



F: Σοσιαλισμός

3 November 2000

To the members of the SI Presidium

Costas Simitis
Vice-President of the SI

Dear Vice-President

Please find herewith the Platform for Global Progress which, in accordance with our decision in Brussels, will be discussed at our meeting in Maputo.

Fraternal regards,

Luis Ayala
Secretary General

Fax transmission: 26 pages including this one



Meeting of the Council of the Socialist International
Maputo, 10-11 November 2000

PLATFORM FOR GLOBAL PROGRESS

I. THE CHALLENGES OF GLOBALISATION

1. The world today has moved into a new era distinguished by the powerful phenomenon of globalisation. The transformation of an industrial society into one dominated by information and knowledge is occurring at a pace and to an extent unprecedented in human history.

The technological revolution, including advances in biotechnology and information processing, is the driving force in this momentous process. Technological innovations and ever more sophisticated systems of communication create many completely new opportunities for the creation of wealth and economic development. This can be seen in the ways in which the globalisation of commerce and the increased flow of capital have helped to foster unparalleled economic growth in a number of countries and regions of the world, and to promote important scientific achievements in such fields as medicine and agriculture.

Nevertheless, the world continues to experience a widening of the gap between rich and poor, both within nations and throughout the different regions of the world; a growing concentration of financial and economic power combined with vulnerability to fiscal crises; a weakening of representative democracy and politics in general; continuing conflict, within as well as between nations; increasing degradation and depletion of the world's resources; and mounting uncertainty about where all the changes are leading.

The Socialist International therefore redoubles its commitment to ensuring that globalisation works for the benefit of all the world's citizens. That means shaping global change through policies and programs to give it a truly transparent and positive direction. The goal, shared by no other political movement in the world, is nothing less than to link material growth to social advancement in

a fully democratic and sustainable process—in other words, to guide global change so that it brings about global progress.

The key to our efforts, and the element which places our International at the forefront in meeting the challenges of globalisation, is solidarity. Solidarity from a material point of view, but also from the perspectives of culture, education, gender and the promotion of respect for fundamental human rights everywhere. In essence, global progress depends on global solidarity.

2. The principal aspects of globalisation are:

The globalisation of information, which, together with radical changes in modes of communication in the digital age and the drastic reductions in time and distance, has made it possible for people to contact each other virtually anywhere in the world on any matter almost instantaneously. As a result, the forces of technology and the market have been unleashed on an unprecedented scale.

The globalisation of the economy and trade, which is substantially altering the structures of commerce, investment, companies and industrial relations. New technologies are enhancing productivity and creating new types of jobs but the gains are not distributed fairly. At the same time, many jobs once considered permanent now are being made redundant and traditional concepts of employment are being undermined. In advanced societies the vital experience of shared work, cooperation and experience in a common workplace is slowly but steadily disappearing.

The globalisation of the financial system, which has brought about an exponential increase in short-term capital flows but without providing an effective regulatory framework to ensure against adverse volatility. More than 90 percent of such currency transactions are completed in practically no time at all. Most of them are speculative, bearing little relation to productive investment and generally occurring apart from the normal exchange of goods and services. Over the last decade, nations and entire regions have been subjected to a series of financial crises related to sudden shifts in capital flows, each of which has undermined economic growth, earnings and employment, while threatening to spread out of control.

3. The great paradox of the current era is that while humanity has more potential than ever for addressing the long-standing problems of inequality, hunger, disease and illiteracy, the potential thus far is being utilised mostly in ways that are widening rather than bridging the existing gaps.

One of the more severe injustices that remains is the inequality between men and women, despite the fact that the quest for equal rights has been one of the most important and positive movements of the 20th century.

And while globalisation has led to greater prosperity for some and deeper poverty and dislocation for others, it nonetheless has brought about an ever increasing interdependence, as the impact and repercussions of migratory flows of people, financial upheaval, environmental disasters and military confrontations now ripple quickly over the entire planet.

4. The fall of the Berlin Wall symbolised the political transformation of our age, closing the doors on the terrible certainties of the 20th Century and opening the windows of uncertain hope to the new millennium.

