

8 April 1999



Costas Simitis
SI Vice President

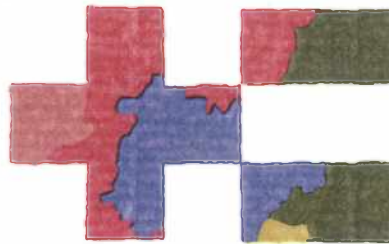
Dear Comrade,

I am pleased to send you herewith a draft summary of Felipe González's report on the Global Progress Commission, which he asked me to forward on his behalf to the leaders of the member parties.

Fraternal regards,

A handwritten signature in black ink, appearing to read 'Luis Ayala', with a long, sweeping flourish extending to the right.

Luis Ayala
Secretary General



GLOBAL PROGRESS

- I.- INTRODUCTION.
- II.- VALUES AS COMPASSES.
- III.- SEVEN POINTS FOR THE DEBATE ON GLOBALIZATION AND ITS EFFECTS.
 - 1.- Technological revolution and globalization.
 - 2.- Global Economy.
 - 3.- Financial system of globalization.
 - 4.- Changes in the structure of the Nation State: supranationality and intranationality.
 - 5.- Political impact opposite the rights of education or health, and opposite services like energy, transport or telecommunications.
 - 6.- The margins of macroeconomic politics in the global economy.
 - 7.- The governing of the new universal situation: political and security; economic and financial.
- IV.- SOME PROBLEMS OF OUR TIMES.
 - 1.- The environment in globalization.
 - 2.- Cultural identity and globalization.
 - 3.- The incorporation of women.
 - 4.- Migratory flows.
- V.- THE I.S. AS AN INSTRUMENT FOR GLOBAL PROGRESS.

I.-INTRODUCTION

"Our day and age, like none before us, contains many possibilities whether they may be good or bad. Nothing is done alone and few things last forever. Remember therefore your strength and that each age has its own solution."

Willy Brandt. Message to the Berlin Congress, from the International Socialist,
September 1992.

In September 1996, at the I.S. Congress held in New York, I was charged with the preparation of a new platform for ideas which would help us to confront current challenges posed by the neo-liberal fundamentalism which denies the value of politics and which offers all the means of coexistence to a beatified market as if they were golden calves. And at the same time the surge of purely defensive attitudes from sectors of the left, which could cause us to follow the path of ideological conservatism or that of the resignation before the new challenges of the technological revolution and globalization.

I proposed the creation of a small commission that would organise and encourage a debate centred on globalization and its consequences. This would be through an analysis of the new realities for which the principles and values that have inspired our movement would serve us as guides in the search for coherent solutions.

That is why, from the beginning of the Congress in New York I wanted to provoke the delegates affirming that it was not about changing the principles which inspired our historic task, but about understanding the change which is happening. In that way new solutions would be offered. Some of the delegates interpreted this as an excess of pragmatism, a near abandon of our values. I said that I was interested in compromising solutions because there were enough principles since those of the French revolution.

Since then and on various occasions, I have had to clarify that I was and am concerned about avoiding that this debate be reduced to a renovation of our declaration of principles put together differently or similarly. This would be like the other declarations made throughout our recent history and would escape the analysis and understanding of the phenomena we are living now. That is why I reminded them that the objective was to compromise ourselves with the solutions and, I even mentioned the difference between preachers and responsible politicians making reference to an old Spanish saying: *"It is one thing to promise and another to perform"*.

Our task as the International Organisation of Democratic Socialism is to find coherent solutions to the challenges of globalization. Solutions that identify us all over the world not only by proclaiming our values, but also by starting with the conviction that we assume them. Solutions that are usable on a worldwide, regional, national or local basis in which we develop our tasks overcoming contradictions between levels.

If we consider the extension and complexity of the formations integrated in the I.S.; its rapid growth, its differences in origin, culture and socio-economic realities with which to work, that create different priorities, we will understand the difficulty of the commitment.

Therefore, through our work, we try to be identified as the alternative for progress and solidarity that millions of human beings from every corner of the world are looking for. This identification must be more tangible than a mere declaration, nearing the pronouncements of the UNO, more than to the necessary effort of compromise with the solutions that every man and woman expects from us.

These considerations have led me to propose a debate about Globalization and its effects, starting from a perception that is still vague about the phenomenon, but which has become universal, comparing it with a forceful idea as a solution: that the Global Economy is necessarily accompanied by GLOBAL PROGRESS in all continents and regions and in the heart of each of our national societies.

An offensive position, therefore, which does not accept the resignation before the new challenges of founding hope in a global society guided by human and solidary values. But at the same time, it respects different cultures and civilisations and environmental balances.

From the beginning, I have insisted on a scheme of reflection with seven points. These have the potential to interest everybody because everybody is affected, even though the priorities differ, while following the same scheme for discussion, in the development of the regional seminars and thematic meetings in different parts of the world.

It is logical for countries with a high level of economic development and substantial progress towards the cohesion of societies, that they are mainly concerned with the limits and the reform of the Welfare State. Whereas, for emerging countries and moreover for those trapped by poverty and marginality, their priorities are centred on the debt that burdens them, access to technology or on acquiring a minimum of social cohesion and not on overcoming extreme poverty and marginality.

In response, I have not tried to affront all the motives for concern in every region of the world but developed a plan that allows the inclusion in the general proposal of the main concerns of each area. The objective, therefore, would be a general proposal that serves the entirety of the I.S.; coherently compatible with propositions from the Regional Organisations, (like the European Socialist Party, for example), and from the national groups integrated in the Organisation.

As well as the regional meetings that we are developing in various continents, I have proposed a series of thematic seminars. They include questions about our day and age or local priorities that continue to give depth and variety to the general analysis. For example: the problems of cultural identity in globalization, analysed in the seminar in Rabat; those of equal growth analysed in Chile; environmental problems; those of women; migratory or many others, which, with specific focus, continue allowing us to take progressive and solidary positions for the International Socialist.

I start out with the words of W.Brandt, in my approximation, when he reminded us that the world had never offered so many opportunities nor threatened with so many risks. He added that it depended on our intelligence and our will to take advantage of the former and minimise the latter. Following the tradition of the revolutionary left, I have considered Gramsci's thought, "the pessimism of intelligence and the optimism of will". Today, however, juggling the paradoxes, we could say that optimism of intelligence is possible because we can understand the change going on in the world. It is more difficult to avoid pessimism of will because defensive tendencies have become the norm for many leaders and in large sectors of opinion.

A kind of resignation can be seen in political leadership that encourages the idea that the next generation will be worse off than the former and will have fewer opportunities. From that stance, I believe that it becomes impossible to confront historical changes with a will for transformation, as Brandt demanded, capable of giving value to our compromise with solidarity thus improving living conditions of human beings.

Octavio Paz, is considered by some as a man with conservative thinking. It was he who having observed the effects of the fall of the Berlin wall and the collapse of the model of communism, reminded us with surprising lucidity that the fact that the solutions failed does not mean that the questions are obsolete.

If we were capable, ignoring ideological prejudices, of listening to Brandt's and Paz's words, we would find the encouragement for developing our values in the society of Globalization. Intelligence for understanding the change of age we are going through, the ever-improving society born from the industrial revolution; the will of proposing innovative and solidary solutions to new challenges, making good use of the advantages and minimising the risks.

The rising interest in the so-called "The Third Way" is due to its attitude of non-resignation and capability of assuming risky propositions. At the same time, solidary principles against neo-liberal fundamentalism are upheld and individual and communitary responsibilities are called for as a joint force with which to carry out public powers, modifying the political stance but without renouncing the role of politics.

I am convinced that the ideological element that most identifies us is solidarity, understood as the fight against inequality. For this reason, our proposition policy is always oriented towards redistribution, whether it be material goods, education, health or safety in old age. However, we understand the dangers of passivity that a policy of recognition of rights, without the corresponding responsibilities, can generate. There are also the problems of sustaining the model, for which we hear more and more, a call for responsibility and a balance between rights and duties. I agree with this evaluation and I would like to add the need of redistributing enterprising capacity, spirit of initiative, assuming risks, valuing the person that does it and clearly showing the social dimension of this attitude of opening up to new areas and opportunities.

