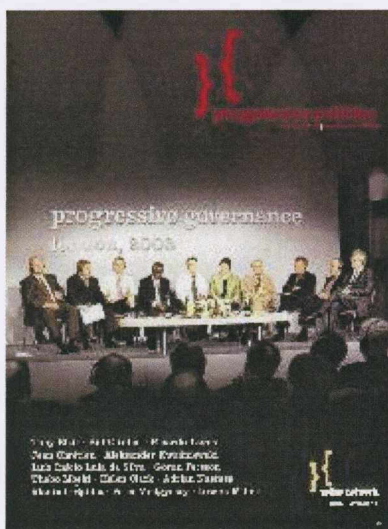




## Progressive Governance London, 2003

### Journal Vol. 2.3



The articles contained within this special edition of *Progressive Politics* are based on the speeches and discussions held at the Progressive Governance Conference hosted in London this July. This conference – which brought together 12 world leaders, former heads of state and government, and over 650 politicians, strategists and thinkers from more than 30 countries – was the largest gathering of its kind ever staged.

The contributors address the challenges facing social democrats across the globe today. They examine the lessons we must learn from the past and from each other if social democracy is to survive and thrive in the coming decades. The authors also respond to the challenges laid down in earlier editions of the journal.

#### Tony Blair - Opening Plenary

This Conference sees leaders, Prime Ministers and Presidents from over 30 nations worldwide. Not just from Europe but from North and South America, Africa and New Zealand. United in our belief in progressive politics. United in our desire to see the values of progressive politics shape change. United in our determination that it is progressive politics not the right-wing that should prepare our countries for the future.



These past months have seen divisions over Iraq. But whatever those divisions, one thing we know: that for all the threats of terrorism and international security, the only true path to lasting peace is to be united also in recognising that without those values of social justice, solidarity, opportunity and security for all, the world will never prosper or be fully at peace.

#### Tony Blair is the British Prime Minister.

#### Bill Clinton - Speech at the Guildhall

Thirty four years ago, I was in England as a young Rhodes scholar. On my first Remembrance Day, in Cardiff, on a cold Sunday morning, I watched the Remembrance Day parade. I was literally overcome as the British veterans from World War I walked by quietly in all their dignity. My colleague and I realised we had nothing to eat. We found a bakery that was closed but there were people in. We were cold and hungry so we knocked on the door and this man running the business sold us some bread and a bottle of milk. Then he gave us coffee, and said you must stay for lunch. So he dragged two total strangers upstairs to his

wife, daughter and their friend from France and made us sit down and have lunch. I thought, This guy has got to be a liberal; he's got to be one of ours.

**Bill Clinton is the 42th President of the United States of America.**



#### **Ricardo Lagos - A View from the South**

I will try to present a view from the South, which is going to be a little different I think.

The first thing that I would like to say is that normally Chile is presented as a very good student in the Latin American class. We've done all the tasks assigned to us by the so-called 'Washington Consensus', and here we are. Nevertheless, the fact that Chile completed these tasks doesn't necessarily mean that the Washington consensus is correct. What the Washington consensus says you have to do - with regard to fiscal, monetary and trade policies - is a necessary condition, but it's not enough. It's a necessary but not a sufficient condition. In Chile, we were able to stick to the Washington Consensus because in addition to it we did other things, not in the Washington consensus, and this is what really made the difference. It's not a question of fiscal policies, it's not a question of monetary policy, and it's not a question of a free trade agreement. That is not the point. The point is that in addition to these, if you are going to have growth, you need public policies that ensure that growth will go to the many. If not, then you are on the wrong track. In the long-term, if you are not creating a cohesive society you will be defeated. This is what I think has happened in most American countries. They thought that the Washington Consensus was enough, and it was not. If because of the growth we had in the 1990s we were able to reduce the proportion of people living on the poverty line from 40 to 20 per cent, it was because of the public policies that accompanied this growth, not because of the growth itself.



**Ricardo Lagos is the President of Chile.**

#### **Closing Plenary - Working Group Reports**

These seven articles by international politicians report on the discussions which took place in the Progressive Governance Working Groups.



#### **Closing Plenary**

[New Welfare State - Patricia Hewitt](#)

[Public Service Renewal - Heather Simpson](#)

[States and Markets - Laura Tyson](#)

[Migration and Social Integration - Frans Timmermans](#)

[21st Century Citizenship - Bob Rae](#)

[Science, Technology and Risk - Lena Sommestad](#)

[Global Governance - Javier Solana](#)

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## New Welfare State Working Group Report

**Patricia Hewitt**



**In all our theorising about the new welfare state we should never forget that we are talking about people and their real lives.**

**So, let me begin with a story - from my own constituency in Leicester, in the middle of England. Six years ago, when I first became an MP, I went to one of our local schools - in a neighbourhood which is one of the most disadvantaged communities in our country.**

They told me about the children coming in to their nursery. About a little boy - barely two years old - who didn't know how to play because no one had ever played with him. He didn't know the words for knife, and fork and spoon - indeed, he hardly knew how to use them. And he didn't know how to hold a book or turn the pages, because his parents didn't read to him. And then - fast forward to our local prison for young adult offenders, where more than half the young men - some already fathers themselves - can barely read or write. It doesn't have to be like that.

We all, on the Left, came into politics because we hate injustice and the waste of people's lives. And the first point of our discussion - the first point of my story - is that if we are to make life-chances more equal, to reduce the huge gulf in social inheritance, then we have to invest more, far more, in our children.

Second point. When half of our brainpower is grown before we reach the age of six, our chances of success in today's knowledge-driven economy - as individuals and as countries - begin at home, with children and their families.

Third point. In an ageing society, where women - particularly women with better education and other opportunities - are having babies later or not having them at all, and fertility in Europe has fallen below the replacement rate, pension reform also begins with babies - and in particular making it possible to reconcile work and family.

**The new flagship policy of modern social democracy is family policy.**

So the new flagship policy of modern social democracy is family policy. A family policy that accepts families in all their different forms, not one that harks back to the 1950s. That recognises that women, by changing their own lives, are changing everyone else's too.

What this means is that economic and social policy are no longer separate. We need no longer be



stuck in the old debate about whether we put wealth creation or redistribution first. No longer a welfare state based on compensating people for misfortunes after the event. Instead a welfare state that supports wealth creation - a wealth-fare state, if you like - above all by enabling each and every child to find and fulfill their potential.

Giving each and every adult the second chance, and third and fourth, to renew and change their skills as they need, to go on developing, working and contributing to wealth creation.

A growth-oriented welfare state, where investment in greater social justice is at one and the same time an investment in greater productivity.

