

Workgroup on a Solidarity Socioeconomy – Alliance 21

Preparatory Meeting for the Launching of the Workshop on International Regulations within the context of a Solidarity Socioeconomy in the Era of Neoliberal Globalization – Tokyo, October 9-11, 2003

**INTERNATIONAL REGULATIONS
IN THE CONTEXT OF A SOLIDARITY SOCIOECONOMY**

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*“They plucked our fruits,
Cut our branches,
Burned our trunk
But could not kill
Our Roots.”*

“Popol Vuh”, the Mayan Book of Wisdom

I would like to thank PARC, in the person of Reiko Inoue and of all PARC workers, and in particular my friend and colleague Yoko Kitazawa, for organizing this meeting in Tokyo and receiving us so warmly in your country.

This meeting is part of a broader initiative of the WSSE to establish workshops on a variety of thematic and of transversal issues related to the construction of an economy based on cooperation and solidarity at the local, national and global levels. These workshops link male and female workers, activists, professionals, entrepreneurs and government officials, by virtual and physical means, in dialogue about concrete experiences and theoretical thinking. They focus on a critique of the existing socioeconomic (dis)order and the paths collectively to build socioeconomic relations that are capable to satisfy the material needs of each and every citizen and generate the enabling environment for the full development of their individual and collective attributes and potentials – intelligence, emotion, intuition, material and immaterial senses, capacity to live socially, to communicate, to collaborate and to love themselves, one another and all forms of life and existence.

Are the agents of neoliberal globalization willing to share their power and wealth on behalf of the eradication of hunger and poverty? Can a humanitarian president of a global corporation prevail over structures geared towards profit maximization and wild competition for market control and individual power and prestige? If the answers are negative, it is clear that the problem today is not only how to promote change in people's values and behaviors but also how to change structures, institutions and the contracts that regulate social relations. The key challenge is to reshape the world economy in such a way that it provides the means and the conditions allowing each and every citizen, through their individual and collective work, knowledge and creativity, to satisfy their material and immaterial needs and to free their time and energy for the development of their upper human qualities and potentials.

The core of neoliberal globalization is that it delocalizes all controls over economic and political activity, transferring power, decision options and functions from the community, the region and the State to large corporations. People's work, knowledge and creativity are reduced to mere commodities and people are forced to submit to the apparently impersonal market forces. In today's world, people are unwillingly submitted to this large, undemocratic, unaccountable global power structure led by globalized capital in the form of transnational corporations and banks. As a result, the 20% richest doubled their control over global wealth between 1960-2000, from 15 to 30 times the income of the 20% poorest. The comparison between rich and poor individuals is much more relevant: while 2.8 billion people live with an income of up to US\$ 2 a day, the 400 richest individuals in the USA live with an average daily income of US\$ 6.66 million.

Powerful agents lack legitimacy – During the oil crisis in the 1970s, the rich countries and the big banks forced cheap loans on Southern governments (many were US-sponsored dictatorships) and in subsequent decades have reaped the benefits of flexible interest rates. Borrowing to pay interests has become the current, albeit juridically and ethically illegitimate, form of debt servicing. Those political and economic agents forced a shift of the focus of global finance from the production of goods and services mainly to speculative activities in globalized capital markets. In the South, they shared with national governments the responsibility for the vicious circle of indebtedness that has been responsible for the chronic external vulnerability of the Southern economies and the permanent net transfer of capital and resources from the South to the North. Impoverishment, de-capitalization, de-industrialization and subdued insertion in the global economy have become rampant. The financial crises in Asia and Latin America in the context of structural adjustment programs have pulled the mask off the IMF, unveiling the recessive nature of its austerity programs and the neo-imperial interference in national economic policy. The World Bank and the regional development banks have

been accomplices with the IMF in financing structural reforms that have rendered the Southern economies relatively poorer, weaker and more vulnerable. The undemocratic, opaque and manipulative ways of the World Trade Organization to implement negotiations have led to massive social protest organized around the idea that this type of globalization is bad for humankind (Anti-Globalization) and that another globalization is possible (Alter-Globalization). Ultimately, the Bretton Woods institutions face a profound crisis of legitimacy.

The current world order has proved to be violent and unsustainable – The world is experiencing the overlap of neoliberal globalization with the attempt of the USA to revitalize a neo-imperial project. Its offensive is spreading in at least three fronts: (a) **the commercial-economic front**, by means of the various free trade agreements, including non-commercial activities (e.g., staple foods, public services, intellectual property, investment) that distort the commercial nature of the treaties (NAFTA, the Free Trade Area of the Americas project, the various bilateral trade and investment treaties and the WTO-related); (b) **the financial-political front**: maintaining the highly indebted countries of the South under siege through the vicious circle of indebtedness and the structural adjustment programs led by the growingly unilateral IMF; and (c) **the military front**, through the expansion of USA military bases in Latin America and the Caribbean, collective military maneuvers involving LA armed forces, the revival of the Police Academy, this time in Costa Rica, the use of the war on drugs and against terrorism to force the presence of the US army in Southern countries, direct US military involvement in regional wars in the Middle East, including the invasion and military occupation of Iraq etc.