The redistribution of enterprising attitudes, with social, economic, cultural or political regards, would be a new dimension of the solidarity in our educational and professional training systems, in our political proposals to citizens and in our cultural policy.

With relation to the extent of the debate, I would like the colleagues of the I.S. Organisations to be open to mixing ideas much further than on a purely organic basis. In this way we can reach different sectors, from the business, scientific and cultural worlds and also social movements and non-governmental organisations. In a quick and deep changing society, positions of hiding can lead us to downfall. Even if there are waves of votes that can answer to the fear, the uncertainty, more so than to the active compromise with an innovative project, laden with the values that have made us strong and respectable.

With this focus, we have continued advancing on the renovation of ideas, of which a first summary can be offered. It does not try to take everything done into account but can serve as a guide on the contents and the course of the debate. For a later date, I leave the reflection that will be the object of a meeting in Sweden (February 1999). It is about the model of organisation that the I.S. should adopt to be used as an efficient instrument for the divergence of ideas and for the transformation of the reality, with a more efficient use of the available media thus reaching a greater number of people.

I would like to add something else to this introduction. Many colleagues and friends, in different and disperse forums, are trying an effort of search and proposal in the same or similar direction. We must avoid dispersion, concentrating efforts to improve results. But, above all, we must avoid false competition or useless suspicions. Initiatives like "The Third Way" launched by Tony Blair, proposals like the one by Rocard, forums like the one presided by Delors in Our Europe or dialogue suggestions from the American Democrats Institutes, and also the South American debate forums, should all converge in this open reflection of the progressist forces.

In the European sector, for example, there are foundations and institutes for thought in every one of our countries that could meet, exchange projects and unite wills. They could ask themselves the question: What kind of Europe do we need to confront Globality? I set out with the conviction that today, on the threshold of the 21st century, we need a UNITED EUROPE more than ever: politically, socially and economically; in its interior security and in its role in the world. But only by resolving what we want to put in common will we clarify which institutions we need for that.

The same can be said for our South American friends. They know integration processes like MERCOSUR or EL PACTO ANDINO and try to develop forms of open regionalism to find new international balances or to gain efficiency in the open economy.

Therefore I propose an exercise of diagnosis on globalization and its implications. After that, a test of the compromised solutions, following our principles, and of reform proposals or the creation of new institutions that make possible the effective channelling of the solutions, both on supranational, regional and globally international scales.

The rapid succession of events, as can be seen in the financial crisis and the processes of concentrating on business in key fields of the economy, cannot wait for the first steps. Whatever the valuations may be on world events, the reality of the business economy and the reality of international finance are changing rapidly on the global scheme, and at the same time, political proposals or solutions are getting further behind.

With respect to the financial crisis, for example, I have the impression that we keep repeating, without conviction, that the worst is over, when in fact we have the perception that the worst is to come. Only then, when the epidemic becomes pandemia, will there be a solution.

The same can be said about the lack of global action on environmental issues, despite the repeated warning by credited technologists about the imminence of some risks.

Finally, I would like to make clear that this first summary, which I am sending to the Presidency, to the members of the Global Progress Commission and to the I.S. leaders, only compromises myself because it has not been considered yet by the members of this Commission. Naturally, it is a proposal that needs feedback from everybody and further discussion in the debates planned before the I.S Congress in autumn 1999.

It would be very useful to receive criticisms and observations from everyone who has read this first draft.

II.- VALUES LIKE COMPASSES

The improvement of democracy has always seemed to me to be the closest definition of socialism. For that reason, the historic demonstrations of socialism without freedom, have meant treason for me of our objectives of freeing human beings. That is why our historical task is identified more with a path than with a goal. The systemisation of political ideas, with teleologies that try to give a certain result in the form of paradise, it is close to transcendental, religious conceptions that produce totalizing phenomena like communists or fascists.

At the same time, I am disgusted by the uncompromising relativism, the cynical scepticism, incompatible with a project of fighting for the improvement of human conditions in society, and which constitutes our basic orientation.

If we look back, the 20th century has been marked by our efforts for political, economic and socio-cultural democratisation. We have not been the only ones, but we have been the central crux of this fight full of highs and lows, but which is continual, for the progressive liberation of human beings.

Representative democracy has passed from being censored and masculine, to being universal, in the rights to vote and the participation of men and women. The contribution of the feminist movement since the beginning of the century, taking over a substantial part of the egalitarian philosophy of democratic socialism, made the left assume this demand, which today, follows the path of shared democracy in "western" countries, after a profound cultural transformation.

The market economy corresponding to the Industrial Revolution, has accepted a social dimension. It is not only from the perspective of workers but also from that of consumers, thanks to the opposing or governing pressure of the social-democratic movement and other progressist orders. A phenomenon that could be considered as a market democratisation, with a base of social cohesion, known as the Welfare State. At the same time, it has been a key element for sustaining the model of market economy in industrial society.

A permanent fight for liberties, together with a growing social justice, has created a society in which the market economy of the industrial revolution has progressively adapted itself to the necessary social dimension. It is the great achievement we know as the thirty glorious years after the Second World War.

We are confronted with a change of age, marked by the rapid step from the Industrial Revolution to the Technological Revolution, of which the most relevant trace is the revolution of information. The first steps of this change point to a growing concentration of financial and economic power in large groups, the weakening of representative democracy, of the political role and a constant increase in social inequality.

There are risks for democracy that we know about, risks for the solidary and social cohesion policies that are inspired by our values. Our aim, in Globalization, is to find solutions for the application of our principles, giving the Informative Economy (using the expression of Manuel

Castell) the democratic and social bias which humanises it and makes it sustainable in time. We had occasion to do so with the economy of the second industrial revolution.

This encouraged us to call our debate "GLOBAL PROGRESS". A strong idea that would indicate the path towards a better distribution of social wealth, of opportunities, a counterpoint to the globalization of the economy and the financial system. For this reason, I use the sailing term "values like compasses", so we avoid the temptation of resignation, hidden behind the speeches of preachers of principles and announcers of catastrophe, or the defensive reaction of using old remedies for new realities. (1)

However, I am worried about the weakening of values, even among us, and in particular, in their international dimension, which, in the beginning, was our reason for existing. Paradoxically, today this global international dimension can only be seen in the structure and functioning of Businesses and the Financial System. Meanwhile, we double ourselves powerlessly on a local scale in our political action, getting further away from the problems, from the injustices that affect others. The paradox leads us to weakness, since the governing of the new situation slips through our hands and even those of general politics.

When I went to our colleague Francisco Peña Gómez' funeral, as homage to his personality and his trajectory, I made a reflection on solidarity which I mentioned in the Oslo meeting and which I use now, even at risk of repeating myself.

"Solidarity, at the beginning of the movement we represent, was understood as solidarity of classes, or, if you prefer, as solidarity that is born from a shared vital experience, on the factory floor, in the neighbourhood, in the family and at school. Concretely, in the whole life cycle, generation after generation, "from the cradle to the grave".

This shared vital experience, typical of the productive system of the industrial society, with its day to day, cultural, educational dimensions, is changing with the impact of the Technological Revolution, understood as the Revolution of Information. That is to say, as we are beginning to see in work itself, in industrial relations and in social habits. The worker is no longer a part of the machine, because the production line is disappearing, but is becoming the "Shepherd of machines", like in times before the Industrial Revolution, the shepherd used animals as instruments of work. This phenomenon, which has a dignifying part for somebody working, produces massive unemployment. At the same time, the way of life in the community he is living, is changing, as are the education system and social relations, including in the family.

