

THE GLOBALIZATION & GOVERNANCE PROJECT, HOKKAIDO UNIVERSITY
WORKING PAPER SERIES

Globalisation and Multilateralism — A new Linkage—

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- * Paper for the Symposium, *East Asia-Europe-USA Progressive Scholars' Forum 2003*, 11-15 October, 2003.
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Tokyo Symposium 11. October 2003

**Memorial speech by
Mr. Poul Nyrup Rasmussen,
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**Globalisation and Multilateralism
- A new linkage**

First of all, I would like to thank the Tokyo-Sapporo Forum for granting me the opportunity to speak to you today.

Globalisation is about change – and our ambitions is about formulating answers to ordinary people's worries about change and future.

Multilateralism is about finding the coherent answers to the need for a new global order.

I would like to address especially four questions:

- 1) The importance of the nations states. We can do quiet a lot to re-establish quiescence and economic social progress. We can do even more to prepare people for change and the challenges of permanent globalisation.
- 2) The loss of the old linkage to ordinary people and the need for a new linkage – as the alternative to nationalism and populism.
- 3) The European union as a new and strengthen key-player in the effort of multilateralism to create a new global order.

4) The perspectives of a new multilateralism with clear goals, new tools and clear strategist – based on permanent dialog.

I would like to offer you my impressions of the reasons why it is possible to achieve the result that we achieved in Denmark. From the perspective of traditional economic theory, there are certain facts concerning Danish society that must present something of a conundrum:

- How can Denmark have one of the World's best social security systems while at the same time having one of the Worlds highest, if not the highest, employment rate for both men and women?
- How can Denmark have a very high level of taxation and maintain its high employment rate?
- How can Denmark maintain its very high employment while at the same time having one of the most equal income distributions in the World?

I would like to emphasise that I have no intention of painting a rosy picture of Denmark. We also have problems and challenges we must face, and I shall deal with those later. However, as points of interest, the three questions just mentioned are interesting.

The answer to all three questions is that we in Denmark have built a welfare society based on clear values, and with clear rights and obligations. These values I would like to emphasise. First, because historically they have provided the foundations for the development of the Danish welfare system, for which the Social Democrats with all modesty can take part of the credit. Second, because through the nine years in which I was Prime Minister, they have been the guiding principles for the strategy we were implementing.

Our social benefits are not a free buffet from which you may help yourself, and we have not introduced any salary for citizens. We have a society that supports and guards the individual if he or she has the need thereof. However, at the same time society expects the individual to carry his or her load, and holds the individual to his or her obligations if she does not make a contribution. The three characteristics of Danish society are the following:

- Equal opportunities for all concerning education, work, health care, participation in cultural life and a clean environment.
- Social security, which provides a safety net and fundamental security upon which a person can depend if he or she is laid off or is struck by disease or accident. The community must provide care for the sick, the elderly and children in cases where a sufficiently strong social network is lacking. However, the safety net is not merely to be fundamental economic security. It must also provide the basis for the recovery of the individual through his or her own effort. Therefore, social security is closely related to the good principle that "there are no rights without obligations, nor obligations without rights".
- Solidarity and shared financing, through which those who earn most also make the greatest contribution. The basic security is financed first and foremost through taxation.

This social contract among our citizens enjoys great support. The population feels that this system is worth preserving.

The inherent strength of the welfare society is that it proves, through its mere existence, that there is a high level of social security, a strong economy and strong competitiveness are not mutually opposed. On the contrary, the case of Denmark shows that these factors may support each other. They are not contradictions but preconditions for each other.

Let me add that there are other advantages related to having the large public sector that we have in Denmark. For instance, the Danish economy is not as sensitive to movements in the private sector as other economies are, because the public sector is less sensitive to fluctuations in the economy than the private sector. The system also means that the automatic stabilising factors in Denmark are very substantial. This is a characteristic to which we must pay attention, and in recent years Denmark has had quite considerable surpluses on the Government budget. Partly in order to bring down public sector debt at the fastest possible rate, partly in order to have an adequate buffer in case the economy should slow down.