The end of the bipolar, bloc-oriented confrontation of the Cold War also resulted in the recovery of freedoms and the establishment of democratically elected government in many countries. But the "peace dividend" has yet to be realised for most people of the world, nor has the hope for a new international order to replace the old system based on a balance of mutually threatened terror. Instead, the world is enduring a generalised and more volatile form of disorder, with continuing threats to peace and security rooted in mounting ethnic and culturally based clashes and in aggressive, often atavistic nationalism.

Moreover, the elimination of the communist model as an all-encompassing alternative to "capitalist" democracy led neo-liberal and neo-conservative ideologues to embrace a simplistic, fundamentalist view of the world which confuses market economies with market societies and proclaims the end of any ideological debate about the nature of political economy. The neo-liberal paradigm gives little consideration to concerns about representative democracy, human rights, social justice and the environment, and views globalisation as a deregulated process of being able to do anything anywhere in order to maximise profits.

Nonetheless, in response to the neo-liberal conceit and the persistent threat of both political and economic instability, a wide and diverse array of political ideas and cultural concepts has emerged. Together they constitute a deep and growing rejection of neo-liberal fundamentalism and blind faith in markets. That, in turn, has motivated increasing numbers of the world's citizens to embrace the option of social justice through global solidarity offered by democratic socialism, social democracy, labour unions and other progressive movements. All of this has provided the foundation for the ongoing reinvigoration of the democratic left. What has emerged is a vision of globalisation based a democratic world society, a new system of collective responsibility in which political considerations take priority over purely economic ones.

5. The role of the Nation State, the traditional locus of representative democracy and democratic sovereignty, is being substantially transformed and its future remains uncertain. Highly centralised structures are a thing of the past and there are now multiple discussions and efforts to determine the necessary and sufficient dimensions of the Nation State in this new era.

Globalisation has increased the power and influence of multinational corporations, manipulators of foreign exchange markets and international economic organisations at the expense of governments, voters and the democratic process. Under the neo-liberal creed, the compulsive belief in a minimalist state has gone hand in hand with an uncritical embrace of individualism and privatisation, which has led to the erosion of community spirit and the contraction of public space. Even the provision of universally proclaimed rights such as education and health care is no longer considered to be a public responsibility by neo-liberals.

As a result, the very functioning of politics during the last decade has been undermined and is shrinking. And the Nation State, with a weakened capacity to respond to transnational phenomena in an effective manner, is less able to fully represent the interests of its citizens.

In response to the new global forces, the nature and structure of the Nation State appear to be evolving in a twofold process. First, toward supra-nationality, as has been seen in regional integration through the European Union and Mercosur. Such efforts are based on a recognition that Nation States alone cannot cope with

the challenges of globalisation. At the same time, however, regional integration can call into question the sovereignty of Nation States themselves as well as the authority of elected governments within them.

The second process, closely related to the diminishing capacity of governments, is toward a decentralisation of power within Nation States. It is based on demands for more efficient responses to local problems within countries, and on the increasing desire among citizens to preserve local and cultural identities against the standardising, homogenising powers of globalisation. This process is manifested in a redistribution of internal political authority with a view toward achieving greater flexibility, closer proximity to the daily lives of citizens and, in some cases, better awareness and responses to ethnic and cultural diversity. The concept of devolving power based on differing ethnic identities, however, remains controversial, even though the alternative appears to be the heightened threat of social disintegration and the break-up of the Nation State itself.

As the Nation State undergoes this dual process of decentralisation, it still remains the sole guarantor of democracy, transparency and social cohesion. The importance of these priceless assets, particularly now in the age of globalisation, became quite apparent during the crisis in Asia just a few years ago. They may not fit into shortsighted neo-liberal thinking that confuses cost with value. But they are essential for economic and social stability, which are important comparative advantages in the long term.

The Nation State also remains the principal entity which can ensure that markets are utilised to serve the public good, not just the interests of investors. The transformation of public monopolies into private oligopolies whose principal objective is short-term gain has thus far only increased social and economic inequalities in a number of countries. Governments therefore must provide frameworks in which the privatisation of public utilities such as telecommunications, energy and transportation is properly regulated to promote fair and effective delivery of services.

