



Council Meeting of the Socialist International
Athens, Greece, 9-10 February 1993

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First Vice-President of the Socialist International

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Address by

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In this period of transition, following the Cold War and the bipolar world, we face a great challenge and opportunity as social democrats. Although we have known, all along, that neither the market economy, nor the communist totalitarian system can be the basis of sound sensible and social governance of human societies, this fact has now become abundantly clear.

No only are the ideas of democracy and human rights gaining ground worldwide, but the search for new solutions that can combine the short term need for alleviation of poverty and despair with the long term necessity of safeguarding nature, is all the more a major focus of concern.

Our own analysis and our values in the social democratic movement were developed in a situation where the abundance of nature and the notion of unlimited resources was seen as self-evident. Our ideas of social justice did not have a content covering the rights and needs of generations yet unborn.

Today, this has changed. We must build our policies and principles on an even more comprehensive concept of the needs and rights of humanity.

I feel it is important to underline this new reality, that we must incorporate environmental concern into our equation, when defining a new course for social and economic development.

It means, however, an increased need for a social democratic philosophy to be leading the way.

The neo-liberalist market attitudes of the 1980ies stand in stark contrast to the real needs of our societies, East and West, North and South. We should now be through with the period of monetarist experiments. It should be overwhelmingly clear that we are suffering from a governance deficit. 20 million people are out of work right here in Europe, an obvious sign that we have not been on the right track.

Putting the people of Europe back to work is essential for our own democracies, for our common environment and for the Third World and the new democracies in Central and Eastern Europe. Putting Europe back to work is essential for our peace agenda

as well, as insecurity and concern for the future fuels social and ethnic tension, even outright racism, on which political extremists can feed.

The Social Democratic parties of the Nordic countries have presented a proposal for new economic and social cooperation. The name of this report is as imperative as the situation requires: "Put Europe Back to Work".

Today, our ideas and our insistence on reestablishing full employment is met with increasing attention also by the parties of the right. Why?

Because they are now aware that the path they have been pursuing has led to an unbearable burden on public budgets - and on the economic growth potential of our societies, and of the private sector itself.

Many countries' national budgets are overburdened by rectifying the deficiencies of markets. And while changes can be painful in the short run, we will have to use our budgets more thoughtfully in a forward-looking manner, strengthening our ability for change, investing in people and the future.

We must improve our efforts in research and development, developing new technology and accelerate its use in production. It has no meaning to let Europe drop further behind Japan and the United States with regard to technology development. We must define priority areas, and we must encourage cooperation with developing countries in order to narrow the technology gap between us.

The ten largest companies in the US spend more on research and development than the entire Third World including China. Clearly, technology cooperation should become a natural part of forward-looking foreign policies based on solidarity and equity.

In order to promote economic recovery and innovation as well as environmental improvements, democratic institutions must define the needs. A safe environment is not only a private need, but a public need. Research and development funding has often been devoted to fields of little relevance to environmental quality. The heart of the matter is that in many countries, the need for new technology to solve environmental problems has been inadequately recognized, and that the role of governments in encouraging such technologies is poorly defined.

Environmental needs, moreover, are not only public but international. Victims of environmental destructions are often regions, or even all countries.

This means that environmental ambitions must be set through international cooperation and become integral parts of international economic cooperation.

We must act on this basis in the Socialist International.

We must deal with environment and development not merely as a pollution problem, but as a challenge to the present inadequate way in which our countries and the world are organized and governed.

Exponential growth in our use of finite natural resources will inevitably come to a full stop. By means of example, with a two-digit coal-fired economic growth in China, dwindling food production in Africa, competition for water in the Middle East, our earth will come uninhabitable. We must chart a new course for global development.

Much of today's environmental problems are caused by energy production and consumption. It leads to acid rain, deforestation, flooded valleys, polluted rivers, erosion of our architectural heritage and specific disasters such as Chernobyl and Exxon Valdez.

In Norway, an official "green-tax Commission" has studied ways of pricing the environment more properly. In my opinion, sustainable development requires both a high level of employment and an improved environment. This cannot be achieved without changes in our economic policies. We must consider whether to lower taxes on the "good" things, such as work and investment and raise taxes on the "bad" things such as pollution and depletion of natural resources.

The idea of "green-taxes" has increasingly become a subject of debate. Given the high level of unemployment in OECD countries, it is no wonder that new taxes are unpopular if they increase the burdens on production. "Green-taxes" could therefore be compensated by lowering other taxes.

Environmental protection need not be anti-growth. On the contrary, it must fuel growth. Here in Europe, we are many countries, living together, sharing air, water, rivers, lakes. We are sharing, also, an international responsibility for those who are less fortunate. A harmonization upwards, towards new and higher standards, changing our production and consumption patterns, are paths to be jointly pursued. We cannot sit and wait for someone else to make the first move, each guarding the present competitive situation between countries.

This is why we cannot only pursue employment and growth, but employment, environment and a new kind of growth. Any economic recovery plan that disregards its effects on the environment is likely to produce future abatement costs for the next generation to cover. Inter-generational equity and solidarity requires that this generation picks up its own environmental bills.