
Global Marshall Plan

A Planetary Contract

**For A Worldwide
Eco-Social Market Economy**

Franz Josef Radermacher
Global Marshall Plan Initiative (ed.)

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Global Marshall Plan / Planetary Contract

Franz Josef Radermacher

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HRH Prince El Hassan bin Talal President of the Club of Rome

Preface to the Global Marshall Plan Initiative

It is a fact that almost one half of the world's population is suffering from poverty. Poverty constitutes a main threat to peace and stability in our 'global village'. Furthermore, the extensive use of resources as we see it today causes serious environmental problems and endangers the habitat of future generations.

Regarding these problems, ambitious goals have been agreed upon internationally in the Millennium Development Declaration in 2000. However, respective efforts and concrete measures to bridge the divide between the rich and the poor, between North and South, and action to safeguard the environment have proved to be grossly inadequate.

The Global Marshall Plan Initiative seeks an international order based on partnership and cooperation. This should lead to an optimal use of human and natural resources to the benefit of all. The Initiative thus offers a viable comprehensive concept for stimulating a worldwide socio-economic development aiming at overcoming poverty. Furthermore, it provides a path of sustainability in the ecological field, taking into account the finiteness of natural resources on our planet by promoting and rewarding resource-efficient technologies and lifestyles.

I fully endorse the Global Marshall Plan Initiative which has been born out of the Club of Rome's spirit. As early as November 2003 I was able to present the concept of the Global Marshall Plan to the 3rd Environmental Forum in Magdeburg organized by UNEP and DaimlerChrysler. As I was

able to see in Magdeburg and elsewhere, the Initiative hits the spirit of the time and has rapidly found widespread support. Our Club of Rome colleague Franz Josef Radermacher has contributed substantially to the message with his energetic and inspiring activities.

The Club of Rome and many of our individual members support the Global Marshall Plan Initiative, too. It is fully in line with our philosophy and offers a realistic perspective for the substantial changes required today. I strongly wish this publication inspires its readers to join the efforts of the Global Marshall Plan Initiative, thereby contributing towards a sustainable future for humankind!

HRH Prince El Hassan bin Talal
President, Club of Rome

His Royal Highness Prince El Hassan bin Talal of Jordan is committed to several international organizations and committees. Some he founded and initiated himself. His Royal Highness is inter alia President of the Club of Rome, and he is a moderator of the World Conference on Religions and Peace. Furthermore, His Royal Highness founded the Arab Thought Forum (1981) and the Parliament of Cultures (2002). Prince El Hassan is particularly concerned with the dialogue among different cultures and religions in order to obtain peace on the globe.

Josef Riegler President, Eco-Social Forum

The "Global Marshall Plan Initiative - for a world-wide Eco-Social Market Economy" is, in my opinion, a concept which is well designed and well thought out. It offers the biggest chances to lead humankind to a good, sustainable and peaceful future, as opposed to the common one-sided and short-term solutions. This Initiative shows a way out of the "dead-end street" of the deadlocked global negotiations as well as the spiral of hatred and violence.

Franz Josef Radermacher is the "brain" behind the model for a sustainable world presented in this book. I consider it a special gift in my professional and political life that we met.

The "Global Marshall Plan" project, in connection with the order political model of an Eco-Social Market Economy, offers a unique symbiosis:

- Through a completely new form of financing - minimal levies on global capital transfers and global trade - the funds could be raised to finance the ambitious goals of the world community of states (Millennium Round Table), without increased burdening the national budgets or distorting economic competition. Consumers will hardly notice the proposed ways of financing, since normal price fluctuation account for a multiple of that. Fulfilling the necessary preconditions on the part of the receiving countries as well as mobilizing expert knowledge in development cooperation from experienced organizations, coordinated by the UN, raise the hope that the additional financial means will lead to the best possible result, namely humane living conditions for all men.
- The second strategic approach of the "Global Marshall Plan - for a worldwide Eco-Social Market Economy" pro-

ject marks a fundamental distinction between our Initiative and other projects: through offering partnership in fair development cooperation, the "third world" countries shall be able to agree to the introduction of ecological and social standards, without worrying about competitive disadvantages.

- "Worldwide Eco-Social Market Economy" means that in all important global institutions and contracts (World Trade Organisation, International Monetary Fund, World Bank, International Labour Organisation, UN Environmental Program) the same ecological, social and procedural standards are introduced on a mandatory basis. This offers the opportunity for a functioning global governance concept, supported by the already existing organisations.

I thank Franz Josef Radermacher with all my heart for his ground-breaking initiatives. May this book contribute to mobilizing as many of the civil society's positive forces for this Initiative as possible.

I wish and hope that the EU will make this project its core concern, and that the EU will lead it to success, in cooperation with the developing countries, with the US and the global institutions, so that worldwide justice, sustainability and peace will get a chance.

Josef Riegler
President, Eco-Social Forum Europe
Former Vice Chancellor of Austria

Josef Riegler began his political career in 1972 and specialized in the field of agrarian economy. Since 1982 he has been the director of several agricultural organizations. In 1983 he became a member of the Austrian National Council. In 1987 he became Federal Minister for Agriculture and in 1989 he was elected Vice Chancellor. At present Josef Riegler is director of the Eco-Social Forum Europe, based in Austria.

Uwe Möller

Secretary General of the Club of Rome

There is nothing more powerful than an idea whose time has come.

Victor Hugo

The idea of a worldwide Marshall Plan is not new. The concept has already been promoted for a decade by personalities from a variety of backgrounds such as Franz Alt, Kofi Annan, Al Gore, Hans Küng, Susan George, Mikhail Gorbachev, HRH Prince El Hassan of Jordan, George Soros, Lutz Wicke, Georg Winter, and many more.

On May 16th, 2003, 16 politicians and representatives from non-governmental organizations and business associations met in Frankfurt to start the Global Marshall Plan Initiative. This circle gave mandates to Franz Josef Radermacher for the scientific coordination and to the Global Contract Foundation for the organizational coordination of the Initiative to be started.

The Initiative's long-term objective is to realize a worldwide Eco-Social Market Economy. An important and concrete first step in this direction is to attain the Millennium Development Goals by 2015, the Initiative's mid-term goal. The Initiative sees the European Union as the natural supporter of its concept in international politics.

Therefore, the short-term goal is to establish an advisory body within the EU on this issue in winter 2004/2005.

The deliberate, comprehensive strategy, on which the book at hand further elaborates, and the integration of a quickly growing number of relevant political, civil and private stakeholders - representatives of organizations ranging from Attac to DaimlerChrysler join in one initiative! - is the source of the great potential of the Global Marshall Plan Initiative.

This book contains the current status of contributions to the concept and strategy of the Global Marshall Plan Initiative. It has been developed in close interaction with the formulation of a basic position of the Initiative, published in parallel by Möller, Radermacher, Riegler, Soekader and Spiegel [70]. Its making was an open and integrative process which started at the Protestant Academy Tutzing in November 2003. Up to now, contributions and feedback from more than 50 experts have been incorporated into this text, and we would like this process to continue.

This book builds a starting point for a discussion process on a detailed, technical level, in which all societal groups from all over the world are cordially invited to participate. Many partner organizations of the Global Marshall Plan Initiative have already invited experts and stakeholders to join and enrich one of these forthcoming discussion forums, some of which are listed below.

- AIESEC International Congress, 23 August 2004, Hanover
- College des Ingenieurs, 8. and 15. September 2004, Paris
- Junior Chamber Germany, 22 September 2004, Paulskirche, Frankfurt
- Federation of Austrian Industry and GlobArt, 30 September 2004, Vienna
- GEXSI and Earth 3000, 8-9 October 2004, Bieberstein Forum, Dresden
- Club of Rome, 13-14 October 2004, Haus Rissen, Hamburg
- Eco-Social Forum Croatia, 21–22 October 2004, Zagreb
- European Baha'i Business Forum, 26 October 2004, Brussels
- Protestant Academy Tutzing, 31 October to 1 November 2004, Tutzing
- Foundation Osinga-Ages in November 2004 in Brussels
- UnternehmensGrün 17 November 2004, Stuttgart
- Consilium Conferentiarum Episcoporum Europae, Brussels, Autumn 2004
- OIKOS, January 2005, St. Gallen
- Representation of the State of Baden-Wuerttemberg in Brussels, Winter 2004, Brussels
- Presentation to the Delta State, Lagos, January 2005
- Geneva Group for Peace and Justice, February 2005, Geneva

- Junior Chamber Deggendorf, beginning of 2005, Deggendorf
- Umweltdachverband, Eco-Social Forum Europe and Institute for Environment, Peace and Development, beginning of 2005, Vienna
- Welthaus Innsbruck and Haus der Begegnung, beginning of 2005, Innsbruck
- Federal Association for Business Promotion and Foreign Trade, Friedrichsruh Castle, beginning of 2005
- Hauptkirche St. Katharinen 15 to 17 April 2005, Hamburg

Please contact us if you would like to organize a forum yourself.

The discussion process, which is to lead to an advanced and better defined version of the Global Marshall Plan concept, can also be tracked online at www.globalmarshallplan.org. Its results will be published as a revised version of the present book. The concept will then be used as a complementary means to concertedly address decision-makers on the European level.

Global Marshall Plan Initiative: Agenda

Winter 2004/2005

Start of a lobbying campaign with European decision-makers such as the European Parliament, the EU Commission, the Council of Europe, as well as national Governments and Parliaments for the establishment of a corresponding advisory body within the EU.

Summer / Autumn 2005

Advisory body is established and prepares a report on how the EU should promote a Global Marshall Plan.

2006

Worldwide consensus on a Global Marshall Plan is reached.

2007

A Global Marshall Plan is adopted at the date of Rio+15. Relevant international organizations and actors make preparations for implementation.

2008 – 2015

Implementation.

Politicians, entrepreneurs, representatives of civil society, inter-governmental organizations, science and culture as well as individuals - you are all cordially invited to join and advance the Initiative. The basic structure of the Initiative is an open matrix that builds upon subject-specific groups and sector-specific families on both national and international levels. This very structure allows a multitude of related activities to be decentrally coordinated in an efficient manner. Individual teams work proactively, according to the principle of "small but forceful units". They develop targeted strategies and independently implement them to maximize support for the Global Marshall

Plan Initiative in their respective target group. The following image may give you a slight impression of the matrix.

The organizational coordinator of the Initiative, the Global Contract Foundation with its President Frithjof Finkbeiner, has established a coordination office in Hamburg. Five young professionals, supported by a changing number of interns, coordinate the Initiative's activities. Interested people and participants of the Initiative are informed about current developments by the weekly info mail "(o) info" or the monthly newsletter "(o) news". Furthermore, the Initiative's website (www.globalmarshallplan.org) reflects the organizational matrix structure, leading visitors to the specific branch of the website which is managed by the respective coordinator of the team they would probably belong to.

What would the small man on the cover of this book do if the rock next to him lost its balance? If a hyper-system like today's world order steers in a wrong, not sustainable direction, the individual cannot do much about it. Yet if we form alliances with other positive forces on our globe from civil society, science, politics and the business sector, we can achieve a lot together. The Global Marshall Plan Initiative offers many-fold possibilities for each of us to get involved. What could you do?

- Give us feedback and share your ideas on how to improve the Initiative.
- Distribute this book and flyers about the Initiative. Both can be ordered through the Initiative's website. You can also advise other interested people to order a copy of the book.
- Spread the word within your professional and private networks. Get your friends, neighbors, classmates and colleagues to join the Global Marshall Plan Initiative, and help us further expanding our global network.

- Contact your government. Call or write to your elected representatives on regional, national and European levels and introduce to them the concept of the Global Marshall Plan Initiative.
- Inform the media. When you find related news articles on the issues touched by the Global Marshall Plan, write letters to the responsible journalists.
- Organize a public event. You can organize an event in your community and bring people together around these concerns:
 - Organize a discussion forum (Discuss the Global Marshall Plan), for further information please contact our coordination office (info@globalmarshallplan.org or +49(0)40-82290420).
- Become a representative / multiplier in your country or field of expertise:
 - Identify key-players / organizations.
 - Lobby with parliamentarians and other decision makers.
- Become actively involved in one of our teams (see matrix).
- Help with translations.
- Raise funds. Fundraising is a great way to support the Global Marshall Plan Initiative, as well as to raise awareness and bring in new supporters.
- Make a donation, for example via the credit card tool on our website (www.globalmarshallplan.org).

- Become a partner of the Global Marshall Plan Initiative through regular substantial, material or financial contribution.
- Participate in our online forums (www.globalmarshallplan.org/forum).
- Place a link to the Global Marshall Plan website on your own website. A toolkit is available on the Global Marshall Plan website (www.globalmarshallplan.org).
- And more...
There are many more steps you can take to support the Initiative. Your creativity is the only limit to effective action. The more people know about the Global Marshall Plan, the greater the chance that we will reach our short-term goal of an EU advisory body - and further goals. Please keep the Global Marshall Plan Initiative posted on your agenda.

You must be the change you wish to see in the world.

Mahatma Gandhi

Uwe Möller
Secretary General of the Club of Rome

Uwe Möller was born in 1935 in Hamburg. From 1955 to 1959 he studied economics at Hamburg University. Since 1960 he was member of staff and from 1983 to 1999 director of Haus RISSEN, International Institute for Politics and Economics. Since January 1999 Secretary General of the Club of Rome.

Global Marshall Plan - Strategy, Structure (draft)

(coordinators may be interim coordinators, subject to change)

	international	Europe	Americas	Africa	...
National Coordinators		Austria: Riegler Belgium: ... Croatia: Baotic Finland: Kalimo Germany: Finkbeiner Hungary: Györi-Nagy Italy: Burger Portugal: Schmidt Russia: Kapitza Slovenia: Socan Sweden: Wijkman Switzerland: Sutsch	Mexico: Neugebauer USA: Mesarovics Lehrheuer	Mozambique: Madjera Nigeria: ... South Africa: Madjera	...
Subject Groups					
Contents	Radermacher				
Editing Team	Soekadar				
Coordination	Finkbeiner				
PR Communication	Boehncke / Henschel				
...					
Families					
public		European Commission European Parliament Council of Europe National Parliaments Political "Global Players" Cities and local authorities Regional Policy			
private		Agriculture Business associations Chambers of commerce Global players Small and medium-sized enterprises World Economic Forum			

	international	Europe	Americas	Africa	...
civil					
Authors, Intellectuals	Spiegel				
Catholic church					
Challenged people			Steinke		
Creators and promoters of culture	A. Möller				
Education and academia	Fenger		Ganczyk		
Environmental organizations					
Gender / women					
Health					
Human rights groups					
Implementation	Koch-Weser				
Indigenous people					
Law					
Other churches / religious groups					
Philanthropic organizations					
Protestant church					
Science and technology community					
Service Clubs (Rotary, Lions, ...)					
Social movement	Hesse				
Sports					
Students	Herrmann				
...					
intergovern mental					
IMF					
UN					
UNCTAD					
UNDP					
UNEP	Pralong				
UNESCO					
UNFCCC					
World Bank					
WTO					
...					
liaison offices					
Brussels	Häringer				
Geneva	Ergas				
...					

Dr. Maritta R. von Bieberstein Koch-Weser

The path is the goal.

The "Global Marshall Plan" is on the right path.

This book reflects the search for new beginnings, true breakthroughs, and new social organization models that can make these possible. It is the document of an emerging movement, the expression of an energetic impulse into the only direction that could restore world peace mid-term, and better retain peace in the long-term.

The world is too unjust. Chances of survival and access to things that make life humane are unequally distributed, as the Human Development Report of the UNDP shows every year. Two billion humans, a third of humankind, live below the so-called subsistence level. About 30 million children die annually before the age of five, simply because they do not have access to clean drinking water and hygienic surroundings. "Sustainability" and intergenerational justice are on the lips and in the wishful thinking of many, but implementation on a grand scale is missing.

The merit of this book is the search for concepts, new instruments, and concrete ways that could make a substantial improvement in the 21st century. This search does not begin at zero. On the contrary, it can draw from six decades of experience. The world tried "progress" and the basic approaches of development, and learned from them. There is a foundation of successful technical and social beginnings established. However, the means to extensively replicate their adoption are missing beyond the drop in the ocean.

