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9 October 2003

To the members of the SI Presidium

Costas Simitis
Vice-President of the Socialist International

Dear Vice-President,

Please find herewith a first draft Declaration of São Paulo proposed by SI President António Guterres for the consideration of Presidium members.

The draft declaration will be presented for adoption by the XXII SI Congress, as will be other documents being prepared by SI Committees.

Comments, amendments or proposals for this text should be sent to the SI Secretariat by 20 October.

A new draft will be considered by the members of the Presidium at the working lunch to take place on Sunday 26 October from 1300 hrs to 1500 hrs in São Paulo.

Fraternal regards,

Luis Ayala
Secretary General

Fax transmission: 6 pages

Draft

Declaration of São Paulo

1. The Socialist International, the global movement of social democratic, socialist and labour parties, holding its XXII Congress in São Paulo at the invitation of the Partido dos Trabalhadores, calls on all socially and politically progressive people and organisations to come together in a global coalition to promote a new world order based on a new multilateralism for peace, security, sustainable development, social justice, democracy and respect for human rights.

2. The intense globalisation process, of markets and economies as well as technology, communications and cultural exchange, has accelerated the creation of wealth and increases in productivity and trade – but at an unacceptable cost: the widening of the gap between rich and poor countries, and between rich people and poor people in countries of both the North and the South.

At the same time, the world is witnessing ever greater threats to peace, the emergence and deepening of regional conflicts, the possible connection of terrorism and the spread of weapons of mass destruction, the revival of religious fundamentalism, exacerbated nationalism and increasing racist and xenophobic attitudes.

3. The current system of global governance, established in the aftermath of the World War II, is outdated and unable to meet the challenges of the 21st century. Neoconservatives and their allies are attempting to exploit the situation to dismantle all forms of global governance, to minimise the role of the United Nations, to undermine multilateral institutions, to promote unilateralism and the consecration of the market, and to impose the will of the powerful to decide the future of mankind.

The Socialist International totally rejects that approach and remains determined to stop it from happening. The International is steadfastly working to mobilise all the world's progressives to define and implement a comprehensive strategy for sustainable development and reform of the global system of governance. The goal is to regulate and shape globalisation so that it provides opportunity for all people, and to establish an effective system of multilateral governance, based on the rule of law and a more balanced, more just architecture of international relations, with a reformed and modernised United Nations as its cornerstone.

As was the case after World War II, there must be a complete rebuilding based on a stronger system of international law, more effective regulation of world markets and more democratic, accountable and efficient global institutions to formulate and carry out policies on behalf of people everywhere.

4. The international community must be able to act to preserve and enforce peace, promote security and guarantee respect for fundamental human rights wherever they are threatened or under attack. Intervention, however, must be based on clear evidence and criteria, as well as adherence to international laws that combine respect for both the sovereignty of nations and the sovereignty of their citizens, and must be carried out in accordance with the decisions of the United Nations.

The International therefore believes that reform of the United Nations cannot be delayed any longer and will continue to be strongly engaged in the process. Achieving lasting peace and security requires that the United Nations Charter be updated to meet today's new challenges, and that the Security Council be reformed to make it more representative, democratic and responsive.

5. Peace is not simply the absence of war, but the result of international relations that are well managed and coordinated on the basis of fairness, justice and a commitment to the common good. This is particularly important when addressing the growing threat of terrorism.

The condemnation of terrorism must be unconditional. There can be no excuses, for nothing, not even the poverty and injustice endured by so many people today, can justify terrorist acts.

However, confronting terrorism cannot come at the cost of sacrificing freedom and human rights, or through the double standard of supporting so-called friendly dictatorships. It must also be remembered that justice, social cohesion and cultural and religious tolerance remain important factors in promoting peace and stability at the local, national and global levels, and for making it more difficult for terrorists to recruit desperate people into their groups.

6. The global divide between poverty and wealth has reached intolerable proportions and the mounting pressure on natural resources makes the current model of globalisation unsustainable. Social inequality is worsening and undermining the stability of societies in more and more countries. And while the percentage of the world's population living in absolute poverty is declining, the number of people struggling to survive in such poverty has never been higher, as nearly three billion people now live on less than two dollars per day.

