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DEMOCRACY AND ECONOMIC AND SOCIAL DEVELOPMENT

In the year 2000, the Asian-Pacific region is expected to account for 3.5 billion of the world's 6.2 billion people. The region has experienced extraordinary economic growth. According to the Asian Development Bank, the dynamic economies of Asia will grow by an annual average of about 7 per cent in 1994 and 1995. The corresponding average figure for Europe is about 2 per cent.

As Asia's importance in the world economy and international relations increases, it is even more important that the Socialist International meets here in Tokyo to reconfirm and reinforce the global commitment of the social democratic movement to freedom, justice and solidarity. The Socialist International should play a leading role in bringing home to millions, even billions of Asians the need for more democracy, more equal opportunity, and the right of all people to take an active part in shaping their own societies and their own future.

Asian countries have their own traditions and cultural roots which are much older than those of Europe. Each country will have to draw on the best of its traditions. However, there are certain universal elements of democracy which should be respected regardless of social, cultural and religious traditions or the degree of economic and social development. In particular, this applies to universally recognized human rights. These rights should be the birthright of all human beings and belong to the individual, not to the state.

As social democrats we see democracy as the only workable framework for positive and sustainable change. It gives us the necessary correctives, as regards both the course and the pace of the policies pursued. Democracy offers us an opportunity to learn, not only from people in everyday life, but also by forcing us to listen to our adversaries, to see our political opponents not necessarily as obstacles in the path to truth, but also as potential sources of insight and new solutions.

Democracy cannot be achieved by top-down processes. It must have its base in our communities, in the minds and priorities of the individual citizen and voter, in political parties and in the network of interest groups and non-governmental organizations which are an essential part of any pluralistic society. Accountability, transparency and popular participation are fundamental features of a functioning democracy.

As social democrats we view the government as an agent of its principals, the citizens. The search for adequate means of safeguarding and promoting general welfare is the fundamental task of any government. "That government is best which governs least" is an alien concept to us. We want a dedicated, active government. I regard it as an honor when political opponents call our concept of government an activist one.

Economic growth will not automatically lead to increased stability and greater welfare for everyone. In order to improve living standards and social welfare for all people, it is absolutely essential that economic and political changes go hand in hand. In fact, democracy is both a product and an instrument of economic and social development.

The experience of the "Asian Tigers" generally illustrates the need for an active interventionist state within the framework of a market-friendly approach to economic development. A recent World Bank study on selected East Asian countries showed that countries with governments that emphasized income distribution maintained high growth rates for decades. Moreover, the governments of these successful East Asian countries played an important strategic role in promoting exports, encouraging macroeconomic stability and ensuring high investments in human capital. These government activities presuppose good governance and effective institutions.

As proponents of an active government, we have a special responsibility to promote good governance with all its democratic and social features. Modern governance and government must aim at diffusing not only political power, but also economic power. - 1 billion Asians will soon be living in households with some consumer-spending power. Approximately 400 million of them will have disposable incomes equal to the rich-world average today. Political decisions are needed to promote a more equal distribution of the benefits of growth. It is imperative that social democracy prevent unacceptable disparities between a rich minority and a majority living in poverty. The eradication of poverty must be defined as a priority issue. We know from experience that the markets alone did not bring widespread prosperity and democracy to Europe.

In my own part of the world, Scandinavian social democracy has succeeded in finding a workable compromise between capital and labor within the framework of representative democracy. The basic idea has been to humanize the market mechanism, not to overthrow it, by extracting from the market forces their huge potential for growth and job creation while protecting crucial areas from their untrammelled impact. These areas include provision of health care and social security, access to education for all, enjoyment of culture and, increasingly, environmental protection. In these vital areas the power of money has been replaced by policies designed to equalize access and distribution of rights.

The solidarity ideal puts a premium on equality. Not every inequality is unjust, but every unjust inequality must be a target for social democratic action. Prosperity must be shared if it is to be real. I am convinced that

equality can be made a productive force rather than an obstacle to prosperity. A sense of justice creates a climate of trust and cooperation, whereas large disparities in wealth and opportunity contribute to violence and fear.