The Danish welfare society, which I have sketched here in its basic form, has existed for many years, but when my Government came into office almost in 1993, we began to modernise and strengthen parts of it. We made considerable reinforcement of the element of holding individuals to

their obligations as well as granting them entitlements. We reduced the period during which people may passively receive public social benefits, and we invested large sums in ensuring that young people and those who have been out of employment for a long period swiftly start an education or are activated in some other way.

In Denmark we have also acknowledged that prohibiting payroll reductions can not increase employment. We have a highly flexible system for hiring and firing people. The precondition for this to be accepted is a well-developed system of public provision, so that the loss of a job does not mean the loss of livelihood. This is what we understand to be labour market flexibility.

At the same time we have to recognise that a considerable number of people can not meet the rising demand for productivity on the labour market, or are not able to acquire the sufficient qualifications through training and education to fill a normal paying job. The important point is that it need not be an economic problem to ensure reasonable provision for these people. It is, however, a great challenge to common attitudes to structure society and the labour market to accommodate also those who cannot contribute a 100 per cent performance.

Let me then focus upon two major aspects in our nation states. We have in my country and in all western European country's and in Japan to tackle the two major national challenges:

- the demographic development for the coming decades
- the fear for change and feeling of insecurity for the future among ordinary people

We currently see with increasing clarity the challenge of a marked change of the population structure of the Western European societies, including Denmark.

To illustrate this I may mention that for every two persons that are now 18 years old in Denmark there are more than 3 who are my age. It is more interesting to our analysis if we calculate that by 2035 there is expected to be only 3 persons of working age for every person over 64 years of age. Today this figure is approximately 4½.

This is an enormous challenge especially to a welfare society like Denmark. We may very likely be able to ensure a high gross domestic product and overall prosperity. However, this means little if we have no hands available for carrying out the basic welfare tasks. In addition to this, the equality-

orientated model presupposes a considerable willingness to pay relatively high taxes. We must therefore ensure the community values that constitute a precondition for maintaining financial solidarity.

In fact the government I was in charge of wanted to do more than merely solve specific problems, such as avoiding social exclusion, ensuring integration of ethnic minorities, and rise to meet the challenges of globalisation. What we wanted to do was to create a framework for ensuring that every individual human being can find a useful role in society and thereby ensuring that every human being gets an opportunity for using his or her individual talent. A just society is a society in which everybody, out of solidarity, is afforded the opportunity to perform and contribute. This combination of solidarity and freedom, which is the basic idea behind a modern welfare society, means that besides a market and a government sector we need a vibrant civil society. We must make a greater effort to enlarge and support a society of active citizens.

We must do so both for the sake of the individual person social solidarity.

In the building of our welfare societies we are criticised, and sometimes justifiably so, for having relied too much on governmental or municipal standard solutions rather than strengthening the close communities. It is necessary that the public sector welfare provisions co-operate with voluntary organisations and charities.

We must also face the fact that a government alone cannot ensure the solidarity which will become increasingly needed in the global economy. However, the government is able to and must support the development of network of solidarity in the civilian society.

Solidarity can not be dictated from above. It rests on the sense of responsibility of individual people. The welfare state is necessary to support and ensure that welfare services are provided for the many. However, the welfare state is not able nor should it replace individual responsibility towards oneself and to the community. Experience from Denmark shows that a welfare state and vigorous voluntary work may go hand in hand. A very high percentage of the Danish population takes part in voluntary work.

We must support the role of voluntary organisations as a forum for new experiments to invigorate and develop the welfare society, and their unique contribution to the development of our democracy. We must also ensure that the legal framework does not constrict the voluntary efforts. Together with a number of voluntary organisations, the Danish Government I lead published a draft for a charter for the co-operation between volunteers and the public sector in Denmark. This effort does not constitute a contradiction of what I said earlier on the necessity for maintaining society's responsibility. It is to complement it in order so ensure a rational balance!