At the same time, the benefits of expanding global trade and foreign direct investment remain mostly in the North. For hundreds of millions of workers, basic labour and social rights remain a distant dream and a privilege of those in wealthy nations. Most people in the world lack any form of social protection, while a small minority in many poorer countries enjoy enormous wealth.

The Socialist International therefore believes that a central challenge for our world today is to make it possible for developing countries to catch up, but without endangering the global ecological balance. This must be the basis of a global program for sustainable development in three dimensions – economic, social and environmental.

7. For the Socialist International a comprehensive and balanced strategy for sustainable development must be based on a New Global Deal, which would require that:

- developing countries improve their integration in the global economy, build their national capacity in institutional, economic, technological and educational terms, fight against poverty, improve working conditions and control major ecological imbalances
- developed countries open their markets to exports from developing countries, redistribute investment to enhance more balanced development, strengthen cooperation and increase financial aid to developing countries and move toward sustainable consumption and production patterns in ways that preserve social cohesion.

The International recognises that positive elements for a new global agenda already exist and include:

- the Millennium Development goals adopted by the UN General Assembly in 2000
- the Monterrey Consensus that agreed in early 2002 a commitment to improve financial instruments for development
- the Plan for Sustainable Development adopted at the World Summit in Johannesburg in 2002
- the Development Round of negotiations in international trade launched in Doha in 2001, with a commitment to focus more on developing countries.

Nonetheless, efforts to fulfill these commitments have been frustrated because:

- development goals have been pushed aside with the argument that security concerns must be given priority
- narrow self-interest continues to undermine the Doha Development Round, most recently in Cancún, where egoism and the drive to protect markets in developed countries, particularly for agriculture, led to a collapse of negotiations
- the powerful refuse to consider alternatives to the so-called Washington Consensus, despite mounting evidence that the Bretton Woods institutions are increasingly unable to respond to development challenges or manage financial crises and economic downturns.

The Socialist International recognises that the obstacles to more balanced global economy and a more just world are more political than technical and therefore must be overcome through political efforts. The International therefore embraces a global agenda for sustainable development that includes the following ten points, all crucial for guaranteeing that globalisation works for all:

- i) International trade as an engine for growth and employment must include unhindered access to markets in the developed world for exports from developing countries, especially agricultural and other labour-intensive products.
- ii) The current digital divide must be turned into international digital opportunity. Knowledge is becoming the main source of wealth, but can also be the main source of inequalities. Developing countries therefore must leapfrog into the digital economy and the North should help them by launching an inclusion plan for the developing world involving public-private partnerships and technological transfers.
- iii) Turning sustainable development into growth opportunities, by fostering ongoing and undertaking new initiatives to promote environmentally sustainable development in agriculture, energy and transport, and tapping into the employment opportunities this would create.
- iv) Adopting a fresh approach to development policies that would combine new trade opportunities, incentives for foreign investment, promoting entrepreneurship, building national productive capacity and social infrastructure and increasing accountability. In developing countries, stability and structural adjustment programmes should allow greater fiscal flexibility for investment and enhanced spending, particularly on education, health and social development. At the same time, debt relief must be accelerated and development aid expanded in connection with a concerted poverty reduction strategy.
- v) Instituting better regulation, accountability and supervision of financial systems to enhance the prospects for sustainable growth and development.
- vi) Investing in people by raising educational levels and providing training for all and incorporating advanced teaching techniques to guarantee the most skilled work force possible. Information technologies should play a key role in improving the quality of education and creating new employment opportunities.
- vii) Providing people with adequate health care and greater personal security to promote better productivity and quality of life. The fight against contagious diseases and access to critical pharmaceutical must be a priorities.
- viii) Fostering employability and a more skilled and versatile work force through active labour market policies that would include efforts against all forms of discrimination and providing greater assistance and training for the working poor to upgrade their skill levels. A safety net for social protection has proved to be crucial for people struggling to adapt to change. Specific strategies are needed for the informal economy. Better integration policies and better cooperation between host and origin countries are necessary to humanize migration flows.
- ix) Tackling drug related crime and money laundering by strengthening international cooperation, reducing both supply and demand and involving civil society in preventing and treating drug use.