Social democratic policy has been built on the pragmatic partnership between economic efficiency and social compassion. It has been built on a concept of the state which sees its prime function as guaranteeing that irrespective of the individual's particular circumstances, certain minimum standards will be met. Since the 1950s social democrats have argued and even proved that the principle of charity can be removed from public policy and replaced by the principle of solidarity. Economic efficiency and modern industrial development can indeed be combined with a sound public welfare system.

To us, the concept of prosperity signifies not only economic growth and material welfare, but also employment for all, social justice and social security, environmental quality, equality between men and women, and a meaningful life. Policy goals include health for all, equal access to education, safety at the work-place, not only physical safety but also protection from unjustifiable dismissal, and the opportunity to take part in the development of the company or organization.

Of course, free trade unions are an essential feature of social democracy and democratic society generally speaking. The tripartite nexus of trade unions, employers' federations and governments is a triangle of responsibility on which the future depends. Only if tripartite cooperation stands up to the challenges of our time will the powerful be just and the weak secure.

Our concept of prosperity also includes the right to take part in shaping society by participating in democratic political processes. It comprises freedom from fear of violence and crime, from war, from a corrupt government and judicial system. Increasingly, it means freedom from fear of the future and assurance of a political system in which people acting together can shape their own future and leave the next generation at least the same options as we have had.

Over the past twenty years, the right to a healthy environment for present and future generations has been added to our list of primary objectives. The goal of long-term environmental health or "sustainable development" is the greatest challenge to mankind's ability to govern. It requires an intragenerational perspective, which is new to our generation. Sustainable development is primarily concerned with people, with the question of how present generations can satisfy their own needs, while leaving enough environmental space for future generations to be able to satisfy theirs. This requires solidarity across borders, continents and generations.

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 were regarded as self-evident. Our ideas of social

justice did not extend to the rights and needs of generations yet unborn. Today, this has changed. We must base our policies and principles on an even more comprehensive concept of the needs and rights of humanity. - I feel that it is vitally important to underline this new reality: We must incorporate environmental concerns into our total equation when charting a new course for social and democratic development.

In the quest to achieve a sustainable balance between the number of people and the amount of natural resources that can be consumed, both the populations of industrialized countries and *the rich in the South* - and I underline that, there are many rich people living in the South - have a special obligation to reduce their ecological impact. Even though most people in industrialized countries feel far from rich, striving to pay their mortgages, worrying about their jobs and the security of their pensions, they consume at a rate which cannot be shared by everybody in this world. When the average person in North America consumes almost 20 times as much as a person in India or China and 60 - 70 times more than a person in Bangladesh, it is plainly impossible for the world as a whole to sustain a Western level of consumption for everyone.

But I do not believe in the prophets of doom. I do not believe we have to choose between economic growth and sustaining the environment. Growth is necessary to create the resources needed to solve environmental problems; growth is imperative if poverty is to be alleviated. Poverty remains one of the greatest threats - both to the environment and to human dignity. The prospects of feeding a growing world population are grimmer than ever. And the world population continues to increase at an exponential rate. 90 per cent of the population increase takes place in developing countries, many of which are unable to feed their present population. Poverty, overpopulation and underdevelopment are all interlinked.

Any nation's main asset should be its population. But when that population grows too fast, it becomes a liability instead. A rapidly expanding population effectively strangles most efforts to provide adequate education, nutrition, health care and even shelter. The earning capacity of the labor force suffers, and the problems are compounded if job opportunities fail to keep pace with the number of job-seekers. Wages decrease and poverty is exacerbated.

Experience shows that investing in women is one of the most cost-effective ways of promoting development and limiting population growth. Strengthening their position and expanding their opportunities will lead not only to greater equality, but also to stronger economic growth.

There is no better insurance policy for developed and developing countries than funding population and family planning programs. Of course much of the contribution must come from developing countries themselves. But *industrialized countries also have a responsibility*. Norway and a few others have been deplorably alone among developed countries in meeting internationally agreed targets for both family planning aid and overall

development assistance. Fortunately, Japan is making substantial increases in its support and seems poised to shoulder a greater share of its international responsibilities.

There is indeed such a thing as global responsibilities. As social democrats we were among the first to realize this. To my mind, we have a moral obligation to translate this realization into concrete expressions of commitment.