6. The era of globalisation is having a strong impact on the international landscape. Technological changes, as well as new environmental threats, the unstoppable migration of people, the renewed assertion of cultural identity and the dwindling of political autonomy at the national level, are all factors in heightened levels of disorder in the world and in the crises which arise on an increasingly transnational scale.

The post-war structures and institutions created in the context of a world organised around two blocs—whose influence and reach affected politics and security, as well as economics, commerce and finance everywhere—have now proven to be less than adequate and in some cases nearly obsolete.

The structures of the United Nations, in particular the Security Council, appear increasingly ineffective, indecisive and unable to find the resources to respond to increasingly complicated national and regional conflicts involving inter-ethnic warfare and the massive violations of human rights. The continuing proliferation of nuclear as well as conventional arms, and the increasing availability of sophisticated weaponry and high technology to terrorists and international organised crime groups, constitute heightened threats which the international community thus far has been unable to adequately address.

In the areas of economics and commerce, the World Trade Organisation has not advanced sufficiently in its attempts to achieve balances in trade between countries at different stages of development. Meanwhile, globalisation has shifted the traditional patterns of development, incorporating regions once on the margins, but at the same time dramatically excluding other regions, which are now sinking further into poverty.

Nor has the WTO been able to ensure respect for the traditional rules of trade, as the continuation of protectionist policies—for example, the extensive use of domestic agricultural subsidies in the developed world—only worsens existing imbalances and undermines efforts to promote growth in poorer and developing countries. Social dumping then becomes more and more common as those countries struggle to be competitive and to provide employment under desperate conditions. This negative trend undermines social rights generally, particularly the rights of women and ethnic minorities.

The WTO also has not succeeded in preventing or even diminishing the exploitation of child labour and slave labour, which are among the most egregious examples of social dumping. At the same time, competition for direct investment has meant that governments have tended to tax capital less and shift the burden of direct or indirect taxation onto labour. The competitive lowering of social benefits degrades labour, lowers standards of living, increases poverty and, in the process, reduces consumer demand and limits growth.

Regarding labour rights in general, the gulf between the principles that inspire the International Labour Organisation and that body's lack of authority to enforce compliance with them is further indication of the international community's inability to effectively address the social dimension of global trade and commerce.

7. In the realm of global finance it is evident that with the exponential growth of short-term capital flows, the International Monetary Fund and the World Bank are unable to adequately respond to ever more frequent financial upheavals. The problems within the IMF and the World Bank can be explained in part by the differing functions of the two institutions and by the obsolescence of many of the rules and regulations upon which they were established half a century ago. And although once there was merit in the original distinction that the IMF would be an agency for short-term balance-of-payment supports as a means of avoiding unwanted devaluation or unnecessary deflation, while the World Bank would serve as a long-term development agency, the roles have been confused since the 1980s when the Bank insisted on cross conditionality by the IMF before it would proceed with development programmes.

With regard to environmental protection and sustainability of natural resources, it is apparent that the necessary instruments and international consensus for action continue to be lacking. The commitments that resulted from the Rio and the Kyoto summits have not been carried out, while efforts to do so have exacerbated the deep divisions between the developed world on one side, and developing nations which fear that environmental restraints will only leave them further behind in the global race for economic development.

At the same time, one of the great and tragic ironies of the global era is that while barriers against trade and the flow of capital are being lowered or dismantled, particularly between the developed and the developing world, obstacles against the movement of people are being strengthened and new ones put in place. Indeed, the freedom to transfer almost anything—goods, currencies, services, companies—is now deemed a right, except when it comes to the movement of human beings, whom many in the developed world apparently expect to remain prisoners of their fate in whatever dire situation they find themselves.

Nonetheless, the flow of people, more than 50 percent of whom are women, continues to grow. Seeking to improve their lives, or fleeing political, ethnic, religious or cultural persecution, they remain unfazed by mounting, widespread xenophobia. Moreover, it is proving impossible to deter them by practically any means, while calculating the impact on the countries where they are arriving as well the ones from which they are coming remains no less difficult.