In the developed world, in central countries, but also in growing ones and in the poorest, a reduced sector of the population is concentrated in luxury ghettos, with security systems, private schooling and medical care. A percentage of the employed that becomes smaller every day, have jobs in which stability depends on the difficulty of substitution. Other poor and excluded ghettos are becoming more frequent in the ever-growing urban concentrations. A precarious and substitutable job is on offer for an increasing number of employees. They do not have social security, medical help or perspectives for old age, in rich societies or a fear of losing them in others, surrounded by a growing universe of outsiders, surplus to the job market and margined from the rest of society.

The traditional job in the economy of the industrial society, "for the whole working life", is disappearing and the productivity of people engaged in the informative economy is taking off with limits never imaginable. Solidarity is more difficult in a society with few people employed, with a growing number of unemployed or precariously employed, with less intense social habits. The sustainability of a model of cohesioned society, through a fiscal system of redistribution of income and expenses, is questioned more and more with the false argument of economic unsustainability. In fact the most important factor has a social facet. The reduced number of people with a well paid and not immediately substitutable job, is becoming more sensitive to the individualistic argument of everyone resolves their own problems of health, education or old age, for themselves and for their family, without worrying about others.

I try to understand what is happening and to take a moment of reflection as a guide, a structure of thought that explains where we come from and where we are going. I understand the need of escaping by the ethical way of the absolute, of the transcendental values, that allow, whatever happens down here, to stay calm even when the understanding of what is possible, slips away. But the search I undertake is not about beliefs that are more or less conventional in the beyond and which I respect. But it is about the de-structuration of the human being as a historical being, typical of change of age, but which has happened at other times in history with the sufficient pause for a less agonising adaptation.

As people, we are people of our day and age, with references from the past that guide us in our behaviour, a code of pointers to guide us in our thinking and action; each generation identifies itself with some historical references, which can be rejected, but they serve as guidance. The strange thing about the age we are now living is, however, that the speed and depth of the changes make our references insecure or unusable and it is impossible for us to respond with the usual parameters.

Let us imagine that the transition of the rural society to the urban one happened in a single generation! Even today, a part of our references are rural, despite the Industrial Revolution in the 19th century and in the 20th to which we belong historically, ways of production were changing, the way of life, and with it, a part of our cultural guidelines. Charlie Chaplin in the film "Modern Times", showed better than anybody that change of historical beings that accompanied the industrial revolution. A kind of "pathos" of productivity, with the workers together on the production line, like another part of the machinery being used. It was the paradigm of these times that the generation of our fathers or grandfathers knew, and the generation to which I belong.

Well, this age is disappearing with the technological revolution, with the changes of communication and information, with biotechnology and other displays of scientific advances. But the rapidity of the change is infinitely greater than that of anything that has happened until now. Perhaps the new paradigm is the absence of a paradigm.

What happened when the Russian Empire fell compared to the ones before it, can help us better understand the phenomenon. We see in history the development of the well-known empires, a more or less quick evolution reaching a culminating point and several centuries of decadence, and then their disappearance or substitution. From the Roman Empire to the British one, passing by the Spanish and all those known in other civilisations, the Russian Empire has

been the role model. Several years (few) have been enough to see the Russian Empire disappear and become ashes.

It could be, I do not dare to assure so, a useful example as reflection on the speed of change and its causes. That is to say, the fall of the URSS, its vertiginous character, could have its most serious causes in the lost battle of the technological revolution. Additionally, system errors were discovered, precisely by the same society of information, that is to say, by one of the most relevant characteristics of this technological revolution.

When Gorbachev understood that the URSS had lost the most important battle against the USA, he tried his economic "reform" (perestroika) and looked for social backup, confronted with the conservatives of the communist apparatus, through a policy of informative transparency which brought the citizens closer to the reform. (It can not be forgotten that the Soviets were the first in the race for space, that was only four decades ago and in the seventies they were still considered as technologically capable as the North Americans).

It was the information (glasnost) that was the mirror that reflected the failure of the soviet model, making it spectacularly visible to the cheated citizens of the Soviet Union. The totalitarian building of the Empire shows its fragility and collapses resoundingly in few years. Gorbachev pays above all, the price of daring to show the reality. He put the mirror in front of the eyes of millions of Russians who could not stand the image and so sacrificed the one who showed it.

What I wanted to draw attention to with this reflection was that the change from industrial society to informative society, from industrial economy to informative economy, is so rapid that it is destructuring man as an historic being. I think that the anguish, "malaise" as they say in France, the incertitude and the unrest are dominant factors in our societies and they have that fundamental cause. People feel that what they were until now was reasonably safe, now it is not and they think it will not be in the future. I do not mean to imply the definition. What I am trying to explain is what it could mean when, as the historical beings that we are, we sense that our network of references, our code of guidelines, our way of communicating with others and being ourselves, is not what it was and will not be in the future.

When we started this Debate, I proposed to I.S. colleagues that we should focus it, as a challenge and solution, on the simplified proposal of one thought, the end of history that accompanied the fall of the Berlin wall and the exaltation of the neo-liberal market. But without the escape route of the great pronouncements of principles. My concern was to avoid a debate on the revision of the declaration of principles. This would make us flee the complex reality we are living, to the temptation of drawing up a future based on the recited principles thus abandoning the responsibility of giving solutions to the present. A repeated habit of sectors of the left, determined on inventing the future, abandoning the present to the right, today to fundamental neo-liberalism.

So convinced am I of this risk, that I want to include in the debate a reflection on one of the principles that has made us so different to the other ways of thinking and other political alternatives: Solidarity. A reflection on the principles that look towards the future now upon us, making ourselves responsible of the present so that the reactionary thought does not impose the

rupture of social cohesion, vital for living freely.

What I am proposing is not contradictory, despite the implicit provocation of my opening speech in the N.Y. Congress, because our proposed ideas are senseless if they do not help us improve human conditions. This, today like yesterday, depends on how we understand solidarity. Solidarity between those who have and those who have not, from a material point of view, but also from an educational and cultural one; between each one of our societies and between different human societies. Global Solidarity, if you want to define the essence of the International Socialist.

The change of the world's reality, the process we discuss as globalization, produced by the current technological revolution, does not change the conception of solidarity from the philosophical point of view that inspires our ideas. But we have to ask ourselves, with a view to the new realities, how to be solidary, how to live it and encourage a solidary spirit in our local, regional, national and international societies.

The first element of reflection comes from the analysis of the evolution of the reality, which made possible a kind of solidarity typical of industrial societies. Solidarity as a shared vital experience. On that, the forceful idea was coined of the public protection of citizens "from the cradle to the grave", which characterised the social-democratic policy after World War Two. That solidarity, traditionally called by the left "class solidarity", we also talk about "class unions" or "class parties", included a solution of class. Working class, lower working class opposite possessing class, capitalist class. Worker opposite businessman, exploited opposite exploiter.

The important defining element was subordinate work in general, and in particular, shop floor work. A typical model of society produced by the industrial revolution. Together with that, the district or village was shared, as was the street and playgrounds, school and the destiny inherited from fathers to sons and grandsons.

Today we are experiencing the anguish of unknown unemployment in industrial societies of the last half of the century. But the causes and consequences are different from those known in the "crack" of 29. Ways of production are changing rapidly in what we call developed societies. But ways of life are also changing, further than the drama of unemployment. Steel works, weavers, agricultural jobs, public building etc., will no longer be production lines for thousands of men and women. The individual recuperates the post of "shepherd" of machines, as he was of animals in pre-industrial societies. The more we work individually, the less we are connected with others, with whom we stop sharing the experience of working together, of problems and certitudes or uncertainty about work.

If we follow a working couple in our most advanced societies, we can confirm that they leave together in the morning, dropping their child (if they have one) off at school. They spend the day shepherding their machine individually, and they meet again in the evening, in their flat or house, in front of the television, without having had the least contact with their neighbours.

The aged lives alone, separated from the traditional family, in their homes or in residences. The shared vital experience at work, in the district, in the street, is disappearing in

advanced societies. The implicit elements of solidarity could be changing as well.

