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We believe in democracy. In this century, we struggled to build it in great parts of the world. We suffered defeats along the way, and we won great victories. That struggle must go on.

This has also been a century of capitalism. In the closing years of the century we are all part of one global economy. Everything can be produced and sold anywhere in the world. Economic decision-making takes place irrespective of national borders.

Crucial questions arise: How can we take advantage of the immensely innovative potential of the world economy? How can do so in a way that benefit all and not only the advanced few?

Never before have we had so much knowledge. Never before have we had greater capacity. New technology offer products, services and jobs that we could only dream of a decade ago.

But where there is no vision, people perish. We need that broader vision - our vision - to shape a future were every woman, every man, every child - in every community on every continent can unleash their potential.

The market holds no broader vision. However good market mechanisms are at allocating resources effectively, the market alone will never provide full employment, environmental excellence or social justice.

- Social democracy believes that the market is a tool not a goal in itself. We search for workable compromises between capital and labour that can keep our societies just and united.
- Social democracy believes that society as a whole benefits from a fair distribution of wealth and opportunity.
- Social democracy believes that nobody stands to loose from policies aimed at making health, education and welfare available to all. On the contrary we all gain if the average is pushed upwards.
- And social democracy believes that democracy in each country is only half the job. We know we must build democracy between states. Our vision is to build a civilized world on law and contract where solidarity and social responsibility stretches across continents.

We believe in democracy - because history has thought us that this is the only acceptable framework for any sustainable change.

That is still a distant dream in many countries. Democracy has yet to come to parts of the world where the economy grows like mushroom and sunflower. Democracy - on the other hand - is growing on thin soil in

other parts of the world, like Africa and Latin-America, whereas economic growth there seems like a distant dream.

Historically we have gone different paths. But in the next century, I believe we will all be democracies. The Socialist International - a truly global movement - has a vital role to play in this great transition.

- We must be the speaker of social innovation.
- We must be the speaker of the silent majority children, minorities, women and the billions who have their stake in the global village of the 21st century.
- We will struggle to expand the arena where democratic rules apply, to ensure that tomorrow's differences between us will not be greater, but smaller.

We face difficult challenges. We see a new faceless and anonymous capitalism, operating all over the world. Ownerships change daily. Jobs vanish. Forces of technology, of finance and of electronic communication bypass the traditional paths of democratic decision-making. Where is power vested? In our elected representatives? Or in the bond-markets of London, New York and Tokyo?

We need to drive home that no growth - and no progress can be sustainable if democratic checks and balances do not work.

The creative potential of a community or of a society will not be unleashed unless all are stakeholders with equal rights. Look to South Africa!

Enough decent white people in South Africa realized at last this basic fact of political life. Oppression of the many by the few could not last. A future of opportunity for white children depended on democracy and equal rights for children of all colors.

So justice prevailed. Today, South Africa has become a beacon of hope for a continent thirsting for the healing vaccination that only good government can provide - and South Africa has resumed a seat long held vacant - among countries whole and free.

No doubt we can conclude: There is a clear connection between the prosperity of countries, the general level of democracy and human rights and their people's health and education.

It will not suffice to care for the education of the rich or the health of the wealthy. They will always be able to pay their way, and we don't need democracy to secure it. But the so-called elite will never alone raise a country or make it just and prosperous.

It will not help a country to have dozens of Nobel Prize laureates, if their youth leave school at 16.

The global understanding of this has grown and matured in recent years. It was high time. But now, the global UN conferences, Rio, Cairo, Copenhagen and Beijing, all point to the same conclusion:

Not a single country has succeeded in sustaining economic growth and human development without <u>first</u> investing in people.

This is our historic role as social democrats, to ensure, as countries and communities, that we <u>invest in people</u>. Where we are in government, we must build a high quality educational system. Where we are in opposition, we must push those in power. The public schools, universities and hospitals must be the best. We must embrace the whole of the population, and education and healthcare must be affordable for all.

Haven't we heard again and again that economic growth is essential for human development, and had to come first. Yes - economic growth is vital. But there is no way we can sustain economic growth without putting people first.

Focus cannot be solely on a favorable climate for the investors. Society as a whole must contribute - and benefit. Look at how the World Bank is changing the perspective. Alleviating poverty, the bank now says - must take place in an environment of sustainability. That means a prime emphasis on environment - on women - on education and on health.

Fortunately, we are moving away from the trendy thoughts of the 1980s, when trickle-down thinking became so fashionable around the globe. Monetary policies, privatization and tax cuts where supposed to lift societies as a whole. But there is no such thing as trickle-down education, trickle down health, or trickle-down democracy!