In some countries - notably Scandinavia - that will mean (indeed it already does) universal pre-school provision as Gøsta Esping-Andersen has argued. In others, less willing to accept high taxes or state provision, it will mean a different combination of time off for parents, shorter and more family-friendly working hours, and the best quality possible education and care for children. Different families balancing earning a living with caring for their children in different ways to suit their different needs.

Gøsta Esping-Andersen argued on the basis that women should be enabled to combine work and family through universal pre-school provision. Many of us believe that this is an agenda for fathers as well as mothers. A growing number of young men want time with their families. And children need the active involvement of their fathers too, whether or not their parents are living together.

Indeed, as Pär Nuder has commented, it would be unthinkable for any Swedish man who is a Government Minister or chief executive not to take his parental leave. We haven't quite reached that stage in Britain!

For all of us, the new welfare state means understanding changing life courses. Life expectancy is growing: for American men today, life expectancy is 30 years longer than a century ago. Some see that as a problem for how we finance pensions. But it is also an opportunity - to do more with our lives, to give something back to the community.

**If we are to make life chances more equal, then we have to invest far more in our children.**

So our welfare state - activating, enabling, ensuring, expecting responsibilities as well as offering rights - must not only enable parents to balance work and family. It will need to help each of us - in an increasingly fragmented and individualised world - to balance work and family, leisure, learning, community activity and much else in different ways at different times in our increasingly long lives.

As well as the policy challenge, there is a political challenge. Ours is a commitment to opportunity, responsibility and choice. But in many countries, we'll be attacked for forcing mothers out to work, or forcing everyone to work until they're 70.

We also have to meet the needs of the poorest families - and at the same time bind in better-off families - not only for political reasons, but because children learn from each other too.

And we should recognise that the new welfare state offers a powerful dividing line between left and right. They can never accept that new forms of collective provision are needed to protect people in an increasingly individualised and insecure world.

Finally, we were reminded by Tarso Genro, the Brazilian Minister for Social Cohesion, that the greatest political challenge is to reconnect people and politics, the represented and the representatives.

The real experts in people's lives are people themselves. The real experts in poverty are the poor. And Brazil and other countries of the South have much to teach the North about how to enable people who have been excluded to transform their own lives. To participate in shaping public policy that supports them in making that change, in creating a modern social democratic community.

So renewal of the welfare state will also help us with political renewal, which is another of the great

challenges facing modern social democracy.

**Patricia Hewitt is the British Secretary of State for Trade and Industry.**

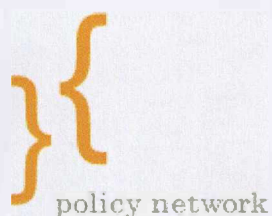
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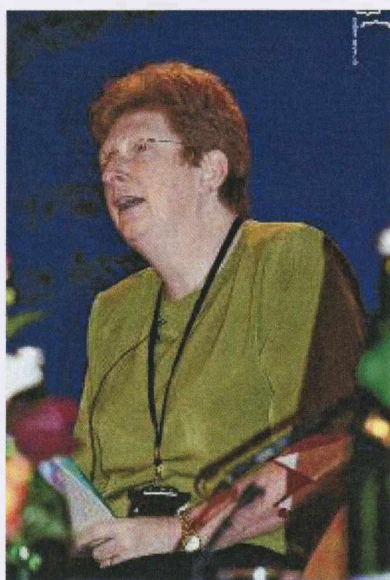
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## Public Service Renewal Working Group

### Heather Simpson



**Folke Schuppert has argued that, amongst other things, a progressive approach to public service renewal should be focused around the concept of the 'ensuring state'. For Schuppert, the idea of an 'ensuring state' develops, but is significantly different from, the concept of the enabling state that has been central to the thinking driving reform in recent decades. In particular, it emphasises the responsibility of the state in areas where it does not play the dominant role in the provision of public services. For, Schuppert, the state continues to have a public responsibility after 'enabling', and thus there are certain guarantees that the state has both a moral and political responsibility to provide. Even where public goods are provided by private or third sector organisations, the state still has a major role in ensuring these public goods – whether by audit, regulation or funding.**

While there is merit to this concept, it is still far from clear – at least at this stage of the debate – that this concept necessarily provides the cornerstone of the next round of public sector reform. Indeed, for one thing, the progressive family is so broad that different countries and certainly different continents have public services which are at very different stages of development. The United Kingdom, for example, may be grappling with issues of revitalising a public sector developed over centuries with long and mainly honourable traditions, which now needs to adapt more rapidly and more effectively to fast changing demands. Chile is, however, still trying to develop a public service and build institutions, without the option of large amounts of public funding to resource them.

In, New Zealand public services developed on the British model. Indeed, in New Zealand the public sector was so pervasive that it was the only country in the world that viewed the TV show, 'Yes Minister' as a documentary not a satire! What is clear however, is that having had the experience of restructuring public services to make them lean, mean and efficient, the key challenge now is to rebuild and not just revitalise.

Whatever the stage of our public services all countries are facing the need to provide public services for an increasingly diversified population with increasingly complex needs. More than ever our public service providers need to recognise that many needs are interrelated. So, for example, we cannot improve the health of our communities by simply providing sickness services. Without good housing, education and income, health services will never be effective.

One of the key challenges for progressives is identify how we can ensure our public services recognise that complexity and still make our universally provided services address the personal needs of the huge variety of citizens who need them.

**Our challenge is to ensure universally provided services address the**

This necessarily leads on to question of what form of shared



responsibility this should entail. In this regard, Schuppert argues that progressives need to accept that the responsibility for the common good is not wholly monopolised by the state. In a liberal, pluralist society the responsibility for the common good is divisible, no one agency or person has a monopoly: all must take part. Again, however, this is a generally accepted principle among the centre-left, there is no consensus on what exactly it should mean for public service provision: Did it mean individuals should be expected to co-produce certain public services, if so which ones? Did it give us some clues as to where it was appropriate to apply co-payments? These are questions that we cannot continue to shy away from.

**personal needs of the huge variety of citizens who need them, services that match excellence with equity.**

Consensus is emerging, however, around that view that if individuals or communities are to be more involved in the co-production of public services, effort needs to be put into capacity building for those individuals and communities. We cannot expect people to participate in decision-making, planning and production if we don't first ensure they have the resources and capability to do so effectively.

Co-production however could also be seen in terms of public-private partnerships. Progressives need to be open to such arrangements, the central challenge being how to structure and regulate them to ensure the risks are appropriately shared and the outcomes equitable. However, in initiating such change, we must be careful not to undertake it for changes sake alone. Before, we need to be very clear what it is that we want our public services to do – and the design of any new institutional structures should follow this.

