

# Speech at the 24th Congress of the Socialist International

*Cape Town, South Africa, 30 August 2012*

*Speech by the President of the Socialist International, George Papandreou at the 24th Congress of the Socialist International on "For a new internationalism and a new culture of solidarity"*

Dear friends, Dear comrades,

If I ask myself why we are progressives, democrats, socialists, why we need this organization, I only need to look to the people of Africa, and the struggles of parties such as the ANC which today celebrates its 100th anniversary.

Despite the oppression, the poverty, the persecution, the apartheid, the destitution, the people of South Africa and the leadership of the ANC never gave up.

Then, as today, the African people, men, but so very much the proud women of Africa too, seem to always carry a deep sense of hope, of vigor for change, and have welcomed us with a warm smile of hospitality.

We thank our hosts the ANC, President Zuma, for such hospitality. We are honored that we are here, to celebrate with you, the 100 years of struggles which came to fruition under the inspired leadership of Nelson Mandela.

I am reminded that it was here in South Africa, in 1906, that Mahatma Gandhi adopted the term Satyagraha that launched a dynamic form of civil non-violent resistance. Satyagraha inspired Nelson Mandela in his struggle, but also Martin Luther King.

The power of truth, is a value of our movement and of symbolic significance at times when distortion of reality has become a political weapon for an establishment unwilling to change.

Yes, in good times or bad, our movement has stood by our member parties, and our peoples in their struggles for a better world—in their struggles for freedom.

Dear Friends

If one were to ask ‘why SI, why should we exist? —

I would begin with the values we represent and fight for, those we identify with.

Solidarity for peace, for democracy, for justice, good governance, for equality, human rights, women’s rights, and for growth that brings, welfare, wellbeing, sustainable quality of life and employment for all.

But, I would also add a personal association to my answer. I have witnessed this, felt this incredible solidarity at different times in my life.

Many years ago, a young boy of 14, I was threatened under gunpoint as my father was arrested by the military for the crime of fighting for social and democratic change.

Then, the few voices ready to stand up were on the international scene, the progressives, socialist parties, governments, unions, mobilizing against dictators for democracy in Greece, Portugal, Spain, Latin America.

My family found refuge and welcome in the social democratic societies of the North. We were inspired by the work of leaders such as Willy Brandt, Kreisky, Palme and others.

The past year you have show solidarity to democratic struggles in the Arab world, Africa, Syria, Palestine and Myanmar.

And we have made proposals, developed ideas and policies, pushed for alternatives in a very different world.

And we were, and we are right to do so.

The global economy continues to be in crisis.

As Gordon Brown rightly states in his recent book, 'the argument that the economy operates according to iron laws and the only role of men and women is to live by what these laws dictate, demeans our humanity'. Despite the massive unemployment and suffering we witness.

Why? *'Because', as he says, 'there are always options, choices, always solutions that human ingenuity can summon'.*

Yet these alternatives have not been adopted.

Because, I believe, this human ingenuity needs to be accompanied by the political, democratic will to make these changes.

That political will, my friends, has been lacking, in Europe and around the world.

And this I say to you, not as an academic, but from personal experience.

I know.

I saw. And I fought for change.

I saw—and we all see—the inertia, that continues to cripple the global economy.

One of the reasons our progressive alternative has failed to take hold globally even after the most dire crisis of capitalism since the Great Depression, is that it is much more difficult to make these changes at a national level in a globalized economy.

Cooperation, coordination, regional and global governance structures are needed.

I will return to this point as I see our movement as crucial in fostering this global cooperation.

And yes cooperation amongst us, a unity of purpose and action is of utmost importance if we are to change this world.

But before I return to this point let me, again from my experience, tell you that the dominant free market ideology has crippled our thinking.

Again I saw. I saw the blind spots, the ideological dogmatism, the false assumptions and the special interests the conservative forces represent.

Crippling our collective capability to look for alternatives. Despite that our family did table viable alternatives.

Dear friends, we have never denied the usefulness of markets.

What we have denied is that there is such a thing as a free, omniscient, infallible, market power.

The recent LIBOR scandal is just one more of many current examples of the fallibility and corruptibility of the global financial enterprise.

No, all markets have their rules and regulations.

So the real question is what rules, who makes the rules, who do these rules benefit?

And, as a progressive, I want to see our societies, our communities, our families, our citizens make the rules.

The markets will not shape our values and morals.

It is we that must and can define the values the markets must serve.

The myth however of the free market has served the conservatives well.

As they are able to hide the real interests behind this dogma.