We can follow the child's day, outside of the games on the street, which are nearly non-existent in cities that refuse the possibility of sharing space with them, full of traffic and dangers. At school he can find, from the first instant, the dominant factor of competition, which is greater than living together, with which he is different, less capable, having fewer possibilities due to his origins in the majority of cases. It is not about higher studies for excellent training; it is about competitive guiding, frequently not together, in very childhood. The parents themselves prefer that their children do not mix with others that are less intelligent or not as capable, and even more so with those of a different race or religion.

Let us not forget the aged, who are increasing in number and, the contradiction is worth it, even less older people and more young ones, because those who leave the jobs market after 50 are unemployed waiting for retirement or retired early. As social democrats, we have interpreted our solidarity with older people in an insufficient way, in societies we consider as standard like welfare societies.

A decent pension and outside help for the family have seemed to be the culmination of our solidary aspirations. It was I. Boubakar Keita, in an internal debate of our Global Progress Commission, who made me think, using a sentence from an African poet that expresses something more than oral tradition in their cultures: "an old man who dies, is a library in flames".

For us westerners, arrogant in the exhibition of our solidary achievements, it is practically never like that. We offer them material means for survival, but we deny them everything else because we do not give them a role in our society. The Africans and also Asians, more often than not cannot provide them with material means, but they offer them everything else, like respect and integration in their societies until the last moments of their lives. They stay alive and active until the end.

So, these reflections circulate not only in the analyses of the movements of capital or business concentration. As you can see, they have also led me to make some proposals for our platform of ideas, in a field that is so sensitive for our organisations as is that of solidarity.

Solidarity as a feeling, is still a shared impulse for large majorities of our societies, as it is among young people despite the classic criticisms of generations, with so few fundamentals as always. But the fragility and the contradictory elements of this feeling can be easily seen. In a society directed by the media, dominated by television, the news given is brief, without a basis of information with which to create criteria. When a natural catastrophe or a bloody war or dramatic famine appear in the audio-visual media, a solidary reaction is produced but it lasts as long as the emission does. Afterwards, it disappears, except for the very small groups that make up the NGOs and keep up the solidary tasks in the area or from their countries of origin.

The contradiction we are living in our societies is in evidence daily. The nearby misery and exclusion are rejected and the far off ones are helped.

Hostility is typical of what I am talking about, with marginal people or with immigrants who are rejected in districts and schools. It is common to see citizens' protest demonstrations about the installation in the district of a rehabilitation centre for drug addicts, or a centre for immigrants. On the other hand, the same public is willing to sacrifice some of its wealth by sending urgent help to the Third World or any other catastrophic emergency.

Education, in this unstructured society, in which the old shared vital experiences are disappearing, takes on a fundamental dimension for training the public. They need to accept differences, to learn about them in childhood to know them, and they need encouragement for integrating those who have less or are different.

Communication networks between humans are becoming digitalised. Probably, future social structures will depend, in part, on connections of this type and if they are interactive, dialogue is possible and not only one-sided information given out. However, the new media already plays a determining role, globalized by its nature, on individuals' attitudes. For this reason, if we want solidarity to be a shared value, we have to think about the media linked to the new technological revolution, about its position as a growing oligopolistic domain, linked to the telecommunications businesses that inherit historical monopolies.

The idea of solidarity is united with redistribution and, in the western culture, with the redistribution of material goods. In particular, solidary action is turning, on a global plan, towards the fight against extreme poverty and against disease. In the heart of our developed societies, we link it to the maintenance of what we call the "Welfare State".

The basis of solidarity, that is redistribution in the aim of reducing inequalities, does not have to be changed. But, what must be redistributed to generate higher levels of cohesion in our societies and on a global scale, has to be analysed in the light of the new realities, thus establishing more operative priorities, so they can be maintained in the new economic and social reality.

Therefore, I propose, as a table of suggestions to be developed, new forms of solidarity, added to the existing ones to establish priorities that are different to those used in our traditional models.

The fight against poverty, in its most miserable displays of hunger and disease, cannot be overcome if education and technology are not redistributed and capabilities for personal initiative are developed. However, the worsening of the differences that are being produced by the new reality of globalization and of the technological revolution, is not leading us to a search for new solutions but to insisting, defensively and with growing frustration, on the classic ones. This valuation is valid for international co-operation, including NGOs, as it is for social protection systems of developed societies".

(Complete the analysis)

III.- SEVEN POINTS FOR THE DEBATE ON GLOBALIZATION AND ITS EFFECTS

Wherever you go, be it to Tokyo, San Francisco, London, Buenos Aires, Brasilia, Paris or Budapest, everybody is talking about globalization. It may be to deny it citing precedents, to reject it as the new threat, or to glorify it as a new frontier. (2)

According to the ideological positions, according to the interests in play or identities, we can hear those that think that this is the big opportunity for confiding everything to the market, lessening the political role, including Nation State. The golden calf of the market demands deregulation without limits or interference. It is about fundamental neo-liberalism giving over fate to the citizens in the name of freedom of the individual. It rejects, for its dignity and wellbeing, the importance of a politically organised society, with elements of cohesion. The human at the service of the market, hoping that it will take account of his needs and will give satisfaction. The famous "invisible hand" that nonetheless, seems ready to hit always in the same direction, has become the supreme maker of the globalization without rules or government. Theories like "the end of history" and "the one thought", accompany this position that tries to exclude all alternatives with a solidary dimension.

In the progressist forces, the fear of dislocation, of the loss of jobs, of the unsustainability of the model of cohesioned society that we know as the Welfare State, dominates. But it is not dominant, as is the case in poor countries, the fear of the existence of "globalizers and Globalized", where they find themselves in the latter. For them, Globalization is the new expression of western hegemony, led by the United States, which attacks their cultural identities and marginates them from development. Everywhere there is growing uncertainty and unrest, exclusion and an increase in violence. After the surpassing of the irreconcilable ideological blocks, Globalization is creating identity problems as a rejection of feared homogenization, generating new fundamentalisms: nationalist, religious, cultural ethnical.

The first effort should be conceptual, an identification of the most relevant characteristics of the Globalization phenomenon. I dare to offer a conceptual guide with three general characteristics to start the exercise; this is after a good number of debates in different places and with different participants without trying to include all of them.

The present globalization, born of the technological revolution, contains a growing inter-dependence, even though it is unbalanced territorially, economically, socially and culturally. This is what makes it different to the globalizing processes accompanied by the imperial hegemonies of the last centuries. The conceptual characteristic that best defines it would be, therefore, that despite the imbalances mentioned, the global framework is more inter-dependent every day. It is the contrary of the corroded dependency of the imperial ages, including that of the block policy. It was easier to amputate a limb from the empire to avoid the contagion of the metropolis than to drop Mexico in its "peso" crisis, known as the *tequilazo*, or Brazil with its "Real" crisis.

New paradoxes and contradictions are being created. The distances of wealth between countries are shortening; that is to say, there is a tendency of re-balancing the world product from a territorial point of view. However, the distance is growing between the wealth and poverty of humans concretely, in developed societies as well as in the emerging or under-developed ones. On the other hand, the unbalanced inter-dependency is perceived more over as a feeling of injustice as a consequence of the information available, which is immediate and worldwide. It provokes a much higher degree of instability than the reality of the block policy did or that of the past imperial hegemonies.

We can therefore, risk defining Globalization as a revolution of information and communication between people. It is produced by new technology and is changing production relationships, power structures, the basis of the industrial society and is creating a growing inter-dependence, though unbalanced, at the same time as opportunities historically unknown.

I set out with the conviction that all revolutions that have created profound changes, have been revolutions of communication between people. From the great imperial conquests to the technological or territorial discoveries, they have secularly had this meaning. For this reason, perhaps, some analysts tend to deny that the Globalization we are living is a new event, giving indisputable historical examples as steps in the globalization of human relationships.

However, the speed and depth with which it is happening are perceptibly changing reality, and are even creating anguish, typical of the deconstruction, to which human beings, concretely, as historical beings, are being submitted to.

