

Prime Minister
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XIX CONGRESS OF THE SOCIALIST INTERNATIONAL, BERLIN, 15 - 17
SEPTEMBER 1992.

SOCIAL DEMOCRACY IN A CHANGING WORLD.

Our time is characterized by rapid change, social insecurity, and political instability. The forces of technology, of finance and of electronic communication are placing increasing demands on the ability of democracy to realize our goals and ambitions.

The situation is new to our generation. Powerful forces threaten to take their own course. Liberalism and ultra-conservatism dominated in the eighties. Today we see clearly how they failed.

The world needs to regain control of the future: To strengthen democracy, to share responsibility and to widen the scope of solidarity to include coming generations.

"Mehr Demokratie wagen" said Willy Brandt 23 years ago. As social democrats we must apply that same courage today. We face serious risks right here in Europe, where unemployment rates threaten to stabilize at high levels.

A weakened Europe, politically and economically would also weaken the new democracies in the East who look to us for hope and renewal. A weakened Europe would have tragic consequences also for the Third World, for which we Europeans have a special responsibility.

Economic growth alone cannot ensure full employment in a world where more and more can be produced by fewer and fewer hands. We need to chart a new course. We must avert the dangers of allowing a large proportion of the work force to go without unemployment.

What we need is a new social contract. Monetary stability will not suffice. And just as democracy originated in Europe some 2500 years ago, just as social democracy developed in Europe over the past 100 years, so must we again take the lead.

A new social contract must be based on our overriding principles - freedom, solidarity and justice. We must restore full employment, ensure sustainable development, and improve the ways our democracy works. When so many of the forces influencing our future are operating on the international level, we must also lift democratic decision-making to that same level. There is no other way to deal with problems that

can only be solved if countries work together. This is also why economic cooperation and integration will not work without a clear strategy for sustained growth and full employment.

If we maintain the illusion that nations can act in isolation we not only risk postponing critical decisions which can only be made effective when states act in cooperation: We risk an increase in the growing skepticism towards democratic institutions and our political systems.

When results in every-day life do not meet expectations, people are quick to turn against democracy and the political system.

The new and menacing anti-democratic trends and calls for the strong man in some countries are dangerous symptoms which we must take very seriously.

Europe can afford to work. Some months ago, the nordic party leaders issued a press release identifying as our common goal - within five years - to cut in half the damaging level of unemployment in Europe. Nothing else will do.

The fact that it was met by many as totally unrealistic illustrates the paradox of what we are facing: Lack of concern, lack of intent, lack of vision.

It means we have work to do at home - and together. We cannot afford to let people go idle, creating new victims to the seductive voice of populist, xenophobic and undemocratic demagogy.

Again, the main responsibility for our common future rests with social democracy. We have countered the powers of capital in the past. Today there is no coherent human will-power behind the moves of financial forces. Money-based power has abdicated. To pursue social justice, freedom and democracy will require that we pool our collective experiences and national sovereignties.

Markets are indispensable for an efficient allocation of economic resources, but markets alone cannot build community purpose or instill social responsibility. Nor can they assert the larger vision only people and communities can have of a just and sustainable future.

The current financial and monetary instability poses great risks to countries and individuals. We need to impose stability and prevent speculation from throwing national economies into peril. There is no alternative to obligatory coordination of financial and monetary policies. But it can only succeed when coupled with social purpose, a fair distribution and public efforts to create employment.

A new dimension of solidarity between the employed and the unemployed is the only viable alternative. Responsible free

trade unions should enter into long-term reciprocal understanding with employers organizations. Governments must become a part of these social contracts by providing predictable and socially responsible frameworks for taxation and social schemes.

Mismatches in the labour markets will have to be overcome. In a sustainable world economy the conversion of natural resources will decrease in volume and increase in quality. Jobs that existed in the past may not exist tomorrow. But new opportunities will arise in new fields, unknown only yesterday. We should not be nostalgic about the time when the greater part of the work force was exposed to gruelling hard physical labour.

Ours is the time of a new industrial revolution based less on manual labour and more on skills and know-how. Education and vocational training are essential for securing and increasing employment and for achieving equal opportunities in a world of rapid technological and structural change.

Development of human resources is essential for creating jobs. It is essential for improving growth and for changing the quality of growth. It is a key factor in the process towards more sustainable consumption and production patterns.

Social democracy means equal right of education for all, regardless of family background or personal wealth. Education is a necessity not only for the young - but for adults at every stage of life.

Knowledge is an infinite resource. Knowledge is the key both to innovation and to active participation in modern society. There must be equal opportunities for men and women in education in order to overcome the gender bias in working life.

Irresponsible people offer simple solutions to complex problems. If we only increase unemployment benefits and neglect real efforts to reintroduce those who are unemployed to new working and training opportunities, then stability and the fundamental social consensus on which many of our societies are based will be in danger. Ultimately, stability will be undermined.

A new social contract does not mean that we have to increase public spending. It means that we use public spending more rationally. An educated, well-trained active work force is also essential to our democracies.

At the Rio Conference on Environment and Development it was made clear that we are heading towards a crisis of uncontrollable dimensions unless we change course. The North as well as the rich in the South will have to change consumption and production patterns.

Developing nations came to the Rio summit with open economic demands. And understandably so: For them, the conference was essentially about development and justice.

We share their disappointment by the lack of adequate financial commitments made. It would not be too much to ask all industrialized countries to give 1 per cent of their GNPs. But the 0.7 target must at least be met without delay.

Fair distribution of wealth and opportunity must be provided. We must curb population growth and reinforce the links between population, poverty-alleviation and the rights of women.

The environmental and development crisis will not go away as a passing fad. Technological trends, patterns of production and consumption call for radical changes in order to reconcile human activities with the laws of nature.

Trillions of dollars have been spent on arms in the past. Now, a comparable gigantic effort is needed in a new and common struggle.

This struggle can be won if we can keep the peace and prevent conflict by building on the United Nations, expanding its capacity to undertake peace-keeping and peace-making operations in accordance with its Charter.

In this respect, also, burdensharing is essential. We should urge all countries, including the major countries, to provide forces for peace-keeping and related activities according to UN needs.

We are compelled to manage the most important global transition since the agricultural and industrial revolutions. Through peace, environment and development, we must manage the transition towards sustainable development, reconciling human activities and human numbers with the long-term carrying capacity of this finite earth.

Then we can hope to build the truly global democracy which will also comprise those parts of the world where today the seeds of our values are growing on the thinnest soil.

If we succeed, as we must, we may with greater confidence teach generations yet unborn how the ideals of social democracy were made to work at a time when people and countries realized that they had to move towards more mature stages of civilization.