II. DEMOCRATISING GLOBALISATION

1. Throughout the history of the Socialist International, and especially in this the period of its greatest growth, our organisation remains committed to fostering and strengthening freer, fairer, more just and cohesive societies, while at the same time maintaining full respect for the individual identities, histories, cultures and different stages of development of each nation of the world.

As Willy Brandt reminded us, the members of our International—democratic socialist, social democratic, labour, and other progressive movements—have shown throughout their histories a determination to rejuvenate and adapt themselves to changes in world. Most recently in Europe, for example, social democracy has demonstrated the ability to reform its political approach to pursuing fundamental goals of liberty, peace and social justice while the so-called "real socialism" was shown to be a failure on every count.

2. The principle task today is to give a social dimension to the globalisation process and place it at the service of humanity. Said another way, the goal is to enhance the positive effects of globalisation and to limit the negative aspects. This means that globalisation must be regulated, but in a balanced way, with the necessary balance achieved through a renewal and strengthening of governance at the levels of local authorities, the Nation State, regional organisations and international institutions. New rules of governance, including provisions for greater citizen participation, must be established to effectively address the new and complex challenges. Democratic institutions at every level must be revitalised where they already exist and established where they are needed.

Democratic socialism was born and has grown based in part on a critical relationship with capitalism. The Socialist International recognises and respects the creative and productive capacities of the market. Democracy has always developed within market-based economic systems. But we do not demand more of the market than it can offer. We also acknowledge that there are authoritarian political systems in which markets are allowed to operate and therefore we do not confuse democracy with the market.

Further, we recognise that education, health and cultural diversity all add value and enhance the functioning of an open economy, making it not only stronger and more productive, but sustainable over time. However, markets in and of themselves cannot be counted on to ensure that these elements are provided and protected, which is why societies have proven to be more resilient and cohesive where democratic socialism has played a role in the formation of public policies.

3. We therefore reaffirm:

- that political action, rooted in the democratic and civic commitment of policy makers and elected officials, must play the central role in ensuring equal opportunities, social justice and the promotion, generally, of all the components necessary for free, stable and prosperous societies.
- that the management of globalisation requires high quality democratic participation locally, nationally, regionally and internationally for the creation and enforcement of regulations, rules and common commitments.

- that it is a political responsibility to guarantee respect for universal rights to education and health care, as well as provisions for the care and protection of children and the elderly.
- that it is a political responsibility to defend human rights everywhere, particularly where violations of universal rights, and especially women's rights, are rationalised with false arguments based on distorted understanding of cultural difference.
- that it is a political responsibility to regulate and ensure the proper, efficient and fair operation of services such as transportation, energy, and telecommunications, regardless of whether they are publicly or privately owned.
- that it is a political responsibility to promote economic competition and growth in ways that generate meaningful employment, prevent monopolistic tendencies in the development of markets and protect the rights of consumers.
- that it is a political responsibility to shape a new international order which can guarantee peace and security by balancing respect for diversity at all levels with respect and protection for fundamental and universal human rights.

4. Solidarity is the key to the efforts of our International to form a democratic global society. Solidarity has been at the heart of our movement from the start and has placed us at the forefront in meeting the new challenges of globalisation. Thanks in significant part to our long and determined work, Europe has a Treaty which includes a strong social solidarity pact. In this same sense, our member parties and organisations are redoubling their efforts to extend such a pact globally, to form a worldwide consensus that leads to concrete agreements for addressing the social dimension of globalisation.

Solidarity is fundamentally about the struggle against inequality and it guides us, as well, in our fight for gender equality and against any form of discrimination based on national origins, ethnicity, religious beliefs or political opinion. Our efforts therefore continue to be oriented toward the redistribution, within countries and internationally, of material goods, education, health care and services for the elderly.

Further, we recognise that the granting and fulfilling of social rights requires the acceptance of corresponding civic responsibilities by citizens, that they themselves must participate actively in the improvement and protection of the common good. We therefore reaffirm the need for a balance between rights and responsibilities, between activist policies, which seek to include the greatest number of people, and universal policies which do not exclude anyone.

