

THE CHALLENGES OF HUMAN SECURITY AND GLOBAL SUSTAINABLE DEVELOPMENT – a balance sheet on 2011, prospects for 2012

I Seven billion human beings – inefficiency of global politics

Seven billion people have been living on earth since October 2011. By 2050 there will be more than nine billion. This global growth in population is above all the result of rising life expectancies in less developed regions and states.

All human beings, now and in the future, have the right “to a good life”. The natural resources needed for this are available. There is enough food and water, even for nine billion people. Neo-Malthusian nightmares of an overpopulated earth have not materialised even though food and water are distributed in a scandalously unjust manner throughout the world. This inhuman distribution is responsible for hunger and water shortages.

Around one billion people are hungry. This scandalously skewed distribution is further exacerbated by armed conflicts, but also especially by the impact of global warming. Human security and sustainable development for billions of people are thus being violated.

Around one billion people do not have enough water, while two billion are suffering from insufficiently treated water. Lack of knowledge, insufficient investment and armed conflicts are the underlying reason.

Overcoming hunger and shortage of water is a daily task and will remain a task for the next few decades. Hunger and water shortage outweigh all other global problems and challenges.

2011 was characterised
economically by the fiscal crisis,
ecologically by the impact of climate change,
socially by increasing disparities in income, employment opportunities and welfare,
culturally by too little progress in education for all.

In 2011 global politics was less successful in mitigating global problems than in recent years. Especially the USA failed to meet the challenge of climate change, while Europe was unable to get a grip on its financial crisis.

Protests ignited throughout the world – in the Middle East, Latin America, Spain and Russia. These protests unite desires for freedom and for social justice. **Freedom of expression** and **freedom from want** are inseparable. The Occupy movement expresses the protest of the many against the economic power of the few throughout the world.

The protests are directed at non-democratic rule, but they also pose a challenge to democratic parties, including the member parties of the SI. Social democratic governments and opposition parties are often unable to meet and fulfil legitimate demands and hopes. Protest movements are calling for the legitimisation of political rule through free elections, especially in states in the Middle East as well as in Russia.

The democratic legitimisation of political processes forms the linkage between societal movements and democratic parties. The member parties of the SI must take part in social movements - more than they have in the past – and must seek to achieve their aims within the framework of parliamentary democracy, in this manner legitimising political decisions.

At any rate, the activities of societal movements and democratic parties must take place in a global democratic political order. The SI is convinced that global problems and challenges

must be managed through global political processes in a global political order in which individuals everywhere – rich and poor – have the right to influence policies through participation and free election of their political representatives. A political order structured in this way would reflect the political human rights enshrined in binding international law.

Ongoing global problems and challenges are interdependent; they can only be solved in the interests of world society based on the principle of

- the overarching concept of human security and
- the concept of sustainable global development, i.e. the strategy of sustainability in its economic, ecological, social and cultural dimensions.

II Overarching human security

Human security views the security of individual human beings to warrant higher priority than the security of states. It is guided by the four freedoms formulated by Franklin Delano Roosevelt in 1944 when he was President of the United States: freedom of expression, freedom of religion, freedom from want and freedom from fear.

The governments of all states have assumed responsibility for the security of human beings – in their own state and globally – since they signed the UN Charter and conventions on human rights. However, states with a large population, first of all, China and India, and more developed states such as the EU and its members as well as the USA, have a greater responsibility than smaller states with less economic clout: together these “Big Four” account for nearly half of the world’s population. They will only be able to live up to their common responsibility if they jointly work for all four freedoms, for themselves, for each other and for the world community.

It is the task of the SI and its member parties to work for the inseparability of the four freedoms which human security is based on in a global dialogue with other parties in all the states of the world if possible, at the same time underscoring the connection with sustainable development.

Freedoms are being violated or are in danger especially in large, powerful states.

Freedom of expression and freedom of religion are abused in China, with arrests of artists and religious suppression being examples familiar throughout the world. In the USA, the foundations for freedom from want are lacking, while cutbacks in social welfare contribute to low life expectancies among non-whites, further marring the record of this state. The policies of the USA and China towards less developed states, which, however, are well endowed with natural resources, are ambiguous. They provide an impetus for development, but do too little to correct lack of social security, unjust distribution, inefficient government and the outbreak of civil wars. They both share responsibility for the failure of the World Trade Conference at the end of 2011.

India and the EU have the prerequisites with which to fight for global democracy and global welfare statehood. Criticism by the Chinese government of the welfare state in Europe is making the world more insecure. Freedom from fear is jeopardised wherever there are arms build-ups, with new tensions between China and the USA adding fuel to this trend. More developed states are harming the world’s climate through their high levels of CO2 emissions, while the least developed states suffer from a disastrous shortage of energy. In Europe and North America business enterprises make money through trade in pharmaceuticals while in Africa people who cannot afford medication are dying. It is the task of the global Social Democratic community to address and discuss these global tensions with actors and stakeholders.

A key element in bringing together the four freedoms is reducing defence expenditure and overcoming economic and social hardship by means of disarmament in the area of security policy.

According to a report by the International Institute for Strategic Studies entitled “The Military balance 2011”, global military expenditures in the crisis year 2009 amounted to US \$ 1,452 billion, a decrease from US \$1,5478 billion in 2008, but more than the US \$ 1,404 billion registered in 2007. Of the total global amount, the USA spent US \$ 661 billion, China 70.3 billion, France 54.4 billion, Great Britain 59.1 billion, Russia 38.3 billion, Germany 46.8 billion and India US \$ 30 billion.

