

**„If this world shall have a future -
and it certainly shall have a future -,
then I see only one single option:
only if Europe is strong enough
for an ethical revolution,
this can be successful,
of this I am concerned.“**

*(P. Xavier des GOROSTIAGA,
theologian and economist in the book: „The long
shade of the eagle“ by Dolores Bauer)*

EU Strategy for Sustainable Development needs global structural framework

The Global Marshall Plan for a worldwide Eco-Social Market Economy as a model

The adoption of the EU Strategy for Sustainable Development in 2001 in Gothenburg was an important step. In connection with the Lisbon Strategy for Growth and Jobs from 2000, the „magical triangle“ of a right balance between competitive economy, social solidarity and sustainable protection of the environment can be derived from it. This “magical triangle“ is the crucial criteria for sustainable development, for the Agenda 21 and the concept of the Eco-Social Market Economy (Ecological-Social Market Economy).

This model is also anchored in the draft of the EU convention, speaking of Social Market Economy in coherence with efficient protection of the environment.

The European Model: A Model of Balance

This European Model of Balance has to be further developed and to be placed in a stronger way in all global discussions and negotiations.

But, at the moment, the reverse is true:

The European Model comes more and more under pressure.

The trigger is the current form of globalization:

- free and boundless trade without the consideration of social and ecological standards;
- pressure from the capital markets to quickly and shortly maximize the profit;
- thus pressure on management and employees;
- dislocation of production and business locations to regions with lowest wages as well as minimum social and economic obligations;
- tax havens as well as one-sided preferential tax treatment for trans-national enterprises and for high finance cause considerable tax breakdowns;
- thus increasing financial hardship in public households as well as in the financing of social and health systems.

The lacking global consensus regarding the climate protection – vide implementation of the Kyoto-protocol – as well as the lacking implementation of the agreed upon environmental goals lead to the consequence that businesses, road users and consumers in states and communities of states with high environmental standards have to accept heavy competitive disadvantages.

In a word:

Many efforts for sustainable development in single member states as well as in the EU as a whole are undermined and foiled by missing global rules and by a free trade under unfair conditions.

Lee Kuan Yew, founder of the state of Singapore, explained in an interview given in July 2005 to the magazine “SPIEGEL“, addressed in Europe’s direction:

“The cosy world, which Europe has created for itself after World War Two, has come to an end – if you want it or not. This system broke down the very moment that two billion people joint the competition – one billion in China and one billion in India. The formula for Europe: Only one week of vacation, harder and longer work for the same wage, new technologies, more money for research and development in order to keep the lead over China and India.”

Well, this cannot be the meaning of a sustainable, global strategy: that the poorest part of humanity has to remain in severe poverty, that the middle class comes worldwide more and more under pressure and that at the other end gigantic amounts of capital are gathered by a few thousands as well as in anonymous capital. Such a development is unjustifiable, unbearable and medium-term doomed to failure not only in an economic, social, ecological and political point of view, but also from the angle of human dignity – bringing big damages for many people, for grown structures, for the quality of life and for common welfare.

We need a juster form of globalization!

In the interest of everyone concerned – the poorest countries as well as our highly developed societies – we need a globalization with just rules and under a reasonable political framework as soon as possible. In my point of view, this is the most urgent and most important challenge for all political persons in charge, in national parliaments and governments, in the EU and especially in perception of negotiations on the global level and in the global institutions.

The German **Chancellor Dr. Angela MERKEL** observed in her speech at the World Economic Forum in Davos in January 2006:

“We face the challenge – and politics have to meet this challenge – to design globalization. People’s fears mainly arise because they have lost the faith that politics can design the consequences of globalization. Thus I am convinced that politics also have a mandate to design in times of globalization....

What structural framework does our changed world need?

What structural framework does it need to let every single one profit from the fruits and the progress of our society and our world?.....

