

Most honourable delegates of the Socialist International

“Injustice anywhere is a threat to justice everywhere. We are caught in an inescapable network of mutuality, tied in a single garment of destiny.” Over 50 years have passed since Martin Luther King wrote these words in a prison cell in Birmingham Alabama, yet their truth endures. Nowhere is their timeless truth more evident than in the world of finance and capital markets.

For good or for ill, we live in a world of integrated economies. It has become easy to transfer capital across borders and jurisdictions. The grand bargain at the heart of social democracy, the equitable division of income between labour and capital, has never been fully achieved anywhere.

Still, progress was possible, even if it was painfully slow. For decades after the Second World War the tide of history seemed to be on the side of justice, with real progress towards a better future. There were setbacks, to be sure. But by fits and starts things seemed to be improving, with more and more people raising from absolute poverty to a better standard of living. Economic growth and slowly improving conditions for labour sustained hope in a better, more equal future. This hope is now fading, with unfettered global capital increasingly moving to suppress wages and working conditions. And refusing to pay its share of taxes for the upkeep of vital infrastructure and services.

Dear friends, we face a generational challenge to our basic values and hard won achievements.

At stake is something more valuable than economic justice, something more precious even than equality. At stake is the basic character of our society and economy. People endure injustice, sometimes more patiently than they should, through hope. Even though the world today is unfair, the hope that our children will live better, and their children still better, sustains us in our daily struggle. Take away that hope, and you will endanger social stability.

Without hope, people turn to cynicism in a poisonous circle of self-reinforcing disenchantment and lowered expectations.

Progress is only possible if we believe in it, and demand it.

To sustain the hope in a better future we must act nationally and internationally. One is barren and futile without the other. Without international cooperation, we will not achieve justice or sustainability. The alternative to cooperation is a race to the bottom in worker protections, equitable income distribution and environmental responsibility.

We cannot evade this task, and dear friends, we do not want to.

Through the effort will be hard and the struggle long, we can begin with practical steps, some small, some more ambitious.

Let us begin with trade that is both fairer and freer. Through

4 protectionism is not the answer, free trade cannot mean an auction



to bid down workers' rights. Future trade agreements must include a framework to protect workers' rights and dignity. We should embrace and develop ILO standards nationally and internationally.

A just economy means sharing the burdens of taxation fairly. Capital must pay its share to earn the protection and opportunities of a healthy sustainable economy. To achieve this we must act internationally and decisively to close down tax heavens and ensure corporations pay taxes on profits where they are made, not where they are taxed most lightly.

The time to treat tax cheats gently has passed. Dear friends, countries and jurisdictions that refuse to share tax information and protect tax evaders should be locked out of the global financial economy. This can be achieved by closing down access to the Society for Worldwide Interbank Financial Telecommunication network, commonly called SWIFT.

Tax cheats rely on international standards for the safe transfer of funds across borders. They rely on common rules while simultaneously undermining them. This cannot stand, and the international community should not allow it. By closing access to SWIFT for countries and territories that shelter criminals and tax cheats, we will send a powerful signal that we are serious about justice and equality. No honest business or fair dealing entrepreneur will suffer from it.

Dear friends, we will face opposition from those that benefit from the loopholes and corrupt practices of the present system.

Do not lose heart; we will prevail. For our cause is both just and smart. Growing evidence in economic theory supports the experience that greater equality not only supports human dignity, but also leads faster to growth in the economy.

Our high ideals must be put into practice in actions both large and small, national and global. Only by this, will we earn the trust of our voters and preserve their belief in a better future. Without hope, there is no action, and without action, there will be no progress.

Dear friends there is hard work to be done, but together we can overcome all obstacles.

And we will prevail.

Thank you.