Military expenditures by NATO member states are vastly greater than those of all other states in the world. Obviously efforts should be made to conclude agreements between NATO member states on the one hand, and China, Russia and India on the other hand which would not pose a threat to NATO. Such agreements would offer an opportunity to shift expenditures from defence budgets to sustainable development projects.

The global financial crisis has only caused a slight downturn in military expenditures. They were up again in 2010. This rise in military expenditures is not bringing about greater security.

Reports by the World Bank and UNESCO have underscored the connection between security and development.

Building on the concept of Human Security, the World Bank titled its 2011 World Development Report “Conflict, Security, and development”. The report asks what spurs risks of violence, why conflict prevention and recovery have proven so difficult to address and what can be done by to help restore a stable development path in the world’s most fragile and violent areas. The central message of the World Bank is that strengthening legitimate institutions and governance to provide citizen security, justice and jobs is crucial to breaking cycles of violence. In order to achieve this aim there is a need for viable democratic governments and parliaments in individual states – this is the SI’s understanding of national leadership –and for an international system refitted to address 21th century risks, first of all refocusing on **preventing** criminal and political violence. Die SI agrees with this strategy and stresses that global political commitment should take place within the United Nations, with a special responsibility being assumed by the Big Four – the USA, China, India and the EU.

In its 2011 Education for All Global Monitoring Report, “The hidden crisis: Armed conflict and education”, UNESCO exposes the connection between unattained educational objectives and armed conflicts. The main impediment to the achievement of education is armed conflict. This had been underestimated for many years, however. A 10% reduction in military expenditures in 21 less developed countries would translate into 9.5 million additional schoolchildren. These messages corroborate the view of the SI that social integration is a precondition for human security.

In some states, financial resources are not sufficient to guarantee human security or foster education for all. Both of these are becoming a global political task in these states. The UN must meet its responsibility to protect people here by funding security forces as well as teachers, preferably domestic human resources, but also human resources from other countries.

III Sustainable development: 2012 Rio+20.

With regard to sustainable development, 2012 allows a historical retrospective while providing an important perspective on the economic, social, environmental, cultural and political-democratic development of the global community. The end of the Cold War between the USA and the Soviet Union with their nuclear arsenals opened up the possibility of “positive development” for all human beings. It was to this end that wide-ranging agreements were concluded in Rio in 1992. A global conference will be taking place in Rio once again upon the 20th anniversary of this world historical event. The Conference will focus on two themes:

- A green economy in the context of sustainable development and poverty eradication,
- The institutional framework for sustainable development.

The topic of **green economy** shows that another type of economics is conceivable, especially in view of the excesses of the financial industry, which has been and still is far removed from the reality of human beings and their needs. The SI fully identifies with the concept of a green economy.

The topic of institutional framework underscores that the efforts aimed at reforming the UN system need to be resumed, after the attempts started up during the term of office of Secretary General Kofi Annan were dropped. The SI appeals to Secretary General Ban Ki Moon to pick up where his predecessor left off. The SI supports the objectives of the Conference: to secure renewed political commitment for sustainable development, assess progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development, and address new and emerging challenges.

The UNCSO has prepared a series of Rio+20 Issues Briefs. Their purpose is to provide a channel for policymakers and other interested stakeholders to discuss and review issues relevant to the objective and themes of the conference.

The SI will be engaged in preparations and deliver some ideas and proposals. Here it can take up proposals that have already been forwarded by civil society organisations and trade unions.

IV A democratic and the socially integrating political system of world society

Human Security and Sustainable Development will only be successful if more democratic and effective institutional structures are created for them. Democratic global governance is urgently needed. The SI reaffirms and underscores its call for this. Global institutions – as part of the entire multilateral and multilevel global political system – must be given the capacity, flexibility and authority to meet the mounting expectations and demands of world society’s citizens concerning a secure and viable future. These institutions must increase their democratic legitimacy and strengthen trust, however, by becoming more representative, transparent and accountable.

A world order committed to the United Nations Charter and the Universal Declaration of Human Rights, including civil and political rights, and committed to human security and sustainable development can only function if it **envisages full participation of all regions – and thus of all citizens – around the world**. Reform of the United Nations Security Council and establishing a Council of Sustainable Development remain urgent challenges for all states.

The G-20 conferences constitute progress along the path to participation by each and every human being in global political decisions. But they still exclude the least developed states, in particular African states. Participation of the African Union is necessary, in the same way as

the EU is already participating. Participation of states in Latin America and Asia which are not represented in it is also necessary. Participation by the Community of Latin American and Caribbean States (CELAC) and the Association of Southeast Asian Nations (ASEAN) are a possibility here. Generally speaking the SI advocates a regionalisation of global political conferences and institutions.

V Overcoming neoliberal theories and policies

The year 2011 has once more confirmed that neoliberal theories and policies are not effective and do not meet the needs of the great majority of the world's population. Very strong and well-organized economic powers behind neoliberal ideology, however, have been able to defend their interests, the interests of a small minority. These include globally operating banks and, allied with them, speculators. The speculation against the Euro cannot be explained by the macro-economic situation of the Euro zone in comparison to the USA and Japan. It is based on dynamics all its own – not unlike a casino.