At the same time, we propose a new form of solidarity based on the redistribution of personal initiative and creativity and a willingness to take risks, since they have the value of creating opportunities and generating wealth for others. We believe that along with the sharing of technology and skills, the fight against poverty in today's competitive environment requires the promotion of the spirit of enterprise in economic, social and cultural endeavours. This new dimension of solidarity requires changes in social attitudes, as well as in education and training systems, so that personal initiative and inventiveness are duly rewarded. The redistribution of the spirit of enterprise in this cooperative sense is an expression of solidarity which is directly opposed to the mercenary, anti-social individualism of neo-liberal thinking.

5. The Socialist International believes that the fundamental building blocks of a democratic world society continue to be Nation States, which include the political parties, public institutions and civic organisations and movements that channel and respond to the aspirations of a nation's people. A world without rules, regulations and concrete commitments will tend toward disjunction, and only national governments based on the rule of law can balance the centrifugal, atomising forces which can be unleashed by market forces and threaten the social cohesion necessary for any human enterprise.

Our International further advocates updating and adapting the role of Nation States, not only in terms of more effective, representative governance, but especially through enhanced interaction between countries at the regional level. The deepening of regional structures, based on common interests while respecting cultural diversity, has become critically important in the face of the cross-border nature of the problems created by today's global currents. The aim is not only to enhance the well being of individual countries through greater economic cooperation and trade, but also to develop broader, more balanced policies for achieving peace and security, environmental preservation and the equitable

transfer and exchange of technologies. Europe is firmly moving toward an open, flexible form of regional integration which we support as the most appropriate way of addressing challenges which cannot be effectively met by Nations States acting on their own. We also support the regional integration currently being developed, at different stages, in other parts of the world from Latin America to Africa and Asia.

Stronger relations between states within geographical regions, in turn, strengthen the foundation for deeper cooperation at the world level, particularly through the United Nations whose work remains essential to the prospects for global progress. The challenges today, nevertheless, call for a new world order, with more effective multilateral instruments to prevent, manage and resolve conflicts. As a concrete step toward accomplishing that task, the Socialist International supports the proposal for democratically increasing the number of permanent members of the UN Security Council. Such a measure would contribute to the democratisation of the United Nations overall, while making the Security Council more representative of the new global reality.

In its continuing effort to promote global solidarity as part of the foundation for a new world order, the Socialist International therefore:

- supports the use of "intervention on humanitarian grounds", always within the framework of international law, as an integral part of the struggle for democracy and human rights. There is not and never can be any justification for genocide or ethnic cleansing, nor should there ever be impunity for dictatorial regimes which systematically violate universal human rights. In this context, we reaffirm our support for the creation of the International Criminal Court as called for by the Treaty of Rome.
- remains committed to assuming all necessary political initiatives, within nations as well as international institutions, in order to support a total and worldwide abolition of the death penalty.
- calls for cancelling the debt - both bilateral and multilateral - of the world's poorest countries and providing them with unrestricted market access. The coming generations in these countries must be free of this overwhelming burden, while present ones can utilise the added resources to fight poverty and finance services including health, education and local development.

- supports the adoption by the World Trade Organisation of a social clause combined with a new system of preferences favourable to less developed countries. The social clause would, at minimum, forbid forced and child labour, embrace equal opportunities for men and women and guarantee full trade union freedoms including the rights of free association and collective bargaining.

III. MANAGING GLOBALISATION

1. Globalisation is a powerful force which can promote growth and development. But the destructive turmoil which has struck the global economy on a number of occasions in recent years with truly transnational consequences underlines the need to resolve a crucial paradox: that trade and financial markets now are global, but governance and regulation are still mainly national.

A fundamental challenge, therefore, is to restructure the present imbalance between the ascendant power of financial markets and the diminished power of governments to hold them to account. So that financial markets serve people rather than master governments, we need to ensure that they maximise employment and general welfare while minimising risks to the environment. Markets need rules of the game which can promote positive outcomes for all. In a global economy the challenge can only be met by globalising regulation itself, based on the fully cooperative and coordinated efforts of Nation States and the international community.