As was said at the beginning, we are trying to debate about the three main characteristics of this change of age: 1.- **Technological Revolution**. 2.- **Globalization of the Economy**. 3.- **Globalization of the Financial System**. From this analysis, we try to approach the effects of the phenomenon on the Nation-State, putting the fundamental and easily identifiable one in groups of threes. 4.- Reduction of the margin of macro-economic policies. 5.- **Changes in the State Structure, towards supranationality and towards internal decentralisation**. 6.- **Changes in the role of politics before citizens' rights, which are recognised as being universal, and before privatised public services**, ending with a reflection as in point 7, on **the governing of the phenomenon on a world-wide scale**.

The technological revolution, affects particularly information. It is the unleashing factor of the globalization of the economy and of the financial system. At the same time it is the key element of the acceleration of the changes of industrial society to new society, with an economy that is being called **informative**. (3)

In developed societies, this change makes us revise the triangle: **competition, employment, Welfare State** (4). Problems of competition are obvious. Those who do not adapt flexibly to technological changes, in a permanent restructuring process, are quickly left out of the market. The autarchic temptation of closing borders, will only create historical delay and more serious social consequences than those we try to avoid. This is why, when some colleagues and friends talk about slowing down the changes that provoke the open economy of the informative revolution, I am concerned about the accumulation of suffering that this defensive attitude can create, even though it is totally understandable.

The inescapable challenge of competition provokes, on its behalf, a serious employment problem as a consequence of the increase in productivity per employed person. This revolution, it is convenient to remember, starts with the oil crisis in the seventies, when raw materials become expensive. This phenomenon coincides with a process of technological change that reduces the dependence of some key raw materials in the industrial model it is taking over. With the same employed population as 20 years earlier, Europe manages to double the gross product. The rest are unemployed, realising the difficulty of adapting oneself to a different distribution of working time, they are tormented by the demands of competition.

On these premises, that reduced active population must be capable of sustaining the rest, old people and a growing number of unemployed, in a solidary policy that was conceived in the industrial economy, with full employment and a different population pyramid. If that employed population base keeps stretching itself, the sustaining of the model enters in crisis. This is more over for social reasons, as I have tried to explain talking about solidarity, than for economic reasons as they try to make us believe.

The productive system has changed, in developed countries, the technological revolution is liquidating the mills or steel works with thousands of employed people. A similar phenomenon that happened in agriculture, is happening in industry. To summarise, factory work is disappearing. Man is not in the production line, as a part of the machine. The technological revolution is freeing him of that role. His function is more dignified, but that radical job change is not only creating work problems, but also a new culture that affects social relationships and solidarity as a shared vital experience, typical of the industrial economy and society.

The demographic pyramid in developed societies is being turned upside down. In addition, there are few active people left, and these few active people, who produce much more, have to support an ever-increasing passive population. The employed will be harassed by the neo-liberal fundamentalist message that reaches the individual saying: Why are you, who can resolve your own personal and family problems of education, health and capitalising your own pension, going to worry about so many people who depend on your job and your efforts? Why put up with a fiscal responsibility that others benefit from, if this system is going to be cheaper for you? The bankruptcy of solidarity is one of the most serious challenges for those who believe that the most important thing for politics is to give a solution to the problems of social cohesion, allowing us to live freely.

The possibility of projecting on a world-wide scale what is happening locally; the de-location of investments, searching for cost economies; the rapid process of business concentrations in key sectors, like energy, telecommunications, aviation, the financial or audio-visual system. These are all characteristics of global economy, without tariff barriers and in which employment and the very product lose importance compared to the financial economy. Immediate knowledge, the availability of information at a reduced cost, in any corner of the earth, define a new phenomenon of world awareness, together with a transcendental political change: the liquidation of the block policy, the end of bipolarity, which has still not been replaced by something else.

Opposite this phenomenon, those responsible politically and socially, usually enumerate the catalogue of disasters accompanied by social injustice and marginalization, in every society and in whole regions of the world. But the defensive attitude does not resolve the problem and hides the opportunities of the new reality.

Last October, I had the opportunity of expressing myself, by the following, before businessmen, politicians and communicators, concerned with Mercosur, which is increasingly burdened with the economic consequences of the financial crisis:

Globalization as a phenomenon, has, without a doubt, happened throughout history. But we know it as a result of the technological revolution, in particular, as a consequence of the informative society. It has qualitatively different characteristics and its acceleration is enormous in such a short time. The inter-dependence, although unbalanced between central countries and the rest, is much greater than that generated by the imperial structure of known processes since the 15th century.

The Globalization of the Economy, with increasing exchanges of merchandise, services and businesses established in the four continents, is in itself an event of dimensions that are greater than ever. It offers wider opportunities and controlled risks for businesses, as long as there are regulatory frameworks, even though they are inadequate. For example, legislation on investments, reciprocal protection agreements of the same, regional pacts for business opening, or the very CMO.

Financial Globalization is the most significant phenomenon of the new world situation. The exponential growth of moving capitals, without a link, to previous flows and with a tendency of increasing in years to come, offers opportunities of access to these capitals, unknown of until now. But it also offers risks of great importance in as far as they are only subjected to the "invisible hand of the market, without a regulatory framework or precaution. They move in virtual reality, being made in less than a week, in a sort of international financial casino. More and more analyses are heard warning that an excess of market can kill the market.

In the Globalization's reality, the economy of the E.U. and of the USA, represents approximately half of the world economy. They form, with Japan, what are called Central Countries, in juxtaposition with those called Emerging Countries.

After the turbulence of the European exchange markets, at the beginning of the 90s, after the Mexican peso crisis, which was controlled quite quickly and without orthodoxy, during this last year, we have seen the most powerful and fashionable Asian economies fall into recession, after known financial torment. In August this year, the Russian crisis took on tragic dimensions.

Latin America has received the blow, reducing its growth expectations by half, and therefore, increasing in a notable way its social costs, despite having made the most reasonable macro-economic policies in its recent history, as well as strong structural reforms.

If Globalization is real, as all the political and economic leaders of the world say, I rightly think that we are not being consequent with the affirmation. That is to say, we are not reacting adequately. An epidemic that affects half of the world's economy, is not going to stop

at the border of the other half, made up of the so-called Central Countries, with the exception of Japan, and supposedly China, part of the emerging countries.

Therefore, it is pertinent to inquire about each others solutions, opposite the threat of the generalisation of the phenomenon, that is to say, the conversion into pandemia of this serious epidemic. What must be done before hearing an anonymous croupier in this global financial casino shout: "rien ne va plus" the Bank is broke?

It would be reasonable to hope for an exercise on intelligent or RESPONSIBLE EGOTISM, by the European Union or the USA. Notice that I do not call for solidarity, so that you do not confuse my reasoning with that of an exponent of the political left to which I belong.

The central countries must react quickly, severing the epidemic precisely here in Latin America, which has made very important structural reforms and which maintains a potential for growth that it should take advantage of.

It will not be enough, even though it is urgent, to reinforce the capital of the Monetary Fund. By experience, I know that against the power of moving capitals and its lack of control, the old theory of the reserves of foreign currencies is not enough, and I know that national measures for controlling capital are inoperative.

It is necessary to affront the reform of the international financial system, by introducing elements of prevision in the flows, and mechanisms that rapidly solve the crises. Prevision includes transparency and a certain valuation of the rules of the functioning of the markets, with a capacity for watching and inspecting international organisms, like the IMF.

In addition, the private financial entities should correct the tendency of indiscriminate credit restrictions, which will tend to worsen the crisis due to the lack of financing of the borrowers. Meanwhile, the Central Countries should supplement the vacuums that are being created. If this is not done, the effects on production and employment will quickly worsen and the recessive cycle will accelerate in Central Countries also.

Various temptations must be avoided in the field of national decisions, in both Emerging Countries and Central ones. Particularly, the defensive return towards new forms of protectionism or the abandoning of regional integration policies. The apparition of prophets of a defensive and demagogical nationalism is upon us and its consequences would be lamentable.