Let me therefore be specific:

The freedom to move capital—through banks, hedge funds or CDSs, in and out of national economies in nanoseconds, through instant decisions only a supercomputer can make—is no freedom at all.

Some make huge profits. But it creates insecurity for our peoples, our economies, our citizens savings, investments and welfare.

Our movement has made crucial proposals on the establishment of a Financial Transaction Tax, a way to curtail excess speculation and use the rest to create revenues for investment. Similar proposals to minimize risks to our economies have been made by our parties in Europe, such as a banking union, a European Credit Rating Agency and Eurobonds.

The freedom to employ labor very cheaply, in countries without labor laws, without collective bargaining, without environmental standards, or working environment conditions, is no freedom at all.

It only pits the poor employees of one developing or emerging market country against the workers and employees of other more developed countries.

Societies that have been able to establish a decent life, a welfare system and democratic participation in economic decision making through social partner cooperation.

Competitiveness needs to be promoted not through a race to the bottom but through a race to the top.

This is why our Commission on the Financial Crisis, in a recent meeting in NY, proposed that the WTO, the IMF and World Bank do not seek competitiveness through lowering standards in the developed countries but through coordinated increase of wages and living standards of the people in emerging and developing economies.

But this brings me to another so-called 'freedom'.

The freedom to move your money to tax havens, to avoid taxes, is no freedom at all.

It is said that \$21 trillion is hidden in tax havens around the world. The Cayman Islands alone hold over \$2 trillion in U.S. treasuries.

This is not freedom! Whether it is developed or developing nations it is our citizens that are being robbed.

Plain robbery of our countries economies, denying us the capacity to invest in welfare, education and green growth.

I know, Greece is suffering from this.

Had this alone been tackled Greece would most likely never needed a bailout. Yet Europe, the G8, G20, the banking system, despite my pleas as PM of Greece, despite token reference in our council or G20 decisions, have done nothing to change this.

It is our movement that has always been in favor of global regulation and transparency in the financial markets.

The freedom to exploit natural resources as one wishes, water, oil, minerals, wildlife, oxygen, forests, is no freedom at all.

We are robbing the generations to come and undermining our welfare and existence.

The race for resources is on, and their scarcity, whether water or oil, minerals or arable land, is becoming central to today's and future conflicts. And more than enough money is wasted on weapons and war today.

According to an African economist, Dambisa Moyo, in the US alone it is estimated that \$75 bln worth of edible food is wasted every year.

Economist Robert Skidelsky wonders ' how much is enough?'

The water we use to grow food that is then thrown out by industry or consumers, could provide enough water for the domestic needs of over nine billion people.

One billion souls that go without food every day, most in Sub-Saharan Africa are a stark contrast to the one billion deemed medically obese in our world.

This is not only waste but it also hikes the global prices of food forcing the poor to pay more. Something is wrong as our decisions have created irrational rather than rational markets.

We need the right market regulation and global governance that will promote a new model of sustainable, healthy growth.

Our movement has tabled proposals on sustainable green growth, a tax on greenhouse gases, and has been active in all fora, from Copenhagen, to Cancun, to Durban, to Rio.

The freedom to amass huge wealth, with little or no redistribution, with a financial system abetting tax evasion, is no freedom at all.

Economists from James Galbraith, to Paul Krugman, to Bob Reich agree that this inequality is at the core of today's financial, economic, social and political problems.

If you think I am quoting only progressive thinkers let me tell you that even the Chief Economist of the IMF recently stated that inequality was a major threat to our economic growth and welfare.

Trickle down theories of growth have failed.

With enlightened exceptions, the rich 1% and the financial system have downgraded the real economy, have invested little in innovation or education, while employment, youth and women, suffer. With such concentration of wealth, politics is also overpowered.

An oligarchy of a few bankers are today much more powerful than elected governments or Prime Ministers or even nations states.

I know from my experience.

Again, I've seen it.

Joe Stiglitz rightfully says that the banks investment in politics has been more profitable than their investments in finance.

Not mincing his words he says that money to politicians whether through lobbies or outright bribes have shaped regulation and rules in favor of the rich and powerful.

One example: The pharmaceutical industry in the US lobbied for one phrase: That the US Government not be allowed to negotiate the drug prices with the industry.

This phrase cost the healthcare system \$50bln over the past 10 years.

Another example, is the investment of the rich in media and think tanks.

Whether Italy's Berlusconi or Murdoch in the UK, we see around the world newspapers, TV stations, even websites, handed over to strong oligopolies.