The Social Democratic approach to societal development offers a genuine alternative to this socially dangerous ideology. This integrated policy of economic growth, social justice and ecological imperatives is not opposed to business competitiveness, for this is an intrinsic component of modern business and effective statehood. In 2003, at its XXII Congress in Sao Paulo, the Socialist International adopted a “Social Democratic Approach” to “Global Governance”; this is a comprehensive approach that provides a basis for formulating action-oriented positions to manage the new challenges and events that have emerged in recent years and will confront us in the future. The concept of **Global Welfare Statehood**, adopted by the SI Council held in Paris in December 2010, spells out this concept in more detail.

But the Member Parties of the SI, especially the European ones, have to be aware that during the global financial crisis, including the sovereign debt crisis in Europe in 2011, they have not been entirely successful in convincing citizens of the need for a Social Democratic approach. On the one hand, there are illusions concerning the weakness of positions adopted by neoliberals, and it has been assumed that it could be taken for granted that those affected by the crisis would understand the situation, just as it has been assumed that this understanding would influence their voting behaviour in a particular direction. In addition to this, neoliberals have started to debate that governments and democratic parliamentary political systems are the problem rather than the solution, especially in the Euro crisis.

On the other hand, just like governments across the political spectrum, Social Democratic governments have to date not been sufficiently strong and effective to succeed in regulating financial markets and reducing the dangers of climate change, either.

VI The four dimensions of sustainable global development

1 The economic dimension of sustainable global development

2011 was still marked by the impact of the global financial crisis, while billions of people around the world continue to suffer from the global crisis triggered by unregulated financial markets and speculation. In addition, some states with solid banking systems that have not participated in risky financial transactions were nonetheless affected by slumping external demand, a decline in foreign investment and a drop in remittances from emigrants. Gross World Product has been rising again since September 2009, but significant differences between various regions and states around the world can be identified. The recovery has been more pronounced in emerging economies than in advanced ones. This may contribute to narrowing the social gap caused by unjust global income distribution.

EU Member States are experiencing a new crisis, however; in the wake of the banking crisis, they are now confronted with a crisis of states with high levels of public debt, and once again financial speculation is contributing to the crisis. In this crisis neoliberals are trying to make citizens believe that the underlying cause is the European welfare state, although in reality it is being caused by their policies and speculation. Europe's weakness in this respect constrains the EU's scope to provide development assistance rooted in a sense of solidarity to foster more equitable global development.

The Socialist International has addressed the causes of the global financial crisis, has adopted a clear position and has made proposals for a better global financial order. These are based on the work of the **Socialist International Commission on Global Financial Issues**, chaired by Joseph Stiglitz.

The SI has focused on new economic and social strategies of coordinated global policy. These strategies include addressing social needs and the challenge of overcoming global inequality. Such strategies must satisfy the huge demand for global goods. **Green growth** offers the best prospects for the future. **Social Growth** is necessary to achieve social integration and social justice. States should invest in high-return, energy-saving activities as well as education. In the beginning of 2012 the SI is disappointed to note that the more developed states in particular have not yet succeeded in implementing policy along these lines.

The final communiqués from the G-20 summits in Washington, London and Pittsburgh have provided an adequate basis for this approach. It is essential, however, that these proposals be transposed into international and national law. In this context the USA and EU bear a special, crucial responsibility. First and foremost there is a need for a **tax on financial transactions**, already proposed by the North-South Commission under the chairmanship of former SI Chairman Willy Brandt as early as 1980. This tax must also be instituted to finance a globally coordinated policy to manage the economic cycle. Additional expenditures on global public goods combine crisis management with sustainable global development policy.

The G-20 Summits in Toronto, Seoul and Cannes have played a crucial role in determining whether states around the world will succeed in adopting global rules to limit and impede the detrimental influence of financial markets left to their own devices. The results produced by these G-20 summits remain insufficient, however.

1.1 The economic situation at the beginning of 2012

At the beginning of 2012 the world is aware that the crisis is not over. After the deep recession of 2009, when Gross World Product declined by 0.6 %, the world has seen a renewed surge in Gross World Product (GWP) in 2010. The International Monetary Fund in its September 2011 World Economic Outlook reports growth of 5.1% in 2010 following a 0.7% decrease in GWP of in 2009. The IMF is forecasting **slower growth and rising risks**, with projections of 4.0% for 2011 and 2012, respectively. These values are still below the figures registered before the outbreak of the crisis in the years 2004-2007 – between 4.9% and 5.4%. In the meantime, forecasts for 2012 are being steadily scaled down; some observers no longer rule out a deep recession.

The increase in GWP since 2009 has been a result of coordinated policies, agreed upon by the G-20 and adopted by states worldwide. Since September 2008 massive amounts of public funding have been made available to recapitalise banks, with governments assuming part or full ownership of ailing financial institutions and providing ample guarantees on bank

deposits. Many states have also adopted fiscal stimulus plans for the period 2009-2011. The IMF has constantly emphasised that fiscal stimuli of this sort are absolutely essential. On the one hand there has been a debate on the question of whether a stimulus of 3 to 4% has been sufficient in any state, whilst on the other hand many states are suffering from speculation as a result of high budget deficits and high sovereign debt. These mounting budget deficits have been caused by the high cost of the financial and economic crisis. When budget cuts are now unavoidable, it would appear to constitute a perverse triumph of neoliberal redistribution in favour of the rich. It is definitely not in the interests of the majority of human beings worldwide for the costs of the crisis to now be offset by budget cuts at the expense of the most vulnerable groups of society. The contraction of GWP in 2009 continues to fuel rising unemployment. According to the ILO 2011 Global Employment Trends, unemployment in the world rose from 177 million in 2007 to 205 million in 2009 and an estimated 215 million in 2010, i.e. an additional 38 million people are suffering from unemployment.