So, what should progressives want their public services to do?

Firstly, our challenge is to get more services from the same amount of input, because that is the only way we can ever hope to meet the expectations of the public. When we talk about raising productivity, it has to be clear it cannot just be about cutting costs. We need more flexibility, more innovation and more collaboration in the way we provide services. However, more flexibility and innovation necessarily involves more risk, so we have to be prepared to make mistakes. Taking risks means sometimes we fail, so we have to find ways to ensure that such failures are a small part of an overall success story rather than the sole focus of attention.

Accordingly, we need more intelligent accountability frameworks so that politicians can be confident that resources are being well spent while still allowing creativity, but this also implies that we have confidence in the people providing the service. People are what make public services work. While we often talk about people who are consumers of services, stress that people must be involved in the planning, and the 'citizen' values that must be incorporated into the design of public services, there is a danger that we overlook the legitimate interest and expertise of the millions of people who, as well as being citizens themselves, are also public service providers.

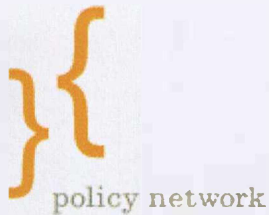
**If progressive governments are to operate successful public services, it is vital to instil pride and belief in the public servants providing these servants.**

If progressive governments are to operate successful public services, it is vital to instil pride and belief in the public servants providing these services. Believe it or not, public servants are citizens too, and we need to ensure that we use the expertise within each public service and ensure that the impacts of change on the community of providers is considered along with the impacts on the consumers of the services.

In the end, public service renewal is a political not just a technical issue. While we can discuss to our hearts content the 'perfect institutional framework', the reality is that we have to keep our eyes on the real objectives, and the values which must underpin our public service provision. As David Miliband MP, our objectives must be to combine excellence with equity. That doesn't sound too hard; the challenge for progressive governments is to make it a reality.

**Heather Simpson is Chief of Staff to the New Zealand Prime Minister Helen Clark.**





## States and Markets Working Group Report

Laura Tyson



**John Kay has argued that the terms of the political debate have shifted over the last decade. Debates about class relations and capital have given way to popular concerns about globalization and privatisation, both of which have predominantly been defined by the conservative right. The supposed primacy of market fundamentalism and the so-called American Business Model (ABM) promote a worldview in which the market can offer solutions to all problems, and only a minimal state is required. The supporters of this approach do not simply view**

**market fundamentalism as a desirable end, rather it is presented as the 'only' model of economic efficiency, an inevitable 'end of history'. Although the ABM they advocate is based on an overly simplistic and ideologically-driven account of how the market economy actually works, this argument continues to set the tone for current debates.**

Until now, progressives have failed to effectively counter this argument, preferring to promote a similar model with a human face – which is reducible to endorsing market fundamentalism but administered by 'nicer people'. The debate, then, has become overly narrow and sterile, and displaced the real question that progressives must address: when do market solutions work and when is government action required? It has also prevented progressives from developing a realistic understanding of how markets operate, one that includes an account of the role of intermediary bodies – corporations, family structures, etc. – and the social context within which markets operate. Both are key to economic success and prosperity.

What, then, drives innovation and accounts for the success of the market? For John Kay it is the presence of 'disciplined pluralism' – the process of small-scale experimentation with rapid and honest feedback. This has produced a series of technological and organisational evolutions that have driven economic growth for the last two centuries.

According to Kay there are three kinds of pluralism that are important drivers of innovation and discipline, all of which are essential features of modern democratic societies - intellectual pluralism of thought; political pluralism of democracy and economic pluralism of markets. In reality, the market cannot be properly understood in isolation from this wider context. Markets work because they are embedded in a social, cultural and political context – a set of institutions and communities. Thus, there is no single market system, each has its own distinctive features and each can achieve economic efficiency.

Developing this idea of an 'embedded market' necessitates that we reject reductionist economic models – the company as a nexus of contracts between individual agents – and overly sharp distinctions such as state and market. The challenge for progressives, then, is to develop a new political economy based on this more complex understanding of the relationship between economic institutions and the social, political and cultural environment.

Today's economic environment, as David Pitt-Watson argues, is dominated by big multinational firms, some of them more important than states in economic terms. This is sometimes considered to be a problem, even though the left has given up common ownership as a political objective. However,

these firms are generally owned by pension funds and thus not by a few capitalists, but by the many. Nevertheless, while people 'own' the economy they do not have ownership powers, which they give to pension funds.

Companies of course need to be profitable, but not at any cost. Profitability secures people's pensions but companies should also be responsible for the social and environmental consequences of their activities. As progressives, we should be on the side of the worker who is also the owner *and* the citizen. Is it not in everyone's interest that firms act in a socially and environmentally responsible way? Progressives need to address these issues, to assess if and how companies can be both profitable and ethical at the same time. More specifically, we need to question how we might be able to use this new structure of ownership to achieve progressive goals.

With existing governance rules and structures, corporations may not be run in the interests of their owners. The owners give decision-making rights to their pension funds. The pension funds in turn give decision-making rights to fund managers and equity traders. And they trade in response to share-price considerations, often short-term ones — rather than in response to other considerations. The real owners should be encouraged and empowered to exercise their ownership rights — here, trade unions could have an important role to play.

The proper governance of companies will become as crucial to how the world economy works as the proper governance of countries over time. We have rules and guidelines for political systems and countries; we need rules and guidelines for corporations.

Can progressives define a 'civil economy' composed of owners in which there exists a set of rules that sets out the rights and responsibilities of board members; the methods of their election; disclosure requirements; shareholder rights; links between shareholders, pension funds, and boards? If we can, is it desirable? Would better corporate governance processes that enhanced owner rights in fact foster socially responsible corporate behaviour? There are various examples of shareholder activism that have enhanced corporate responsibility. However, it remains an open question whether greater corporate democracy would produce more progressive outcomes. Workers as owners may be more interested in how well a company performs in the market than in how progressive its social and environmental policies are. Progressives need to meet these challenges head on.

Whatever our approach, we should not rely on individual corporations for the future of the world. Greater owner democracy may help, but it may not foster greater progressivism in corporate behaviour. The policy environment in which companies function — through environmental regulation and incentives, for example, is likely to be a more important determinant of their behaviour from a societal point of view than the private goals and aspirations of their owners. Moreover, the problem in discussing pension funds is that it is essentially an Anglo-American debate. In continental Europe there is low capitalisation, weak institutional investors, and ownership of capital is still very concentrated. Hence it is impossible to approach the question of corporate reform in those terms, at least for the time being.