In this regard, our actions must be focused on three interrelated tasks:

- to reduce the ongoing risks of financial instability and global recession, and to provide support for countries which already have been harmed or are particularly at risk.
- to improve coordination of economic and social policies at the international level in order to ensure more sustainable growth and development and greater social cohesion.

- to reform the international framework for financial and economic regulation, including the respective roles and functioning of the IMF and the World Bank.

2. The general framework for providing support to developing and transitional economies must be re-examined, re-directed and certain actions taken, including:

- The placing of stronger emphasis, both at the national and global levels, on transparency, adequate fiscal supervision and accountability, and adequate minimum standards for financial operators.
- The massive power and volatility of foreign exchange markets need to be countervailed by further increases in IMF contingency funds to deter speculative attacks and to support emerging markets in the developing and transitional economies. The example of Brazil not long ago shows the importance of such intervention. However, IMF support programs should not have to result in deflation, devaluation and further deregulation of local economies in need of assistance.
- In specific cases, not least to avoid costly bailouts, capital controls should be temporarily adopted under restricted conditions specifically with regard to short-term speculative flows. Limits should not be applied on long-term portfolio investment and direct capital investment.

3. Proposals for a new approach to development assistance:

The poor have in large part paid for structural adjustment policies, reinforced by cross conditionality between the World Bank and the IMF. At the same time, trickle-down rarely occurs while income and wealth tend to be shifted upwards. To break this cycle means taking bold measures to reduce poverty through a global programme of direct expenditures on health, education, nutrition, housing and sanitation for those most in need in both the less and the least developed countries.

Such a programme should start with a careful assessment of specific local conditions in order to prepare adequate and appropriate aid projects. Social investments, once they are made, should be monitored and subject to conditionality: successful projects would be extended through further funding; unproductive programs would not be; and the misuse or misallocation of funds would be subject to penalty.

Part of the reason for the low level of institutional investment in many developing countries is the internal weakness of their own financial intermediaries and the associated risk. In a number of countries this could be offset by strengthening local institutions in cooperation with the multilateral agencies. In particular, institutional investors are attracted to public bond issues at a time when stock markets are declining or stagnant. It is in this sense that the World Bank should be a major player in the issuance of development bonds which could co-finance a range of diversified investments in less developed countries. To offset the credit squeeze and strengthen business capacity, the bank also should introduce a Global Venture Fund to co-finance venture capital markets for small and medium firms in developing countries.

Further proposals with regard to development assistance:

- All projects undertaken by the World Bank should be consistently and thoroughly subject to environmental conditionality, i.e., that each project be planned and carried out in ways that preserve and protect the environment.
- In promoting economic development, more emphasis should be placed on expanding domestic markets and demand and on meeting the basic needs of populations rather than focusing simply on export-led growth.
- Trade deficits should be expected and accepted in the cases of developing countries which are pursuing investment in the social sector and which should be exempted from financial conditionality by international institutions.

4. Proposals for coordinating economic policies to promote sustainable growth:

Steadily expanding demand is essential for sustaining growth. As stressed in the preamble to the WTO treaty, trade liberalisation and the opening of markets in developed countries need to be complemented by promoting demand to achieve full employment. The further opening of the economies of developed countries must be encouraged, but with guarantees against the risks of unfair competition due to social dumping in developing nations. Free trade should also be fair trade.

To promote fair trade, the WTO should adopt a system of preferences favourable to less developed countries, combined with the adoption of a social clause, forbidding forced and child labour and guaranteeing equal opportunities for men and women, trade union freedoms and collective bargaining rights.

Still, the central responsibility remains with the developed countries, in their own interest and in the global interest. They are the core of the world system. By their economic policies they determine global demand. Their role in defining global long-term interest rates should be to sustain a virtuous cycle between savings and growth and to trade off the continuing low risk of inflation against the greater risks of underproduction and unemployment.