Important differences can be identified between various regions and states. In this context it is important to note that less developed regions and states need higher growth rates, whilst more developed regions and states with insufficient employment require an employment policy that focuses on redistributing work and promoting training of the workforce.

According to the IMF September 2011 Outlook, the advanced economies will only grow by 1.6 % in 2011 and 1.9% in 2012 after an increase of 3.1% in 2010, while the emerging and developing economies are expected to see growth of 6.4% and 6.1 % in 2011 and 2010, respectively, after registering 7.3% in 2010. In the group of advanced economies, the forecasted growth figures for 2011-2012 are 1.5% and 1.8 % for the USA, - 0.5 % and 2.3% for Japan, and 1.6% and 1.1% for the Euro zone. The EU as a whole is projected to expand 1.7% in 2011 and 1.4% in 2012.

These figures reveal the political weakness of the EU and its larger member states and their inability to deal with the challenges of the crisis. This is a problem faced by the EU, but it also poses a problem for world society, which needs an effective Europe in a multipolar political global system.

Developing Asia is forecasted to turn in growth rates of 8.2 % in 2011 and 8.0% in 2012, whilst the forecast for the Middle East and North Africa is 4.0% and 3.6%, respectively, for the CIS states 4.6% and 4.4%, respectively, and for Latin America 4.5% and 4.0%, respectively. These regions are thus expecting a slight economic cooling. An additional acceleration of growth is being expected in Sub-Saharan Africa, on the other hand, from 5.2% to 5.8%. This surge will hopefully continue – and it needs to continue if economic development is to help this region catch up with the rest of the world.

China and India, which taken together now have a population of almost 2.6 billion, are of particular importance to better global development. China is expecting to see 9.5% and 9.0% growth in 2011-2012, while India is projected to grow 7.8 % in 2011 and 7.5% in 2012. China's high growth rate over the last few decades has been based on intensive export promotion. Currency policy measures have been employed as well, contributing to the imbalance in financial markets. The drop in exports due to weak demand from the USA and Europe has increased unemployment levels and exacerbated social problems in China as well. It would serve the interests of crisis-free global economic development if China were to continue to use its substantial savings to pump-prime domestic demand and improve its social security system – as it has indeed done during past crises. China's massive US \$ 450 billion fiscal stimulus package has contributed to this process of restructuring. Although it focuses on

social issues, it is helping the global economy to recover. China has to intensify its efforts to overcome deep social disparities and an unacceptable production structure to avoid social tensions that have a global impact. The slight slowdown in growth in China can therefore be viewed more as a normality than a crisis in spite of misleading headlines in Europe or the USA.

China and India must assume more responsibility for global economic development; the more developed states in North America and the EU must recognise this. It will only be possible to stabilise the global financial order if China continues to participate in this undertaking and if India intensifies its efforts on this front. A constructive approach should be adopted vis-à-vis proposals from China's Central Bank for a new currency reserve; these are similar to the recommendations forwarded in 2009 by the Commission of Experts of the President of the United Nations General Assembly.

Since 1990 China and India have also been maintaining their distance with respect to a neo-liberal reshaping of the global economy. This may explain their success. In the financial crisis ongoing since 2008 it has become clear too that those states in Latin America that have turned away from neo-liberal concepts in the guise of the Washington Consensus are economically stable and are, like Brazil, in a position to assume increasing global responsibility.

1.2 Challenges in 2012

The key challenge in 2012 remains designing and implementing a coordinated global policy for jobs and growth. The basis for short-term as well as medium and long-term global financial and economic policy is provided by the resolutions of the G-20. Proposals made by the SI as well can ultimately only be orientated towards these. The G-20 Leaders Summit in Cannes in November 2011 offers a framework in the Final Declaration and the "Action Plan for Growth and Jobs", which address short-term vulnerabilities and strengthen medium-term foundations for growth.

The SI agrees with the principles of the G-20, but sees a lack of concrete, adequate measures to implement them.

The SI welcomes the G-20 belief that **employment** must be at the heart of actions and policies to restore growth and confidence that are being undertaken within the framework for strong, sustainable and balanced growth. The G-20 is committed to renewing efforts to combat unemployment and promote **decent jobs, especially for youth**. Setting up a **G-20 Task Force on Employment**, with a focus on youth employment can contribute to job creation.

The first meeting of the Task Force gives rise to a more pessimistic view.

With regard to short-term policy, the Cannes Action Plan for Growth and Jobs offers a concept for coordinating the efforts of the G-20 member states. The Action Plan is necessary because global growth has slowed, downside risks have heightened, and confidence has waned.

Uncertainty over the sustainability of public debt levels in some advanced economies has increased. It is the right approach to rebalance demand from the external to the domestic sector.