Progressives should continue to discuss and look into these issues. In particular they should examine how worker and shareholder activism in different corporate governance systems is affecting corporate behaviour.

A further challenge is for us to unite around pro-growth strategies — strategies that are pro-work and pro-trade. A dynamic economy and a competitive environment are crucial for productivity. Ironically, progressives have never been considered good growth-builders while their record in office is sometimes excellent. For example, in the US Democrat administrations have been far better at creating and securing growth than republicans, but they never get the credit for it. We should put forward growth much more clearly as a progressive objective.

**Over time, the proper governance of companies will become as crucial to how the world economy works as the proper governance of countries.**

**Our key challenge is to promote growth with dignity.**

To this end, we should continue to endorse sound fiscal policies; trade liberalisation; tax and welfare policies that reward work; and policies that encourage education and training - with an emphasis on higher education. For the emerging market economies, the importance of policies to encourage entrepreneurship cannot be overstated, and here the limitations of the Washington Consensus are all too clear.

There are still significant structural barriers to promoting growth in European economies – in both labour and product markets – as well as significant weaknesses in the European economic system, built around the Central Bank and the Growth and Stability Pact. In Europe, macroeconomic policy is inclined to be less pragmatic and flexible and, as a result, less effective in building and securing growth than in the US.

Progressives must also face up to the possible tensions between promoting growth and equality. There are various models of a successful market economy, and large inequalities and poverty are not requirements for general prosperity. However, many Europeans are concerned about the inequalitarian consequences of rapid growth, while growth itself remains essential for the improvement of future living standards. Our key challenge, then, is to promote growth with dignity, mobility and opportunities for everyone. Here, the role of social partnerships and explicit social contracts in promoting growth while realising distributional goals could be key. But, partnerships are not inherently and automatically progressive. Anybody who participates in those partnerships represents the interests of a particular group of stakeholders. They engage in partnerships not necessarily for the collective good but as a means of promoting their own vested interests, and bringing together vested interests does not automatically ensure a progressive outcome. Hence, here too the role of government remains important.

The key then, is for government to work in partnership with a plethora of actors, as this is a potentially useful means of developing a consensual approach to policy change. Progressive goals can be achieved through social contracts between government, the private sector and the third sector, and our own agenda should reflect this.

**Laura Tyson is Dean of the London Business School.**

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## Migration and Social Integration Working Group Report

**Frans Timmermans**



**The working group on Migration and Social Integration was a perfect example of the diversity that can be found in the Progressive Governance family. Scholars with fascinating analyses and thought provoking answers to the many faceted problem of migration met with politicians who came looking for ways to convince increasingly sceptical voters that migration is here to stay and not necessarily a threat to their existence. Representatives from countries where migration is seen as the very essence of national identity exchanged views with people who fear their national identity might be lost if migration is not limited.**

In spite of all these differences, some remarkably similar views emerged. We all agreed that migration as a global phenomenon is here to stay. Negating this will not help solve the many challenges our societies face in tackling the social, economic and cultural problems linked with migration. National policies are often contradictory and therefore doomed to fail. Because migration is an essential element of globalization, only an international and interdisciplinary approach will yield lasting results. Migration policy is the missing link in globalization. It needs to be an integral part of domestic and foreign policy, including humanitarian aid, refugee and development policies. This integral policy will have to be formulated on an international, perhaps even global level.

In many European countries there is still a total ban on economic migration. This policy will have to be changed. The present situation, where there are high barriers to economic migration and low barriers to asylum and family reunification creates serious problems. If there are no legal channels for people to come to Europe to work in jobs that are obviously available, they will use other means to get here and will abuse the asylum system. This leads to a toughening of asylum rules which in turn threatens to block out the very refugees we are trying to protect. Tougher asylum rules tend to hit genuine refugees rather than economic migrants. Since asylum is a matter of national policy, states are in constant competition to be tougher than their neighbours. Criminal organisations who specialise in people trafficking, know exactly in which country their 'clients' have to worry least about immigration rules or border controls. They will redirect illegal immigrants to the weakest link, thus stimulating a constant race to the bottom of increasingly tougher national migration and asylum policies.

This vicious circle can only be broken if the policies of zero per cent economic migration are abandoned. New progressive policies are needed to accommodate permanent and temporary

migration. Such policies will have to be multi-faceted. An in-depth analysis will have to be made of labour markets worldwide; to match present and future needs with envisaged migration policies. Fundamental to a new approach is the condition that migration does not have to be permanent. There is an increasing need, both in countries supplying workers, and in countries with shortages in the labour market, to accommodate temporary shortages. But, we need to regulate this situation, to ensure that the accommodation of temporary needs is not done at the expense of the migrant workers or the countries they originate from and want to go back to. Temporary visas or seasonal multi-annual work permits could be introduced, coupled with a compensatory system for the countries of origin.

A comprehensive system of temporary migration could help solve the problem of globalized national economies that face an increasing demand for high level employees. More often than not, these employees would welcome the opportunity to work abroad for a limited period and then return home. This can benefit both industrial and developing countries, but then the system of refusing to accept economic migration needs to be changed. It is an illusion to assume that the present system will stop economic migration. However, this creates a form of migration that undermines the asylum system and benefits illegal traffickers. Apart from the appalling human suffering this causes, it also puts the money in the wrong hands: in those of criminals rather than in those of the workers or the people they leave behind.

### **Migration policy is the missing link in globalization.**

People who want to work elsewhere for a limited period of time, should not be treated as though they were new citizens who need to integrate fully into the recipient society. Since they will not become permanent members of this society, integration should be functional. Their rights as workers should of course be fully guaranteed. Possibilities to acquire language skills should be available, as should medical and educational facilities.

It is somehow ironic that we should now argue for temporary migration. In a number of European societies problems have arisen precisely because for many years migrants were treated as temporary visitors or 'guests', although they very often came to stay. We can only improve the situation if a move towards more temporary migration is coupled with a new system for immigration and integration that offers migrants a real opportunity to lead a full life in their new country. In traditional immigration countries, such as Canada and New Zealand, the immigration system is based upon the notion that new arrivals are also new citizens who plan to stay. Integration policies based on this principle are much more effective and have proven that they yield permanent results. There are some very valuable lessons in this for European countries. The notion of citizenship is crucial. Citizenship comes with rights and obligations. It is the balance between rights and obligations that leads to success. Rights without obligations lead to tensions in society and to an attitude of laissez faire that harms integration. Obligations without rights lead to frustration with migrants who feel treated as second rate citizens. One of the most important obligations should be language requirements. Language is a strong driving force for integration. All too often the lack of language skills leads to isolation and to fewer opportunities, in the labour market, at school and in society in general.