Education policy, health policy, and democratic reform must be cast and created by people acting in together. The liberalism of the 80's only brought a declaratory kind of liberty. We - our movement - must liberate liberty from the libertarians!

This is where we are at home, where we operate as social democrats. In relentless pursuance of solidarity, equality and justice we can raise countries and nations.

We will work to see the day, when all over the world, the long-term needs of people take precedence over the short-term needs of the stock-markets. When there is space and opportunity for everybody, regardless of their family background or personal wealth.

Previously we could be concerned with distribution of wealth and resources among the present generation. Now we are faced with the Herculean task of distributing resources between present and future generations.

Our responsibility is also as caretakers for those yet not born. Their quality of life will depend on the ability of present generations to deal with climate change in time. Their quality of life will depend on our ability to

change the pattern of production and consumption in the industrialized world.

If 7 billion people were to consume as much energy and resources as we do in the West today, we would need 10 worlds - not one - to satisfy all needs. 1 billion people still live in absolute poverty, and the number is still growing. Poverty is still the greatest insult to human dignity. It is a scar in humanity's face.

Who are speaking out for the poor? Who are pointing out the terrible fact that financial flows go from South to North and not the other way? Who are holding governments in the richer part of the world responsible for making a mockery of the agreed target of allocating 0.7 per cent of GDP to development aid?

We must speak out for those who have no microphone available, those who the CNN does not report on and those who have no access to the Internet.

And we must set the example - were we are in power - by showing that our social democratic model is the most efficient, the most innovative and the most liberating.

We know that a strong and responsible public sector is essential for development. As the Prime Minister of India said in the UN; "No great industrialist is going to come and look after the primary health centers of my country. No multinational company is going to run our primary schools."

No, there is no other way to equity and social justice than empowering people, - men and women - allowing democracy to work, - harnessing market forces, - taxing surpluses - and redistributing the proceeds. The equity gap cannot be bridged without effective public sectors, civil servants and politicians who are held accountable by their people.

We believe in democracy. In the future, knowledge is the ultimate resource. Knowledge is a democratic resource. There is enough for everybody, if we distribute it equitably. That can only be secured by a staunch democratic will to provide equal opportunities for all.

We live in a knowledge-driven time. It is not natural resources in themselves that give us wealth, but the way we utilize them. If resources alone could make us wealthy, we could have reached our present standard of living a long time ago.

We live in a knowledge-driven time, but we are still in transition. We shall never be able to escape from the ultimate dilemma that all our knowledge is about the past - and all our decisions are about the future.

We believe in democracy - and we believe that it will prevail.

There is a Chinese proverb that says: "If you open a window, a fly may come in". In today's non-democratic countries, this means that they cannot reap the benefits of our technology without exposing themselves to our ideas and thinking about development, democracy and human rights. We simply cannot build fences around ideas in the age of Internet.

We must keep telling leaders in non-democratic countries that we cannot, and will not, isolate our economic relations from the wider mutual general curiosity, public interest and opinionated public debate. People in our democracies have opinions, and will express opinions.

Many governments are uncomfortable with the political challenges that accompany increasing international engagement. Some would like to hold on to traditions, even isolate or roll back progress - or to confine it to certain areas and exempt others. But as wider segments of people interact, and as contacts multiply, political change will be fueled, also where democratic rule today is growing on thin soils.

We don't know today when today's non-democratic countries will become democracies. But I am convinced that we will live to see the day. And when that happens, we, this movement, will have a stake in that change.

All history of liberation struggles tells us that life, freedom, equality and opportunity have never been given. They have always been taken. In recent years information technology has helped peaceful revolutions in Central and Eastern Europe. Knowledge about our democracies and democratic way of life could not be curtailed. The systems of Eastern Europe could not any longer meet the legitimate aspirations of their people.

We must build the civilized world, on law and contract, - an international society where the strong are just and the weak secure, as President Kennedy phrased it right here in this hall. We need affirmative action in the interest of our poorest members.

We need an international public sector and a conscientious human rights-watch here in the UN. The UN is going through reform. The struggle to uphold and renew multilateralism is an ongoing battle. We must be on the right side in that battle. More than ever do we need this multilateral focal point. Millions and millions of people around the world depend on UN peacekeepers, relief workers, development programs and joint attention.

We - the parties here represented - we if any - must take the social and economic goals and aspirations hammered out under this UN symbol, and give them life in our home countries.

We must ensure that democracy grows strong, and takes command of our common future.