But in the view of the SI giving preference to the private sector over the public sector is questionable.

The joint problem analysis of the G-20 is the precondition for global economic policy action. Thus the G-20 believes the biggest problem to be that in **Europe**, where sovereign debt risks in some states have generated a difficult dynamic of rising interest costs and stresses in the banking system, which are now weighing on confidence and real activity in the Euro area. Growth in the Euro zone is now projected to be weaker and unemployment higher.

The **US** is witnessing a recovery that has been shallower than expected. The desired rebound in private demand has not materialised due to a combination of weak job growth, the ongoing correction in the housing sector and the associated rebuilding of household balance sheets. More certainty and determination in attaining medium-term fiscal consolidation will contribute to a strengthening of growth.

One concern among less developed G-20 states is that emerging markets are also showing clear signs of slowing growth as developments in advanced economies begin to weigh on these states. In some emerging market economies, financial stability and risks of overheating remain. The lack of exchange rate flexibility limits policy options to deal with these risks.

1.2.1 Addressing Short-term Vulnerabilities and Restoring Financial Stability

The SI supports:

G-20 members have agreed on a plan to sustain **near-term recovery**, promote growth and restore financial stability in a manner that complements **medium-term reforms**.

G-20 members have made a commitment to take all necessary actions to preserve the stability of banking systems and financial markets. They will act to ensure that banks are adequately capitalised and have sufficient access to funding to deal with current risks. Central banks continue to be poised to provide liquidity to banks as required.

Monetary policies should maintain price stability over the medium term and continue to support economic recovery. As warranted by the circumstances of different countries, including medium-term consolidation plans, monetary policy will respond to changes in economic and financial market conditions according to their likely impact on the medium-term outlook for price developments.

Advanced countries, depending on their circumstances, should adopt policies to build confidence and support growth, and implement clear, credible and specific measures to achieve fiscal consolidation.

There are contradictions between agreements made by the G-20 regarding the Euro zone and the USA, however.

Whereas in the **Euro zone** all necessary measures and actions to ensure the stability of the Euro zone are being taken in a comprehensive package, the US is committed to the rapid implementation of a package of near-term measures to sustain recovery through public investments, tax reforms, and targeted jobs measures consistent with a credible plan for medium-term fiscal consolidation. These strategies should be harmonised in order to stimulate growth in Europe as well, especially in Greece, which cannot escape its debt without growth. Japan's commitment to the expeditious implementation of substantial fiscal measures for reconstruction following the earthquake, estimated at about 4% of GDP, have more in

common with the actions being taken by the USA, although Japan in particular needs to make a commitment to medium-term fiscal consolidation.

G-20 members have made a commitment to move more rapidly toward market-determined exchange rate systems and enhance exchange rate flexibility to reflect underlying fundamentals and refrain from competitive devaluation of currencies. These actions should help address challenges created by developments in global liquidity and capital flow volatility, thus facilitating further progress on exchange rate reforms and reducing excessive accumulation of reserves. The recent changes to Russia's foreign exchange regime to allow the rouble to move more in line with market forces and China's determination to increase exchange rate flexibility consistent with underlying market fundamentals are the right steps.

1.2.2. Strengthening the Medium-term Foundations for Growth

The SI supports the agreement by G-20 members that actions to address immediate risks to recovery **must be complemented by sustained, broad-based reforms to boost confidence, raise global output and create jobs.** The SI supports the six-point plan of the G20 to strengthen the medium-term foundations for growth if its objectives are met in a balanced manner:

- (1) commitments to fiscal consolidation;
- (2) commitments to boost private demand in states with current account surpluses wherever appropriate. Rotating demand from the public to the private sector, including in states with current account deficits, is problematic.
- (3) socially directed transformations instead of structural reforms to raise growth and enhance job creation across G-20 members;
- (4) socially directed transformations to strengthen national/global financial systems;
- (5) measures to promote open trade and investment, rejecting protectionism in all its forms; The failure of the 8th WTO conference shows how little some of the G-20 states abide by their own resolutions.
- (6) actions to promote development.

1.3 Building a more stable and resilient international monetary system and deepening financial sector reforms

The SI views the G-20 declaration concerning the future **International Monetary System to be an acceptable concept if** concrete steps are taken to achieve these goals.

A more stable and resilient international monetary system is needed. It has to ensure systemic stability in the global economy, improve global economic adjustment and better reflect the increased weight of emerging market economies.

Its focal points are the right ones if the following measures are carried through:

- Increase the benefits from financial integration and resilience against volatile capital flows to foster growth and development,
- Reflect the changing economic equilibrium and the emergence of new international currencies,
- Strengthen capacity to cope with crises,
- Strengthen IMF surveillance,
- Meet commitments with respect to banks, OTC derivatives, compensation practices and credit rating agencies, and intensify our monitoring to track deficiencies,
- Address the “too-big-to-fail” issue,
- Fill in the gaps in regulation and supervision of the financial sector,

- Move on tax havens and non-cooperative actors,
- Strengthen the Financial Stability Boards' capacity, resources and governance.

1.4 Labour

The number of unemployed in the world has been rising since 2007 and a further increase is being forecasted for 2010 and 2011. This is shown by the figures from ILO Global Employment Trends 2011. Before this unemployment had decreased continuously since 2000, from 6.3% in 2000 to 5.6% in 2007.