More attention is also needed on the impact of immigration at the local and regional level. The concerns and fears of people who see their community change under the influence of migration should not be discarded as xenophobic or even racist. Local and regional authorities should be better involved in the formulation and execution of integration policies. It is striking to see that many of the problems facing local authorities in areas of high percentage immigration, are identical to problems in traditional lesser developed areas. Often groups of new citizens fall behind, just as school drop-outs, unemployed or single mothers do in traditional society. Integration becomes a success if it leads to the emancipation of groups who have a lot of catching up to do. Helping those who fall behind to close the gap is a crucial task of progressive governance.

In our society fear plays an important role. We fear for our jobs, for our national security, for our cultural identity. It is an interesting psychological phenomenon that people who experience fear will always look for confirmation of their Angst and not for signs of the contrary. Migration is an easy target for fear-seekers. In many countries far-right and xenophobic political parties thrive on this fear. Foreigners will take your job, will rob and bomb you, will wash away your

### **The concerns and fears of people who see their community change under the influence**

identity. If we want to find permanent solutions to the challenge of migration and integration we will have to change these emotions. Here lies a gargantuan task for progressives. But it is not impossible. To achieve this, we need to create an asylum policy that works, that offers protection to refugees and filters out those who have other reasons to migrate. But since economic migration is here to stay, solutions will not be found as long as we stick to the zero per cent economic migration policy. Permanent and temporary economic migration will be an integral part of our society. If we pretend this is not the case and we avoid regulating, people will be subject to the rules of brutal 19<sup>th</sup> century capitalism: the strong will survive, but the weak will perish. Opportunities will be lost for a more just society where groups of people are not left behind, simply because they come from elsewhere. To progressives, this is unacceptable. Regulated temporary migration combined with a comprehensive approach for the integration of those who will be migrating on a permanent basis, can bring the solutions we need. If this is done in a way that balances rights and obligations, we will be able to convince both new and old citizens that a win-win situation is possible.

**of migration should not be discarded as xenophobic or even racist.**

**Frans Timmermans is a Dutch MP and member of the Convention on the Future of Europe.**

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## 21st Century Citizenship Working Group Report

**Bob Rae**



**Rabbi Hillel, who lived in Babylon more than 2,000 years ago once questioned: If I am not for myself, who is for me? But if I am only for myself, what am I? And if not now, when? The first question points to the enduring value of self-interest, which we ignore at our peril; the second to the need for generosity and justice in a world that values greed too much; the third speaks to the need for action and the danger of doing nothing, a vice to which we are all, in our private and public moments, too prone.**

The pursuit of self-interest in the economy is as natural for the trade unionist as it is for the entrepreneur or even tycoon. The healthy competition of the market, and the achievement of our own individual success is not to be scorned or feared. Economic and political systems that do not attach a priority to the satisfaction of this demand from individuals have failed and will continue to fail. Prosperity matters. Billie Holiday reminded the world that I have been poor and have been rich, and rich is better.

This expression of the self is not just economic. It is about who we are: sexually, culturally, politically. A bewildered Abraham turns to the heavens and says three words: Here I am. They are potent words, and have been spoken by every person and every people seeking freedom. The assertion of identity is not self-indulgence. It is basic to our understanding of what it means to be human. The assertion of self-interest, is about economics, and it is also about human rights. Modern social democracy is as much about freedom as it is about equality.

But to assert self-interest is not enough, which is why Hillel asked his second question: But if I am only for myself, what am I? The trouble with brash neo-conservatives, excessive nationalist, and single-issue politicians alike is that they all stop with the assertion of self-interest. Their obsession with self keeps them from coming to terms with the second questions.

The debate about the economy and government is really an extended discussion of the connection between Hillel's first two questions, about the relationship between prosperity and the public good. Many on the right are trapped by arguments that the pursuit of self-enrichment by itself produces the best of all worlds. Many on the left fail to see that the modern economy can't simply be described as a universe of great evil.

Hillel's questions would lead to a more balanced view. A politics that ignores self-interest deserves to

fail. An economics that ignores our common interest as citizens in the well-being of the broader community will eventually face a wall of public hostility. The poet Oliver Goldsmith wrote at the beginning of the industrial revolution of a world where wealth accumulates and men decay. While the public good is partly pursued by accepting the appetite for gain, gain alone is not enough. People will not accept being treated as commodities. They will insist on being recognised as citizens, members of families, cultures, and broader communities. They will insist on their rights.

We live in an age that celebrates claims. Hillel's second question suggests that we need to go beyond the pursuit of self-interest to an understanding of the responsibilities we have for other people. We live in a time of extraordinary technological change and financial windfall. Yet schools are under funded and public goods are reviled by the business press.

It is a sign of health when we take responsibility for ourselves. The community and state overstep their bounds when they assume they know better than ourselves what is in our interest and what is 'best' for us. It is equally discouraging when people point fingers at everyone but themselves for their fate. So welfare programmes have changed just as much through reforms initiated by social democrats, as through attacks from the right.

There is something very wrong when some companies assume no responsibility for environmental damage, or for the under funding of the key social programmes that in fact train their workforces and provide support for their consumers. Many are reluctant citizens, pretending that the homeless around them are someone else's problem and responsibility alone.

Hillel's second question points to an ethic of shared responsibility. The third question reminds us we can't put these choices off forever. Life is not a rehearsal. Just as we find excuses for delay in our own lives, putting difficult decisions aside can become habit-forming in politics as well. It is easier to stick with old habits and traditional arguments long after they have ceased to apply or even make sense.

The pursuit of self-interest is a healthy and natural start to public life, just as it is to our own psychic health. Rabbi Hillel's first question is an expression of this pragmatic sense that there is little point (and indeed much potential for tyranny) in denying people's primary desire to improve their own lives. This urge to self-expression, this quest for dignity and recognition for our own worth, whether as individuals or communities, is as fundamental to understanding politics as it is to much else.

Social democracy's origins can be traced to this innate impulse, since it really stemmed from a keen sense that power structures that denied legitimacy to working people, to blacks and other minorities, or to women and their assertion of identity had to be challenged and changed. Just as liberalism insisted on the need to change old structures because they provided no way for self-interest to be reflected or expressed, democratic arguments about extending the franchise, dissolving colonial ties and the embrace of the imperial idea, and finding real room for ordinary people have become an undeniable part of what we see as the basis of a good society. The concept of citizenship has clearly evolved over time.

Capitalism and democracy have long co-habited in most Western countries. It is an accommodation that only works when balances are struck. There have been several moments when the social contract has come perilously close to the breaking point. In the 19th century the gap between rich and poor seemed so large that social movements arose which insisted that the condition of the people was at least as great a question as the primacy of property and the free market.