Healthy macro-economic policies should carry on being an area of consensus between political forces in our countries, despite easy arguments, as a consequence of the price being paid for the financial crises provoked by others.

At the same time, the reduction in growth expectations must make all political and economic agents think about how to reduce the social consequences of the crisis, that will de-legitimise, if they are not attended to, the sensible economic policies.

Finally, but also on an internal scale in each country, the situation can be made use of for advancing control and transparency measures in the financial systems. I would like to say in Lima, as in Quito a year and a half ago or in Buenos Aires a few days ago, that the liberalisation of financial systems must be accompanied by a "capitalist" rigour. It must be at least as severe as that of the USA or of Europe, in the functioning of private institutions and in all capital markets.

Reforms that improve the functioning of judicial systems will give security to entrepreneurs and people in general, as well as prevision in tax systems. They are necessary conditions for facing the consequences of the crisis, generating greater confidence in the investors committed to the emerging countries and helping overcome the factors of the crisis".

A few months later, in 1999, the Brazilian crisis has once again troubled the financial market, without advancement by the central countries in any solution. The effects in Latin America are strongly felt and the growth rates in Europe and the USA tend to fall.

As I said before, in the phenomenon of world-grouping, what most calls the attention, and some of my political colleagues will understand this very well, is not so much the growth in world business. Even if there are new protagonists, in global terms, world business grows on a similar average to other ages in recent history. The new thing is the movement of capital, money looking for money. The new thing is the displacement in the structure of businesses, from "industrial" executives to financial chiefs. (5)

Every day between 1.3 and 1.4 billion dollars circulate on the exchange markets. But more than 90% of the circulating capital are transactions that take place in less than a week and that do not correspond to merchandise transactions, nor services and nor do they logically constitute productive investments. It is money looking for money. To have an idea of what this volume of capital represents, it is enough to say that it is the daily equivalent of twice the Gross Annual Product of the African Continent.

The IMF undoubtedly has a role to play. Can it continue to function according to the original norms that date from the Second World War? Can the IMF and the World Bank keep playing their roles, having had the third leg of the system broken off when they decided on floating the dollar?

It is an interrogation for which we still have not a solution, while the volume of capital in circulation grows and circulates at the speed of light, in a nearly virtual reality. The partial financial crises follow one another with more and more worrying repercussions, questioning the total deregulation model of the financial markets.

In September 1996, it occurred to me to say in New York, that in the problem of movement of capital, a solution would have to be found that was neither about mechanisms of national control nor mechanisms of rejection or hindrance. The solution had to be found in systems of prevision of the movements of capital and of rapid response to the crises. Nearly everybody dominated by neo-liberal hegemony, branded me a leftist interventionist, while friends of the I.S. demanded policies of national intervention.

Today I still say it prudently, so, as not to be branded alarmist, but it is important to advance in a regulatory framework of the movements of capital, by urgently calling for a summit. This would equally include, not only the countries belonging to the G7, but also the emerging ones and those excluded from this globalization phenomenon, from the platform of the Monetary Fund and of the World Bank. I am not talking about cutting movement of capital, which is in any case an unrealisable proposal. Budget adjustments and new macro-economic balances of central and emerging countries, will reduce the weight of the debt and therefore, the need for financing. In this way, more savings will be liberated and will look for other types of opportunities. Consequently, the volume of international capital flow will keep increasing in the next four or five years.

If the Southeast Asian crisis dramatically limits by contagion the growth of Mercosur, despite having well accomplished its duties during the last years, we are obliged to analyse the problem and to respond from the left. If, at the moment, it does not affect central countries, but it does the emerging ones, that means that the central countries can peripherise the effects of the financial crises, creating a new dependency on this globalized economy. Our classic members would say that it is a form of exploitation, different but real. Even with a good macro-economy, Mercosur will pay a much higher price for a crisis than what the central countries paid.

Let me finish with something amusing. You will have noticed that the most applauded person at the last meeting in Davos, was not a veteran who works on Wall Street making big financial deals, nor was it a neo-liberal manchesterian, aspiring to the Nobel of Economy. The cheered guest was the vice-president of the Chinese government. Why was he so applauded in Davos? Because he promised not to devaluate the yuan.

Globalization of the economy; fast growing movement of capital, in a kind of international financial casino; the technological revolution, particularly of information, which generates and accelerates the former, changing the structures of production, creating structural unemployment and forcing a permanent business restructuring. These factors have created a new frontier, a new world, a new age that is upon us, although the past is still present and shows its weight.

These three elements, with their multiple implications that we must analyse in depth, are having profound effects in the field of the realisation of representative democracy and of the sovereignty: **The Nation State** (6). I referred before to the three that seem most relevant in this national dimension to which we are historically accustomed.

The margins of macro-economic policies have been spectacularly stretched (7). The components of income and expenses can be discussed to obtain a reasonable result of balance, but it is difficult to reject the very necessity of this balance. Capital markets take it on themselves to remind us that they do not trust the economic policy that does not watch over inflation and the deficit. The right or left in power will differentiate in this matter, on the mix of income and expenses for obtaining the macro result and not for the result in itself. In addition this will have clear limits, as happens with the growing and hardly unavoidable unbalance of capital control and work, of direct and indirect control. But these healthy macro-economic policies must be created with the conscience that they are a necessary condition, but it is not enough to be considered trustworthy countries in the "informative economy".

The Nation State is changing its structure in two easily recognisable directions, as a consequence of the impact it receives from Globalization:

- a) **Towards supra-nationality**, as we see in the European Union or in Mercosur, in search of a more satisfactory solution to the challenges of globality and the open economy. It is difficult for us to recognise that the Nation-State is insufficient, because, as I said before, it is the field of the realisation of representative democracy, of national sovereignty, and in many cases, of very identity. We are accustomed to power being exercised to the representation of what we are in the field of the nation State. We even refuse to use the concept of crisis, as if it were about a terminal phase. But it is more over about a crisis of redefinition, of adaptation to the new realities, and if it does not happen, it will drag out more dramatic consequences; and
- b) **Towards "intra-nationality"** or if you want to avoid the barbarism, towards a new internal distribution of the power of the Nation State. The very complexity and distance of the central powers, the need for adapting flexibly, the demand for more local identities, the very anguish generated by the standardising threat of globality, all drive, with variable intensity, this process of de-centralisation of power.

In Europe, the resultant of this double process that is appearing, is the fixation of four levels of representative power: **local, internal regional, classic national and European supra-national**. Similar phenomena, with other developments, can be seen in many parts of the planet.

A new role for the State, is understood as a new role for the representative political powers and for general politics, and not just for central power. This would be the third effect of the phenomenon that we are analysing on the Nation-State (8). Few miss the near perished Totalitarian State; even the majority rejects the "slippery State", which is full of clientele or populist interventionisms. People do not accept heavy bureaucracies, and the political chiefs know it. At the same time, for efficiency reasons, the withdrawal of the public sector from business activity is also becoming generalised. We are living something more than the "fashion of privatisation". In this environment, the discussion between one another becomes more acute to determine the role of politics in the new reality. The debate on defining the role of the State will be decisive for the people and their opportunities, for businesses and their future, for what we call the "Welfare State" and, for sustaining a model of economic growth and development in the new reality of the informative revolution.

An agile and fat-free State will oppose a rickety and anorexic State. A representative power, capable of responding to the citizens' rights will oppose the dynamism of a minimum State, that the single-minded neo-liberals defend, submitting it to their privileges, in name of the "invisible hand" of the market.

If we define, in a universal way, rights like the right of education (9) or of health, with are admitting that these generate obligations for the representative public powers, which must satisfy them, or on the contrary, they are losing content. These rights, of universal character, constitute key cohesion elements for the whole society, and for this reason, they are irreplaceable factors of social legitimation of democracy. To top it all, the improvement in human capital that includes

satisfaction of these rights, is essential for sustaining a competitive economy in an open market. However, it would be impossible that the very market gave universal satisfaction to these rights.