Chances are great that the transcendence of the parched foreign aid could bring about change:

- Social entrepreneurs, individuals and organizations, and also many governments have, over the years, learned how to make advancements in education and health systems and make effective use of natural resources.
- Corporations also partially entered the team of the social businesses, locally and also globally, e.g. with their support of educational campaigns (e.g. "Overcoming the Digital Divide") or programs for the fight against HIV/Aids.
- Technologies in energy, water and sanitation infrastructure have become cheaper and more intelligent and make a decentralized, local model of progress possible.
- Thanks to the communications revolution, education, which apart from health is the most important element in increasing the standards of living, can tear down boundaries. Through access to municipal computers, television sets, videos in schools, children in slums and remote rural areas can learn even in places where teachers are rare or poorly trained.
- Social investment in developing countries could become a standard element of investment funds and financial assets. Meanwhile competent investment advice is offered for social investment in developing countries, e.g. by the Global Exchange for Social Investment, ACCESS, or Global Giving.

Nothing would be more false to say than there is no "absorptive capacity" in order to implement a Global Marshall Plan and the United Nations Millennium Development Goals. If the Global Marshall Plan were to come to realization, it could be supported by and rely on a network of expertise and experience.

The problem is that there are solutions but just not enough of them. We have to become more ambitious and by far more impatient. And here is where money plays an indispensable and essential role.

We must come to a point where money serves humans and peace, not the defense industry. On the one hand US\$ 900 billion are spent annually on defense and another US\$ 300 billion on agricultural subsidies that have explicitly negative effects on developing countries, on the other hand there is a shameful 50 billion dollars of development aid worldwide - a sum which has been stagnating for years.

We need systematic, large-scale, ambitiously scheduled approaches that equally distribute chances for a humane life. May this book impart urgency and motivate many people to work towards a programmatic advancement.

Dr. Maritta Koch-Weser
President, Earth3000
CEO GEXSI

Maritta R. von Bieberstein Koch-Weser is founder and chairperson of Earth3000, an international non-profit organization situated in Berlin. Before that, she was CEO of the IUCN - The World Conservation Union. From 1980 to 1998 Ms Koch-Weser was employed by the World Bank, and was in charge of the development of environmental and social programs. Currently, she is the CEO of the Global Exchange for Social Investment (GEXSI) which promotes social investment and the mobilization of financial resources.

Jane Roberts 34 Million Friends

Comments from a Grassroot on the Global Marshall Plan / Planetary Contract

I have been asked to comment on the Global Marshall Plan Initiative. My perspective on this is a little different because I am a grassroot, which means in English someone who, while no expert, strives to make change by enlisting the help of normal everyday citizens.

In the United States I am cofounder of a two year long movement called 34 Million Friends of the United Nations Population Fund. Our government under President Bush has refused to release the \$34 million that Congress has voted every year for UNFPA. Lois Abraham and I started asking 34 million Americans to contribute one dollar. The results are promising (www.UNFPA.org and/or www.34millionfriends.org) and we have momentum.

After our first \$1 million came in, UNFPA decided to encourage Europeans to take part, not to make up for the US default but to give ordinary citizens in the EU a chance to say to the world that women's lives, reproductive health, and family planning choices should be a top priority of governments. There was a gala event at the Residence Palace in Brussels on May 7, 2003. The following evening I talked about this initiative to the Club of Rome at the invitation of Raoul Weiler. It is through this connection that I made email acquaintance with Professor Radermacher. I was invited to take part in planning meetings for the Global Marshall Plan but was unable to attend due to speaking engagements in the US.

Professor Radermacher sent me his book, "Balance or Destruction: Ecosocial Market Economy as the Key to Global

Sustainable Development". In Chapter 18 he talks about human numbers, the "youth bulge" on the planet today being a reason for the probable 8 billion human beings by the year 2030. A trend toward increased urbanization with the world's mega-cities even now incapable of keeping up with needed infrastructure, schools, sanitation, transportation etc. is presented as perhaps an intractable long term problem. He offers the insight that perhaps the US lack of support for global population efforts and its religious stand against humane legal abortion is a way of perpetuating poverty and strengthening a system of an asymmetrical grasp for the earth's resources. I had not thought in such cynical terms, but may start to.

He retakes up this theme again on page 215 talking about the blocking of funds by the Bush administration for the United Nations Population Fund. "Reactionary religious forces in the USA are asserting their influence on the government and by the withdrawal of financial support for measures in regard to family planning and reproductive health are perpetuating indescribable misery for hundreds of thousands of women, children, and families in this world, including unnecessary deaths by the thousands." How true!

In my view, when the world takes care of women, women take care of the world. The world is doing a terrible job. In 1994, in Cairo, Egypt, the International Conference on Population and Development (ICPD) adopted a 20 year Program of Action which included four main components, universal literacy (two-thirds of the world's illiterate are women) opening civil society to all equally, reducing infant and child mortality to the lowest possible number, and most important, making knowledge about and affordable access to reproductive health and family planning universally available. Abortion was not to be considered a method of family planning. (The world might not, but women do, to the tune of 40 per minute in poor countries because family planning isn't available).

The cost of adopting this agenda was to range between \$17 and \$21 billion per year with the target countries paying two thirds and the donor countries one third. The target countries have furnished about 75 percent of what they promised. The donor countries have furnished less than one half of what they promised with the US at the bottom.

In conclusion I would say let us first live up to the very letter of the Cairo agreement. Nothing could equal in importance the education, health, and equality of the world's women. They are the key, I think, to sustainable development, to population stabilization, to environmental and human health. They are the key also to worldwide peace and stability. Embracing women in all aspects of life has really never been tried in any concentrated fashion. The Global Marshall Plan if it embraces the women of the world will be a marvelous contribution to the world and to civilized dialog about the future of people, the planet, and the generations to come. I know Professor Radermacher feels as deeply as I do about this and will be a wonderful voice for change.

Jane Roberts,
34 Million Friends

Jane Roberts was born in 1941 in San Diego, California. For 30 years she has been focusing on women's issues, reproductive health, and international family planning. When the US administration decided to defund UNFPA, she started the 34 million friends of UNFPA-campaign. see www.34millionfriends.org

Prof. Dr. Ram Adhar Mall

The Global Marshall Plan Initiative from the point of view of Intercultural Philosophy

The Global Marshall Plan / Planetary Contract Initiative for a worldwide Eco-Social Market Economy aims at winning business, civil society and politics for a new era of cooperation to create global security, peace and wealth for everyone, as well as ecological sustainability. The Initiative feels indebted to Kofi Annan's "Dialogue Among Civilizations - Crossing the Divide" for global sustainable co-existence in the new century. It is therefore based on intercultural humanism as its worldview and "world ethos" as moral minimal consensus. The latter is complemented through the "Earth Charta" with its emphasis on sustainability. Intercultural humanism, world ethos and Earth Charta are also, as an overlapping of different cultures, supported and critically accompanied by intercultural philosophy.

The young branch of research of intercultural philosophy gained importance through globalisation and the end of the Cold War. Philosophers from Europe, the US, Latin America, India, China, Japan and Africa, as well as the Arab League are involved in this field. It emanates from the perception that there is an increasing cross-cultural integration of the world community under scientific, economic and financial aspects, as well as aspects of transportation and communication. This is in contrast to the co-existing and often conflicting grown societal, political, religious and philosophical structures of the individual cultures. This contrast is the challenge for intercultural philosophy. It decided to clear the respective cultural heritage of the individual cultures and to promote the dialogue between cultures from an intercultural aspect. This shall be achieved by forming a theoretical and practical basis

for the encounter of different cultures, religions and philosophies. The intercultural understanding linked with this dialogue is considered by intercultural philosophy as the philosophical contribution to reaching the idea of all peoples living together in harmony. The alternative to this idea, as described in Huntington's "Clash of Civilisations", threatens the mere existence of mankind. Thus intercultural philosophy is the philosophical precursor of the manifest "Crossing the Divide".

Intercultural philosophy is the name of an attitude, which wants to be a way of thinking, as well as way of living. It focuses on the respective historically grown forms of thinking and shaping, as well as the various patterns of interpretation and understanding, in their cultural diversity. Intercultural communication has to be led by the attitude that "truth" does not belong to any political system, neither intra-culturally nor inter-culturally. Intercultural philosophy therefore rejects all tendencies of absolutation of any meta physics, religion, culture, political world view, logic, or ethics. In this way it attempts to counter the "truth-fanaticism" of fundamentalist currents which are always linked with a claim for truth and can occur in many disguises, e.g. economic fundamentalism. They counter it with epistemic, methodological, metaphysical, ethic-moral and even religious-philosophical modesty in their interaction with traditional worldviews.

Intercultural philosophy especially addresses any reductive hermeneutics, which does not try to understand something foreign, but adapts it to their own ways of understanding and therewith changes or even dominates it. In contrast to reductive hermeneutics, intercultural hermeneutics avoids a metaphysical preliminary decision concerning the question of truth and focuses on the symmetrical approach of "wanting to understand" and "wanting to be understood". It is the task of a philosophy comparing culture to analyse the ethics of different cultures with their patterns of argument, their forms of

ethos and moral views in a dialogue of cultures with respect to their common ground and the differences. The task could also be to promote the common ground with the long-term objective of realising the moral claim of good cohabitation of the different cultures, which is also expressed in the manifest "Dialogue Among Civilizations - Crossing the Divide".

Part of clearing the respective historical heritage of different cultures, apart from the clarification of perceptions of the relations between humans, is also the clarification of the perception of the relations of humans to nature and to the universe. Modern man does not like the Greek, Chinese, Indian or Native American relatedness with the cosmos, because it dictates man's and history's course of emergence and decay. The scientific-technical control over nature, which in an anthropocentric delusion of interests, did not respect sufficiently the interests of the variety of life. Modern man forgot that nature can exist without man but man cannot exist without nature. The consequences of anthropocentric ruthlessness, beats back on humankind in the form of an endangerment of the world climate, the loss of biodiversity and other threats to the complex ecological balance. Intercultural philosophy highly respects what natural sciences and technology have achieved, but in the same way respects the wisdom of other cultures and therefore rejects the command over nature in form of exploitation and plundering to the detriment of future human generations and other creatures as an anthropocentric aberration.

The wisdom of the philosophies of the world's cultures could contribute to a way out of the problems by urging people to overcome the often dominating ego-centrism, ethno-centrism, but also the anthropocentrism and to apprehend that man is embedded in nature and to let this be the guiding principle. Neither a crude "back to nature" nor an exclusive "back to culture" but a "back to nature taking the detour of culture" linked with the insight that this could lead to a sustainable co-

existence for all creatures in one big community of cosmic nature on our common home planet, the Earth.

The Initiative for a Global Marshall Plan / planetary contract tries to win the powerful designers of globalisation: the financial world, the private enterprise and politics for such a sustainable co-existence oriented towards global justice, sustainability and peace by peaceful means. Orientation towards global justice can lead to overcoming hunger, poverty and diseases and can lay the foundations for a satisfying life in cultural diversity. Orientation towards sustainability shows responsibility for future generations and aspires a harmonic life in line with nature. After the most cruel century in human history, in which way too often violent dominance over man and nature was executed, realising justice and sustainability could enhance the chances for peace through peaceful means in and with nature in the new century which so far has been just as cruel. Therefore, the Global Marshall Plan / planetary contract Initiative deserves our support.

Prof. Dr. Ram Adhar Mall,
Native of India, building bridges between Asian and
European Culture
Founding president Society of Intercultural Philosophy

Klaudius Gansczyk
Society of Intercultural Philosophy
Coordinator Global Marshall Plan Education Family

Ram Adhar Mall was born in India. He graduated with degrees in psychology, philosophy, Sanskrit, English language and literature from the University of Economy in Kalkutta. After finishing his PhD in 1963 in Germany, he returned to India to lecture at the Jadavpur University in Kalkutta. In 1991 Prof. Mall was elected President of the Society of Intercultural Philosophy. Since 1998 he is professor at the University of Munich for intercultural philosophy.



In memoriam Robert Pestel

This work is dedicated to the memory of Robert Pestel who died on April 18, 2003. Robert Pestel was an unwavering fighter for a better future. Continuing the work of his father, Eduard Pestel, and acting in the tradition of the Club of Rome's work and thinking, he dealt with the problems of the globe and how to organize a better future for the whole world and its people. He used system theory models to get a better feeling for the dynamics of development and innovation processes, and he networked with hundreds of people around the globe in a most intensive way. He was very persevering in following his visions and had an unbelievable energy until the end.

Within the European Commission he shaped the thinking about sustainability, its economic, social, cultural and ecological aspects, and the correspondence to a global contract. He also understood the power of the Internet and other communication networks for good and ill, he was an engineer who took the rebound effect into account, and he was always active to make civil society take on a bigger role and more responsibility in shaping the world's future. Making the best use of the power of insight, networking and communication

was one of his biggest hopes. Consequently, he believed in the value of information and open debate. Concerning communication, he was willing to involve science and formal argumentation systems as much as subsymbolic approaches, a reference to emotions and reflections via different forms of art.

This work is inspired and shaped throughout by his thinking, visions and support. He was a great friend and co-worker, initiated many projects, achieved a lot, and fought until his final hours when he was taken away from us much too soon. He was a great person. We miss him.

Robert Pestel

European Commission, Brussels

German Association for the Club of Rome

Brussels EU-Chapter of the Club of Rome

Collaboration on the Second World Model of the Club of Rome,

Member of the Advisory Council of the website Deutschland.de

Global Marshall Plan

A Planetary Contract

For A Worldwide Eco-Social Market Economy

Franz Josef Radermacher
Global Marshall Plan Initiative

07/2004

Abstract

The text at hand provides considerations on a **Global Marshall Plan** in terms of a **Planetary Contract**, i.e. in response to the difficult situation of world politics at the beginning of the new century. This Contract is intended as a step towards a global **Eco-Social Market Economy**, which we regard as an attractive win-win alternative in compliance with the idea of a sustainable development, versus the extensively unregulated globalization processes prevalent today. 5 10

As concrete target to be implemented until 2015, the Initiative adopts the **UN Millennium Development Goals**. Today, reaching these targets seems rather unlikely, unless the worldwide community introduces decisive efforts. In order to achieve these goals, international agreements are needed. Requirements include the **further opening of markets**, as well as **additional funds** for development cooperation; the latter have already been identified. 15 20

Through new forms of international cooperation, these funds are applicative for investment in: the **promotion of international development**, the elimination of poverty and hardship, the promotion of cultural exchange, and the protection of the environment. This requires in particular that NGOs and representatives of global civil society are given a stronger stake in this process than they have today. 25

We suggest that central standards of the International Labor Organization (ILO), standards of UNESCO, and major environmental agreements are combined with the WTO regime and the IWF and WB, to serve as an international economic framework for appropriate support programs. This would constitute a vital step towards a worldwide **Eco-Social Market Economy**. 30 35

Simultaneously, the paper delineates clear perspectives on how to achieve our goals, a timetable and, most importantly, suggestions concerning the raising of the necessary funds. In 2008-2015, the additional international investment in boosting development should amount to approximately **US\$ 105 billion per year**, in accordance with UN studies on the issue.

Kofi Annan
*UN Secretary
 General's
 Message for
 New Year
 2004*
 [5]

Dear Peoples of the United Nations,

Your Organization, which I have the honour to serve, has just been through one of the hardest years in its history.

We have seen war in Iraq and deep divisions among nations, about grave issues of war and peace. On 19 August, in a bomb attack on our headquarters in Baghdad, we lost some of our best and most beloved colleagues.

These events have distracted the world's leaders from dealing with other threats – threats which, to most people, are more immediate and more real. I mean the threats of extreme poverty and hunger, unsafe drinking water, environmental degradation and endemic or infectious disease.

These dangers stalk large parts of our planet.
 They kill millions and millions of people every year.
 They destroy societies.
 They fuel division and desperation.

After a year of war and division, it's time to focus more of our energy on people's health and welfare. It's time to make sure that poor countries have a real opportunity to develop. And it's time we took decisive action to save the resources of our planet.

Yes, we have to fight terrorism.
 Yes, we must prevent the spread of deadly weapons.
 But let's also say Yes to development.
 Let's bring hope into the lives of those who suffer.
 Without development and hope, there will be no peace.

Just over three years ago, at the Millennium Summit, leaders of all nations pledged to provide that hope. They set themselves precise, time-bound targets – the Millennium Development Goals. But in 2003 we did not live up to these promises. We let ourselves be swept along by the tide of war and division. 2004 must be different. It must be the year when we begin to turn the tide.

