

Speaking Note

Για το Δείπνο της «Προοδευτικής Διακυβέρνησης»

Συνέχεια Διάσκεψης Βερολίνου

Νέα Υόρκη, Σεπτέμβριος 2000

Fifty years ago, Greece was a poor developing country on the periphery of Europe attempting to recover from the ravages of a bitter, divisive and destructive civil war. On the *economic* front, the economy could prevent widespread poverty only at the cost of persistent labour export. On the *political* front, large sections of the population were made to feel excluded while in the '60s a brutal dictatorship froze all progress. On the *social* front, the gap between the haves and the have nots was wide and growing wider.

Today's landscape is very different. In a few months Greece will enter the Euro area, having satisfied all the stringent criteria of European Economic and Monetary Union. Macroeconomic magnitudes are at their best levels since before the first oil crisis. Infrastructure improvement is augmenting the growth potential of the real economy. Greece is playing a constructive, stabilising and creative role across borders in the Balkans which are, for the first time in a generation, open. Democratic values and the quality of political life are, and have been, firmly entrenched, while exclusions are all a matter of the past.

At the turn of the millenium, the long view shows that our country has achievements to be proud of, successes and victories to be thankful for. Over the last half century Greece has charted a route on a road that other countries are now beginning.

The long view also reveals that we have much still ahead of us. We want Greece to become an even more modern and developed country. Our target is a strong and vibrant society, with a public space that widens individual potential, and that favours creativity. We want an inclusive society in which all participate. We want to focus on an active welfare system on the quality of life, on the ancient aim of "good living".

Charting the way forward is not simply a case of "more of the same", of going along with established practice. Globalisation creates a new environment where change must be qualitative and not simple adjustments. If we are able to adapt our way of approaching problems, of adapting structures that impede progress, then globalisation could open opportunities of rapid progress, which did not exist before. Equally significantly, if supported with the right institutions, it may offer an environment which is *more* favourable for small open countries such as Greece. If globalisation is accompanied by certain initiatives, we can safeguard and promote what is unique and special in our cultures and societies.

How can we ensure that this, more positive, side of globalisation is the one that prevails?

Firstly, there must be action on the international, transnational scale. The global economy is certainly a powerful engine for world development. However, recent crises have shown that instabilities may arise, while some of the distributional implications are not desirable. Concerns of a similar nature, plus the fear of a deflationary bias, led in 1946 to the Bretton Woods Conference. Though it is early to say what form it may take, some form of new transnational governance of the global economy, is called for.

Secondly, there must be concerted action, by *each* country, on the domestic field. In Greece, we see that being encapsulated primarily in the following goals:

- a. The continuation and acceleration of the economic growth path, giving particular emphasis to structural policies.
- b. The consolidation of a constructive regional role, as a force for peace, cooperation and for respect of international law.
- c. The improvement of public administration, so that public intervention becomes a force for development by offering quality services to all.
- d. The creation of a just and viable welfare state, encapsulating social solidarity and cohesion.
- e. The creation of an education system suited to the knowledge based society.
- f. The strengthening of civil society, to encourage the participation of all, to promote tolerance and respect cultural diversity.

We are aware that these are ambitious goals, as we are convinced that it is worth attempting them. In our attempts we know we have much to gain and to learn from the experience of others with the same aims. It is for this reason that we appreciate the progressive governance network and value our participation in it.

In closing, I must offer my personal appreciation and thanks to President Clinton: Without his inspiration and clear vision, our network for progressive governance would not have shown such promise. I am convinced, moreover, that our network will have much to gain from the President's continued personal involvement, after the end of his term of office.

I think I am expressing more than my own personal wish, when I urge the President to consider in what ways his contribution can strengthen a vibrant and productive Progressive Governance network.

Σύντομη περίληψη του άρθρου του R. Kuttner
“The role of Governments in the Global Economy”¹

Globalisation and the rise of truly transnational corporations has given rise to a new ideology, that of global *laissez faire* capitalism. According to that ideology the instability and inefficiency of *laissez faire* economics was due to the structure and imperfections of the old industrial economy. In the *new* information age these problems are largely corrected, leaving only a residual role for intervention and regulation, mainly in securing a level playing field.

Technology does not change the forms of instability of *laissez faire* economics. The kinds of instability which necessitated intervention domestically, still apply to the global economy. What has *changed* is the venue of regulation – from the national to the global scale. If markets are global, then their regulators must also be global.

We must act to protect the main achievement of the post-war era, the domestic mixed managed and regulated economy. Such an economy is threatened by global *laissez faire*, notably by the operation of short-term speculative capital flows (witness the fate of the 1982 Mitterand reflation). We must try to reconstruct the mixed economy amid the new changed circumstances. To do

¹ Σημείωση ΠΤ. Η θέση του Kuttner εκφράζει την «παλαιά» θέση Lafontaine, (Ακη/:Αρσένη;) ότι πρέπει να γυρίσουμε πίσω στην ‘χρυσή εποχή’ (των 60) του προστατευτισμού και της (επακόλουθης) «εθνικής ανεξαρτησίας». Η κατάληξη του άρθρου του, που προτείνει απλώς μικροπεριορισμούς στις βραχυπρόθεσμες κινήσεις κεφαλαίου, είναι αναντίστοιχη με την ίδια την ανάλυσή του, που θα απαιτούσε κάτι ριζικότερο. Περιπτώ να πώ ότι δεν συμφωνώ ούτε με την ανάλυση ούτε με την κατάληξη του άρθρου.

that, we must figure out what kind of global economic context is compatible with it, as well as what politics is necessary to support it.

In this direction we may consider limiting *laissez faire* trade to regions with roughly the same social standards (like the EU). Of great importance are controls on short-term capital movements, possibly in the form of a Tobin Tax.