many countries, human rights have not been respected, and democrats have been harassed, imprisoned and killed.

We call on all democratic forces to maintain active opposition to dictatorial regimes. Democrats should give firm support, across party and national borders, to democratic movements struggling for fundamental freedoms and accountable government. The parties of the Socialist International



remain committed to active solidarity, and we are ready to join forces with other democratic parties worldwide in defending the free choice of the people and political pluralism based on universal suffrage.

Young democracies in developing countries are threatened by former military and economic elites, by corruption, and by the fragile state of democratic institutions. Suffocating debt burdens, insufficient flows of foreign aid, and unfavorable export opportunities threaten to prolong the economic crisis new democratic governments have inherited.

While difficult economic reforms may be necessary, social programs must be developed to balance economic inequities. In this regard, the Socialist International must continue to urge the industrialized countries to provide sufficient and timely development assistance.

In East Europe, the new democracies face enormous challenges. They have to make the unprecedented transition from centrally planned to market economies, and must be encouraged to build legal and administrative institutions that will guarantee social justice and preservation of the environment.

Establishing a democratic culture is an equally formidable task. Today there is a proliferation of parties, an often confusing political language - with former communists calling themselves democratic or socialist - and widespread skepticism about politics in general. Perhaps the most dangerous threat is from former power elites, who exploit the uncertainties of the transformation process and use intolerant populist and nationalistic rhetoric to regain an authoritarian position. Although social democrats suffered the most under communism, they are again having to bear a heavy burden today. In this turbulent period, we must redouble our solidarity with social democratic parties, labor unions and civic movements that share the visions and values of the Socialist International.

Intolerance and ignorance also are a grave threat to democracy. We are concerned about growing nationalist tendencies, declining mutual respect among political opponents, and waning public confidence in democratic institutions, even in the more mature democracies. Social democrats must demonstrate that the true purpose of politics is to improve the human condition, that politics is not a mere power game but a trusted public service.

### **Focusing on social justice**

Social democrats have been the driving force behind the building of social welfare structures. Today we cannot be complacent in the face of ultra-liberal forces which threaten to undermine the historical achievements of the labour movement. The extremes of market deregulation have already resulted in more uneven distribution of income and work opportunities, and further concentration of assets. The alleged magic of the market-place has given rise to increased unemployment and too many low-paying jobs.



order for competition to be fair. Since domestic regulation can no longer control markets whose reach is global, we urgently need an international framework for fairer competition in the world market. GATT should serve as such a legal and institutional framework, but it is not yet in a position to enforce fair trade and respect for labour rights. Protectionism is unfair, as is social dumping; we oppose both, while economic liberalism is blind to the social aspects.

Economic fair play requires social politics, since deregulated markets have no 'invisible hand' to ensure equal opportunities and social justice. Strong trade unions are needed to counter the power of capital, and both labour and capital need legal protection and government support in order to achieve a balanced society. Social justice means increased economic democracy in all production and service sectors, from shop-floor and plant level to regional and national levels.

Our welfare-based approach to policies affecting the productive forces is certainly less costly to society than conservative reliance on monetarist recipes. Social democrats know that inflation must be kept low, but we also know that high interest rates deter investors and only result in higher unemployment and holes in the 'safety net' of social security for the jobless, the sick and the old. Investment in people through health programs, social services and fair salaries is more productive than short-term monetarist policies.

Social democrats and the labour movement are committed to economic efficiency as well as to social justice. Our countries need a social consensus which sets out fair standards for wages and working conditions, and for wealth and income distribution. Reducing unemployment must be the first item. Individual efforts to adapt to labour markets must be matched by public efforts to create employment.

Education and vocational training are essential for securing and increasing employment and for achieving equality of opportunity in a world of rapid technological and structural change. Education is a necessity not only for the young but also for adults at every stage of their lives, since knowledge is the key to innovation, social responsibility and active participation in modern society. There must be equal opportunities for men and women in education in order to overcome the gender bias in working life. Social democracy stands for the right to education for all regardless of family background or personal wealth.

The stimulation of domestic growth has been regarded as a means for achieving higher productivity, larger markets and increased employment. While these goals remain valid, economic growth can no longer be pursued without restriction. Inflation and taxation rates, the risk of capital flight, and environmental considerations must be taken into account. With trade-offs and fierce international competition, all countries are faced with the complex task of achieving sustainable development in such a way that current needs are met without jeopardising the prospects of generations to come. The quality and the sustainability of growth, and the equitable distribution of the benefits, are the standards by which modern society should be measured. The challenge can be met only through concerted



international action, not by individual countries alone.

In our world - facing population growth, endemic poverty, unemployment and the risk that the forces of technology, finance and electronic communication may increasingly be taking over the powers which are vested in democracy to shape our future - there is no alternative to stronger international cooperation, based on solidarity with present and future generations. We urge all industrialised countries who have not yet done so to meet the UN target of 0.7 percent of GNP in development assistance without delay.

### **Strengthening international cooperation and solidarity**

Given the narrowing margin of manoeuvre for single states in an increasingly interdependent world, international and regional cooperation is critically important for achieving peace, promoting development and preserving the environment. National security must be based on shared efforts for common security. We therefore strongly support both regional security structures and all endeavours for collective security centred on the United Nations. We need to address the root causes of conflict and tension, and include economic, social and demographic elements in a new and wider concept of security. We need to build on and strengthen the role of the United Nations and of regional organisations. Moreover, the United Nations must be provided with sufficient resources in order to fulfill its increasing responsibilities.

The end of the Cold War has created great opportunities and new aims for regional and international cooperation. Now that the ideological and military confrontation has been overcome, governments, business, trade unions and voluntary organizations should concentrate on bridging the North-South and East-West socio-economic divides. The OECD countries have the best opportunities and the greatest responsibility in this regard. Common environmental concerns and the challenge of large-scale migration require increased financial and technological assistance to the countries in the South and in the East.

The peace dividend could provide financial leeway for increasing such assistance. Receptient countries who maintain high military spending must be prepared to have their priorities examined by donor countries.

The IMF and the World Bank have become truly global organisations, but they need to be reformed in order to better reflect democratic principles and a better balance of interest between the rich and the poor. They also need to become more sensitive to the social effects of economic adjustment requirements.

We are today witnessing an unfortunate revival of nationalism and fundamentalism which are detrimental to peaceful cooperation. Strengthening democratic institutions at the national level and cooperation among countries at the international level can help to lessen the threats posed by this disturbing trend.



looming crisis of potentially disastrous dimensions. At the same time, the human tragedies in Somalia and former Yugoslavia indicate that the international community must strengthen its mechanisms for responding to crisis.

Visionary and effective leadership and much greater concerted effort is required if we are to establish a world order based on global security, shared responsibility and international cooperation. The Socialist International, in the spirit of solidarity which is the great strength of our movement, remains committed to that task.

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