We can turn the tide against HIV/AIDS, if we act on the "three-by-five" initiative – the World Health Organization's plan to get three million people on anti-retroviral treatment by 2005. It's a bold target, but it can be met – if rich countries, poor and afflicted countries, governments, civil society, the private sector and the United Nations system all pull together – and if the Global Fund to Fight AIDS, Tuberculosis and Malaria is fully funded.

We can turn the tide against hunger, if we all work together to make existing food stocks available to hungry people everywhere, and to help Africa produce the extra food it needs.

And we can turn the tide in world trade, if governments do as they promised, and make the current round of negotiations a true "development round".

We don't need any more promises. We need to start keeping the promises we already made.

Let's all make that our New Year's resolution – and I wish you a very Happy New Year!

To meet these Goals would cost only a fraction of what our world spends on weapons of war. Yet it would bring hope to billions, and greater security to us all.

Introduction / Summary

Due to rapid globalization, our world is in a difficult situation. The New Year's Message from UN General Secretary **Kofi Annan** [5], printed at the beginning of this report, illustrates both the problem and the existing challenges. There are high growth rates worldwide, and innovations occur at a speed never observed before. Yet at the same time, the global situation regarding the state of the environment, poverty, and distribution issues is getting more and more unsustainable, as does the balance between cultures. Against this background, a group of sixteen NGOs started an initiative "Global Marshall Plan / Planetary Contract" in the summer of 2003. Conceived as a movement for world peace, sustainability, and equity (www.initiative-weltfrieden.org), the Initiative is targeted at changing this adverse situation [70]. The author is substantially involved in this process.

This text is designed as a report to the Initiative **Global Marshall Plan / Planetary Contract** and provides multifaceted considerations and materials to a broad audience. It could not have been accomplished in this form without the help of many concerned people, who offered their suggestions and substantial advice. In this respect, the text has partly the character of a **group effort**. The acknowledgements at the end of the document indicate many of the persons whose contributions were vital to the creation of this text.

Furthermore, it is supplemented by the systematic support from the team of the Global Contract Foundation's coordinating office in Hamburg (www.global-contract.org), which coordinates the activities of the Global Marshall Plan Initiative (www.globalmarshallplan.org). In this context, the author intends to continue studying all feedback to this text and to integrate it into the next revision of this report when a new print edition will be in planning.

The considerations outlined in this text have been inspired by, among others: the document "Crossing the Divide. A Dialogue Among Civilizations" initiated by **Kofi Annan** [3], **Mikhail Gorbachev's** "My Manifesto for the Earth" [34], **AI Gore's** "Earth in the Balance" [35], "World Ethos" by **Hans Küng** [62], the essays on human duties edited by **Helmut Schmidt** [100], and, last but not least, by the **Earth Charta** [117]. It also ties in with a dedicated initiative for an Ecologic Marshall Plan which was propagated by masterminds like **Franz Alt, Carlhanns Damm, Wolfgang Engelhardt, Joschka Fischer, Maximilian Gege, Jo Leinen, Eva Quistorp, Wolfgang Rauls, and Lutz Wicke** in 1997 and was able to collect approximately 750,000 signatures in favor of the proposed plans [2]. All of these comprehensive reflections and positions supplied central points of orientation and organizing principles for the setup of the Initiative for a **Global Marshall Plan / Planetary Contract**.

Where the concrete factual elaboration on a Global Marshall Plan as developed in the following is concerned (with the long-term objective of a **worldwide Eco-Social Market Economy**, the integration of existing global regimes as an approach to an institutional design and Global Governance, new international financing instruments and mechanisms of implementation), this text is a direct continuation of the reflections presented in [87].

The Global Marshall Plan Initiative's core orientation has the following objective:

- Europe takes the lead in a worldwide movement for an eco-social Global Marshall Plan;
- It pursues the elaboration of a concept for the implementation and funding of such a plan;
- It adopts this as Europe's official position on all future world summits.

The intermediate goal is to convene an advisory board of the European Union, bringing together individuals from all divisions of society and all parts of the world to work on the elaboration of a consistent European proposal on this topic.

The plan discussed here aims to provide the already globalized economy with an **adequate worldwide regime** for the markets, promoting goals like world peace, equity, and sustainability. As regards the realization of sustainability demands, please refer to the analysis [127] of a task force installed by the UN Commission on Sustainable Development; for questions regarding the **equity between the generations**, to studies by various youth organizations [113, 114, 144]. The promotion of the stated goals, which also include the **establishment of transparency** [122] and the **clear assignment of responsibility**, is far from being a top priority in market development today, despite many statements to the contrary. Incidentally, these apparent shortcomings and the threats they pose have inspired extensive commitments from major companies on the questions raised here, in terms of, e.g., **Excellence or Leadership in Sustainability and Corporate Social Governance**. To mention but a few, on the international level there are **Global Compact** (www.un.org/News/Press/docs/1999/19990201.sgsm6881.html) induced by **Kofi Annan, World Business Council on Sustainable Development** (www.wbcasd.org), or, in Germany, **econsense** (www.econsense.de). As regards Corporate Social Responsibility, please refer to [takingitglobal](http://takingitglobal.org/themes/csr) (www.takingitglobal.org/themes/csr).

The long-term objective behind the ideas presented here is an **Eco-Social Global Market Economy** [87, 93] in which markets and competition are inseparably linked to high standards - maybe development state dependent - regarding the welfare of all human beings. Such standards are also key instruments for the elimination of worldwide poverty. To implement them, it is crucial that the rich countries **open their markets further while taking co-financing measures** for the benefit of the developing countries, ultimately effectuating appropriate worldwide regimes. In return, the developing countries have to prove willing to implement accordant standards, in spite of the concomitant loss of some current

competitive advantages. Thus, the objective is to implement a worldwide process adapted from the **EU enlargement process**, the **US Marshall Plan for Europe** after World War II, as well as the central demands voiced by developing countries at all World Summits of the last decades (idea of a **Planetary Contract**) [4, 20, 21, 22, 23, 30, 31, 32, 33, 82, 87, 93, 94, 124].

Today, such a contract for the entire world is pressing and overdue - particularly so with regard to the events of September 11, 2001, the questions raised by **current neo-imperial policy patterns**, recent devastations on global financial markets, the failure of the New Economy, mounting global environmental problems, as well as the explosive, ever more manifest collision of extreme exponents from different cultures, resulting from the **inadequate regulation of the globalization of economy**.

Against this background, the Global Marshall Plan Initiative's short-term objective is the installment of an advisory board by the European Union in 2004 with the intention to develop a corresponding position as **Europe's vision for the future of the globe** for future summits. Such a vision for the future can readily be linked with the **follow-up processes to the Rio and Johannesburg Summits**, with **Agenda 21** and the **European Strategy on Sustainability**.

The immediate goal of the Initiative Global Marshall Plan / Planetary Contract is the convention of an advisory board by the EU after the EU parliamentary elections in summer 2004 and the forming of the new EU Commission, with the intention to develop a respective position as Europe's vision for the future of the globe, to be represented at future World Summits.

A Global Marshall Plan / Planetary Contract is regarded as an intermediate step towards a worldwide Eco-Social Market Economy. The concrete goals pursued by the Initiative until 2015 are represented by the **United Nations Millennium**

Development Goals (www.un.org/millenniumgoals/), which can claim broad international consensus. Incorporated into our considerations are the statements of the recent, important **ILO Report** on the social dimension of globalization [47],

5 as well as the EU strategy on sustainability and the UN activities in the wake of the WSSD in Johannesburg, 2002, and of WSIS in Geneva, 2003. Simultaneously, we actively observe the review process on the UN Millennium Development Goals, due 2005.

10 Positions regarding the financial requirements are based on an analysis of the United Nations (**Zedillo Report**, www.un.org/reports/financing/full_report.pdf), the very comprehensive European position by the British Chancellor of the Exchequer

15 **Gordon Brown** [12] for the 2002 World Summit Rio+10 in Johannesburg (www.globalpolicy.org/socecon/ffd/2002/1216brown.htm), as well as this position's development in 2004 [13], studies by various UN bodies, and **George Soros'** analysis in his strive towards an Open Society (Open Society Initiatives, G. Soros, www.soros.org) [4, 20, 26, 27, 55, 66, 20 104, 105, 106, 107, 109, 118, 123, 124, 125, 126, 128]. The allocation of additional funds should coincide with **further opening of the rich countries' markets** to the rest of the world, most notably to the poorest countries, in a suitable

25 manner.

As the first parliament, the **German Bundestag** has dealt with the challenges of globalization in-depth. The Enquete Commission '**Globalization of the World Economy -**

30 **Challenges and Answers'** has in its final report (Bundestagsdrucksache 14/9200) taken up the results of international conferences and commissions, agreements and scientific theoretical approaches. It has given the parliament 200 recommendations for action on **how to design globali-**

35 **zation**. Some of these were already made Acts of Parliament: fighting money laundering and corruption, integration of environmental and social standards, as well as the

precautionary principle into the WTO's body of regulations and solutions for the issues of debt relief. Furthermore, there are recommendations made for reaching gender equality, fighting corruption, for a new order of competition, the establishment of an international insolvency order and **for a**

5 **stronger participation of the civil society** and the parliaments in policy making (www.bundestag.de/gremien/welt/glob_end/). Chairperson of the Enquete was **Prof. Ernst Ulrich von Weizsäcker**, MP and member of the Club of Rome, who is closely linked to the Global Marshall Plan Initiative in his role as member of the board of trustees of the

10 Global Contract Foundation.

Based on the above studies, an additional **US\$ 980 billion** will be needed until 2015, on top of the current level of international development assistance. Moreover, these funds must be used following **distinctly different mechanisms than currently applied**, as will be illustrated. **The question of implementation is yet a bigger challenge than the raising of funds.** Because of commitments already undertaken

15 by certain countries from the year 2006 on, this sum will be reduced to approximately US\$ 860 billion. Under an adequate regime, and focusing on developing countries that are willing to cooperate in terms of the requirements to be met, these funds could be raised per annum from 2008 onwards

20 by, e.g.:

1. **Special Drawing Rights** of the International Monetary Fund, starting approximately with US\$ 30, then 40 billion in aid of the developing countries.

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2. A worldwide tax on financial transactions (**Tobin tax**), at a level initially of 0.01%, then 0.02% of value traded. This should yield initially approximately US\$ 30, then 40 billion in funds per annum.

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3. A worldwide tax on trade (**Terra tax**), amounting initially to 0.35 %, then 0.5 % of internationally traded goods in the context of the WTO. This should yield initially approximately US\$ 30, then 40 billion per annum.

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Alternative approaches that in the author's view may be less practicable in the short run, and thus less likely to be agreed on, are e.g. (4) **direct governmental transfers** (in terms of effect, this could be realized at least partly along the lines of Special Drawing Rights (1), (5) **taxes on resource consumption and socially straining activities**, and (6) a **fair trade on rights for the access to and pollution of resources**. Other alternatives aim at appropriate **endowment funds, bonds**, etc. Finally, the idea of an **International Finance Facility** [13] was suggested by British Chancellor of the Exchequer Gordon Brown and subsequently taken up internationally.

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An argument in favor of approach (4), as pursued by members of the EU, e.g., is that it avoids special strains on those value-added processes that are tightly linked to international trade and globalization. However, **George Soros**, highly adept with global finance markets, points out very persuasively in [109] that particularly in this area new value-added potentials have evolved with highly asymmetrical means of access, indicating in fact a special justification for this approach.

Concerning a Tobin tax [24, 120] it must be noted that the usual counter-arguments against such a tax do not apply in the context pursued here [8, 138]. The proposition at hand does not (primarily) aim at effectively obstructing or penalizing speculation on financial markets, but much rather at **raising the means to promote worldwide development**.

At the same time, we do not advocate that Europe presses ahead. Rather, the topic is pursued solely in the context of a

worldwide implementation. If the developed countries stand together, it will be no problem to force even **offshore banking locations** to comply by purely economic mechanisms. Steps towards a more stringent control and demands of accountability for such banking locations are being prepared internationally (albeit for different reasons), and are long overdue. Nevertheless, this point requires further textual analysis.

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If on the basis of the alternatives described in this text, which represents merely an initial input for further considerations by panels yet to be convened, we are in favor of the funding mechanisms (1) to (3), this is for solely pragmatic reasons concerning their **implementability** within relatively short timeframes. A similar effect can be achieved with (1) and with (4). Also, (3) has similar effects to (5), at least to a certain degree. Finally and detached from what is said here, the approach addressed in (6) should play a role within the continuation of the agreements achieved in the **Kyoto Protocol** from 2012 on, e.g. in form of a **market- and incentive-oriented global climate certificate system** [87, 136, 137], and could eventually be linked to a **Global Marshall Plan / Planetary Contract**.

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As important as the raising of funds for co-financing measures and further opening of markets by the rich countries, or even more so, are **new forms of implementation** [14, 17, 109, 145]. For such new approaches, the program could avail itself of, among others, the **World Bank** and the **United Nations Development Program**, as well as cooperate with **UNEP** and, for example, **UNESCO** and **United Nations Population Fund (UNFPA)**. On their part, these partners should rely on **local initiatives and NGOs** more than hitherto, support **small and medium-sized companies, adapted technologies** and **local efforts to increase value added and welfare**. Furthermore, they should elect **private development initiatives** applying for co-financing measures and

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support programs in competitive selection procedures controlled by an independent jury [109]. Many other ideas exist for this important sector, but there is still a lot to do. The **quality of any program is ultimately determined by how it is implemented.**

Concerning standards, the core **standards of the International Labour Organization ILO** (www.ilo.org/public/english/bureau/gender/newsite2002/standard/), UNEP recommendations, core directives of the **Global Environmental Agreements**, and UNESCO recommendations should be made binding in the context of the WTO, and possibly also when credits are granted by the International Monetary Fund and the World Bank [42, 87]. This takes up a demand for the advancement of the WTO that is often expressed by the developed world and especially the US, corresponding in particular to the concerns of unions in developed countries and to worldwide concerns of environmentalists.

At the same time, the **economic, social, and cultural human rights**, internationally binding since 1996, yet only marginally perceived in this form, could be made substantially binding [139].

From the author's point of view, the issue of the development of world population and the implementation of the **re-productive rights of all human beings** should also be addressed in this context [1, 18, 19, 51, 54, 80, 83].

A big challenge for the required process of integrating various international regimes will be the creation of a **legal institution on an international level** for the Global Governance System evolving from this integration of existing entities. In particular, this authority must appropriately integrate the **WTO's dispute settlement system, and possibly the respective elements within IWF and World Bank**, in order to make it available for all concerns addressed. As a design aspect, this

constitutes a major challenge for the success of a Global Marshall Plan.

Starting from an initiative step on the part of the EU Parliament und the EU Commission in autumn 2004, and with the date for **Rio+15** in mind, the campaign's timetable envisions a process leading towards a decision in 2007 for an implementation program starting in 2008. In this way, the extensive considerations of the World Summit in Rio 1992 would be realized to a considerable degree.

The **design process for a Global Marshall Plan** is a big challenge in itself. This is especially true for the **new forms of implementation** in international development cooperation, which are imperative and a **prerequisite for the success of the Initiative**. In the future, reflections to this end should be coordinated reciprocally between (1) governments and international organizations, (2) the internationally operating corporations, and (3) non-governmental organizations, in support of an advisory board to be convened by the European Union.

This report to the Global Marshall Plan Initiative / Planetary Contract presents an input to such a process. Furthermore, the **United Nations**, the **World Business Council on Sustainable Development** and the **Club of Rome** could assume an important coordinating role for the fields of action mentioned.

The text at hand is a continuation of the respective result document [90] of the EU project Terra 2000. It concludes a series of contributions made by the author and various research partners in the context of the EU-sponsored Project TERRA (www.terra-2000.org); please refer to, e.g. [69, 78, 79, 90].