Measures to boost growth can create jobs and thus reduce unemployment. This must be combined with sustainable labour market policy, however. Without such policies, government stimulus packages could generate economic growth but not create jobs. The International Labour Office has proposed "A Global Jobs Pact", which was adopted by the International Labour Conference in Geneva in June 2009. The ILO has also drafted a report entitled "Accelerating a job-rich recovery in G20 Countries: Building on experience", which was submitted to the meeting of the G-20 Labour and Employment Ministers in Washington in April 2010.

The ILO's proposals are based on its Decent Work Agenda. The SI supports this Agenda.

The principles of the ILO's Global Jobs Pact include:

- devoting priority attention to protecting and raising employment through sustainable enterprises, high quality public services and affording adequate social protection for everyone as part of ongoing international and state action;
- ending discrimination against women;
- enhancing support of vulnerable women and men hit hard by the crisis, including youth at risk, low-wage, low-skilled and migrant workers;
- focussing on measures to maintain employment and facilitate transitions from one job to another as well as to support access to the labour market for those without a job;
- establishing or strengthening effective public employment services;
- avoiding protectionist solutions as well as the damaging consequences of deflationary wage spirals and worsening working conditions;
- ensuring synergies between the state and the market and effective and efficient regulation of market economies including a legal and regulatory environment which fosters the founding of new enterprises, sustainable enterprises and generates new jobs across sectors.

The ILO stresses the risk of increasing informality. The SI reiterates its position that it is of crucial importance for less developed states to transfer non-protected informal jobs to the formal labour market in order to bring about a system based on principles of social solidarity, which can provide long-term protection against poverty.

A successful global labour market policy is only possible if trade unions and employers' associations are involved in devising this policy. These organisations should also be invited to G-20 summit meetings. In more general terms, the ILO should be placed on an equal footing with the IMF, the World Bank and the WTO in the context of global politics. The SI will intensify its cooperation with the International Trade Union Confederation.

The SI welcomes the G-20 commitment to promoting and ensuring complete respect for the fundamental principles and rights at work. The SI welcomes and encourages the ILO to continue promoting ratification and implementation of the eight ILO Fundamental Conventions.

A global minimum wage system

The SI proposes a global system of minimum wages. Globalisation is undermining the income-generation process. One mechanism that can help overcome this situation is a global minimum wage system. That does not mean imposing US or European minimum wages in less developed states. It means establishing a global set of rules for setting minimum wages in different countries.

A global minimum wage system would also confer significant political benefits by cementing understanding of the need for global labour-market rules and showing that they are feasible. Just as globalization demands global trade rules for goods and services and global financial rules for financial markets, so too do labour markets need global rules.

Globalisation has increased international labour competition, which has contributed to rupturing the link between wages and productivity growth. That rupture has undermined the old wage-based system of demand growth, forcing a turn to reliance on debt and asset price inflation to drive growth. It has also increased income inequality. Restoring the wage-productivity growth link is therefore vital to both economic and political stability. A global minimum wage system can help accomplish this.

The minimum wage is a vital policy tool that provides a floor to wages. This floor reduces downward pressure on wages, and it also creates a rebound ripple effect that raises all wages in the lowest two deciles of the wage spectrum. It furthermore compresses wages at the bottom of the wage spectrum, thereby helping reduce inequality. Most importantly, an appropriately designed minimum wage can help connect wages and productivity growth, which is critical for building a sustainable demand-generation process.

Traditionally, minimum wage systems have operated by setting a fixed wage that is periodically adjusted to take account of inflation and other changing circumstances. Such an approach is fundamentally flawed and inappropriate for the global economy. It is flawed because the minimum wage is always playing catch-up, and it is inappropriate because the system is difficult to generalise across countries.

Instead, countries should set a minimum wage that is a fixed per cent of their median wage, which is the wage at which half of workers are paid more and half are paid less. The minimum wage will automatically rise with the median wage, creating a true floor that moves with the economy. If the median wage rises with productivity growth, the minimum wage will also rise with productivity growth.

Since the minimum wage is set by reference to the local median wage, it is set by reference to local economic conditions and reflects what a country can bear. Moreover, since all states are bound by the same rule, all are treated equally.

If countries want a higher minimum wage they are free to set one. The global minimum wage system would only set a floor: it would not set a ceiling.

States would also be free to set regional minimum wages in their own country. Thus, a state that has higher unemployment in some regions and lower unemployment in other ones could set different minimum wages. The only requirement would be that the regional minimum wage be greater than or equal to 50 per cent of the regional median wage. Such a system of regional minimum wages would introduce additional flexibility that recognises that wages and living costs vary within states. This enables the minimum wage system to avoid the danger of

over-pricing labour, while still retaining the demand-side benefits a minimum wage confers by improving income distribution and helping tie wages to productivity growth.

1.5 Trade

The volume of world trade has also suffered in the global crisis. It slowed down from an increase of 5.8% to 10% p.a. between 1993 and 2007 to 1.9% in 2008, and decreased 14% in 2009. Following a rapid recovery, registering a 14.4% increase in 2010, growth of 7.1% and 5.2% are being projected by the IMF for 2011 and 2012, respectively.

World trade would receive an additional impetus and contribute to better development in all the regions of the world if the Doha Development Round was able to come to an agreement. The 8th WTO Ministers' Conference held in Geneva in December 2011 was not successful, however. This was a setback for global political activity involving civil society organisations as well.

