

**COUNCIL MEETING OF THE SOCIALIST INTERNATIONAL**  
**Cascais, Portugal, 4-5 February 2013**

**DECLARATION ON THE GLOBAL ECONOMY:**  
**OUR VISION FOR GROWTH, JOBS AND SUSTAINABLE DEVELOPMENT**

The world stands at a crossroads this year, 2013, struggling to recover from a financial crisis that was born from the too-rapid globalization and reckless deregulation of world's largest and most powerful financial markets. Six years after the collapse of major Wall Street firms set this global crisis in motion, economies around the world have still not produced sustained, significant growth that restores either the material security or deserved hope in the future that are cornerstones for governments that govern for all, and not just a few, of their citizens.

The Socialist International calls on all nations of the world to recognise the need not only to abandon misguided policies of fiscal austerity but to embrace the wide-ranging need for a new set of policies to govern global finance and global growth.

Those policies are based on five fundamental principles of the Socialist International, and require the following actions:

The first principle is solidarity: in the decades ahead the likely continued migration of global manufacturing from West to East, with consequent downward pressures on Western workers and middle classes, requires a new international accord.

The essence of that bargain entails a second fundamental principle: equality, between nations and among nations, across class, race, and gender. This requires governments globally, acting in coordinated fashion, to capture a greater share of the private profits reaped through deep international wage differences and through the mobility of capital in comparison to labour, to soften the deterioration of wages in the West while assuring that mega-profits in the East are shared fairly with labour in those countries, and contribute to public investment in health, education, infrastructure and retirement security.

That in turn requires an authentic and powerful third principle: a new internationalism, expressed through a new global set of agreements as significant and far-reaching as Bretton Woods, which inaugurated a period of thirty years after World War II of extraordinary economic growth coupled to steadily-declining income and wealth inequality.

Authentic internationalism requires restructuring the WTO to recycle trading profits from severe wage differentials toward authentic global income security.

It requires a new IMF and global currency regime built on the multilateral synthetic "bancor" system conceived by Keynes himself, replacing the dollar-determined system imposed at Bretton Woods by Washington.

It requires creation of a new system for pricing global commodity sales that relies on a basket of major currencies rather than the dollar.

It requires as well a fourth fundamental principle: transparency. As part of the WTO trade regime, a new transparency in contracts between international natural resource and commodities firms and national governments to reduce the massive corruption opaque contracts and hidden side payments have fostered.

It requires a new international set of multilateral treaties on transfer pricing within multinational firms, uniform taxation, and uniform rules on tax evasion that will recapture the estimated trillion-plus dollars of corporate and personal income that lies concealed today in offshore tax havens.

It requires tying the access of trade and finance to the world's largest and richest markets to a new—and seriously-enforced—conformity with global environmental and labour and human rights standards.

But reforming the behaviour of private firms and markets is not enough. Just as importantly, it requires a public commitment to tie the day-to-day administration of democratic governments to the highest standards of loyalty to democracies' citizens. That will necessitate a new commitment to govern transparently, to welcome and encourage citizen use of internet-available open-source data on public budgets, public contracts, and public salaries and benefits to monitor both elected and appointed officials—measures that we believe are absolutely essential to restore the lost trust of citizens in their own governments as instruments of citizens' will and citizens' rights.

Transparency also requires an entire new regime of comprehensive international standards, auditing powers, and enforcement regimes to govern global finance in order to restore public confidence, market stability, transactional transparency, and ultimately a fundamental fairness to capital markets.

Finally, we call for acceptance of a fifth, and profoundly fundamental, principle regarding humanity's shared life on Earth itself: human and ecological balance. We believe this requires a new understanding and redefinition of "growth" itself—a substitution of antiquated GDP data with new metrics of human well-being and realization of human capabilities, that recognizes private markets' and governments' historical failure to accurately and honestly price pollution and resource depletion, that counts "more" as "better".

In one of the most alarming signs of the cost of that conflation of "growth" with "more" rather than "better", the World Health Organization reports that more human beings around the world suffer from obesity than malnutrition. Rather than serving as a sign conventional GDP's "success," that single fact stands as stark indictment of its central conceptual failure. In a world that has grown from three billion to six billion citizens in less than fifty years, it is imperative that we balance the hopes of billions of new middle-class citizens not only with a healthier understanding of what we want from our economies, but with the fundamental carrying capacity of the planet so that a new era of potentially global prosperity and security does not end in an Armageddon of global warming, resource wars, and obscene inequalities.

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