I. Global Marshall Plan Initiative: Conceptional Background

During the last decades, many international leaders and thinkers have developed a program capable of steering global processes into a new, better direction. As is often the case, however, it proves highly difficult to proceed from extensive considerations to concrete measures, particularly where substantial economic transfers are involved. It is crucial to create an understanding that, in the current situation of worldwide problems, international development efforts to eradicate poverty are to everybody's advantage. An Eco-Social Market Economy provides an adequate framework for improving the situation, linking the equalization of standards to adequate co-financing measures in order to reach a **win-win Situation** for all stakeholders. An Eco-Social Planetary Contract provides an instrument for accomplishing a substantial intermediate step towards a **future reconcilable with sustainability** until 2015, and has the potential to induce a **global economic miracle**.

The Global Marshall Plan Initiative (www.globalmarshallplan.org) was initiated on May 16, 2003 by deputies of sixteen non-governmental organizations (ranging from environmental organizations, charitable trusts, development agencies, church representatives, deputies from industrial organizations, the Club of Rome and the Club of Budapest, to members of Attac) during a convention of the initiative for world peace, sustainability and equity (www.initiative-weltfrieden.org). The Global Contract Foundation assumes a coordinating function (project leader: **Surjo R. Soekadar**), the Club of Budapest initiated a larger publicity campaign, the Eco-Social Forum Europe promotes the topic Europe-wide and the University of Stuttgart and the Breuninger Foundation have funded a corresponding fellowship professor position of **Prof. Ervin Lazlo**, president of the Club of Budapest. Furthermore, the entrepreneurs **Karolin and Frithjof Finkbeiner** have established an independent foundation, the "**Global Marshall Plan Foundation**", for the funding of accompanying measures. It aims at an initiating effect and invites other thinkers, doers and benefactors who wish to address this topic. As early as 2003, the **Federal Association for Business**

Promotion and Foreign Trade (BWA) has joined the Initiative as the first industrial organization, and so did the board of directors of "**Universitäts.Club Klagenfurt**" (www.uniclub.uni-klu.ac.at). The latter had publicly stepped forward with an interesting "**Friuli Manifesto**" [130].

Please refer to the website (www.globalmarshallplan.org) and the appendix of this text for further information on the Initiative's state of affairs, on the persons and the organizers involved, on the workshops as well as the **Declaration of Stuttgart** and its circle of signatories. Please also refer to the **Initiative's current positioning paper on the subject-matter** [70], scheduled to be published as paperback in 2004, and a related early statement by this author, added to the appendix of this text.

As mentioned, the long-term objective of the Initiative for a Global Marshall Plan is the worldwide implementation of an **Eco-Social Market Economy** [87, 93], a system of **high potential for value-adding** and **worldwide solidarity**, a so-called **Balanced Way**. It has been inspired substantially by the document "Crossing the Divide. Dialogue among Civilizations" initiated by **Kofi Annan** [3], by **Mikhail Gorbachev's** "My Manifesto for the Earth" [34], **Al Gore's** "Earth in the Balance - Ecology and the Human Spirit" [35], **Hans Küng's** "World Ethos" [62], the text on human responsibilities published by **Helmut Schmidt** [100], and finally, by the **Earth Charter** [117]. A dedicated **Initiative for an Ecological Marshall Plan** should not go unmentioned; it was initiated in 1997 by mentors like **Franz Alt**, **Carlhanns Damm**, **Wolfgang Engelhardt**, **Joschka Fischer**, **Maximilian Gege**, **Jo Leinen**, **Eva Quistorp**, **Wolfgang Rauls** and **Lutz Wicke**, and succeeded in collecting approximately 750,000 signatures for the proposed plans [2]. Other important references, e.g. to **Susan Sontag** and **Lothar Späth**, can be found under [21, 28, 31, 32, 32, 37, 44, 63, 64, 65, 77, 84, 87, 97, 98, 99, 101, 107, 110]. A special mention

should be made of the **World Future Council** currently being established by **Jakob von Uexküll** and **Maximilian Gege** [132], with whom we cooperate. The World Future Council's General Secretariat is located in Hamburg; this initiative's German coordinator is B.A.U.M., the largest environmental industry organization in Europe with approximately 500 participating companies.

As regards content, there is a connection to the **new house for experiencing knowledge**, the **ODYSSEUM Cologne and the Odysseum World Network**, which is currently being developed with an important coordinating role assumed by the author [74, 75].

Al Gore

"... if we cannot embrace the preservation of the Earth as our new organizing principle, the very survival of our civilization will be in doubt."

An Eco-Social Market Economy takes up **Carl Friedrich von Weizsäcker's** notion of the necessity for a **Global Domestic Policy** [7, 81, 133] while simultaneously emphasizing the value-adding potential of markets on innovation and growth. However, this potential must be imbedded in an adequate regulatory framework for economies, focusing not solely on the economical but also on the **social, cultural and ecological aspects** of human livelihoods. This embraces a modified view on man by economic sciences. Studies in **empirical economics** clearly proved such an idea of man to be much closer to reality than the abstract classical construction of a **homo oeconomicus** (e.g. in the context of the so-called **Ultimatum Bargain Game** [16, 78]).

The homo oeconomicus stands for the notion "If everybody cares for him/herself, everybody is cared for". It was this philosophy which led us into the problematic situation we face today, namely by providing one of the justification elements of market fundamentalism and turbo capitalism. Intriguingly, market fundamentalists like to refer to **Adam**

Smith as founder and chief witness for their idea of a free market, despite the fact that the original texts by this important thinker reveal much more differentiated reflections regarding the nature of economic processes. In particular, Adam Smith has always and persuasively maintained that governmental regimes are needed as regulating framework for markets; and in doing so has expressed highly differentiated views on **basic ethical and moral principles** [95, 116].

The perception of man as **homo oeconomicus cooperativus** seems much more realistic than the market-fundamentalist view [46]. Indeed, it seems safe to say that people are acting systematically non-systematic. This new scientific view on the nature of human beings has been impressively acknowledged by awarding Daniel Kahneman and Vernon L. Smith the Nobel Prize for economics in 2002.

Besides adopting a new idea of man, it is equally imperative that **prices tell the truth**, i.e. that **external costs are adequately internalized into market development**, amongst other things. This applies especially to international mobility, which today is too cheap when compared to the direct and indirect damages it induces (alongside many positive effects) and which indirectly leads to enormous market distortions, particularly for goods of low added value. Furthermore, competition needs to be promoted in order to avoid (de facto) monopolies, and support small and medium sized companies. The quintessential principle is that economy is meant for man, not man for economy; that for achieving effective wealth, growth, and progress for everyone, a strong and efficient state is required, and for a globalized economy, strong and efficient **structures of Global Governance (primacy of politics)** [27, 31, 32, 40, 41, 44, 63, 64, 69, 78, 79, 81, 87, 93, 106, 113, 117, 141, 142].

The concrete measures to be taken at this stage are: to overcome blockades towards the **advancement of the WTO**, and

to link the WTO to other global regimes dealing with **security, economy, finance, environment, social issues, cultural balance and governance**, thus aiming for a **consistent global regime and institutional framework**. That such a consistent regulatory framework is missing may be the biggest flaw in the current global situation, because it entails that in many cases, what is collectively aspired by societies worldwide is diametrically opposed to what is profitable on markets. This is one of the reasons why the international community is making no progress in, e.g., **eradicating hunger** despite perpetual ample declarations and resolutions [25, 106].

Kofi Annan
[4, S. 61]

"True peace also means economic development and social justice, means protection of the global environment and damming of world-wide drug trafficking, means democracy, variety and dignity, respect of human rights and rule of law and much more."

The highly recommendable 2004 **ILO Report** on the **social aspects of globalization** [47], under the responsibility of the ILO World Commission on this topic, comes to the same conclusion. In newsletter 1/2004 of the Global Contract Foundation, Nicolai Sune Andersen gives the following summary of this report [6]:

ILO report on the social dimension of globalization

Summary by Nicolai Sune Andersen

"At the end of February, the Independent Global Committee convened by the ILO submitted a report on the social dimension of globalization. Our curator, Prof. Dr. Ernst Ulrich von Weizsäcker, was a member of this committee. The central assumptions and structural demands of the committee are presented here.

The report voices the fact that the public debate on globalization is about to derail. Communication is conditioned by deadlocked positions fragmented into a multiplicity of private interests. And the volition to reach a consensus is smallish. Currently, major international negotia-

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tions are deadlocked, and international commitments to spur development are not met by and large.

The Committee was established by the ILO two years ago, and was headed by the president of Tanzania, Benjamin William Mkapa, and the Finnish president Tarja Halonen. The Committee members besides Prof. Dr. Ernst Ulrich von Weizsäcker included personages as diverse as, e.g., Joseph Stiglitz, Nobel Prize winner and former chief economist of the World Bank, Eveline Herfkens, chief coordinator of the UN campaign for the Millennium Development Goals and former minister of development of the Netherlands, and as representative of private enterprise, Taizo Nishimuro, chairman of Toshiba."

The report analyses the earth's current economic situation. Amongst others, the following theses are set up:

- *Since 1980, the growth of world gross domestic product (GDP) has decreased in comparison to the preceding decades. The committee maintains that this fact "disputes the optimistic prognoses on the effects globalization has on growth".*
- *The distribution of growth per capita is very unequal, both among the developed countries and among the developing countries. Between 1985 and 2000, the growth of merely 16 developing countries exceeded 3 percent, while it was less than 2 percent in 55 countries, including 23 with negative growth.*
- *The income gap between the richest and the poorest countries has widened enormously. The difference in average incomes has mounted from US\$ 212 versus US\$ 11, 417 between 1960 and 1962, to US\$ 267 versus US\$ 32, 339 between 2000 and 2002.*

- 5 ■ *The economic development in developing countries increasingly dropped behind that of industrialized countries between 1991 and 2001, resulting in a state of the world where 22 industrialized countries with only about 14 % of the world population dominate half of world trade and more than half of worldwide foreign direct investments (FDI).*
- 10 ■ *On a global level, unemployment has further increased in 2003. The number of unemployed people seeking jobs has transgressed the number of 185 million, amounting to 6.2 percent of the total work force; this is the highest unemployment rate ever registered by the ILO. Particularly affected are approximately 82 million young people aged between 15 and 24, most of them living in developing countries, with an unemployment rate of 14.4 percent.*
- 20 ■ *The "informal economy" comprised predominantly of people without steady employment or income will further extend, particularly in countries with low GDP growth. The situation is aggravated by the growing number of people hunting the decreasing number of jobs. At the same time, the number of the "working poor" - individuals living on US\$ 1 a day or less - has stabilized in 2003. Their numbers amount to an estimated 550 million people worldwide.*
- 30 ■ *The growth of foreign direct investments (FDI) increased at the beginning of the Eighties. In 2000, more than 100 countries had introduced major liberalization measures in favor of increased FDI. However, "many expectations have not been satisfied" according to the committee. Despite the high growth rates in foreign direct investments (FDI) in developing countries, most of the investments have been concentrated in 10 of these countries.*
- 35

- 5 ■ *Development assistance on the whole has been reduced, and is well below the declared goal of 0.7 percent of GDP, with a current average of 0.23 percent. If the goal of 0.7 % had been reached, development assistance would have increased by an additional sum of US\$ 100 billion per year. The report states that "we should give our vote to those who demand that the goals are respected. If in the last 30 years all countries had met the targets, we would have US\$ 2.5 trillion more to spend on development."*
- 10
- 15 ■ *The implementation of the Millennium Development Goals (MDG) is jeopardized. At least US\$ 50 billion annually are required additionally to achieve these goals until 2015. Even if the donor countries meet their promise made at the summit in Monterrey to increase development assistance by US\$ 16 billion until 2006, we are still short of two thirds of the minimal funds required to reach the goals. Against this background, the committee demands that the social dimension of the globalization debate is enforced. The current developments promote a state of imbalance both within and between the countries. The report invites engagement for development activities with a strong social dimension, based on common universal values, respect for the human rights and democratic forms of government, which carry possibilities and gains for all countries and people. The following points should receive special attention:*
- 20
- 25
- 30
 - *Focus on people*
 - *A democratic and effective state*
 - *Sustainable development*
 - *Productive and equitable markets*
 - *Globalization with solidarity*
 - *More responsibility towards the peoples*
 - *Stronger, more comprehensive partnership*
 - *An effective UN system*
- 35

The committee recommends a set of reforms on a global level, e.g. concerning international trade and the PRSP process (Poverty Reduction Strategy Paper) under the direction of World Bank and IMF. Furthermore, the committee suggests that developing countries are granted more influence within the international financial institutions.

The developing countries' representation within the decision-making bodies of the Bretton Woods Institutions should be enforced. Additionally, the working methods of the World Trade Organization (WTO) should be adapted to guarantee an effective participation of these countries in negotiations. As regards international trade, the committee demands amongst other things that "global rules pertaining to trade and financial policy should provide more space for autonomous policies in developing countries". Concerning the PRSP process, the committee stresses the point that this process "should no longer generate those structural adaptation programs which failed to work because of the dogmatic demands for privatization and reduced public services". The committee concludes that the process needs to be closely supervised.

Because of the importance of these elaborations, we continue by citing the first 12 positions of the study [47] (accentuations added by the author of this text). The document is very worth reading and contains many findings that are expressed similarly in the text at hand.

- The current path of globalization must change. Too few share in its benefits. Too many have no voice in its design and no influence on its course.

- The results of globalization are what we make of it. They depend on the policies, rules and institutions which

governs its course; the values which inspire its actors; and their capacity to influence the process.

- We, the members of the **World Commission** represent a very wide diversity of opinion and interests, which are often polarized in the public debates on globalization. But we have come to agreement on a common goal; **a fair globalization which creates opportunities for all**. We wish to make globalization a means to expand human well-being and freedom, and to bring democracy and development to local communities where people live. Our aim is to build a consensus for common action to realize this vision, and to foster a process of sustained engagement to this end by the actors themselves, including States, international organizations, business, labour, and civil society.
- Ours is a critical but positive message. We believe the benefits of globalization can be expanded; its results better shared; and many of its problems resolved. The resources and the means are at hand. Our proposals are ambitious but feasible. We are certain that **a better world is possible**.
- We seek a process which is fair, and which gives all women and men the rights, opportunities and capabilities they need to exercise their own choices for a decent life.
- We reaffirm the **value of values**, and the importance of human rights in guiding the governance of globalization, and in defining the responsibilities of its actors.
- We call for a more cohesive governance of globalization with policies to better link economic growth with social progress and environmental sustainability.

- 5 ■ *We must be realistic. Globalization has many aspects, but our mandate is to focus on its social dimension. We also recognize the many different dialogues and initiatives which are under way and seek to encourage and build on them.*

- 10 ■ **Globalization is being judged by what it delivers.** *Although many of the ills of the world today - poverty, the lack of decent work, the denial of human rights existed long before the present phase of globalization, there has been growing exclusions and deprivation in certain regions of the world. For many, **globalization has dislocated traditional livelihoods and local communities**, and threatens environmental sustainability and cultural diversity. As the current process of crossborder interaction and interconnectivity gathers speed, there is increasing debate not only about inequalities between countries but also about inequalities within countries, and its effects on people, families and communities. These concerns lie at the heart of politics. **The debate on globalization is fast becoming a debate on democracy and social justice in a global economy.***

- 25 ■ *We recognize that globalization has opened the door to many benefits. It has promoted **open societies** and open economies and encouraged a freer exchange of goods, ideas and knowledge. In many parts of the world, innovation, creativity, and entrepreneurship have flourished. In East Asia, growth lifted over 200 million people out of poverty in a single decade. Better communications have enhanced awareness of rights and identities, and enabled social movements to mobilize opinion and strengthen democratic accountability. As a result, a **truly global conscience is beginning to emerge**, sensitive to the inequities of poverty, gender discrimination, child labour, and environmental degradation, wherever these may occur.*

- 5 ■ *Yet there is growing concern about the direction globalization is currently taking. Its advantages are too distant for too many, while its risks are all too real. Its volatility threatens both rich and poor. Immense riches are being generated. But fundamental problems of poverty, exclusion and inequality persist. Corruption is widespread. Open societies are threatened by global terrorism, and the future of open markets is increasingly in question. Global Governance is in crisis. We are at a critical juncture, and we need to urgently rethink our current policies and institutions.*

Where do we stand today?