With respect to the public services that are offered, with a will to extending them to the greatest number of citizens of a Nation State, they depend on a reasonable equality of opportunities between them, as is the case of those of transport, telecommunications or energy. It has brusquely arisen if their management must be public or private. In my opinion, it is a secondary factor if the objective of the maximum extension of rendering can be satisfied, in such a way that social cohesion is maintained and that opportunities are reasonably equal for everyone.

I think that it is on this front that part of the future of alternative politics is played, because it includes the definition of the limits and the role of the State and of very politics. Pressure is increasing towards the withdrawal of the State, in so much as its role in the field of satisfying universal rights, as stated, and in the other public services, generated by equal opportunities. It feeds on neo-liberal ideological components and takes advantage of the social de-structuring produced by the technological revolution of present society.

In this environment, we are considering axiomatic truths, affirmations on the unsupportable character of health expenditure of about 7% of the GIP, in public health systems like the Spanish one. We are also considering the desirability of certain privatisation, even knowing that the USA spends 14% of its GIP, excluding more than 43 million citizens from the system. Additionally, the difficulties of the public pension system seem unquestionable to us, when it is stated that 10% of the GIP cannot be dedicated to 20% of the population. The fear and uncertainty that are skilfully being inoculated, render the cohesion system on which the present democratic society is based, fragile. Every day more citizens are moving towards risky forms of protection and coverage of an individual nature thus creating the marginalisation of others. The accompaniment of a constant propaganda of the uselessness of control, feeds the cycle. Basic reasoning does not take into account the millions of people excluded from this formula. This is because it is considered that they do not count for much in the formation of opinion, or in the generation of wealth in the new productive system, without appreciating the social de-legitimation that it will eventually create, or the risk of a market without consumers.

The newly defined situation leads us inexorably to questioning the **response to the challenges of globalization from the International Community**, without falling into unattainable theoretical constructions, like a "Global Economic Government", which is thought more over in terms of a G7 or G3, dominating the situation of 80% of the population, excluded from its representative field. We are, without a doubt, before a problem of regional and world government. But this Cartesian approach, impregnated with rationalism, can provoke rejections that impede the advance of reflection and solutions.

Together with the three elements of globalization that we have outlined, others appear of great importance for everyone. For example, the fall of communism, its disappearance as an alternative system to open societies, and with it, the liquidation of bi-polarity and of the balance of terror. New theories emerge from the ruins that, not without foundations, feed the arms cauldron. The conflict of civilisations appears as a new threat. It is also easy to see the rise of radical nationalisms, which multiply local and regional conflicts. They are ways of affirming identity, which try to avoid a homogenisation, felt as an invasion, and as the creation of a new

hegemony produced by globalization.

We could say that the threat is less complete than in the Cold War. At the same time, we could maintain that the risks are multiplied, without having found preventative mechanisms and an efficient solution to the conflicts, neither in the field of security, nor in the financial, nor in the environmental.

In the domain of international security, we are still waiting for the peace dividends, as a result of overcoming the Cold War. The structure and function of the United Nations, do not satisfy the new needs. The frustration and impotence of millions of citizens are growing, they are informed, in real time, about the multiple problems that are scattered all over the geographical universe. The last crisis in the Gulf, with radically different reactions to those of 91, shows that the reality is different, further than the people implicated.

We can define some tendencies. Bi-polarity has changed into a sole pole of power. International security depends on this new structure, accompanied by just one credible multi-lateral organisation for security: NATO. It covers, in its direct or indirect responsibilities, the whole Northern Hemisphere, from Bering to Bering.

A restructuring of the composition and function of the Council seems essential. The search for new international balances also seems necessary, through reinforcing that phenomenon of **open regionalism**, which is being created in diverse places of the world, and in which the European Union is the most complete model. (10)

Globalization is also strongly evident in the environmental needs of the planet. The greatest challenges of sustainment are present on a global scale, although they are generated in any corner of the earth. Solutions are much more difficult in this field and there are no real resources in the International Community for tackling them.

Something similar, concerning deficiencies, happens with the so-called right of interference for humanitarian reasons, without talking about the problems of international justice with guarantees, opposite its inexistence in many international fields.

If we take into account economic and financial globalization, every day we have more the feeling that politics govern and represent human capital only on a local basis. Nobody governs the other one, not even the modest savers of pension funds. That classic affirmation from the left, that "capital does not have a homeland", which referred to the big capital, is more truthful today than ever. It is extended to an immense mass of savings, with very diverse origins, which travels the actual cash flows like an uncontrollable and unstoppable hurricane, at the speed of light and without rules.

The tripod on which the international financial system was held since the Second World War; the IMF, World Bank and the Regulated Exchange System, has lost a leg and its instability is increasing. Despite the crises, which continue to happen with devastating effects, there is still not a strong current of opinion to achieve reasonable reforms in the international financial system. The crisis of the Asian tigers has opened question marks and protests that have not yet been converted in solutions, despite the threat of generalisation. The so-called central countries can

momentarily wait more quietly, because they are charging the cost of the crisis to the emerging countries. But the growth is being felt already, and the reduction of employment will come, if the situation is not revised in the widely affected areas.

Globalization is changing the reality of the productive system typical of industrial society, the reality of national and international politics and the very social and cultural reality.

However, it is difficult for us to accept the insufficiency of the Nation-State, because it is, as I said before, the field of creation of representative democracy, of sovereignty, and in the majority of cases, of identity. We are obliged to redefine its function, to adapt it to the new realities, thus recuperating the function of politics in globalization.

IV.- SOME PROBLEMS OF OUR TIMES

1.- Cultural Identity and globalization. (11)

1.1.- Introduction.

We want democratic solutions that are respectful of human rights, integrated in cultural diversity, and in the plurality of civilisations that make up the world reality.

We want alternatives to the so-called "one thought", that hegemonises the actual market values like a new golden calf, eliminating the space for politics as a representation of general interests and society.

We want to go deeper into the values and principles that are our own, like solidarity, equality of opportunities for education and social justice.

We want to assume the challenges of universalisation, taking advantage of the opportunities presented and reducing the risks. For this reason, we insist on the idea of global progress for different regions of the planet and in each of our societies, as a more sustainable and humane result of global economy.

1.2.- Globality and cultural identity.

Two years ago, when, in Madrid, in the heart of the Global Progress Commission, we were debating the set up of the debate we have just started, Fathallah Oualalou introduced the theme of our seminar today. All the members of the Commission present participated, and in particular, Martine Aubry, Boukabar Keita, Ricardo Lagos and Rolando Araya.

The object of those initial reflections were the following: the conflict of cultural identities, as an obstacle for the integration of immigrants in Europe, as a risk for the relations of co-operation around the Mediterranean; or the shock between the globalization of information and the identifiable solutions; or the reaffirmation of identifying nationalisms, as a reaction to the homogeneity that universalisation seems to include.

The problem seemed so crucial to us, that we decided to dedicate some specific meetings to it, calling them "thematic", in our organisation of debates.

A year later, we can notice an increasing interest, whatever the focus may be on the suggestive problem of *Globalization and Cultural Identity*.

Here, we treat a truly fascinating one. The role of the media of masses in the informative society, is the most significant aspect of the technological revolution. It is not only from the point of view of the oligopolistic domain, that can be considered as a reduction in the equality of opportunities between different political alternatives. It is also as a risk of homogenisation that

limits cultural diversity and that reduces distinction of identity.

It is curious to watch how the ecologist movements have had the merit to create a very generalised conscience of the acceptance and defence of bio-diversity, in as much as respecting nature, consideration of shared wealth or of the pure sustainability of the growth model.

However, when the problem, if you allow me licence, of cultural bio-diversity is considered, it is more over from the fear of civilisation conflict, from the rejection of another, or from the identifying affirmation, excluded from the change. It is far from being assumed as a vital shared wealth or as a problem of sustainability.