Efforts were made to bring the 'robber barons' and the 'malefactors of great wealth' to heel, social insurance schemes were devised and competition laws were passed. Even the US Congress decreed in 1916 that "labour is not a commodity."

The 1930s saw the next great round of reform as the Depression shook the system to its roots. Some in the plutocracy of the day saw Roosevelt as a Red and a revolutionary. The more enlightened

**It is a sign of health when we take responsibilities for ourselves. The community and the state overstep their bounds when they assume they know better than ourselves what is in our interest.**

**We should be setting stronger rules for markets, but not be ashamed of seeking prosperity.**

realised he was someone who believed in democracy, enterprise, and government, and saw nothing contradictory in this faith. The modern welfare-state reforms that we associate with Roosevelt were consolidated and improved in virtually every Western country until the 1970s. The failure to introduce comprehensive health care in the United States has left the US short-changed.

A very different set of economic and political circumstances today leaves us with our own great challenge. The reforms of Lloyd George or Roosevelt were premised on national economies and nation-states. No one doubted or challenged the premise, although many disagreed with the policies put forward.

Hillel's second question can no longer be answered only in a local context. The mobility of capital, its global reach, has now reached the point where democracy and the state have greater difficulty intervening and responding. Some argue that this should be met by governments simply taking up the old tools, controls on foreign exchange, capital flows, more public ownership, higher tariffs: in short, more protection and intervention.

Social democracy must change so that it can once again become a healthy and realistic public philosophy. We should be setting stronger rules for markets, and recognising that while not everything is for sale, innovation, technological change and the fundamental importance of education have everything to do with the creation of wealth. We should not be ashamed of seeking prosperity.

But a prosperity that is too confined and exclusive begins to take on its own pathology. The rich hardly give away enough money to make up for the relative decline in tax revenues and government expenditure. This means poorer schools, a weakened health-care system, and social services for children and the vulnerable that have gone from barely adequate to impoverished.

If the rising tide fails to lift all boats, resentments will increase. Sometimes these resentments will find their expression in too much nationalism, in resistance to immigration, in gender wars, or in varieties of religious fanaticism. Often they find a home in a climate of public mean-spiritedness that appeals to our baser instincts.

It does not have to be this way. It is possible to admit the legitimate claims of prosperity without abandoning the commitment to the public good. The right is talking unity. A broad social democratic and liberal left should be doing the same. Unless this happens, the right will establish its dominance over programmes and ideas, and then government itself.

More than a hundred years ago, progressives alarmed at the brutality of the industrial revolution insisted on the need for balance, and on the role of unions, communities, and the state as a necessary countervail to private monopoly. They insisted on a broader concept of citizenship and responsibility. In the middle of our own revolution, we need the same insight: the difficulty is that government itself needs to change, and the bounds of the nation-state are too narrow to balance what has gone wrong.

The democratic spirit can be a great force. We need more of it to give hope to those who feel abandoned and bewildered in this brave new world of rapid change.

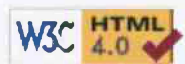
**Bob Rae is the former Premier of Ontario.**

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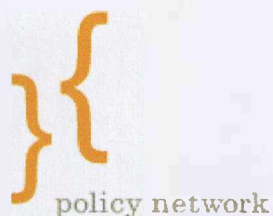
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## Science, Technology and Risk Working Group Report

**Lena Sommestad**



**In their introductory report, Rebecca Willis and James Wilsdon observe that progressives have until now devoted far too little attention to issues surrounding science, technology and risk. As the pace of innovation accelerates, progressives face a mounting challenge: how to make use of the potential of new technologies without continually giving rise to negative and polarised responses.**

Willis and Wilsdon suggested that progressive governments should develop a more open minded and participatory approach to emerging technologies, that they should involve the public in dialogues on new technologies, as early as possible in the process, and that they should acknowledge uncertainties and consider a wider social context when making decisions. They also argued that progressives sometimes display an uncritical technophilia – demonstrated by the fact that we have not reflected enough on wider social and environmental questions raised by these new technologies. This uncritical attitude has made it difficult for us to deal with public distrust in new technologies such as genetic modification.

In responding to this question two main elements should be considered. First, the issue of 'emerging technologies and risk'. This is how we as progressives should we deal with controversial and new technologies, such as GM organisms or nanotechnology, for example? Secondly, there is the issue of 'technological opportunities', how can we as progressives contribute to developing new technologies and use existing technologies and science innovatively, in order to deal with local, regional and global problems such as poor health, poverty, climate change and depletion of natural resources?

There was strong support in the debate for a participatory approach to deal with issues of technology and risk. Several participants shared their experiences and confirmed that a participatory approach can be used successfully in different settings. Consumer protection is one area where this approach works. Where governments are transparent, they can acknowledge uncertainties and importantly where choice is offered, people can discuss and deal with risk in an informed way. Experiences from the field of environmental politics worldwide tell the same story. The result of this is access to information and public involvement when pursued in a way that gives stakeholders a real say in solutions that have greater legitimacy and are fairer. All levels of decision making, whether local,

national and global are open to participatory approaches - however, they must be designed in different ways to fit specific situations.

The international arena is particularly relevant as regards decisions to do with technology and risk. For example, we can observe that people from different parts of the world often have very different views of the pros and cons of new technologies. It is becoming more and more important for progressives to contribute to capacity building across the globe, making it possible for less developed countries to take part in an informed discussion on these issues. We should also consider how educational institutions can be improved, in order to make younger generations better prepared to handle the rapid technological development that we can expect in the years to come. A pertinent point was made by Sir Martin Rees who argued that we will be confronted with increasingly difficult ethical issues in the 21st century, when scientists manipulate human nature. If as progressives we cannot respond to this in a balanced way, there is obvious risk for a scientific backlash.

**We will be confronted with increasingly difficult ethical issues in the 21st century, when scientists manipulate human nature.**

In short, much can be gained by an inclusive and participatory approach to science and risk. However, we must also be aware of the challenges and limitations of the participatory approach as it remains the case that government must make a political decision when all is said and done. Where public consultation takes place, but the decision taken is contrary to what the public may have expected, this can be hard to explain. Transparency is the key here. It is essential to have institutions with integrity and institutions that the public can trust when new technologies are assessed. The role of the media is vital as well and we must also be aware of the role of the media when these issues are being discussed.

Though we expect government to take a decision, we must also be clear as to what sort of decisions we think governments can make. Governments should not decide, and certainly not at an early stage, which technologies are either 'good' or 'bad'. What is needed is a framework for dealing with technological development and a readiness to continuously assess ethical, safety, environmental and social impacts. We also need to involve, as early as possible, the public as well as scientists and corporate interests in the process, and then act, only if necessary.