- 15 ■ *There are deep-seated and persistent imbalances in the current workings of the global economy, which are **ethically unacceptable** and **politically unsustainable**. They arise from a fundamental imbalance between the economy, society, and the polity. The economy is becoming increasingly global, while social and political institutions remain largely local, national or regional. None of the existing global institutions provide adequate democratic oversight of global markets, or redress basic inequalities between countries. **These imbalances point to the need for better institutional frameworks and policies** if the promise of globalization is to be realized.*

30 The report by the ILO World Commission provides many important indications, e.g. concerning the insufficient implementation of the UN Millennium Development Goals. Yet the proposals made are rather cautious, which is true for all discerning international reports. The "Think big" approach is not a very realistic one on the international stage, as all past experience shows. Still, it steers into the right direction. The approach taken by a Global Marshall Plan / Planetary Contract

includes all this, but tries to take a **big step** beyond it, pledging to finally transform plans and hopes into solutions and implementation successes. This reflects a point of view inspired by **game theoretical considerations**, claiming that today's highly complex issues cannot be met by small steps in individual areas, but call for a larger concept covering multiple topics, because only such a step can provide "**enough adjusting knobs**" for multifaceted win-win constellations which benefit all.

In this, the supporters of the Initiative are not isolated. Rather, the development of a new consensus can finally be observed, which may be capable of **replacing the market-fundamentalist Washington Consensus** of the Nineties that has already caused widespread devastation on this globe. This new consensus can reassert the importance of a general economical framework and the state's role in ensuring wealth and welfare in terms of an **Ordoliberalism** [9, 44, 47, 88, 89, 109, 115, 130, 131, 135, 146]. The version of the **Washington Consensus** as printed in [56], authored by the economist John Williamson (1989), lists the following 10 propositions:

- Fiscal discipline
- A redirection of public expenditure priorities toward fields offering both high economic returns and the potential to improve income distribution
- Tax reform (to lower marginal rates and broaden the tax-base)
- Liberalization of the capital market
- A stable, competitive exchange rate
- Trade liberalization
- Abolition of market access barriers / Liberalization of inflows of foreign direct investment (equal treatment of foreign and domestic firms)
- Privatization
- Deregulation (to abolish barriers to entry and exit)
- Secure property rights

These arguments sound good, like so many presented by market fundamentalists. It is however quite obvious that if part of this is implemented in the current form and under the factual conditions of today's world politics, achieving the social objectives expressed here will be virtually impossible. A policy following this logic requires, e.g., that to receive credit from the International Monetary Fund, poor countries have to cutback on their government expenditures, further degrading these countries' education and health systems at the expense of the already deprived population. How is development ever to be achieved if the vital determinants of sustainability, education and health are systematically degraded? **Thus, this consensus must urgently be replaced by something better.** This is a special concern of **Guido Eberhard** [22].

For the successful establishment of a consistent regime in the context of a Global Marshall Plan, through co-financing measures and under inclusion of the WTO, all future loans from IMF and World Bank should take the central elements of ILO, UNESCO, and UNEP standards into consideration. Incidentally, such interventions are currently dismissed as interfering with the sovereignty of the receiving countries, ignoring the massive intervention imposed by the loan conditions regarding e.g. the size of the country's public sector. While in the context of the Washington Consensus these are selective interventions at the expense of social balance and sustainability, interventions in the future context of a Global Marshall Plan will hopefully be in support of sustainability.

The concrete objective of an consistent ordoliberal regime is the establishment of appropriate worldwide standards which comply with sustainability concerns. For understandable reasons, finding an agreement with the developing countries on high standards will generally depend on **co-financing measures** and **coordinated further market openings** by developed countries for the benefit of the rest of the world, most

notably the poorest states. Again, this should be based on adequate conditions, agreed upon in fair negotiations - as requested by the developing countries at all related summits during the last decades. Co-financing measures in combination with the establishment of standards - possibly dependent on a country's state of development - is also the central **design element and crucial concern of an Eco-Social Market Economy** [83, 97].

- 10 Examples for the successful implementation of the basic principle "co-financing in return for adjustment of standards" are the successful **Protocol of Montreal** for the protection of the earth's ozone layer or, e.g., the **Marshall Plan of the US** for the reconstruction of Europe after World War II, which followed a similar logic and relied substantially on the **opening of the US market for the receiving countries**. To an even stronger degree, the **EU enlargement processes** [87] provide a positive example for the eco-social approach. A lot can be learned for the future development of the world from the
- 20 EU approach, which connects the adjustment of standards to the opening of markets and co-financing measures, ultimately leading to **open borders** and an **open society**.

*Javier Solana
European Council*

"As a union of 25 states with over 450 million people producing a quarter of the world's gross national product (GDP), the European Union is a global actor; it should be ready to share in the responsibility for global security."

- 30 While co-financing and opening of markets are crucial points, they require **complementary efforts on the national level**. However, co-financing measures are not readily rendered and **counter-arguments are easily found**. For this reason, debates on co-financing tend to be conducted in a way as if stressing the necessity of global solidarity would detract from
- 35 the importance of an adequate national implementation. The entailing danger of waning local efforts because of foreign support measures can be dismissed as a minor danger as

long as the international transfers continue to be relatively small, and the issues continue to be extreme and serious. More often than not, the ones who invariably and exclusively refer to domestic challenges yet to be met by the poorer countries seem to be most concerned about being spared the cost themselves.

Referring to **Europe as an example** point of reference for worldwide solutions shall not insinuate that, from a global perspective, the European model was perfect. The same applies when tying in with a US activity for Europe by quoting the Marshall Plan. There is no denying the prevalently critical global assessment of any of the US aid programs. Nor that the current rate of resource exhaustion and environmental pollution in Europe, not to mention the US, are unacceptable in the long run. It must however be noted in this context that there are limits as to how far one part of the world, e.g. Europe, can lead the way, when others operate differently and are rewarded for it in an **ill-ordered world of free trade** (prisoner's dilemma situation [87]).

There can also be no doubt that owing to its **colonial past**, Europe is not ubiquitously regarded kindly in this world, and that most countries would reject the idea of adopting a model inspired by Europe. In the current tense state of world politics, the term "Marshall" in relation to the US already constitutes a problem for many who have never heard of the beneficial effects of the Marshall Plan. Therefore, the term **"Eco-Social Global Marshall Plan"** is used primarily within Europe and interactions with dialogue partners in the US. In other contexts, it is better described in terms like **Eco-Social Market Economy**, **Planetary Contract**, **World Solidarity Plan**, or **Balanced Way**. In order to maintain a better balance in this respect, the Initiative uses the title **Global Marshall Plan / Planetary Contract**, with the second half of the name carrying at least as much importance as the first. In conclusion, we wish to stress the point that the naming of the plan

does not insinuate a **naive overvaluation of Europe or the West**, or the developed world, respectively. Quite the contrary, at least as much knowledge as can be contributed by the West has to be incorporated from other parts of the world.

5 Against this background, the **positive appreciation of European political approaches**, as well as the **idea of the Marshall Plan**, is focused on the following points, which are constitutive of the approach taken:

- 10 1.) The willingness to play a part in **international contracts** while favoring consensus (e.g. the UN Convention on the Rights of the Child, the Kyoto Protocol, the International Criminal Court).
- 15 2.) A strong commitment to **environmental protection**. That is, to the extent that no disadvantages result on the world market.
- 20 3.) Substantial investment in a **high social balance** within and among the European countries.
- 4.) Substantial investment in promoting **cultural diversity and tolerance** within Europe.
- 25 5.) The willingness to open markets and take **substantial co-financing measures** for the EU enlargement processes, plus at the very least the intention to **further open markets internationally and co-finance development matters** in the context of a common observance of standards; this again under the stipulation that its own competitiveness is not impaired. It should not go unnoticed that Europe, despite the need to do more, today accounts for 70 % of worldwide development assistance (www.global-society-dialogue.org).
- 30
- 35

This implies that on the whole, Europe (still) favors the "mega philosophy" [58] of an **Eco-Social Market Economy over**

market fundamentalism, provided that the objective of maintaining competitiveness under adverse global circumstances does not enforce a different position. Unfortunately, the latter is sometimes the case nowadays, and one of the causes of irritations currently affecting the political debate in Europe [88].

In this context, there is **no neo-colonial arrogance** in following experience of the EU enlargement processes. Rather, we use some successful principles of European economical philosophy (i.e., market means competition subject to adequate regulatory principles) as basis for a global strategy. This strategy **builds on a broad background of international considerations** that the author has been involved in for more than ten years as a member of many policy advisory boards [27, 48, 69, 78, 79, 84, 85, 99, 117].

The basic position acquired in this process is not specifically European, but was compiled with the collaboration of representatives from all regions of the world in the context of a **Global Society Dialogue** (www.global-society-dialogue.org [33]) initiated by the EU. The respective reflections have at the same time been substantially inspired by the world ethos process [61, 63, 64, 65], which includes all major religions of the world, as well as the complementary **Earth Charter** Process [117] based on humanist tradition, and have found significant support from global networks of planetary-oriented thinkers like the **Club of Rome** and the **Club of Budapest**.

Since the days of **Mahatma Gandhi**, the principle of "co-financing of development under the condition of alignment of standards" is a central position expressed at all international conferences, in particular by the poorer or developing countries. Most recently, this surfaced again during the preliminary negotiations for the **World Summit on the Information Society**. In Geneva, a blockade similar to the last WTO meeting in Cancun was imminent. It evolved around a central

request made by the developing countries concerning a special budget, a so-called "**Digital Solidarity Fund**", designed to contribute to overcoming the digital divide between the North and the South. As always at this point, the rich countries stalled [57]. The same pattern could be observed at the meeting of the **Organization of American States** (OAS) in Montevideo (Uruguay) in January 2004. While the US were intent on discussing free trade, liberalization and the fight against terrorism, most of the Central- and South American states centered on the **eradication of poverty**. However, the demanded **poverty fund** did not find approval and was dismissed by the US in particular. According to US president George W. Bush, programs like this exist in abundance already. **It's obviously as simple as that.**

Mahatma Gandhi

"The earth has enough for everyone's needs but not for everyone's greed."

While co-financing of development is **indispensable and well-founded**, accordant contracts must be supplemented by corresponding duties on the part of the receiving countries, and must be agreed upon at eye-to-eye level, as has always been the case in EU enlargement processes. Respective mechanisms have long been **applied within all effectively operating states**, essentially ensuring balance, coherence, and welfare.

In the author's view, **one to two percent of the (world) gross national product** must be put forth as the volume of co-financing measures taken for the cooperation intended [87]. Other experts, with the scale of the **EU structure funds** as one of the best instruments of EU policy in mind, believe that a lower volume of 0.3 to 0.5 % will be sufficient if correctly deployed [53]. The funds can be raised through various mechanisms, e.g. direct payments by states according to their gross national product, as applied in the EU, or through the **taxation of internationally utilized resources or pro-**

cesses which are critical ecologically, directly related to globalization, or **which gain from globalization.**

As an alternative to the latter, funds could be raised from **fair trade** with rights for resource utilization or pollution. This could be achieved with an intelligent development of the Kyoto Protocol for the time after 2012 [87], e.g. in form of a **market and incentive-oriented global climate certificate system** [136, 137]. In this context, sums of **two- to three-digit billion dollar per year** could be mobilized in the future (ref. chapter V); and the North would be paying for something that belongs to others from a fair, ethical point of view, but which it has been consuming massively and at no charge up to now. Moreover, the **International Finance Facility** (IFF) proposed by British Chancellor of the Exchequer **Gordon Brown** is highly interesting, which is described in detail elsewhere in this text (compare [12, 13, 47]).

For reasons of simplicity and political feasibility, the author considers a **transfer of Special Drawing Rights of the IMF** to the developing countries, a **Tobin tax on international financial transactions** and **taxes on worldwide trade** (in particular telecommunication, energy consumption, agricultural economy, pharmaceutical products, military expenses) to be especially eligible. A **tax in the context of brain-drain** or, as mentioned, a sensible international regime for **trading emission rights for carbon dioxide** (equally distributed per capita) in continuation of the Kyoto Protocol, would be appropriate measures but unlikely to be practicable until 2015, neither politically nor in terms of implementation, according to this document's logic [77, 87, 136, 137]. This latter issue must be tackled in the coming negotiations on the Climate Convention.

Equally important as raising more funds is to use these funds solely for their designated purpose, and linked to the **implementation of certain standards**, e.g. pertaining to environ-

mental and social issues (ref. chapter II). They must not flow predominantly or substantially into the pockets of local elites for consumerism.

- 5 A worldwide Eco-Social Market Economy is regarded as the natural framework for achieving an **open society** [108, 109]; this is especially true against the background of the current transition into a **worldwide information and knowledge society**, in itself bearing special chances, but also risks [27, 30, 33, 48, 57, 69, 78, 79, 81, 84, 85, 117]. These risks are predominantly associated with so-called **rebound effects** of technological progress, resulting from an inadequate regulatory framework for the economy [73, 87, 130].
- 15 As has been illustrated, an Eco-Social Market Economy relies on the power of markets and competition, but it has to be subject to an eco-social regulatory framework at the same time. Thus, its objective is growth under the terms of appropriate **de-materialization conditions (factor 4 / factor 10 concepts, closed loop recycling management, Eco-efficiency and Eco-effectiveness)**, (ref. [10, 11, 87, 102, 134]). **Eco-effectiveness** calls for doing the right things, in which the term distinguishes itself from the concept of efficiency which is solely concerned with cause-effect relations. Linking
- 20 both approaches, i.e. the **efficient implementation of effective strategies**, obviously has a particularly high potential.

- The eco-social approach seems to be the vastly superior model compared to an increasingly deregulated world economy under the terms of the **market-fundamentalist** mega-philosophy dominant today. In terms of material results, the latter creates a **bottom-to-top** redistribution on an unacceptably high level both nationally and internationally [78], and leaves individual countries as well as the whole world **poorer**
- 30 **than it could be** under eco-social conditions.

The objective is therefore a **better design of globalization**, which is indeed possible! This is a central request of the people behind the Initiative for a Global Marshall Plan, the ILO World Commission on the Social Dimension of Globalization cited above [47], of many observers interested in world politics, and particularly of the global movement **ATTAC** [38], which explicitly pursues the cause of a **better design of globalization** [31, 32]. The world could be more balanced, peaceful and, above all, more wealthy than it is today. However, this requires a change in worldwide distribution patterns; in particular **investment in fully unfolding all human potential** on this globe, providing all human beings with **infrastructure at a sufficient scale**, and ensuring **access to required resources** for all. All this can only be achieved under reasonable (world) societal regimes that must be enforced internationally, no different from what has been achieved in historical processes in all states which are successful today. Succeeding with this carries the chance for a desperately needed **global economic miracle** [78, 90].

"Public investments in poor people spur economic growth, while economic growth sustains such investments."

from:
Millennium
Development
Compact
[126]

Intermediate steps are needed on the road to a worldwide Eco-Social Market Economy. That our situation requires a fundamentally new approach has become particularly apparent in the face of the **failure of the most recent WTO development round in Cancun** in the fall of 2003, but also the obvious problems the US face in Iraq, the recent **"offences of fraud"** on national and international finance markets, and the **"looting"** of global ecological resources and sinks, e.g. where climate is concerned.

Additionally, we need to understand the force of the **processes' own momentum**, the special rhythms of national development, and the **large timeframes** required for the worldwide transformation processes in the form necessary today [1].

This refers, among others, to the balancing of tensions implied in terms like regulation vs. self-responsibility, industrialization vs. environment, valuing global public goods vs. market scepticism, Old vs. New, dialogue vs. impact, need for global problem-solving vs. current power imbalances, national identity vs. transnational governance, promises vs. implementation [68]. A sense of **feasibility of change**, as well as **patience** is of the highest importance in this context.

**Václav
Havel**

"One cannot merely follow the timetable we have set for our influence on the world, we must also honour and respect the infinitely more complex timetable the world has set for itself. That timetable is the sum of the thousands of independent timetables of an infinite number of natural, historical and human actions."

15

It was **Albert Einstein** who observed that problems could not be solved by applying the same logic which has caused them. **Friedrich Hölderlin** gives us hope that where problems grow, solutions do, too. A Global Marshall Plan as an example for a Planetary Contract includes both: **a new logic** and, hopefully, the potential for **solving** many of the current problems worldwide.