We now know of the lobbies that pushed against transparency and the monitoring of the financial system which resulted in toxic bonds and the 2008 Wall Street Crash.

What freedom is this?

Dear friends, this is not a fight between free markets and the state. That is a false dichotomy.

This is no free market this is a market made for the powerful.

This is what Richard Freeman calls 'economic feudalism'.

Luigi Zingales 'clientelism', others 'crony capitalism'.

This is a fight between two clear choices: whether on the one hand markets governments, hand in hand serve the few and powerful or whether they both, markets and governments, serve the common good, our citizens' interests, not the 1%, not the 99%, but 100% of our population, emancipating, empowering a free people.

Let me ask you: Does freedom include the right of the powerful to use their money to fund, lobby, influence and essentially bribe the political world—holding the rest of society captive to the wills of special interests?

Many have accepted the inevitability of such a process.

I refuse to.

For we represent a very different and deeper understanding of what freedom is.

- We see freedom as the emancipation of women
- freedom for our citizens, our youth to feel secure, to learn and be educated, to live a healthy life
- freedom to work and create throughout one's life
- freedom from injustice and oppression
- freedom from inequality
- freedom from famine, poverty or pandemics
- freedom from violence, wars and terror
- freedom from human trafficking, and sexual exploitation
- freedom from walls that divide cities, occupations and illegal settlements, whether in Berlin in the past or in Palestine and Cyprus
- freedom from fundamentalisms, dogmatism and fanaticisms
- freedom from prejudice, hatred, racism and xenophobia that divide and weaken our societies
- freedom to live in a natural, clean, sustainable, environment
- freedom to access information, the internet, the commonwealth of human knowledge
- freedom of communication and expression, personal and collective creativity

- freedom to participate, decide, in our public matters.

Our understanding of freedom is one of empowerment.

Empowering our citizens means redistributing power, knowledge and capacities.

This is our democratic challenge.

These deep inequalities today are sustained by the fact that a globalized society, this wild west, is not a regulated one.

But attention: There is a very important element we cannot overlook.

The generations before us, could fight and achieve a “golden period of social democracy” at the national level.

Today a system of inequity is thriving in the stratosphere of globalization where few rules and regulations exist.

No let me correct myself.

It is regulated.

For the few and powerful.

Regulation that leads to concentration of wealth.

In contrast from yesterday, today the concentration of wealth and power go beyond our borders.

Beyond our national democratic controls.

Beyond our citizens’ reach.

Beyond the rule of law.

Beyond our planet’s capacity.

This I believe is one of the basic reasons our youth today is alienated from politics.

We are, still in our vast majority, national politicians.

Yet capital is global.

Our challenges are global.

And our younger generation, surfing through the internet, is rightly convinced that humanity has the knowledge, money, the technology to tackle almost any problem successfully.

From climate change, to pandemics, to illiteracy and poverty, to growth and employment. Yet they see us politicians as incapable or blocked.

Because we are confined to our national politics. Because it is increasingly difficult to have social democracy in one country.

This is a further reason why our movement faces obstacles.

It is not only a dominant ideology, but an oligarchy of powerful interests that dominate our international society.

This is why we have chosen, as our theme of our congress, a new internationalism, a new culture of solidarity.

We must take our work beyond our national borders.

We can and must work closely to inspire our younger generation that there is hope in progressive politics.

In democratic discourse.

Uniting, cooperating, coordinating, (as so many of the international elite do) to succeed in transforming our global economy into one with democratic governance and regulation that serves our peoples, for a just global society.

In recent years, in a very conservative Europe, and a crisis of runaway capitalism, I found understanding and solidarity from the progressive, social and democratic forces around the world.

I found your solidarity, for which I am thankful. You understood that my struggle as PM of Greece, was not one to impose austerity as an end, but rather a difficult necessity, in a hostile environment—to give time and hope so that Greece make the deeper, necessary changes.

As a national tragedy loomed.

I fought for my people, with my people.

Against all odds, we remained alive, standing and proud.

With your solidarity, of which I am once again profoundly grateful.

And I am standing right before you saying:

No matter how hard things seem today,

Our values can prevail!

I know they can.

I know we can.

We can create not only in Greece but also the world, a sustainable and just society.

Dear friends,

You also understand that the conservative interpretation that markets are infallible, puts the onus on the average citizen and not on the powerful. For who is ultimately to blame for crises?

‘It’s the bad nations’, were told. ‘The lazy people.

‘It’s the Southerners’, ‘those terrible PIGS’.

‘It’s the foreigners.’ ‘The immigrants.’