Expectations were already low. The 153 member states of the WTO have been trying to bring the Doha Development Round to a successful conclusion for ten years. The less developed countries have accounted for a clear majority of members of the WTO for more than a decade and they have been calling for this majority to be reflected in the rules of the multilateral trading system. Trade should serve development, as the WTO proclaims. But negotiations have been going around in circles and not getting anywhere. The main actors responsible for this are the USA and China. The USA does not want to reduce age-old subsidies, especially for cotton cultivation, while China refuses to accept responsibility commensurate with its economic clout.

Thus multilateralism has run into difficulties in general. Many countries are more concerned about pursuing their interests on their own than in assuming global political responsibility. More than 300 bilateral and pluri-lateral trade agreements have been concluded – in addition to the WTO. The same transparent rules that can be appealed to by each member apply to all member countries within the WTO. Bilateral agreements are increasingly being concluded between large and small states. Whether negotiations between them are taking place on a level playing field is at least questionable. It is for this reason that smaller, less developed countries are continuing to place their hopes in the WTO – an organisation that is based on clear rules. The few resolutions adopted to benefit the less developed countries (LDCs) in order to boost their export opportunities have been rather feeble. They tend to relate to trade with raw materials, but sustainable development cannot be achieved with foreign currency generated by trade in raw materials alone. Diversification based on technology is necessary and must be encouraged through fair trade.

The renewal of the pluri-lateral WTO Agreement on public procurement systems, to which 42 states have become signatories in the meantime, is also problematic. Public procurement systems relate to the area of public goods that are part of infrastructural projects and services in the telecommunications area as well as financial services, which tend to be subject to regulation.

Civil society organisations had insufficient possibilities to participate in Geneva. This was a setback over the 7th Ministers' Meeting. Official enthusiasm for the uprisings in the Arab states is one side of government policy, actual conduct at the World Trade Conference another.

In spite of this setback, the SI continues to call for less developed states to be given greater access to markets in more developed states. "Fair trade" must be the guiding principle.

The SI reaffirms its position that agricultural production is essential for states in which the majority of the population works in this sector. As a general rule, states in which only a small proportion of the population is employed in the agricultural sector should refrain from export subsidies for the agricultural sector or from agricultural exports.

1.6 Addressing Food Price Volatility and Increasing Agriculture Production and Productivity

Increasing agricultural production and productivity is essential to promote food security and foster sustainable economic growth. A more stable, predictable, distortion-free, open and transparent trading system allows more investment in agriculture and has a critical role to play in this regard. Mitigating excessive food and agricultural commodity price volatility is also an important endeavour. These are necessary conditions for stable access to sufficient, safe and nutritious food for everyone

The SI welcomes the G-20 Agriculture Ministers' Action Plan on Food Price Volatility and Agriculture.

The five objectives of this Action Plan are :

- improving agricultural production and productivity,
- increasing market information and transparency,
- reducing the effects of price volatility for the most vulnerable,
- strengthening international policy coordination and
- improving the functioning of agricultural commodity derivatives' markets.

The SI welcomes the G-20 commitment to sustainably increasing agricultural production and productivity. To feed a world population expected to reach more than 9 billion by 2050, it is estimated that agricultural production will have to increase by 70% over the same period. Further investment in agriculture is also needed, particularly in the poorest countries, while bearing in mind the importance of smallholders, through responsible public and private investment. The G-20 has urged multilateral development banks to finalise their joint action plan on water, food and agriculture.

Decisions by the G-20 along these lines are useful.

Launching the "Agricultural Market Information System" (AMIS), to improve information on markets. This will enhance the quality, reliability, accuracy, timeliness and comparability of food-market-outlook information. As a first step, AMIS will focus its work on four major crops: wheat, maize, rice and soybeans.

Initiating the "Global Agricultural Geo-monitoring Initiative" in Geneva on September 22-23, 2011. This initiative will coordinate satellite monitoring observation systems in different regions of the world in order to enhance crop production projections and weather forecasting data.

Recognize that appropriately regulated and transparent agricultural financial markets are a key to well-functioning physical markets and risk management.

Mitigating the adverse effects of excessive price volatility for the most vulnerable through the development of appropriate risk-management instruments. These actions are detailed in the development section of this final declaration.

Removing food export restrictions or extraordinary taxes for food purchased for non-commercial, humanitarian purposes by the World Food Program and agreeing not to impose them in the future.

The production of a report by the international organisations on how water scarcity and related issues could be addressed in the appropriate forums.

The SI is calling for these measures to be supplemented by arrangements to prevent "land grabbing", which can inhibit food production in less developed countries.

2 The social dimension of sustainable global development

Global inequality has increased as a consequence of the global economic crisis. Intolerable social differences between and within countries have existed in the past and have not been overcome. These have always been and are still unacceptable. The global financial crisis has gender-specific consequences as well as ramifications for young people.

The global financial crisis has become interlinked with a succession of crises related, for example, to food, fuel, pandemics, etc.

The financial crisis and its impact are jeopardising attainment of the Millennium Development Goals. As many as 100 million more people could remain poor or slide into poverty. The Socialist International appeals once again to governments and national parliaments to do everything possible to implement the MDGs, including meeting their commitments on spending 0.7% of GDP on overseas aid.