20

The seven deadly sins of the world

*Wealth without work
Pleasure without conscience
Knowledge without character
Commerce without morality
Science without humanity
Worship without sacrifice
Politics without principle*

Mahatma Ghandi

II. Pressure to Act, Innovative Solutions, Coherent Institutional Design, New Mechanisms of Implementation

The economic "cost" of worldwide poverty (i.e., to forsake prosperity potentials) and its political "risks" (i.e., destructive conflicts, terrorism) are no longer acceptable. This also applies to the "rich" on this planet, whose wealth and security is threatened by such conditions, while chances for increasing prosperity are diminished. If we wish to ensure a prosperous future, there is no realistic peaceful alternative to supporting the development of markets in the "South". Most importantly, private enterprise is called upon to design this **global "win-win game"** in a constructive way.

Considerations on a Global Marshall Plan / Planetary Contract are propelled by the intolerable nature of the current global situation, a fact that is becoming more and more evident to all observers. If global environmental problems are not tackled head on, if prosperity remains a property of the rich only, and if the incredibly huge divide between rich and poor remains, devastating crises and catastrophes will be imminent, especially in the form of **clashes between cultures**. We approach states that can no longer be insured and which threaten the future economic development substantially. The signs of hopelessness and aggression become increasingly hard to ignore [87, 90, 93] both globally and locally. The latter is largely caused by the forced reconversion of the social systems in Europe in the wake of the current globalization processes which leaves 80 percent of the population poorer than before, albeit incurring substantial profits for a small group [78, 87, 88].

This trend follows the direction of current global distribution patterns. It can only be stopped if we manage to shift globalization into a new direction. This even became a point of discussion at the last annual meeting of the World Trade Forum in Davos [9]. Similar thoughts have been expressed

by **Horst Köhler**, until recently Executive Director of the International Monetary Fund [59] and now elected President of Germany.

In the author's view, there are but two possibilities left in the wake of globalization and the effects of the current world structure: Either the world structure stays the same; then the social balance in Europe will be lost forever (the current reconversion process then being only the beginning), or the world structure on the whole is steered towards the implementation of social concerns; then the social balance can be permanently sustained in Europe and in the highly developed Asian countries, though under the presumption that the US, too, shifts back into this direction.

Anyone concerned with the social balance in Europe or the particular interests of at least 80 percent of the European population will sensibly invest in a worldwide social balance and therefore, as a first step, in a Global Marshall Plan / Planetary Contract. With regard to the worldwide threat of **social devastations**, possibly cumulating in more and more terrorism, as well as to looming environmental catastrophes, this is in the best interest of the richest 20 percent of the population in the developed countries, including the US. Terms like "**insightful**" or "**enlightened selfishness**" may thus add an additional motivation in favor of the approach taken here, besides ethical considerations.

Co-financing standards worldwide requires linkage to adequate regional measures, for example within the EU. From the Club of Rome and the Arab Thought Forum stems the ambitious proposal of an over-regional management of **energy and water reserves**, in perfect compliance with the considerations presented here. The same applies to a corresponding proposition for co-operation in the energy sector between Europe and the countries of the Southern Mediterranean, especially where the application of **renewable ener-**

gies [121] is concerned. The latter are of major importance, both in view of **worldwide shortages in the energy sector** imminent from 2015 onwards [69], and the **US Energy Strategy for 2020** [92], which is alarmingly geared towards further increases in consumption. In the light of climate concerns and a recent **Pentagon Study** [103] on oil, this strategy becomes even more irritating.

Reasonable worldwide co-financing of development, in connection with further opening of markets by rich countries in a sustainable manner, and implemented in close reciprocity to the establishment of standards, has the potential of inducing a **global economic miracle** within the framework of a development adjusted to benefit all. To this end, regulatory processes need to be adequately linked to competitive mechanisms, connecting **human potentials, resources and infrastructures** with **well-considered institutional designs** to establish efficient value-adding systems.

A Coherent Global Governance System

The central design element of the proposal for a Global Marshall Plan / Planetary Contract is to take a decisive step towards a coherent global governance structure by **linking existing global regimes** in connection with the target of implementing the **UN Millennium Development Goals** which will be discussed further in the next paragraph. Without this long overdue step, a positive worldwide development will hardly be possible. Such a development can only be accomplished through contracts between the North and the South, **internalization of the cost of global environmental impacts into world economy**, and adequate prize structures. These measures are essential for steering the technological progress towards **massive dematerialization**, thus leading our **ways of life** in a sustainable direction.

Moreover, only such a step seems capable of ensuring **better local government** in many parts of the world, which in turn is a prerequisite of economical and societal development.

To be eligible for financial funding through a Global Marshall Plan for development, countries must accept and implement the **core standards of the International Labor Organization** (ILO Standards), certain **UNESCO** agreements concerning cultural diversity, as well as the **Global Environmental Agreements** (GEA) which are coordinated by the **United Nations Environment Programme** (UNEP). Simultaneously, this entails the basic implementation of the so-called **economic, social and cultural human rights** (www.ilo.org/public/english/bureau/gender/newsite2002/standard/).

In 1995, these have finally gained the same fundamental and international status as the political individual human rights [139]. Having acquired this status shortly after the founding of the UN, the implementation of the latter is much more advanced, albeit remaining problems. An explicit integration of this extra dimension of human rights into a Planetary Contract should be considered. Additionally, the issue of an **anti-monopolistic authority** and a **more stringent control of offshore banking centers** should be tackled in this context, building on the current international efforts in this field. **Money alone solves no problems** - but it can help doing so.

"The goal of UN Secretary General Kofi Annan to reduce absolute poverty by 50 per cent until the year 2015 can only be reached with a fundamental change of attitude on solidarity between the countries of the North and the South."

Therefore, the core demand of this proposal is that the North, by offering co-financing and further opening of its markets, finally ensures that developing countries are able to factually implement the standards aspired internationally, without suf-

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fering **economic disadvantages**. More often than not, these standards have already been signed but are routinely bypassed in interaction with international consumers.

- 5 As long as it is a major competitive advantage for economically lagging countries to disregard standards, it is "**hypocritical**" and a "**misinterpretation of the principle of equality**", as well as a form of "**preferential self-treatment**" on the part of the rich countries to demand adherence to standards without offering co-financing measures. Thus, without co-financing no consensual contract on adhering standards, and consequently **no internalization of cost** related to global environmental and resource problems can be achieved, resulting in a lack of pressure to enforce dematerialization, innovation and new ways of life complying with the goal of sustainable development.

Consequently, the Global Marshall Plan Initiative aims for the successful linkage of ILO, UNESCO and global environmental standards - plus other standards where appropriate (e.g., the World Bank's Safeguard Policies and the ISO standards as indicated by **Maartje van Putten [80]**) - with WTO, International Monetary Fund and World Bank, to form a **coherent system of Global Governance**. This institutional set-up must include an adequate **supreme judicial body**, which could be institutionalized by linking various existing international legislative bodies, in particular the one pertaining to the WTO. The organization of this supreme body will become a central design challenge, as Maartje van Putten points out [80].

Achieving these goals would finally satisfy the demand of the developed countries and many NGOs that the core social standards of the ILO, the cultural consensus as addressed by UNESCO, the global environmental agreements, and the economic, social and cultural human rights are met in the WTO, and above all, that their implementation in world eco-

nomics finally becomes mandatory, enforced mainly by the **sanction mechanisms of WTO, IMF and WB**.

Intriguingly, during WTO negotiations, such demands have repeatedly been made by the US who have as yet failed to ratify more than two of eight core ILO standards, while fulfilling all of them according to experts. Thus, their ratification should present no problem to the US.

What are the core ILO standards about?

The following eight agreements were declared basic agreements ("core agreements") by the ILO's executive council; the underlying principles are considered fundamental human rights (www.ilo.org/public/english/bureau/gender/newsite2002/standard/).

- Convention (No. 87): Freedom of Association and Protection of the Right to Organize Convention, 1948 (Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization).
- Convention (No. 98): Right to Organize and Collective Bargaining Convention, 1949 (Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment. Workers' and employers' organizations shall enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration).
- Convention (No. 29): Forced Labor Convention, 1930 (Call to abolish forced or compulsory labor in all its forms; certain exceptions apply in the military sector, with priso-

ners and in cases of emergency such as wars, conflagrations or earthquakes).

- Convention (No. 111): Discrimination (Employment and Occupation) Convention, 1958
(Abolition of any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation).
- Convention (No. 100): Equal Remuneration Convention, 1951
(Equal rates of remuneration without discrimination based on sex).
- Convention (No. 138): Minimum Age Convention, 1973
(Ensure the effective abolition of child labor; the minimum age for admission to employment shall not be less than the age of completion of compulsory schooling).
- Convention (No. 182): Worst Forms of Child Labor Convention, 1999
(Immediate and effective measures to secure the prohibition and elimination of the worst forms of child labor as a matter of urgency).

Concerning the abolishment of Child Labor, a core concern of the ILO, the following cues from [129] are helpful:

A study by the International Labor Organization (ILO) says the benefits of elimination child labor will be nearly seven times greater than the costs. An estimate is US\$ 5.1 trillion in the developing and transitional economies, where most child laborers are found. The study, conducted by the ILO International Programme on the Elimination of Child Labor (IPEC), says child labor - which

involves one in every six children in the world - can be eliminated and replaced by universal education by the year 2020 at an estimated total cost of US\$ 760 billion. ILO estimates that some 246 million children are currently involved in child labor worldwide. Of these, 179 million - or one in every eight children worldwide - are exposed to the worst forms of child labor, which endanger their physical, mental or moral wellbeing.

In comparison to other social costs, the average annual cost of elimination of child labor would be far less than the cost of financing debt service or the military, the study says. For example, the average annual cost of US\$ 95 billion would amount to about 20 % of current military spending in developing and transitional countries, or 9.5 percent of developing countries US\$ 1 trillion debt service. The study argues that the costs are a "wise investment" as each extra year of schooling stemming from universal education to the age of 14 results in an additional 11 % of future earnings per year, yielding global benefits of just over US\$ 5 trillion. On the cost side, the supply of education accounts for nearly two-thirds of the total costs.

Demographic problems and the Millennium Development Goals

The Global Marshall Plan Initiative aims for the implementation of the **UN Millennium Development Goals** until 2015 as an intermediary step towards a worldwide Eco-Social Market Economy. These goals will be discussed in detail in the next paragraph. Many observers including the author believe that the potential accomplishment of the Millennium Development Goals depends significantly on a **dedicated tackling of the issue of world population growth** [1, 18, 19, 51, 54, 69, 83]. The demographic development has always been of vital

importance to mankind. It is indispensable that the current growth is reversed [54]. To be in control of one's number of descendents is a **human right**, as stated under the term of **Reproductive Health** by the United Nations. Major keywords are, among others, "Women Rights", "Child Spacing", and "Reproductive Rights." The efficient UN body **UNFPA** (www.unfpa.org) addresses this topic independently, and has vastly contributed to an increased worldwide awareness of these issues. The **International Planned Parenthood Federation** [51] works with over 150 family planning organizations in at least 180 countries worldwide to promote sexual and reproductive health, freedom of choice, and the rights of men, women and young people.

15 The **World Population Conference in Cairo 1994** - International Conference on Population and Development - was a crucial event in this context, with 179 states deciding on a groundbreaking plan of action. Until 2015, all human beings were to be granted **access to a broad choice of family planning** measures and accompanying health care. A lot has since been achieved, but not all, and the targets set then are now facing conservative, partly **religious-fundamentalist resistance**, especially in the **US**. Consequently, the funds required and promised in Cairo have not been raised. Until 2000, expenditures were supposed to increase to US\$17 billion per year, to US\$ 18.5 billion until 2005, and to US\$ 21.7 billion until 2015 (ref. [18, 19]).

Two thirds were supposed to be raised by the developing countries themselves, one third by the industrialized nations. **However, the payment morality of the rich world once again leaves a lot to be desired.** In 2001, the industrialized countries raised a total US\$ 2.5 billion - significantly less than half of the agreed sum. The developing countries allocated US \$7.1 billion, 63 percent of what was promised for the year 2000. Therefore, it is important that the rich countries increase their contribution by US\$ 3 to 4 billion within the next few

years. This point will be stressed again when discussing the financing of the Global Marshall Plan.

Because of its vital importance, the demographic issue is internationally dealt with by dedicated persons and organizations, though still at an insufficient scale. From the context the author is personally familiar with [94], the international initiative of the **Rotarian Fellowship for Population and Development**, RFPD (www.rfpd.de; www.rifpd.org) should be mentioned, as well as the **German Foundation for World Population** (www.dsw-online.de/english/index.html) and the **Population Institute in Washington**, USA (www.population-institute.org). In recent times, members of parliament around the world engage in issues of population and development.

"National strategies for the Millennium Development Goals must include a commitment to women's rights to education, reproductive health services, property ownership, secure tenure, and labour force participation."

*Millennium
Development
Compact
[126]*

The United Nations stress this correlation between population growth and the Millennium Development Goals explicitly and in great detail [123], as does the German Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung) in a special publication on the topic "Sexual and Reproductive Health" [15].

Religious fundamentalists in many parts of the world, particularly in the US, have been **jeopardizing the consensus of Cairo** and international strategies for the **enforcement of reproductive rights of people in poorer countries** since several years, aiming to deprive people in the poor world of what is a matter of course in the rich countries, i.e. the right to control the number of children one wishes to have, and to be granted the necessary information and technical means. The US were the **only country** which explicitly dismissed the **human right for reproductive self-determination** during

the annual conference of the UN Human Rights Commission in Geneva, March 15th to April 23rd 2004. On this, the German Foundation for World Population issued the following press release (www.weltbevoelkerung.de/presse/texte.html):

**UN confirms human right on family planning
The EU parliament decides too:
Every human being is entitled to education and birth control.**

Geneva/Hanover/Strasbourg, April 26, 2004.

The Human Rights Commission of the United Nations has acknowledged the human right to health, including the right to education and birth control with an overwhelming majority. The resolution granting every human being the right to reproductive self-determination was passed against one single dissenting vote. The United States were the only nation voting against the resolution.

"It is a question of survival for millions of people in developing countries to be able to protect themselves against HIV / Aids and unintentional pregnancies, and receive the respective health care," explains Renate Bähr, vice director of the German Foundation for World Population (DSW). "The position of the US for us is incomprehensible." (...)

By denying them the right to reproductive self-determination, great harm is caused to hundreds of millions of people and their children; it is a disaster for many women in many countries, their children and families. And it goes without saying that in this way, the development perspectives of whole countries and regions of the world are nullified.

The **fundamentalist opposition**, particularly of influential powers from the "bible belt" in the US, is the underlying reason why the UN Millennium Development Goals address the issue of demographic development less clearly and openly than the situation factually requires. Instead, they (only) refer to goals like the reduction of child mortality, education and equal rights for women, which are positively correlated with the enforcement of reproductive rights. If addressing this issue directly continued to be difficult, in the context of the

Global Marshall Plan Initiative, it would be particularly important for the majority of judicious donor countries to provide for a broader incorporation of respective programs into the international development cooperation. Possible means could be national support programs or, e.g., measures taken in the context of transferring Special Drawing Rights from the IMF (see below) - if the aspired development goals were to be reached until 2015 at all.

What is the state of affairs concerning environmental standards?

Some argue that, from a legal perspective, **all global environmental contracts are already mandatory for the WTO** today [77], a perception largely regarded with scepticism or seen as not sufficiently tested. This proposal for a Global Marshall Plan would render such uncertainty obsolete by explicitly incorporating adherence to these standards into the WTO regulatory frameworks. But what would this implicate for the US, if a Global Marshall Plan is passed and they still refuse to ratify the Kyoto Protocol, which by then should be in force? Such details need to be addressed if a Planetary Contract is to become reality. The question of how to organize the integration of multiple global regimes into a **coherent global governance system** represents a sizable intellectual challenge. Experts will be called for, because a convincing design will be crucial for reaching a consensus on a Global Marshall Plan.

A particularly urgent issue to be addressed in such a contract is adequately safeguarding the livelihoods of those among the poorest, whose survival and well-being depends directly on an **intact natural habitat** from the destructive grasp of world economy (e.g. building of dams or resource degradation without adequate accompanying social measures). This is elaborated on in [97]. In practice this means that, at the

very least, appropriate compensations accompanying forced relocation must be provided on a national level. If necessary, adherence or non-adherence would have to be checked and sanctioned by the proposed **legal institute of the global governance systems** to be established, and thus indirectly by WTO jurisdiction.