‘It’s you, not me.’

We are told to point the finger at each other, rather than reach out a hand to lift each other up. It is no surprise that we have seen a spectacular spike in nationalism over the past few years. At the same time, we have witnessed the terrifying rise of racism and prejudice. You understand, as statistics bear out, that it is not the lazy Greeks, the profligate and unproductive southerners, the PIGS, the Portuguese, Italians, Greeks and Spaniards that are to blame.

Amartya Sen tells us that it is our institutions, our freedom—that defines development. The more democratic, transparent we become, the more “developed” our society can be.

He said: *Democracy cannot be taken for granted.*

*Europe has led the world in the practice of democracy. It is therefore worrying that the dangers to democratic governance today, coming through the back door of financial priority, are not receiving the attention they should.*

This blame game in Europe is dangerous. It is undermining democracy by cultivating a resurgence of ugly nationalism and neofascism. And while we each bear responsibility for our own countries, prejudice is hiding the real issues at hand.

I say this with some anger as according to the OECD Greeks work harder than any other member country second only to the South Koreans.

And we, as a socialist government, have affected, according to the OECD, more reforms than any other industrialized nation in the past three years.

In Greece we socialists inherited a huge deficit and debt from the right.

We inherited wasteful clientelistic politics.

This is all the more reason we need to strengthen our solidarity, understanding and empathy with each other.

I found this solidarity in our family.

And I pledge to work hard to reach out to all who need this solidarity in our movement in my capacity as president of the international.

Friends, Comrades,

At no time in human history have we had the capacity to solve the world's most pressing problems that we have today.

Above all, we know how to humanize globalization.

Beyond our cooperation in the international arena, our fight, your fight will continue to be centrally at the national level.

And this is where SI—fuelled by the strength of its member parties—can and must lead the way.

We are an international movement.

But our strength is our parties. But let me be clear: we too on the left must adapt to these changing times, combine our movement's enduring values with new approaches.

Let us continue our constructive work on the financial crisis and climate change.

But let us also look into new issues.

From drug trafficking to intellectual property.

From protection of privacy on the internet to open access to government and corporate data for all citizens.

Let us look to see how we can further empower our parties and leaders, our women, our youth, or even migrant members.

Through education, leadership training, online distance learning. Let us learn from each other.

It may come as a surprise, but South Africa, whose progressive use of technology, for example, has created one of the most efficient tax systems in the developing world.

Let's engage with citizens in a deeper way. From civil society to youth.

Crowdsourcing and social media can no longer be buzzwords, but must be primary levers of policy and action in our movement. The Arab youth has shown us new ways.

Let's prioritize online transparency initiatives and activities and raise accountability in governance, corporations, international organizations.

And we can do so only if our fight is for

- More democracy, not less
- More equality, not less
- More citizen participation, not less
- More social awareness, not less

- More transparency, not less
- More empathy, not less
- More questioning and self-assessment, not less

This crisis has shown the many shortcomings of our current form of capitalism. We can, we must, forge a global social pact or new deal for our citizens.

When free-marketeers told the Africans that there is no alternative, TINA, the Africans came up with another acronym: THEMBA

Short for There must be an alternative.

Our challenge is to prove that there is an alternative.

Let me end with a democratic challenge:

The era of colonialism is over, but in those nations that suffered as colonies, the rich opportunities to not only establish democracy but to carry the idea of democracy beyond its stale and exhausted forms in the West remains the core challenge;

Call this the Challenge of Moving Democracy Forward.

Western democracies have shown so far how weak governments are in facing global capital--an analysis that SI understands but that the bourgeois press and politicians constantly obscure and ignore.

This means that more global crises lie ahead, crises that hurt everyone everywhere.

This is our challenge to Widen and Deepen Democracy's Scope.

The explosion of material production in quantitative terms is unmatched by material distribution in qualitative terms.

Two centuries ago nearly all people everywhere were poor because there was too little; today we stand at a crossroads where poverty exists increasingly as a failure of fair distribution not failed production.

I would call this our challenge to extend Democratic Justice to All.

My friend George Bizos, Nelson Mandela's lawyer in the most difficult times, reminds me that he, Nelson Mandela has said that if Greece is the mother of democracy South Africa is her youngest daughter.

So why not, South Africa, progressive Africa, take on the moral leadership in defining a new era of democracy, deeply reconceived, that will move past the democracy of the colonizers to a global democracy that fairly shares abundance as the beginning of an entirely new age. Combining

- green growth and investment

- equality and justice

- and democracy

And together we will make this vision a reality.