The US tries to establish a modern style of imperial domination, relying heavily on military and technical superiority in combination with attempts to efface heterogeneous cultures by globalizing US cultural values, products, firms and behaviors. The transversal axis of the Empire is the Manichean culture of pan-mercantilism and the dogma of the self-regulated market. The risks are the elimination of national and people's sovereignty, the distortion of democracy, the stifling of any possibility of a project of self-reliant, sustainable and peaceful development for the Southern populations.

Paradigms in conflict – To counter these threats, people in every continent of the planet are working and struggling to make another world possible. They are resisting the dogma that people, land and money are forever commodities to be traded in the marketplace. They are confronting the corporate-centered neoliberal paradigm with a community- and people-centered approach; the plutocratic with the democratic and participatory way of dealing with wealth, knowledge and power; the competitive with the cooperative mode of social relations; the fundamentalist with the non-dogmatic way of dealing with human diversity; the totalitarian with the pluralistic, dialogical and

participatory ways of taking decisions and planning development; the economic with the humanistic and nature-friendly mode of conceiving of, generating and sharing wealth; the male, ego-oriented with the harmonizing, eco-oriented awareness and form of managing the various homes in which we dwell, from the family house to the planet.

Are human and political rights and the right to self-development legitimate? According to the neoliberal paradigm, the impersonal market forces are capable of automatically allocating resources, of satisfying human needs and of adequately regulating the behavior of economic agents. In reality, unregulated markets tend towards oligopoly, monopoly and cartels. The capitalist firms' *leit motiv* being to maximize profits and to accumulate capital, they want to be left alone, reducing the State and other public policy agents to the function of guaranteeing the protection of freedom for capital to move and to operate anywhere in the country and the world and to mitigate social unrest. The private firm is, thus, the core of the current economic system, and its priorities are not to be contested, controlled or limited by any social or political force. Only the private firm should have the right to plan. In this perspective, human rights and duties are aberrations except in what concerns the right to sell one's labor force, to consume and to pay taxes.

Overcoming the neoliberal paradigm implies shifting the priorities of economic activity to focus on human and social development and to aim at the satisfaction of social and political rights, to life, food, work, health, shelter, education, access to productive resources, to markets and to credit, equity, diversity, sustainable security of livelihood and the right to self-development. These rights should be the reference for national and global legislation. Economic and technological development, in this view, should be means for the higher goals of social and human development. Justice, participation and sustainability should become crucial to the re-organization of economic and social life and relations.

Alternatives are emerging in three different and complementary spheres. (1) The **vision** that another world and another economy are possible, and that their construction should take as its ultimate goal the fulfillment of the rights of each and every citizen, and the establishment of an enabling environment for them to develop their individual and collective attributes and potentials combining autonomy with solidarity. (2) The development of **ideas to reform and transform** existing institutions and the **pressure upon powerful economic and political agents** for public policies that **promote those reforms and regulate and control those agents**, as means to improve the condition of labor with respect to capital, or the South with respect to the North, and of the unemployed, the exploited and the excluded everywhere. They pave the way towards deeper transformations, which demand a level of collective awareness and a correlation of forces that are not yet present in today's world. (3)

Alternative actions undertaken by individuals and collectives towards the creation of communities united by the conscious will to share their energies and hope, and by a common socioeconomic development project based on solidarity and cooperation; **and by governments**, in the line of a participatory approach to democracy and power sharing, a drive towards supporting the economic and political empowerment of civil society, and a practice of transparency and accountability.

(1) **The Vision of a Solidarity Economy** consists of envisaging a post-capitalist economic system in which economics is redefined as the management and care of the home (*oikos+nomia*), and the human community is seen as the dweller of the home that is the real object of economic activity. The feminine values are set as the ethical and relational foundations of an economy that is driven by *ecological*, rather than *egological* awareness, and the woman is promoted to a key protagonist of economic management and decision-making. Money is democratized and made fluid again. Rescued from being a commodity and an end in itself, money regains its fundamental function as a means of exchange and a symbol of human work, knowledge and creativity. Individuals, domestic units, enterprises are no longer seen in isolation, but as interconnected, cooperative participants of an organic whole defined as a society in solidarity, whose development and well being is the concern of each and all participants at once. Education is made a fundamental means to support people's self-esteem, empowerment and co-managed development. Communication becomes a key instrument of democratization of information and a promoter of transparency, accountability and dialogue in diversity, as well as of enlightened choices. Economic planning is no longer the business of firms alone, but of domestic units, communities and governments. The State is given the role of main supporter of the empowerment of civil society, orchestrating the diverse interests and capacities of socioeconomic agents and facilitating the participatory formulation and implementation of a common development project. And the planetary society is united on the basis of a shared Species awareness, a developed sense of respect for human and natural diversity, of the singularity of humankind in the plurality of cultural and material endowments, of fraternity and conscious solidarity among peoples and with nature. A planetary society united around the common project of sustainable peace based on globalized justice, participation and solidarity.