Interestingly in this context, NGOs and churches are engaged in a discussion similar to that in [97] regarding rich countries' obligations according to the International Covenant on **Economic, Social and Cultural Rights** [139]. Whenever obligations are inferred from this covenant concerning co-financing, e.g. the fight against hunger, the rich countries usually argue in a reserved manner.

Rightfully, NGOs counter this by pointing out that if the rich countries refuse to raise additional funds for development, they are at least by international law restrained from lending financial support to worldwide measures which deprive local populations of the most basic of these rights. In detail, this applies to support measures for exports, e.g. related to construction of dams, mining projects, and possibly agriculture and fisheries, whenever sufficient **accompanying measures ensuring balance and compensation for those adversely affected by such "development projects" are not in place**. By lending such support, the rich North actively harms many poorer people. This can no longer be accepted in the future, and should be impossible as a matter of principle within the framework of a Global Marshall Plan.

It should not go unnoticed that these issues are already addressed today when international development projects are being assessed and funded. Such assessments are **standard procedure before granting credits by the World Bank**. Pertaining to this, **Maartje van Putten** remarks on the so-called "**Equator Principles**" [80]:

"The Equator Principles are an initiative of today 20 leading Private Banks (such as Credit Suisse Group, ABN-AMRO Bank, Dresdner Bank, City Group, Barclays plc, Royal Bank of Canada). The 20 banks together cover, according to information given to me, in their private lending activities around 80 % of lending for the private sector to developing countries. These principles commit signatory banks to follow the environmental and social safeguard policies set out by the International Finance Corporation (IFC) of the World Bank group. Since this is an initiative concerning the private sector financial activities, this could be taken into account in the Global Marshall Plan."

Maartje van Putten [80]

When it comes to concrete implementation, however, decisions are being based on statements from the respective government. And more often than not, the situation of the people concerned, e.g. concerning resettlement, is quite different in reality than on paper. For this reason, it is of vital importance to grant affected people the **legal means of verification and the right to file actions on the global governance level** to be established. Incidentally, the World Bank has convened a respective **Inspection Panel** in acknowledgement of this issue, and addresses it in its strategy for the interaction with civil society organizations [119]. As a member of this Inspection Panel, **Maartje van Putten** offers these interesting cues [80]:

"The World Bank was indeed the first international institution that created in 1993 an independent forum to private citizens that believe they are harmed or could be harmed by a project financed by the World Bank, by the creation of the so called Inspection Panel, a three-member body. This experience of ten years could be of use when a European initiative is taken to set up an international judicial body."

Maartje van Putten [80]

Furthermore, she questions the role of other international development banks:

"A question not answered is also what the other International Financial Institutions or Development Banks could do. As there are: The Asian Development Bank (ADB), the Inter-American Development Bank (IDB), the European Bank for Reconstruction and Development (EBRD), and the African Development Bank."

Maartje van Putten [80]

Finally, **local governments** in many cases would have to **make a substantially bigger effort on good national governance** than they do today, as a part of the required standards. Only subject to this condition will these countries be eligible for funding by a Planetary Contract, according to the terms of this proposal. Agreements on transition periods allowing for **institutional adjustment measures** and **capacity building** are advisable, similar to the **candidate status** of the EU enlargement processes. For decisions on who is eligible to receive funds, and also with regard to experience with the EU **structural funds**, the following remark by **Maartje van Putten** [80] can be important:

Maartje van Putten [80]

"Finally I want to pose the question who will benefit from the funds? As is clear from the document, the created funds have to be used to close the gap between the rich and the poor worldwide. The present activities of development institutions are mostly based on the OESO-DAC norms. Certain countries are considered to be developing countries, others belong to the developed world. Yet this division is not accurate anymore. Poverty and even hunger as we know exist also inside Europe and the United States. To get global support for the Initiative might go faster if this phenomenon is recognized. I am aware this creates the problem or risk that the funds will be used more easily in places where other national funds should be in place. Nevertheless, at least recognition of the gap in all places seems to be important. After all, this hidden poverty could create the same risks as we see elsewhere."

If all this takes place in the manner characteristic for the EU enlargement processes, the relatively high growth potentials of countries catching up afford promising perspectives for the abolishment of poverty [78]. As a side effect, a higher **social and cultural balance** will be created on this earth, a step long overdue. These growth potentials could be met in a manner consistent with global sustainability concerns regarding environmental damage and resource consumption, if we manage to create an adequate regulatory framework, if entrepreneurship, good administration and judicature are massively promoted, and if all this is co-financed. On the part of the developed countries, **further, orchestrated opening of**

markets is indispensable. On part of the countries catching up, certain "sealing-off" measures may be temporarily necessary (and the WTO should become more flexible towards this). It may also not be practicable to request entirely democratic conditions from the very beginning. The history of states like **Singapore, Taiwan, Korea or China**, as well as many more among the countries that are rich today, may exemplify this.

At the same time, world contracts in the context described have to provide for the restriction of worldwide resource consumption and environmental pollution, e.g. through **internalization of the real cost into price structures**, in order to steer the growth needed towards sustainability, and to promote respective **technological innovations** and **new ways of living**.

Therefore, the **worldwide protection of the environment** subject to globally agreed conditions is indispensable for the approach taken here. The further **technological progress**, vital for tackling the problems ahead, can thus be directed towards a **substantially increased rate of dematerialization (Factor 4 / Factor 10 concepts)** [10, 11]. Key to this is the development of products and manufacturing processes which allow materials to flow in biological and technical cycles.

"The industrialized countries pursue protectionist policies while preaching free and fair world trade."

Kofi Annan [4]

By applying these structure conditions as requested, the aforementioned **rebound effects** [73, 87] of technological progress can also be avoided. A worldwide social balance, as has been accomplished in Europe, should be possible in the long run through asymmetrical growth rates, which could amount to six to ten percent for many years in the South, while more than two percent will hardly be possible in the

North [69, 87]. However, this will depend on adequate co-financing measures targeted particularly at the establishment of appropriate **national conditions**, including **Good Governance** and a **sufficient social balance**. **More balance is thus a topic to be dealt with both between states and, in many cases, within states**. The **10~> 4:34 concept** of a worldwide social balance developed in [86, 87] emphasizes this notion. Developments of this sort are of essential concern for the proposal of a Global Marshall Plan / Planetary Contract at hand.

Financial support must be linked to explicit obligations. Corruption and capital exodus have to be fought and, where possible, eliminated. It is crucial that solutions in favor of development are supported and rewarded. Above all, the socio-economic development from below has to be promoted (micro credits, agriculture, support of women, education programs, health, involvement of NGOs). Education and training, especially of women, are key factors.

20 The employment of funds requires a new logic

A third dimension is crucial for a Global Marshall Plan, on top of a **coherent system of governance** (with an anchor role for the WTO), further opening of markets, as well as sufficient **financial resources** and **intellectual contributions**: namely, a **new and improved way of employing funds**. To enable development is not easy. **Good will and money are not enough**, a lesson learned through painful experience of the last decades. The concepts of development assistance have been markedly improved during the last years, and both IMF and World Bank have developed a variety of new approaches. Yet, despite these improvements, employment of the funds for international development, additionally raised through a Global Marshall Plan / Planetary Contract, must follow a **new logic**. It is not our intention to extend the scale of current inter-governmental development assistance, although it will continue to play a role. New approaches can

draw from a wealth of experiences from the last years and decades, which have by now made an impact in science, too (ref. [39]).

The concepts of the **new development economics** imply important consequences for development policies and co-operation. They dismiss the unrealistic basic assumptions of the neoclassicist model of competition and take into consideration market power, spill-overs, incomplete information, institutional frameworks, and the problematic implementation of advice in political processes. Corresponding to the increasingly complex nature of the problems faced, the traditional model is not to be replaced by a single new model, but by various theoretical approaches, offering new angles. The **new growth and foreign trade theory, new economic geography, new political economics** and the **new institutional economics** are prominent examples for this new approach. They stand the test particularly in the area of research on developing countries, where the unrealistic traditional assumptions on perfect markets and an optimized functioning of political transmission mechanisms proved to be especially unrealistic (ref. [39]).

Regarding implementation, the design should include **bottom up approaches** as practiced by the **Grameen Bank** and the **micro-credit movement** [145] as well as comprehensive considerations like those by **H. de Soto** [17] concerning **creation of property in poorer countries**, or those of **Amartya Sen** [104], Nobel Prize laureate in economics, on overcoming poverty by enabling initiatives of those concerned. Other valuable sources for questions of design are the reflections by Nobel Prize laureate in economics **Joseph E. Stiglitz** [115], and by **Jean Ziegler** [146], UN Special Rapporteur on the Right to Food, whose statements are further substantiated by his deep personal insights into IMF and World Bank processes.

As **R. K. Stappen** elaborates in a statement on the Global Marshall Plan Initiative [112], all considerations as well as the employment of new funds must be embedded into the **Rio and Johannesburg follow-up processes**. The further development can be based on the **Agenda 21** model with its far reach into the future as a framework for action. These agendas are scheduled for a larger international review in 2016/2017. In this sense, a Global Marshall Plan would be a continuation of the Agenda 21. Additional funds should accordingly be employed for the enhancement of the **Global Environment Facility**.

P. Johnston [53] maintains that the conditions for **foreign investment** in developing countries should be improved. This area holds a large potential for development, particularly if principles of **Corporate Social Responsibility** are adhered to. Today, **money transfers by remittances of emigrants** back into their home countries have a higher volume than the international development assistance, and have multiple positive effects. Financial support must be steered towards **adjusted new structures compliant with sustainability concerns**; to copy the unsustainable structures of the North cannot be an objective. Instead, **growth and resource consumption must be uncoupled**. Therefore, the **transfer of knowledge and technology** instead of money may play an important role.

Of strong interest, but also highly disputed, are new developments concerning the proprietorship of software, e.g. **open source**. In this context, **W. Heidrich** describes another interesting initiative in the field of **innovation culture**, utilizing the possibilities of the internet [43]. The approach proposed here could efficiently merge the innovative factors - knowledge pertaining to new technologies, human resources, scientific-technical infrastructures, and knowledge on how innovative processes evolve.

A standardized global **platform for innovative technologies** (<http://ibitz.biz>), built from autonomous regional professional

exchange sites, will offer new possibilities for regional economic development if local future-oriented structures are consequently used in connection with networks of innovation-oriented experts. The creation of such a network is in preparation. New global innovative partnerships based on the **application of creative work** and making "**special use of scientific-technical infrastructures**" are capable of significantly increasing the potential for innovations and thus spur the economic development of regions both in the South and the North of the globe. A precondition is that the people actively involved receive a fair share of the economic success, and initial investment is minimized. Allowing space for innovative and entrepreneurial action, granting tax incentives for "work invested in innovation processes," and making "special use of scientific-technical infrastructures" are factors (according to considerations from **W. Heidrich**) capable of significantly boosting the development of a global innovation culture which is based on a "**creative laborism**" and the change of the current market economy towards a socio-ecological market economy within the framework of a Global Marshall Plan.

Mobilizing citizens could provide ample opportunity, **M. Gege** [29] maintains, e.g. through **public funds** geared to promote sustainability. The application and promotion of such funds could be an effective mechanism for further **leveraging** funds we hope to activate within the scope of the Global Marshall Plan. Concerning the usage of co-financing means, **P. Hesse** of the Peter-Hesse-Foundation explains [45]:

"The co-financing of an adequate conduct of states provided in the concept of a Global Marshall Plan, for the establishment of and adherence to social and environmental standards, may prove effective in cases where the respective governments successfully aspire "good governance," i.e. a transparent and efficient administration, but not in states with corrupt regimes. Therefore, effective poverty reduction and basic social services often cannot be achieved via governmental channels - although this should be an obligation of the state."

Peter Hesse
[45]

Peter Hesse
[45]

Direct means must then be found for enabling the people directly concerned to help themselves. To achieve this, transparency and control are required, as well as people - mediators, facilitators - honestly committed to working at and for the grass-root level. Such people can and should be found directly in the respective countries, close to and with the cultural competence to facilitate the self-help of needy populations. This must however be supplemented by trustworthy donor deputies managing the transfer of funds from outside to the people concerned.

10 **P. Hesse** refers in this context particularly to the positive experiences of the concept "**Partnership Helper Model**" developed with his collaboration, and its continuations.

15 Further necessities must be pointed out here. It is imminent to improve the worldwide status of information on various **socio-economic parameters**, linked with **digitalized cartographic information**. This topic is known under the term of **Digital Earth** [60, 61], and has been significantly inspired by former US vice-president **Al Gore**, as has been the Global Marshall Plan Initiative [36]. It will require much more attention if the conditions for a sustainable development are to be established. At any rate, first steps have been made and can be built on. In particular, existing means of collecting and providing information via satellite, e.g., must be made available not solely for **military and security purposes** but also for the promotion of a sustainable development. To this end, the European satellite radio navigation system **Galileo** opens new potentials.

30 Further reference shall be made to the comprehensive reflections of **George Soros** [109], who proposes that private initiatives compete against each other for the funds allocated for co-financing. A respective neutral jury should be instituted within the IMF, but its allocations should be materially independent of the IMF's decision structures.

35 It is equally important to recognize the need for an **adjusted technology**, which has been widely observed. Obviously, to

transplant the **large-scale technologies** of rich countries into developing countries is not always an adequate solution. Rather, technologies should be adjusted to the particular circumstances, focussing on **generating employment** and the gradual individual development of billions of relatively poor people. **Agriculture** will continue to play an important role for a long time [142]. **Renewable Energies**, help towards self-help, decentralized approaches, and the **development of self-initiative** are major topics.

10 We also have to see to it that the **financial means employed reach the local people** to the highest possible extent [77, 78, 79, 106, 107, 109, 139], instead of being largely used up by experts from rich countries managing projects on site, as is very often the case today. Practices can no longer be acceptable where more than 50 percent and sometimes even up to 90 percent of current development assistance remain in the donor country.

III. Objectives: The Global Marshall Plan Initiative as an Intermediate Step towards Sustainable Global Conditions

With the United Nations Millennium Development Goals, the world community has established a clear notion on the progress to be made by 2015 in terms of eradicating poverty and destitution. Simultaneously, the Zedillo Report identifies the financial dimensions of this endeavor as well as the implementation mechanisms required. Now is the time to implement this program.

The concept of the Global Marshall Plan Initiative uses the objective of implementing the **UN Millennium Development Goals** (www.un.org/millenniumgoals) as an intermediate step towards the establishment of an Eco-Social Market Economy, with these internationally accepted goals functioning as a benchmark scheduled for 2015. They constitute an ambitious project that has been verified internationally, and has given rise to conceptions of the **additional funds required** that will likely be met with international approval, and to new ideas for their practical implementation which have been outlined at the end of chapter II. Thus, the conditions are favorable. Now is the time to proceed from the proclamation of goals to their implementation, and to results. This is the objective of the **Global Marshall Plan / Planetary Contract Initiative**.

30 The UN Millennium Development Goals

Until 2015, the UN Millennium Development Goals include the following objectives:

- 35 ■ **Fight against extreme poverty and hunger:** the number of people worldwide who earn less than one Dollar

per day is to be reduced by half (more than one billion people today).

The current report by the Food and Agriculture Organization (FAO) in Rome clearly indicates that the number of starving people does not decline but is again on the rise, i.e. the world is farther than ever from reaching the Millennium Development Goals 25. Substantial progress has been virtually restricted to the positive development in China and, partly, in India, comprising approximately 2.3 billion people.

- 10 ■ **Education for all:** Ensure that all boys and girls complete a full course of primary schooling.
- 15 ■ **Fight against child mortality:** Reduce child mortality to one third of current numbers.
- 20 ■ **Improve maternal health:** Substantial improvements are required. This topic relates to questions of Reproductive Health, and thus to demographic development (e.g. Child Spacing) as mentioned above.
- 25 ■ **Combat HIV/AIDS, Malaria and other diseases:** This is a major concern for some of the least developed countries facing medical states of emergency. The goal is to bring to a halt or even reverse the current spreading of HIV/AIDS and the incidence of Malaria and other world-wide diseases.
- 30 ■ **Ensure environmental sustainability:** Amongst other things, the loss of environmental resources should be reversed, the number of people without access to safe drinking water (more than one billion today) halved by 2015, and by 2020 the living conditions of more than 100 million people living in slums significantly improved.
- 35 ■ **Develop a global partnership for development:** Develop further an **open trading and financial system** including

a commitment to **Good Governance**, development and poverty reduction - nationally and internationally.