Several governments already understand that the principal danger now is not inflation, but deflation, depression and growing unemployment. To ensure against such threats, and with the aim of increasing employment, alleviating social exclusion and improving the general public welfare, it is necessary:

- to reduce interest rates and to ensure that the exchange rates of the major currencies either are stable or can be adjusted in a coordinated way.
- to increase investment in both infrastructure and human resources, utilising new financial instruments for public-private partnerships in investment.
- to expand investment in the social sector, including health and education, as well as urban renewal and protection and enhancement of the environment.
- to focus supply-side policies on process and product innovations, on upgrading services in meeting social needs and on strengthening and expanding skills during the retraining of unemployed workers.

- to pay special attention to the basic education of low skilled workers in order to promote their employability.

5. Proposals for reforming the international framework for financial and economic regulation:

International financial institutions were created more than a half-century ago in a macro-economic context that has drastically changed. They are not equipped to deal with the challenges that the world, particularly the developing countries and transitional economies, faces today. This should be remedied through a substantial review of the functioning of the Bretton Woods institutions, with developing countries playing a major role in the discussion and implementation of reforms.

In considering adjustments and improvements to the Bretton Woods framework, both governments and the multilateral institutions themselves must have as priorities the promotion of sustainable global growth and development; the promotion and reinforcement of social rights and the common welfare; the preservation and enhancement of the environment; and the regulation, transparency and accountability of financial markets at the global level.

This approach requires a new balance between collective security and individual responsibility, a balance which would provide a basis to:

- define and enforce a code of conduct among operators in financial markets and sanctions for 'moral hazard'.
- organise a world-wide system for monitoring financial and economic risks, including the international exposures of investment banks, hedge funds and other institutional investors.
- establish and strengthen mechanisms for greater transparency in the operations of offshore financial institutions as part of the overall effort against the use of such entities for money-laundering by corrupt individuals or groups, or by drug traffickers and other international criminal organisations.

- increase the Contingency Fund of the International Monetary Fund and define a new allocation of 'Special Drawing Rights' in favour of developing countries and countries in transition.
- introduce in the IMF a system whereby there would be a moratorium for creditors and lenders during a liquidity crisis which would allow both sides to agree on a strategy for consolidation which would avert large capital outflows from countries under severe financial pressure.
- improve the political accountability of the IMF, the World Bank, the WTO and the International Labour Organisation and, in particular, transform the IMF Interim Committee into a Political Council with decision-making rather than consultative powers, as foreseen in Article XII, Section 1 of the Articles of Agreement.
- encourage economic, financial and political integration at the regional level, both to strengthen cooperation between countries and to facilitate the consistency of macro-economic coordination.
- promote a policy dialogue and closer cooperation between the IMF, the World Bank, the United Nations Development Program, the WTO and the International Labour Organisation.
- encourage the International Labour Organisation, with its unique tripartite structure, to strengthen efforts to promote workers' rights, more and better employment, appropriate social protection and social dialogue for sustainable growth and investment.

To achieve such a new system of collective responsibility requires a stronger, more effective institutional framework. The Socialist International therefore supports the creation of an Economic Security Council (an enlarged G7) within the UN framework, as a way to better coordinate international economic policy and to address global issues such as the stability of exchange rates and international capital flows, the avoidance of fiscal competition and action on global programmes to reduce unemployment and stimulate economic recovery. This forum is also required to increase the cooperation of international financial institutions within the UN framework. Negotiations for the creation of such a body should involve relevant partners of both developed and developing countries.

The form of the proposed Economic Security Council could combine a given number of additional permanent members with a variable membership of smaller countries. A new structure along these lines would be both more representative of global realities and constitute a manageable forum for the exercise of collective responsibility.

IV. FOCUSING ON FOUR SPECIFIC ISSUES OF GLOBALISATION

1. Women and the Challenge of Globalisation

The contributions of women and the full recognition of their perspectives on the world are essential to moving forward on the road of global progress.

The negative aspects of economic globalisation - increasing inequality, environmental degradation and the undermining of traditional social bonds - have affected women in a dramatic way. Among the ranks of the disadvantaged, women constitute the majority. They are the least qualified and skilled as a workforce, have the least opportunity for ownership of property in many places and are often subjected to cultural customs and rules which allow them to be the direct object of exploitation.