(2) **Regulation and controls** – The ethics of capitalism consists of considering good all behavior that favors the accumulation and possession of capital by individual persons or firms. The thirst for absolute freedom has led to the erosion of State power to regulate and control economic activities and to the manipulation of multilateral agencies into servants of the interests of global capital. Capitalist social democracies were able to establish controls, regulations and tax structures that gave way to more harmonious types of social relations, but they relied on the exploitation of other

economies and they did not survive the pervading neoliberal assault that has shaped the globalization of capital since the 1980s.

Neoliberal capitalism is the global environment in which lack of social controls have allowed the formation of monopolies and cartels, the dissemination of corruption practices involving business people and politicians, restrictive business practices, transfer pricing, dumping as inherent in aid and trade, tax evasion, money laundering and other forms of national and global misbehavior of corporations. Irresponsible lending, inadequate unilateralism, undue political interference that stifles people's and nations' sovereignty, lavish staff work-styles, lack of transparency, undemocratic forms of decision-taking are some of the practices of IFIs that can improve with the enforcement of regulations and controls. History shows that markets are not self-regulated and that capital goes where capital already is, not where human needs are. Behind money and commodities there are human beings, with their work, knowledge and creativity, on the one hand, and their needs and wants, on the other.

- Markets should again become a social relation. Transparency of costs in price formation should become obligatory. National and international controls over and taxing financial flows should lead to the reduction of harmful speculation and to income and investment redistribution.
- Clear and enforceable new rules of the global Socioeconomy should replace the win-lose with a win-win situation for all agents and citizens of the planet.
- Binding codes of conduct should be combined with regulations aimed at enforcing corporate social responsibility.
- Profound reforms and transformation of the multilateral institutions, including the empowerment of a democratized United Nations, should also be part of the agenda.
- Regulations that promote responsible, genuinely democratic governance at all levels should improve the capacity of nations and peoples to implement their own development projects. They can also improve the condition of those left out by the market system.
- Regulation and controls may should introduce values that lead to an ethical and sustainable lifestyle, equitable trade, solidarity finance, responsible technology and harmonious forms of production and management. They can make social justice, participation and sustainability become reachable goals.

Solidarity economy agents should be committed to the strategy of promoting regulation and controls. Activists and intellectuals working on regulation and advocacy should, in turn, inform their critique and reform proposals with the values of cooperation, respect for diversity, complementarity, the sharing of ownership and control of productive assets and resources, and solidarity among socioeconomic agents.

(3) **Alternative actions** involve building new economic agents - workers who are also owners and managers of their enterprise, and who relate to one another on the basis of cooperation and solidarity, rather than of competition. They also involve building production chains and networks of collaboration in solidarity, which are in fact seeds of a new economy and a new social, political and cultural order. Solidarity Economics intentionally interconnects production and investment with human needs and wants. Productive activities are, then, aimed to satisfy those needs. Technology, money, investment, trade and communications are re-shaped, as means to fulfill those needs effectively.

The challenge of the Workshop on International Regulations is:

- To facilitate the dialogue and promote the creative interaction between antiglobalization and alterglobalization activists and intellectuals;
- To seek more effective forms of reigning corporate power, of establishing corporate public transparency and accountability, of pressuring national and international institutions for structural as well as policy and paradigm change, of creating new institutions for responsible, just, participatory and sustainable global governance and so on;
- To promote dialogue with other Workshops and Workgroups of the Alliance 21, in order best to combine its work with that of building transparent and accountable new economic initiatives and solidarity networks locally, nationally and worldwide.

*U?TOPIA
In reality,
We live today
Our dreams of yesterday
And, living those dreams,
We dream again.*

Author unknown

“Collective life is more at ease with itself, more genial, varied, fruitful when it can concentrate itself in small spaces and simpler organisms.”

“The ideal of human unity (...) is likely to figure largely among the determining forces of the future;

*for the intellectual and material circumstances of the age have prepared
and almost impose it.”*

Sri Aurobindo in “The Ideal of Human Unity”, 1919,
revised by the author in 1950.