- 5 ■ Address the least developed countries' special needs including enhanced debt relief for heavily indebted poor countries.
- 10 ■ **Develop decent and productive work for youth.** In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.
- 15 ■ In cooperation with the private sector, make available the benefits of new technologies – especially information and communications technologies, thus contributing to bridging the **digital divide**.

(Note: as to the digital divide, ref. [27, 33, 48, 57, 99, 144], as to the abolishment of child labor, ref. [52]).

20 Drawing from preparatory work dating as far back as 1986 [4, 20, 26, 55, 105, 118, 123, 124, 125, 126, 128, 140, 141] the UN Millennium Development Goals have been concerted on UN level. Meanwhile, these goals have been agreed upon by
25 major international organizations like the WTO, ILO, World Bank, or IMF, as well as the OECD and all large nation states. **The world has codified what it aspires to achieve in the medium-term in its fight against poverty** – assuming that such statements are sincere and not just noncommittal
30 instruments to gain time and to hold off on actions.

The Millennium Goals are truly ambitious. Thus UN Secretary General Kofi Annan recently pointed out that, starting today, 150,000 people per day would have to be connected
35 to a water system in order to achieve the respective goal until 2015. We are nowhere near this stage. As always, the unsettled question is how to ensure that goals set in a major inter-

national statement will be effectively achieved. Once again, no substantial progress has been made with any of the objectives pompously declared. The British Chancellor of the Exchequer Gordon Brown, who **follows the topic with particular global dedication and vision**, recently delivered an
5 impressively precise and clear comment on the situation in an important contribution for the conference „Making Globalisation Work For All – The Challenge Of Delivering The Monterrey Consensus”, held in London on February 16, 2004
10 [13]. On this occasion, he also elaborated on his proposal of an **International Finance Facility**, which has been taken up by many in the meantime, albeit lacking clearness as to how the funds will factually be raised, which may turn out as its major pitfall in the author's view. In his contribution, which repeatedly alludes to the historical Marshall Plan, Gordon
15 Brown says (citations picked and highlighted by the author of this text):

- 20 ■ *2005 is a crucial, defining year; a year of challenge but also a year of opportunity.*
- 25 ■ *Five years before, in a historic declaration - in perhaps the most significant international commitment of recent decades - every world leader, every major international body, almost every single country, signed up to the historic shared task of meeting over fifteen years eight Millennium Development Goals - an extraordinary plan to definitively right some of the great wrongs of our time. At the heart of which is a clear commitment to ensuring education for every child, the elimination of avoidable infant and maternal deaths, and the halving of poverty.*
- 30 ■ *Next year, 2005, is the first date that the first target comes due.*
- 35 ■ *But we know already that the first target to be set and to be met - the 2005 target that ensures for girls the same*

opportunities in primary and secondary education as boys - is going to be missed. Not only are the vast majority - 60 per cent of developing countries - unlikely to meet the target but most of these are, on present trends, unlikely to achieve this gender equality for girls even by 2015. This is not good enough - this is not the promise that we made.

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■ Take education. Yes, in the past decade, primary enrolments have increased at twice the rate of the 1980s. But consider the 115 million children - 80 million boys and girls in Africa and south and west Asia - who did not go to school this Monday morning.

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■ To reach our education goals requires 80 million new primary school places in Africa alone over the coming decade and at the current rate of progress more than 70 countries will fail to achieve universal primary education by our target date, and in Sub-Saharan Africa we will not achieve what we committed to by 2015 until at the earliest 2129. This is not good enough - the promise we made was for 2015 not 2129.

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■ And take our Millennium global poverty target. Although the number of people living in extreme poverty has fallen by 10 per cent in the last ten years, there are one billion people still living on less than \$1 a day. And without greatly increased growth, Sub-Saharan Africa, the Middle East, North Africa, Latin America, the Caribbean and the transition economies of Europe and Central Asia will all fail to see the halving of their poverty by 2015. Our best estimate is that it will not be achieved in Sub Saharan Africa for more than a hundred years. This is not good enough - the dream we dreamed was not for 2147 but for 2015.

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■ Too often our world has set targets like our Millennium Development Goals and failed to meet them so that a global target is only a measure of how far we have failed not succeeded.

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■ Too often we have set goals, reset them, and recalibrated them again so that all we end up doing is mitigating the extent to which we have failed.

■ And if we, knowing what we have to do, fail to act now, we will not only fail the poor this time but they will never believe our promises again.

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■ Let us be clear: the world did not come together in New York in 2000, come together in Doha in 2001 and come together in Johannesburg and Monterrey in 2002 to make promises and then walk by on the other side when we see them broken.

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■ So when the need is pressing, when it is our generation that has made historic commitments, the simple questions that, to use the words of an American President, we must ask are:

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If not now – when?

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If not us, who?

If not together, how?

■ Not left to some other time and some other people but now and us, working together.

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■ And I propose we all - all of us who believe that globalisation must also mean justice on a global scale - commit ourselves to a specific course of action, and then each of us as partners - government, business, NGOs and faith groups, international institutions – agree to work together to make the radical changes required. And as Tony Blair

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has said: for the sake of Africa and the poorest countries we will make our 2005 G8 presidency a 'Development Presidency'.

- 5 ■ *Put simply, our proposal is that in return for developing countries developing their own country owned, community owned poverty reduction plans to expand their own development, investment and trade, and eliminate corruption:*
- 10 • *we, the richest countries, commit the \$10 billion needed each year for education for all.*
- *we, the richest countries, release at least \$10 billion for tackling AIDS, TB, and malaria.*
- 15 • *we finance sustainable debt relief.*
- *we finance, for the poorest countries, the building of capacity to trade and that we do so by increasing development aid, on the road to 0.7 per cent of GDP, and by, immediately, creating an International Finance Facility that, by leveraging in an additional \$50 billion each year until 2015, brings forward the development aid and investment that is essential to meet the Millennium Goals.*
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- 25 ■ *The richest countries making a commitment to provide long-term, predictable and effective aid as investment to the countries that need it most, and promising every developing country that is prepared to make the reforms necessary that they will not be denied the resources for their own country-owned, community-owned programmes to tackle illiteracy, disease and destitution.*
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- 35 ■ *While the scale of the new deal we propose between developed countries and developing countries is massive, the demand we make is not unprecedented. Let us remember that to finance the development of a ravaged*

post war Europe, the richest country in the world - the USA - agreed in the historic Marshall Plan of 1948 to transfer one per cent of their national income each and every year for four years - a transfer in total of the equivalent in today's money of \$75 billion a year.

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- 10 ■ *This Marshall Plan was a transfer of resources in what was more than an act of charity: it was a frank recognition that - as we say today of the relationship between developed and developing countries - prosperity like peace is indivisible and prosperity to be sustained must be shared.*
- 15 ■ *In setting out his objectives at Harvard University in 1948 Marshall articulated then the greater unifying vision that can inspire us still today of a global fight against, as he said, 'hunger, poverty, desperation and chaos' that would secure not merely 'a working economy throughout the world' but 'permit the emergence of political and social conditions in which free institutions can exist'.*
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- 25 ■ *And although today's global new deal would be constructed in new times, it is rooted in the Marshall Plan's enduring values. Like these visionaries we understand that there are global concerns - including terror - to which together we must respond with unified resolution.*
- 30 ■ *Like our predecessors we see the need for a comprehensive plan that can only succeed if it goes beyond temporary relief to wholesale economic development. Like them we see the need for a new global economic and social order grounded in both rights and responsibilities. And so like theirs our proposals ask the poorest countries also to rise to the challenge.*
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- *If anything, however, the scale and the global breadth of the challenge is more urgent and pressing today. Even more so*

than in Marshall's era national safety and global reconstruction are inextricably linked. And even more so than in Marshall's time our interdependence means - as September 11th proved so tragically - that what happens to the poorest citizen in the poorest country can directly affect the richest citizen in the richest country - making the case for visionary action stronger now than it was 50 years ago.

■ And our vision of the way forward - akin to Marshall's challenge to rich and poor countries alike - is that by each meeting their obligations for change all countries can benefit and the Millennium Goals can be achieved.

■ For the richest countries: it will mean new responsibilities - to open our markets and to curb protectionism and to transfer resources - but also new opportunities - increased trade and a globalisation that also means both security and justice on a global scale.

■ For the poorest countries: new responsibilities - to pursue transparent, corruption-free policies for stability and a properly sequenced opening up of investment, trade and economic growth - and new opportunities - with the capacity for increased growth and trade and a transfer of resources from rich to poor to tackle long standing problems of ill-health, illiteracy, poverty and underdevelopment

■ Making better use of existing aid - reordering priorities, untying aid and pooling funds internationally to release additional funds for the poorest countries - is essential to achieve both value for money and the improved outcomes we seek, but in addition to these reforms, I ask this conference to recognise that aid to Africa which was \$33 per person ten years ago is just \$20 per person now, that the scale of the resources to tackle AIDS, illiteracy and poverty is indeed in excess of what traditional funding can offer and I therefore ask all governments both to

move towards our agreed target of 0.7 per cent and to, immediately, look seriously at our proposal for the International Finance Facility.

■ The IFF is founded upon long-term, binding donor commitments from the richest countries. It builds upon the additional \$ 16 billion already pledged at Monterrey. And it leverages in additional money from the international capital markets to raise the amount of development aid for the years to 2015 from \$50 billion a year to \$ 100 billion per year. \$ 50 billion that will allow us to attack the root causes of poverty not just the symptoms, and to meet the Millennium Development Goals.

So the practical benefits of the IFF are:

■ We could write off more debt and because it will enable us to give grants, ensure a sustainable exit from debt.

■ On health, we could meet our global goal of cutting infant mortality and maternal mortality and eliminating malaria and TB.

■ On the AIDS crisis, which Bono has spoken about far more eloquently than I, we could make available treatments and contribute to the search for a vaccine that might permanently end its scourge.

■ On education, we could make primary schooling for all not just a distant dream but a practical reality.

■ On trade, because we recognise that to benefit from access to our markets, the poorest countries need investments in infrastructure, education, health and economic development, the IFF could provide the support necessary.

- 5 ■ *Let us continue to work with you to examine the Tobin tax; the Soros proposal for Special Drawing Rights; other forms of revenue raising on a worldwide basis. But each one of these proposals will come down to one simple question; is there sufficient will in the richest countries to agree these profound changes?*
- 10 ■ *I believe that the advantage of the International Finance Facility I have described is not just that it is a better means of providing the necessary resources immediately and thus far faster than other initiatives, but also that unlike other measures like taxes - where all countries must impose it or it can work for none - the IFF can proceed even if some fail to participate.*
- 15 ■ *I thank the growing number of countries who have indicated support for the IFF, in the G7 and elsewhere. Francis Mer the Finance Minister of France and I will hold, in Paris in April, a conference on the IFF, which 60 countries will attend, and the IMF and World Bank will discuss the conclusions of their report on it later this year.*
- 20 ■ *2015 is the fixed point on our horizon - seemingly distant but closer than we think. But it is actually 2005 - as close as can be - that will determine whether we are likely to make the rest of the journey.*
- 25 ■ *If we let things slip, the Millennium Goals will become just another dream we once had, and we will indeed be sitting back on our sofas and switching on our TVs and - I am afraid - watching people die on our screens for the rest of our lives. We will be the generation that betrayed its own heart.*
- 30 ■ *Last year - 2003 - the world trade talks stalled and we took a step back from 2002. Let us make next year different.*

- 5 ■ *I appeal to business - whom I thank for their attendance today: to engage with the development challenge - participating in a dialogue that I am confident will lead eventually to a richer world.*
- 10 ■ *And I appeal to NGOs and faith groups: to hold us accountable, to be the conscience of the world, to be the voice that guides us at this crucial crossroads, to work together with no one ever subordinating their own objectives but recognising that each of our objectives can be better realised if we can agree the financing to underpin them.*

In 2015 we cannot look back and say:

"It was not us who acted, it had to be left to the next generation; It was not now, but some other distant time in the future" - That is not good enough

- 20 ■ *When the need is urgent and our responsibilities clear; and even when the path ahead is difficult, hard, and long, let us not lose hope but have the courage in our shared resolve to find the will to act. And let us say to each other in the words of Isaiah "though you were wearied by the length of your way, you did not say it was hopeless - you found new life in your strength".*
- 25 ■ *The strength together to fight poverty, remove destitution, end illiteracy, cure disease. The challenge is for our time and for our generation. And let us achieve it together.*

Gordon Brown's text is wonderful. Let's hope that the British G8 presidency in 2005, designated as "**Development Presidency**", will get the implementation of the topical concerns up to speed. A glass halfway filled is either half-full or half-empty. The author and many observers from NGOs view the results achieved since 2000 more critical than Gordon Brown puts them, i.e. mainly as dashed hopes. Neither the 2002 World Summit on Financing for Development in Monterrey, Mexico,

nor the **Rio+10 Earth** Summit in Johannesburg, 2002, or, finally, the **WTO development** round in Cancun in 2003 have effectuated the results hoped for, as far as the global civil society is concerned. The data accumulated for the current world development report [25] indicate clearly the aforementioned fact that in the last years, instead of being eradicated, hunger is on the rise again. As is often the case, major deficits prevail concerning both **funding** and **implementation mechanisms** in this context. This is where the Initiative for a Global Marshall Plan / Planetary Contract takes up.

Kofi Annan,
October 2000
[4]

"The heads of state and government have declared to free their peoples from the scourge of war, from bitter and inhumane poverty and from the threats to life caused by environmental pollution and lack of resources on our planet. They have committed themselves to promote democracy and rule of law, to protect our children and other endangered groups and to pay special attention to the needs of the African continent. They have also promised to grant the United Nations an instrument for the implementation of all these goals with more effectiveness.

These promises give us hope but they will not make a change if they are not followed by deeds. Shortly after the Millennium Summit, the blood shed in the Near East illustrated how dangerous it can be if there is no solution for political and social misery."

According to an analysis by the UN (the **2001 Zedillo Report**, ref. www.un.org/reports/financing/full_report.pdf), approximately US\$ 50 billion in co-financing funds are lacking per year for the achievement of the UN Millennium Development Goals. An additional US\$ 20 billion per year are needed for the provision of **(global) public goods**. For a correct perspective on the dimension of these missing funds, please note that the scale of international **development assistance is about US\$ 56 Billion** per year. This amount represents an important statistic for the Millennium Development Goal "Establishment of a global Partnership for Development" and has **declined** from 0.33 % of the donor countries' gross domestic product in 1999 to 0.22 % in 2001. Where the poorest countries are concerned, the decline is even more serious, namely from 0.09 % to 0.05 %.

Particularly depressing is the extremely low contribution of the world's richest country, additionally constricted by numerous requirements, of merely 0.11 % by now (including recent increases) [124], while **Europe's contribution of about 0.35 percent GDP** adds up to a **total of 70 % of global development assistance** today. The level of international development assistance is much too low and has to be **increased quickly and drastically**, eventually reaching the 0.7 % promised for decades. This is one of the core demands of the Global Marshall Plan Initiative, which would make a major contribution to this end, if its objectives were implemented.

Furthermore, the volume of development assistance of US\$ 56 billion has to be compared to the interest **payments of the South to the North**, which amount to about US\$ 136 billion per year. In comparison, Germany's governmental budgets currently amount to approximately 1000 billion Euros. The current US military budget is about US\$ 440 billion, and in November 2003, the US congress has given approval for a further **US\$ 87.5 billion to fund the military operations in Iraq and Afghanistan** in 2004. A mere **US\$ 18.6 billion** of this are designated for **humanitarian aid** and reconstruction in Iraq, and US\$ 1.2 billion for reconstruction in Afghanistan. Of the reconstruction funds for Iraq, US\$ 5.6 billion are designated for repairing the electrical power grid, US\$ 4.3 billion for water and sewage systems, US\$ 3.2 billion for the establishment of security and law enforcement, and US\$ 1.9 billion for the restoration of the oil infrastructure.

From the point of view of this text, these funds spent on civil projects now and in the future could be completely or partially deducted from the **US contribution to a Global Marshall Plan**. For instance, they could replace the US's obligation of fulfilling special drawing right quotas for worldwide development to the IMF, as will be explained later in this text. The corresponding special drawing rights would then increase the US currency reserves.