*If we don’t answer this question conclusively,
if we don’t find an agreement in this regard,
then new, heavy social, and other downcasts will develop,
and all of us will be responsible for their consequences.....*

The further development of the Social Market Economy in two directions is a necessity:

On the one hand in the direction of the international dimension, but on the other hand also in the direction dealing with the linkage of the world as a whole.“

This is the central challenge that it is all about!

It is simply about enabling politics to satisfy their causal and very original duty also on the global level: the definition of global rules for the living together of people and peoples to the good of everyone, and the creation of the necessary instruments in order to be also able to implement those rules!

Given the current geopolitical situation, such an impetus can only come from Europe.

Development as a strategy for a juster globalization

In its document of July 7, 2005, “The development politics of the European Union – the European consensus“ (COM(2005)311 final), the European Commission has presented crucial and precious notes for an all-embracing strategy of the EU to create a juster global framework.

I only cite some notes:

+ “The link between development and security“

“There cannot be sustainable development without peace and security, and sustainable development is the best structural response to the deep-rooted causes of violent conflicts and the rise of terrorism, often linked to poverty, bad governance and the deterioration and lack of access to natural resources.”

+ “Development and migration“

“Development is the most effective long-term response to forced migration and destabilising migratory flows: it improves living conditions and employment prospects in developing countries and contributes to peace and security.”

+ “Development and trade“

“The EU, as the most open trading partner of developing countries, will continue to work for properly sequenced market opening, underpinned by an open, equitable, rules-based multilateral trading system, that has protection of the weaker nations of the world explicitly built into its rulebook and modus operandi.”

+ “Development and environment“

“Poverty is closely linked to environmental issues. Ensuring sustainable management of natural resources, combating climatic change, deforestation and desertification and halting biodiversity loss are essential for achieving the MDGs. The EU will support the inclusion of environmental considerations in poverty reduction and equivalent development strategies.”

+ “Development and the social dimension of globalization“

“The EU will support the strengthening of the social dimension of globalisation with a view to contribute on extending the benefits to all. The EU will endeavour to ensure policy coherence for development and to promote mutually reinforcing economic, employment, social and environmental policies at global, regional and national level. In addition the EU has the intention to promote decent work for all, to enhance its support for fair trade and to encourage European companies to adhere to the principles of Corporate Social Responsibility.”

With these conclusions and a set of further documents, the EU disposes a great strategy to design globalization towards cooperation in partnership, worldwide solidarity, fair competition, realization of human rights and undivided respect of human dignity on the whole globe.

What the EU is lacking of so far, is the determined will of all EU institutions and especially of all member states to energetically bring forward this European strategy and this European model on the global level. What is also missing is the coherent linkage of these strategic approaches in the various processes of negotiation. There are still vast discrepancies especially in the EU negotiation positions: on the one hand towards development partnership and on the other towards free trade, free services and the defence of unjust “ownerships“ with regard to financial markets and tax policies.

A Global Marshall Plan
for a worldwide Eco-Social Market Economy as a European initiative

It is certainly no coincidence that, in the last three years, the project: “Global Marshall Plan for a worldwide Eco-Social Market Economy“ has been developed out of civil society – especially out of German speaking and Scandinavian countries – and has been promoted with considerable dynamic.

Emanating from Europe, the Global Marshall Plan Initiative is represented at many global events dealing with global solidarity, a strategy of development in partnership as well as a development capable of peace.

The “heart“ of this Initiative is the development of a convincing and practically convertible concept for a “world in balance“.

In brief the core issues are five main points.

1. Actual implementation of the globally agreed upon UN Millennium Goals by 2015.
2. Raising of additional 100 billion Euros per year for the achievement of the Millennium Goals.
3. A fair, innovative and competitively neutral raising of these necessary resources in addition to the aspired 0,7 per cent aim, e.g. by low taxation of global financial transactions.
4. Gradual realization of a worldwide Eco-Social Market Economy as structural framework for globalization.
5. In the application of funds: Priority to the realization of the UN Millennium Development Goals with priority to “help to self-help” and the principle of subsidiarity (Bottom-up principle).