Finally, we must take into account the place and power of the private sector in developing and designing these new technologies. In principle, we could say yes or no to new technologies, but a fundamental question for us to consider is what power we have in our democratic processes to genuinely choose what technologies to develop? We must consider, if the present balance between market and state, at national or international level, makes it possible for us to deal with emerging technologies and technological developments in the way we would like to. This question led us to a second major issue discussed in our panel: how as progressives can we contribute to developing new technologies or innovatively use known technologies, in order to deal with local, regional and global problems such as poor health, poverty, climate change and the depletion of natural resources?

First, it is clear that as progressives we can be much more active than is the case today.

**It is important that we continue to support the development of technologies that we think are valuable to promote the public good.**

It is important that as progressives we continue to support the development of technologies that we think are valuable to promote the public good. Politicians have important but limited opportunities to make an impact in regard to the overall direction of scientific and technological development, for example through funding strategic policies. In addition, when basic science is known in a particular field, we can push for applications that serve our goals of a better environment, health improvement and social justice, but we should also realise that new technologies are not always necessary in order to solve major social and environmental problems. On the contrary, the innovative use of existing technologies is equally as important.

In Johannesburg last year, an Implementation Plan for Sustainable Development was adopted by the heads of states from all continents. The plan continues within the framework of the UN Commission for Sustainable Development (CSD), and it seems clear that this is one of the settings where a

progressive agenda for technology development should be discussed and where new, joint initiatives could be taken by progressive governments. All in all, the Johannesburg Summit was an important turning point for progressive thinking. The role of the private sector was clearly underlined, not least through a number of partnership initiatives. However, it was also made clear, that the often shortsighted perspectives of market actors and the competitiveness of global markets must be balanced by strong democratic forces, capable of protecting people's health and the environment.

One important issue, to be dealt with at the next meeting of the Commission of Sustainable Development, regards the need to supply drinking water to those millions of people in the world who lack this facility. Progressives, have an important role in supporting initiatives that secure water distribution to all citizens in a fair and equitable way - public-private partnerships, to strengthen non-profit systems, is one way forward. In sum, it can be argued that we should as progressives we should consider when we choose to use market mechanisms and private companies for the provision of public services and in what ways this change may have an impact on our possibilities to influence the direction of technology development, nationally and worldwide.

In conclusion, it is clear then that the issues surrounding science, technology and risk, are of great importance for our overall progressive agenda, and that we, as progressives, devote far too little time to the entire issue. There is, in fact, a close relationship that exists between the science, technology and risk agenda, and for example, the progressive agenda for renewal of the welfare state.

In both these fields, we apply progressive values of social justice, democracy, public involvement and long term investment in productive resources, people and the environment. We aim to bridge the gap between social and economic goals - both of these fields are part of the broader agenda for sustainable development. In the future we need to think about developing the discussion between progressives all around the globe on these issues, so that we can act in a concerted way, not least in international settings. We can share best practice, but we can also take the initiatives on crucial global issues, such as climate change.

Strong forces, not least in the corporate sector, continue to push technological development in an often unpredictable way. Despite this, our conclusion remains that politics continues to matter.

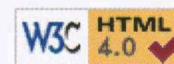
**Lena Sommestad is Minister for the Environment in the Swedish Government.**

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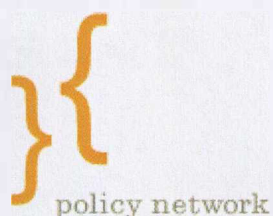
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## Global Governance Working Group Report

**Javier Solana**



**Progressive thinking has always been internationalist. Multilateral institutions are the tools through which global inequality can be conquered and social justice achieved, but today our multilateral institutions are in need of reform and support - there appears to be a tension between their legality, legitimacy and efficiency. Are organisations more efficient when less legitimate and less efficient when legitimate? I believe this constitutes a real challenge for global society, and progressives in particular.**

In the post-Iraq era, one of the most pressing challenges is to improve the efficiency of the UN. Here, Europe must establish a common position. If Europe agrees on common policies, consensus within the UN is easier to obtain. As the recent dispute over the military intervention in Iraq has shown, a divided Europe weakens the UN and makes the search for an international accepted solution nearly impossible. It remains very difficult to change the Security Council (SC) itself – for example, removing the permanent members' veto, or changing the number of UNSC members. Europeans cannot afford for the UN not to fulfil its obligations. They have to give more credibility to the UN, otherwise it will be impossible for the UN to function properly.

Moreover, countries must be punished if they do not follow UN rules. Breaches cannot be tolerated, and European countries should react accordingly, the use of military force cannot be excluded. Closing our eyes to violations of international law is not a solution and would deprive the United Nations of any authority. Europe must take the lead in complying with international law and convince other states to do so as well. It should be the driving force for a new form of globalization that stands up for human rights and builds solidarity between nations. We must act together and strengthen a world based on rules.

External threats refer to states that threaten other states or individuals beyond that state's own borders. This is the traditional classic area where there are clear rules under Chapter VII of the UN Charter, where it has always been acknowledged that state sovereignty has its limits and where the main issue is the right to react. The other case in this conceptual divide is internal threats. What happens when a state constitutes a threat only to those within this state itself? This is an area, by contrast, where there are no clear rules of international law at all but where the main issue is the responsibility to protect.

**Closing our eyes to violation of international law is not a solution.**

In all cases, both internal and external threats, whether we are talking about the right to react or the responsibility to protect, or whether the threat is constituted by armies, weapons of mass destruction or by terrorism, the question of whether military force should be used or not must be reviewed under strict criteria. These criteria, as Gareth Evans has pointed out, must include the just cause threshold (i.e. a large scale loss of life or a large scale 'ethnic cleansing'), the right intention, the use of military intervention as a last resort, proportional means, reasonable prospects of victory and the right authority to take action.

Terrorism is one of the best examples where multilateralism is absolutely necessary: the United States of America cannot fight alone against international terrorism, on the contrary, it requires a multilateral approach. Weapons of mass destruction, state failure, and the Middle East crisis – all these affect the whole world community and not only individual countries. But the centre of gravity against international terrorism – as well as the proliferation of weapons - will not be military. The centre of gravity is the exchange of intelligence.

The importance of multilateralism must be explained persistently because the current problems cannot be solved unilaterally. Therefore, progressives should not simply analyse the symptoms of the problems, but also the causes. Progressives should fight against terrorism but also against poverty and damage to the environment.