The SI once again welcomes the 2010 and 2011 Human Development Reports of the United Nations Development Programme.

The SI welcomes the determination of G-20 leaders to strengthen the social dimension of globalisation. Social and employment issues alongside economic, monetary and financial issues will remain an integral part of the G-20 agenda. They have called on international organisations to intensify their coordination and make it more effective.

The SI welcomes recognition by the G-20 of the importance of investing in social protection floors in each of their countries, such as access to health care, income security for the elderly and persons with disabilities, child benefits and income security for the unemployed and assistance for the working poor to foster growth resilience, social justice and cohesion.

The report of the Social Protection Floor Advisory Group, chaired by Michelle Bachelet, is a useful basis for further measures.

The SI welcomes the conviction of the G-20 regarding the essential role of social dialogue. In this regard the B20 and L20 Meetings that have taken place and the willingness of these forums to work together as witnessed in their joint communiqué is in line with SI proposals.

3 The ecological dimension of sustainable global development

The Climate Conference held at the end of 2010 in Cancun (Mexico) was no more successful than the 2009 Copenhagen Climate Conference. It did not produce any legally binding agreements for the provision of funds to be mainly aimed at helping developing countries in the research, adaptation and technical transformation needed to effectively combat global warming. There is still a need to consolidate UN institutions responsible for dealing with global environmental policy and in particular global climate policy. A UN organisation pooling responsibility for all of these tasks must be created and take action at the global level on an equal footing with the IMF, the World Bank, the WTO and the ILO.

The COP17/CMP7 summit in Durban issued decisions that can move world society towards a legally binding agreement to halt and reverse the path it is currently taking in the direction of catastrophic climate change. But hopes for a substantial deal on emissions reductions have not been realised. Global politics must find an accord with the ambition to limit global temperature rise to a maximum of 2°C or 1.5°C above pre-industrial levels, which remains the only possible solution to the dangers faced by the world.

In establishing the Ad Hoc Working Group on the Durban Platform for Enhanced Action, the conference rightly concluded that any future agreement on climate change must be legally binding, officially referred to as "an agreed outcome with legal force". It is now more vital than ever that negotiations continue without delay and in a spirit of compromise and understanding in order to make these goals a reality, as the cost of postponing such an agreement grows with every passing year.

With Durban, the framework is also now in place for the operation of the Green Climate Fund with the approval of its Governing Instrument, although long-term sources of financing for the Fund have yet to be finalised. The decision launching the Fund addresses the need to balance the allocation of resources between adaptation and mitigation activities.

A positive step is also the commitment for a mechanism for technology transfer to be fully operational by 2012 to "promote and enhance the research, development, and deployment and diffusion of environmentally sound technologies for mitigation and adaptation in developing countries".

It must at the same time be acknowledged that some of the commitments the SI was hoping to see in Durban on deepening and formalising pledged cuts in emissions, as outlined in the Declaration of the Socialist International Commission for a Sustainable World Society "On the Road to Durban: Priorities and targets for COP 17" adopted in Johannesburg on 31 October 2011, have not been achieved. Equally, much progress needs to be made on policies for the protection of forests, developing renewable technologies and establishing systems for measurement, reporting and verification. Decisions to date have lacked the necessary urgency to effectively address the case of the Small Island Developing States (SIDS).

The international community must persevere within the framework of the UNFCCC to come together in a common search for solutions to the greatest threat that currently faces the planet. Multilateralism continues to be the only way forward, with the vast majority of the world's countries wishing to see political will be commensurate with scientific findings and no longer being willing to accept 'pledge and review', with the direct involvement of all governments and parliaments in the process crucial to deliver the responses needed.

In the wake of the Fukushima disaster, the use of nuclear energy has been put into question, scaled down or even phased out in many countries in the world. The SI calls for global

arrangements to ensure the safety of nuclear energy. The IEAO considers this to be an important task. Renewable energies are becoming ever more important throughout the world.

4 The cultural dimension of sustainable global development

The cultural dimension of sustainable development at the beginning of the 21st century comprises first and foremost education. It is imperative that people in all regions and states receive basic knowledge and learn about technology and human values. People with different cultural identities must find ways to live together peacefully and tolerantly around the world as a global prerequisite for all human values.

The 2011 UNESCO World Report addresses the interrelationship between education and security.

Violent conflict is one of the greatest development challenges facing the international community. Beyond the immediate human suffering it causes, it is a source of poverty, inequality and economic stagnation. Children and educational systems are often on the front line of violent conflicts.

The 2011 Global Monitoring Report examines the damaging consequences of conflict for the Education for All goals. It sets out an agenda for protecting the right to education during conflicts, strengthening provisions for children, youth and adults affected by conflict, and rebuilding education systems in countries emerging from conflict. The Report also explores the role of inappropriate education policies in creating conditions for violent conflict. Drawing on experience from a range of countries, it identifies problems and sets out solutions that can help make education a force for peace, social cohesion and human dignity.

Armed conflict is robbing **28 million children** of an education by exposing them to widespread sexual violence, targeted attacks on schools and other abuses.

The Report released on March 1 calls for tougher action against violations of human rights, an overhaul of global aid priorities and more attention to education's potential to foster peace.

Education accounts for just **2%** of humanitarian aid. **6 days of military spending** by aid donors would close the US \$16 billion Education for All external-financing gap.