The Global Marshall Plan:
Fair chances for development and fair competition as a “tandem”

The distinctiveness and singleness of the project “The Global Marshall Plan for a worldwide Eco-Social Market Economy“ is the fact that it embraces and connects two regulatory political focal points; fair chances of competition and fair competition.

Therefore the project is based on two pillars:

1st pillar: The Global Marshall Plan – fair chances of development for all!

A first step is the quick realization of the UN-Millennium-Development Goals in terms of the approach discussed above.

The Global Marshall Plan is a lot more than just selective development aid in particular emergency situations. This immediate aid in emergencies will have to be rendered further on.

However the Global Marshall Plan is a partnership model of long-term cooperation, where certain criteria such as lawful governments, efficient fight against corruption, transparency and traceability in the application of funds, partnership development of “help to self-help“, exact compliance of the human rights etc. have to be claimed.

The crucial point of this concept is that the participating states are asked to support the introduction and the binding implementation and further development of social and ecological standards.

Therefore, the project “The Global Marshall Plan for a worldwide Market Economy“ proceeds much further in its regulatory political consequence than many other welcome initiatives, such as the project „Global Marshall Plan“ of the British treasurer Gordon BROWN or the reflections towards a „Marshall-Plan for Africa“ do.

Crucial for our project is the gradual realization of a functional global structural frame.

Thus:

2nd pillar: A Worldwide Eco-Social Market Economy – fair global competition!

Firstly this concerns the basic principle of worldwide partnership and balance, the cooperation “at the same eye level“, as well as the bringing about of world democratic processes and the implementation of world civil rights.

The very first concrete step towards the realization of a worldwide Eco-Social Market Economy is the compulsory and binding implementation of social and ecological minimum standards within the global regulation bodies. A first small step could e.g. be the implementation of social and ecological standards in the WTO, standards upon which agreements in other global declarations have already been made. Alternatively, the UNEP could be further developed to a kind of world environment agency. The World Bank and the International Monetary Fund will also have to stick to those agreed social and ecological standards in their politics. The UN would especially have to coordinate and concretely implement the standards in its various organisations and programmes.

Due to new developments it becomes more and more obvious that the Eco-Social Market Economy urgently needs better and more enforceable rules for the global financial markets as another basic brick. It has to be of interest to the whole community of states and to the interest of fair competition to end the “fooling“ of tax loopholes, tax havens and “offshore bank locations“. It is about fairness in the financial markets and about efficient and enforceable provisions against a rampant speculation with all the dangerous potential towards the recoverability of currencies and towards the stability of cash value overall.

The community of states is also challenged regarding fiscal politics when it comes to put straight certain basic principles and to gear themselves to them in their fiscal decisions. The aim is on the one hand to spread the tax burden fair and on the other hand to raise the necessary means to finance the common welfare systems in a just way, at the national level and at EU level, and also to handle the global duties.

Based on the valuable experiences the EU has made in its accession strategy (compulsory acquisition of the *aquis communautaire* on the one hand, but also partnership co-financing to come to terms with this duty) it is about concretely applying this principle also on the global development cooperation in partnership on the one hand, and about creating worldwide binding social and ecological standards on the other. It is, after all, the long-term goal of a Global Marshall Plan for a worldwide Eco-Social Market Economy to apply the principle of cohesion for global partnership and for the most efficient form of financing the “world common welfare needs“, proved of value within the EU.

The EU is challenged!

Just in terms of the strategy developed by the EU itself, it is challenged to get much more involved in the realization of a development cooperation in partnership on the one hand, and in the development of a fair structural framework for globalization on the other hand.

The revision of the EU strategy for sustainability in June 2006 represents a chance to put impulses in this direction.

May the Austrian Council presidency in close co-action with the following presidencies of Finland and Germany succeed in promoting the decision-making process of the EU in this direction.