The fragile status of women, in turn, makes them especially vulnerable to structural adjustment programs which reduce social benefits and to abuses within the globalised system of production and commerce, even as they remain responsible for holding families together and basic subsistence. Poverty today wears a woman's face.

Nonetheless, women have proven to be extraordinarily creative and active within the narrow sphere of community life. But for many, immersed in the daily struggle for survival, it remains difficult to take part in the broader task of redefining policies and advancing proposals that would improve women's lives. At the Beijing Conference and at subsequent other international forums, emphasis was placed on the urgent need for women to take part, on an equal footing, not only in furthering respect for their rights but in addressing all the challenges that have resulted from globalisation. Already we are seeing, and we fully support, the increased participation of women in urban planning, educational

reform and the reorganisation of daily life in general in order to better meet the challenges of this era.

The Socialist International also advocates the development of a new social contract beyond the way relations between men and women have traditionally been governed. The changes taking place in terms of global markets and the role of the Nation State cannot be seen as separate from the evolution of the family and the implications of the growing access for some women to education and salaried employment. The gender factor is having a profound impact globally.

Moreover, a substantial percentage of the wealth of any country continues to be produced by the hidden, unpaid labour of women. Such labour is not recognised within the traditional social contract, which has defined the status of worker based on the concept of a patriarchal family structure. This has left women marginalised and with few or limited rights. We therefore envisage a new contract in which social welfare is a fundamental right, irrespective of one's position in the family, and in which women, on the basis of the universality of such rights, can grow as people in the new realities and different regions of the world.

At the same time, we believe that as globalisation is altering the traditional structures of employment and the workplace, the family must play an increasing role in strengthening the bonds of socialist solidarity, that it can become a new crucible in the promotion of equality, justice and democratic learning. It is therefore appropriate that women, who have always been essential to the maintaining of social cohesion, are taking the lead in envisaging and constructing new family models in which the rights of every member, particularly children, are respected, and which could become true nuclei of solidarity and progress in the new global landscape.

Finally, the issue of culture is of particular importance in our approach to women and globalisation. We appreciate the creativity and the potential benefits for human development that stem from cultural diversity. But we also continue to fight diligently against the use of cultural differences to justify the subjugation of women or the infringement of any of their rights as human beings. Multiculturalism can be accepted only when in tandem with full respect for the Universal Declaration of Human Rights.

2. Globalisation and the Environment

Nature and environmental resources are a necessary foundation for human welfare and advancement. Environmental policies are therefore not a burden, but a necessity for ensuring that economic development and growth are sustainable.

In this era of globalisation, the greatest environmental challenges include: the accelerated depletion of natural resources, climate changes caused by global warming, the hole in the ozone layer, the diminishing variety of species, the destruction of agricultural land and ground water, toxic pollution and excessive consumption, all of which threaten the very basis of life.

The Socialist International therefore is in agreement with the United Nations in the belief that environmental concerns and development are inseparable, that we must create societies that can eradicate poverty and prosper only within the limits that nature sets and that environmental preservation is a task that transcends national boundaries.

We therefore stress the role of UN Environmental Programme (UNEP) and other UN organs which play an important role in developing and implementing environmental initiatives, and believe that the UN must become an even more central actor as a facilitator and promoter of international environmental work. Particularly important in this regard is the formation and strengthening of alliances between the UN and the private sector and civil society at the international level, and the enhancement of democratic debate on the environment within countries, across borders and between regions.

The Socialist International views as especially important the efforts to reduce the emission of climate-altering gases into the atmosphere. The task is to achieve a broad consensus for establishing a new generation of binding legal instruments on the national as well as regional and global levels.

Specifically, the International calls for the full implementation of the Kyoto Protocol, which includes a commitment to reduce emissions in the industrial countries by at least 5 percent during the period 2008-2012, based on 1990 levels. The Protocol provides for a fair sharing of the burden among countries. The time to act is now, as the emission of greenhouse gases has greatly increased since 1990 and the costs of reduction have risen accordingly.