- x) Placing greater emphasis on the provision of global public services, especially with regard to sanitation, health care, education, employment promotion and environmental protection. The principle of public service cannot be sacrificed to the consecration of the market. Tax systems should also be adapted to promote better public services and a new global tax should be considered.

8. For the Socialist International, the following mandates represent a clear test of the political will to ensure a fairer and more just global economy:

- The cancellation of the debt of the poorest countries, subject to minimum conditions of good governance and going further than the ineffective HIPC programme.
- The unilateral opening of markets in the developed world to exports from the poorest countries.
- A radical change of policy on agricultural subsidies in Europe, the United States and Japan, putting an end to this unacceptable distortion of markets that remains one of the principle obstacles to development in the South.
- The abolition of offshore tax havens, which constitute not only a fiscal injustice but are also – through lack of regulation, transparency and accountability – a key factor in the financing and proliferation of terrorism, drug trafficking and organised crime, and provide shelter for non-democratic regimes to escape from punishment for their corrupt behaviour.
- A substantial increase in public development assistance, which continues to fall unacceptably short of previously agreed targets.
- A sustained international commitment to rectifying the great scandal of our time – the situation in Sub-Saharan Africa. That region is not only the principle victim of the adverse effects of globalisation, but it also remains excluded from the benefits, while being abandoned to war, poverty, hunger, debt and death. The NEPAD initiative begun by a number of African countries, which links development to respect for democracy and good governance, deserves much stronger support than it has received thus far.

9. Critical to the prospects for worldwide sustainable development is a deep transformation of governance at all levels – international, regional, national and local – including:

- Better governance through greater transparency and accountability and a higher quality of political decision-making and policy formulation
- Enhanced participation of the various stakeholders of the civil society
- More extensive interaction between national and international levels of governance, particularly through the process of regional integration

10. With regard to reform of governance at the global level, the Socialist International is deeply committed to working for:

- The establishment of a UN Security Council on the Economy, Society and the Environment – in effect, a Council for Sustainable Development – that would coordinate sustainable development on a global scale, push forward effective responses to inequality and financial volatility and promote economic growth and job expansion. This Council would hold meetings at different levels, including annual summits of heads of state and government together with the top managers of international agencies and organisations.
- Reform of the Bretton Woods system and revision of the Washington consensus to include greater democratic control of international institutions, better representation of the developing world and rules of conditionality that take into account not only financial stability and market liberalisation, which should be applied more leniently, but also the economic and social needs of national populations. A world financial authority should have real supervisory and

regulatory powers, enabling it to guarantee the transparency of financial markets through compliance with effective codes of conduct.

- The establishment of a World Environment Organisation, WEO, to promote the implementation of existing agreements and treaties such as the Kyoto Protocol, draft new ones, formulate policy and compile reliable information on the actual state of the world's environment.
- A greater role and stronger intervention capability for the International Labour Organisation.
- A new equilibrium in the way economic, social and environmental issues are addressed by international institutions, rooted in a more democratic, transparent and balanced process. The WTO, the ILO and the new WEO should work together to ensure that trade is both free and fair, to reject new forms of protectionism, to preserve cultural identity and diversity and to enforce core labour standards and promote sustainable development policies worldwide.

11. The Socialist International views regional integration as a key instrument to promote sustainable development, combine social cohesion with competitiveness and shape a better architecture of international relations. As the experience of the European Union indicates, regional integration cannot be limited simply to free trade. It must integrate political, social, economic and environmental dimensions, so that open inter-regionalism can become a powerful tool for achieving better global governance.

12. Humanity has reached a crossroads. The present world order, marked by unilateralism, disrespect for human rights, social injustice and unequal development is reaching its limit. Building a New World Order based on multilateralism, democracy, respect for human rights and sustainable development is therefore necessary and increasingly demanded by citizens of nations throughout both the North and South. The Socialist International is committed to the enormous political work required to build a better world and calls on all progressive women and men to join in the effort through a truly global alliance.

Thursday, 09 October 2003