There is a major difference between a narrow security agenda and a social democratic programme focused on security, law, and social justice. This difference can be articulated by recalling Tony Blair's famous slogan to be tough on crime and tough on the causes of crime. In global political terms this means being tough on security threats and tough on the conditions which breed them.

What has been said about security also applies to the economy. Free trade is the key to growth, to poverty reduction and creating opportunities. If something is so obviously true, why doesn't it happen? Free trade creates a sort of international division of labour which is a painful process. It is painful because it relocates comparative advantages, it needs adjustments and restructuring and usually these things fall on the most vulnerable countries or social groups.

Furthermore, the view among many that free trade is bad for the environment, that it means social dumping or the disappearance of culture diversity is gaining popularity. Free trade is seen as working against social democratic values. What we have been doing in some countries - usually through social democratic agendas – hasn't been done globally. We have not addressed the painful side of the benefits of free trade and we haven't done it globally because of the absence of global governance.

Reforming the Common Agricultural Policy remains another priority. Payments to farmers must be decoupled from production; we must support farmers, not farming. This is a painful beginning for reform, but there is a chance for redistribution to the poorest farmers, to relieve the taxpayer and not to distort global markets. Globalization is not a threat to poor countries; it should not be idealised nor demonised, it is simply a fact, a condition.

It is possible to distinguish broadly between a narrow economic agenda and a social democratic vision for a reform of global governance. The narrow agenda is focused primarily on free trade and the deregulation of all markets, whereas a progressive economic agenda needs to coordinate free trade with poverty reduction programmes and social solidarity. The message is simple: we cannot have global trade without global governance.

Finally, the degree of motivation is important for putting these ideas into practise. The people must be convinced. A few years ago, social democrats were in power in almost of all the West European countries, but most of them didn't seize the opportunity. That should not be repeated. We have to co-ordinate our policy more effectively and make sure that we get results. The agenda is there, it must now be implemented.

**Europe should be the driving force for a new form of globalization - standing up for human rights and building solidarity between nations.**

**Whether we are talking about the right to react or the responsibility to protect, the question of whether military force should be used or not must be reviewed under strict criteria.**

**Free trade is the key to growth, to poverty reduction, and creating opportunities.**

**Globalization is not a threat to poor countries; it should not be idealised nor demonised, it is simply a fact.**

**Javier Solana is the EU High Representative for Common Foreign and Security Policy and**



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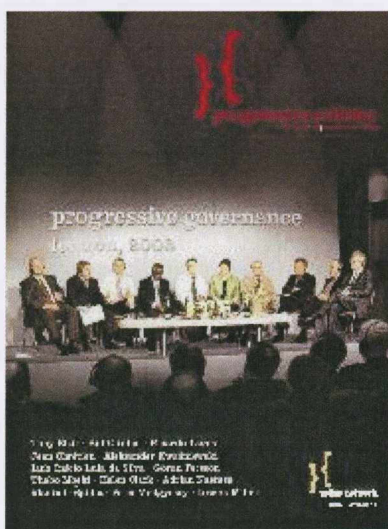
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PUBLICATIONS

## Progressive Governance London, 2003

### Journal Vol. 2.3



The articles contained within this special edition of *Progressive Politics* are based on the speeches and discussions held at the Progressive Governance Conference hosted in London this July. This conference – which brought together 12 world leaders, former heads of state and government, and over 650 politicians, strategists and thinkers from more than 30 countries – was the largest gathering of its kind ever staged.

The contributors address the challenges facing social democrats across the globe today. They examine the lessons we must learn from the past and from each other if social democracy is to survive and thrive in the coming decades. The authors also respond to the challenges laid down in earlier editions of the journal.

#### Tony Blair - Opening Plenary

This Conference sees leaders, Prime Ministers and Presidents from over 30 nations worldwide. Not just from Europe but from North and South America, Africa and New Zealand. United in our belief in progressive politics. United in our desire to see the values of progressive politics shape change. United in our determination that it is progressive politics not the right-wing that should prepare our countries for the future.



These past months have seen divisions over Iraq. But whatever those divisions, one thing we know: that for all the threats of terrorism and international security, the only true path to lasting peace is to be united also in recognising that without those values of social justice, solidarity, opportunity and security for all, the world will never prosper or be fully at peace.

#### Tony Blair is the British Prime Minister.

#### Bill Clinton - Speech at the Guildhall

Thirty four years ago, I was in England as a young Rhodes scholar. On my first Remembrance Day, in Cardiff, on a cold Sunday morning, I watched the Remembrance Day parade. I was literally overcome as the British veterans from World War I walked by quietly in all their dignity. My colleague and I realised we had nothing to eat. We found a bakery that was closed but there were people in. We were cold and hungry so we knocked on the door and this man running the business sold us some bread and a bottle of milk. Then he gave us coffee, and said you must stay for lunch. So he dragged two total strangers upstairs to his



wife, daughter and their friend from France and made us sit down and have lunch. I thought, This guy has got to be a liberal; he's got to be one of ours.

**Bill Clinton is the 42th President of the United States of America.**



#### **Ricardo Lagos - A View from the South**

I will try to present a view from the South, which is going to be a little different I think.

The first thing that I would like to say is that normally Chile is presented as a very good student in the Latin American class. We've done all the tasks assigned to us by the so-called 'Washington Consensus', and here we are. Nevertheless, the fact that Chile completed these tasks doesn't necessarily mean that the Washington consensus is correct. What the Washington consensus says you have to do - with regard to fiscal, monetary and trade policies - is a necessary condition, but it's not enough. It's a necessary but not a sufficient condition. In Chile, we were able to stick to the Washington Consensus because in addition to it we did other things, not in the Washington consensus, and this is what really made the difference. It's not a question of fiscal policies, it's not a question of monetary policy, and it's not a question of a free trade agreement. That is not the point. The point is that in addition to these, if you are going to have growth, you need public policies that ensure that growth will go to the many. If not, then you are on the wrong track. In the long-term, if you are not creating a cohesive society you will be defeated. This is what I think has happened in most American countries. They thought that the Washington Consensus was enough, and it was not. If because of the growth we had in the 1990s we were able to reduce the proportion of people living on the poverty line from 40 to 20 per cent, it was because of the public policies that accompanied this growth, not because of the growth itself.



**Ricardo Lagos is the President of Chile.**

#### **Closing Plenary - Working Group Reports**

These seven articles by international politicians report on the discussions which took place in the Progressive Governance Working Groups.



#### **Closing Plenary**

[New Welfare State - Patricia Hewitt](#)

[Public Service Renewal - Heather Simpson](#)

[States and Markets - Laura Tyson](#)

[Migration and Social Integration - Frans Timmermans](#)

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[Science, Technology and Risk - Lena Sommestad](#)

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