We see phenomena of exclusion not only in highly democratically developed countries, but also ethnic cleansing, that in many cases, is a rejection of the cultural identity of another.

It is difficult for me to accept, from another angle, that cultural diversity does not allow us to share values that I feel are universal. For example, in democracy, a human being aspires to freely deciding his destiny. Human rights are elements common to men and women, without distinction of race, creed, or situations of poverty or wealth.

In the course of this debate, I have understood some things that were in the dark. Dialogue between cultures, demands an exchange of ideas without useless arrogance, and above all, it demands logos for it to be dialogue. I have seen that some developed societies, are capable of giving out material means to their old people for living in certain economic comfort, but they do not give them anything else. Meanwhile, in African societies, or in societies of the Extreme Orient (for us), they are not able to assure them a pension, but they give them the dignity of considering themselves always useful for the community. That is to say, some give money but take away the rest, others do not have money to give, but they offer the rest.

I notice, worryingly, that after the bi-polar order, known as the *balance of terror*, brilliant analyses appear, on the conflict of civilisations, as the threat to society of the 21st century. I say brilliant without irony, like the one by Samuel P. Huntington, the "shock of civilisations and the reconfiguration of world order".

I accept the reconfiguration of international order, as well as many evaluations of the arrogance of the "West", or its acceptance of the basis of the recognition of different civilisations, with values typical of the very entity and of other groups. But I believe that our effort, as progressists, must be channelled towards understanding and co-operation, as vehicles for international peace. It should not be towards the resigned preparation of the solution to the shock of civilisations. The arms of the 21st century should be dialogue and knowledge.

The Mediterranean seems to be configured like a test tube, in the most reduced space, for the richest and most complete cultural and civilisational bio-diversity. But it is also, on the other hand, the most characteristic zone of potential conflict. Thousands of pacific and conflictive cohabiting can be contemplated. For hundreds of years, Islam showed superiority in science, military and civilisation. From the 15th century, Christianity takes over hegemony. The 20th century supposes a rupture of the model, being that hegemony is considered in terms of ideology, as a result of the Russian Revolution. The century ends, in this sense, with the fall of the Berlin

wall, further than Euro-centrism as a vision of the world, and with the consideration of international relations on different parameters.

For this reason, the debate on cultural identity gains special interest. It is in this terrain, in that of identity linked to culture and civilisation, that world order and disorder are going to be considered, as are the risks and possibilities.

It is convenient to start questions at this stage:

Do shareable values exist, like democracy and respect of human rights?

In my opinion, yes.

Does the possibility exist of living together among different cultures, based on dialogue and mutual recognition? **In my opinion, it is possible and essential.**

Does the possibility exist of interpreting religious or lay, cultural or civilisation values, without fundamentalist or integrist criteria? **In my opinion, that is the key to peace and co-operation, between religions of the Book and between laymen and believers.**

Does the informative society constitute both a risk of impoverished homogenisation and a vehicle of diffusion and understanding of cultural bio-diversity? **In my opinion, both phenomena co-exist, the risk and opportunity, even though the risk seems nearer and more obvious.**

Is cultural hegemony, through the great powers of information, the form of domination in the 21st century? **In my opinion, what seems clear in some intentions, is not easy to apply if you take into account the creative potential of the south.**

Does the technological revolution decrease or increase the distances in human development? **In my opinion, the first effect has been the increase in distances, but with completely different dividing lines of development and underdevelopment to those of the Industrial Revolution. However, I think it is easier and more possible, therefore, to redistribute understanding of the Technological Revolution, than that of the Industrial Revolution, even in terms of capital needed.**

Finally, can the informative society encourage the fight against the poverty of capacity, the key for development? **In my opinion, this is the clearest possibility, I do not say the highest probability, of the society of understanding.**

1.3.- Conclusion.

As Willy Brandt said, the world has never offered so many possibilities or risks. It depends on us to take advantage of the former and reduce the latter. I was always in paradoxical disagreement with Gramsci, because my conviction is that you can be optimistic about intelligence, but a certain pessimism of will, is unavoidable.

- 2.- **The environment in globalization.**
- 3.- **The incorporation of women.**
- 4.- **Migratory flows.**

NOTES

(1) We had the occasion to study thoroughly the idea of *global progress or solidarity* at the joint seminar PES Parliamentary Group/Global Progress Committee, organised at the initiative of Michel Rocard, on "*Europe at the service of globalization with a human face*" (Brussels, 3 and 4 December 1998). Present at this seminar, amongst others, were: Benjamin Barber, Philippe Busquin, Mijáil Gorbachov, Ricardo Petrella and Franz Vranitzky, in addition to Michel Rocard and myself.

(2) Present at the thematic seminar on "*Globalization and cultural identity*" (Rabat, 3 and 4 April 1998) were: the Prime Minister of Morocco, Abderramán Yusufi, Hélé Beji, Jorge Semprún, Alain Touraine, amongst other personalities of the political and cultural spheres, and we raised the question of the different positions facing globalization.

During the Europe regional meeting of the Global Progress Committee (Berlin, 17 and 18 June 1998), and the Africa regional meeting (Dakar, 25 and 26 January 1999), we studied the question of globalization from the perspective of left political forces from both Continents. Present at the European meeting were political leaders (Antonio Guterres, Simón Peres and Gerhard Schröder), trade union leaders (Emilio Gabaglio) and intellectuals (Robert Kuttner and Michael Piore). Present at the African meeting were, amongst others, Abel Goumba, Ibrahim Boubacar Keita, Joseph Ki-Zerbo, Pedro Pires and Osmán Tanor Dieng.

(3) This point was raised at the Rabat seminar mentioned above, in particular by Prime Minister Yusufi.

(4) These subjects were discussed at the Europe regional meeting held in Berlin.

(5) The point *financial system of globalization* was raised at the thematic seminar "*International capital movements, financial crises, democratic governability*" (Brussels, 7 and 8 May 1998). Present at this seminar were Giorgio Ruffolo and other members of the PES Parliamentary Group of the European Parliament.

(6) At the thematic seminars on "*Democracy, the market and governability*" (San José de Costa Rica, 9 and 10 July 1997) and "*Economic growth and social equity*" (Santiago de Chile, 10 and 11 October 1997), the consequences of globalization and technological revolution on the Nation State were examined. Present at the seminar in Costa Rica were, amongst other participants, Carlos Ominami, Rolando Araya and Raimon Obiols. Present at the seminar in Santiago de Chile were Ricardo Lagos, Dante Caputo, Alfredo Pérez Rubalcaba and Héctor Aguilar Camín, amongst other representatives from political and cultural circles.

(7) The point on *the margins of macro-economic policies in the global economy* attracted the attention of participants at the two seminars mentioned in point (6), as well as at the Europe regional meeting held in Berlin.

(8) The new role of the State and of politics as a consequence of the main phenomenon of our times was examined at the meetings in San José, Santiago and Berlin already mentioned, as well as at the thematic seminar on "*Reform of the Welfare State and employment*" (Brussels, 9 and 10 July 1998), at which were present, amongst other participants, Michel Rocard and Allan Larsson.

(9) Special attention was paid to the question of education at the seminars in San José de Costa Rica and Santiago de Chile. Furthermore, a thematic seminar on "*Education, education, education*" has been organised (Seville, 27 and 28 March 1998), to which contributions by Anissa Bouhadeff, Vittorio Campione, Joseph Kisanji, Yehudi Menuhin and Ylva Johansson, amongst others, were presented.

(10) As pointed out in note 2, the question of the role of Europe in globalization was raised at the regional meeting in Berlin. During two meetings with the PES Parliamentary Group of the European Parliament (Brussels, 28 May 1997, and 27 January 1998) I have had the opportunity to look into this question in more depth, as well as the question of European construction itself.

(11) This problem was the subject of the thematic seminar "*Globalization and cultural identity*", held in Rabat. At the Seminar held in Santiago de Chile, the question was raised by Héctor Aguilar Camín.