The situation when we left government in 2001 were based on the results we have achieved since 1993:

- Reduced long-term unemployment and youth unemployment by more than 50 per cent.
- Employment had not been higher for the last 25 years.
- The Danish economy had seen real growth of more than 25 per cent.
- Balance problems were insignificant: the inflation rate and the interest rate were low, there was a surplus on the balance of payments, and, as I mentioned: the Government budget was in surplus as well.

Let me then turn to my second topic in the national context – the fear for change and insecurity felling for the future

Despite the achievements we where defeated in the election in November 2001. The big issue which lead to the defeat where the question of migration:

Most Western European countries have seen considerable flows of immigration over the past 30 years. These immigrants constitute a highly heterogeneous group. Some are highly educated and others have largely no skills whatsoever. It is, however, a fact that the entire group of refugees and immigrants together suffer a considerably higher unemployment rate than the average rate.

It is a major challenge to ensure that this group acquires the necessary qualifications, including not least the local language, in a way that affords them a real possibility for participating in society. The

Danish language is difficult to learn, and this is something, which poses an extra challenge to Denmark in this area.

When I ask workers why they left the Social Democratic Party, why they voted for the populist right wing parties, they say: "Poul, we fear the future. I do not know whether my children are secured an education. I do not know whether there is a place and social security for my Grandfather when he gets older. I do not know whether there is a job for me in the future, and first and foremost Poul, what is your answer to immigration?"

It seems to me, that the richer we become, the more we have to loose. The paradox is, that when we explain our statistic victories to the workers - "listen, we have made you richer, we have provided more jobs for you" - the workers simply respond: "Yes, but what about the future, what about my family and friends?"

The effort to successfully integrate foreigners to our societies is one of the greatest challenges of present day. We must admit that it has not been met well enough just yet, therefore we must give it a higher priority. Much higher. We must ensure a close connection between rights and duties for all - immigrants and all other citizens, whilst actively offering education and employment - rather than passively providing maintenance. We must do much more to limit conflicts. And we must have far more European co-operation on asylum and immigration policies.

What is the common ground for the success of the centre right, the new right, and the populist trends - or the move away from centre-left?

The reasons for the success of the far right are manifold. The success has not come out of the blue air. In general the new Right attacks where there are real social problems where the political center-left does not deliver or makes actual mistakes. But the populist right also find support to their simplistic solutions, because of the feeling of uncertainty towards the future among many ordinary people.

People are divided into those who embrace the future and those who dread it. We must keep in mind that many people do not view globalisation as the "window of wonderful opportunities".

On the contrary, many views it as a roaring machine that destroys local job markets, work places and local culture while politicians passively stand by. And the far right-populist parties actively support this point of view.

They argue that globalisation threatens national identity and takes away power from the national bodies - with either multinational companies or Brussels doing the taking.

Electoral support for this point of view is again the result of a deep feeling of insecurity among ordinary people.

By lumping together economic and social insecurities, crime and immigration, a dangerous irrational thesis evolves which links job security and law and order to ethnic homogeneity. The simple message given by the right is: Without foreigners, a great number of our social problems would disappear. Moreover, the weaker the national identity and state coherence, the more popular this message of "ethnicity" becomes.

Therefore, the challenge for the centre-left consists in gathering new support for a satisfactory reform policy, which comes up with sound alternatives with a wide popular appeal. In this respect, the centre-left forces in Europe carry a particular burden of responsibility. We are, so to speak, working in a "laboratory of globalisation", thereby possibly opening up for similar developments in other parts of the world.

There is a necessity to regenerate our social democratic political tool box. It is necessary to improve our political discourse to respond to today's global challenges, which actually existed before the recent election losses. Even if we had not lost these elections we would have had to face these challenges.

In this global undertaking, social democracy must and will play a key role. As a political family, we are facing a moment of truth. So does the European Union, which must grow up as an international player. These two moments are coming together to tell us that the left needs to use Europe much more to pursue its ideals and values. This is true within Europe, and it is true at global level. And

Europe needs a committed and progressive left to take on a global responsibility for building a better world.

In my recent report on globalisation to the Party of European Socialists, I quote Willy Brandt, who once said that "One should not give up the hope that problems created by human beings can also be solved by human beings". I don't think he was just talking about politicians, he was talking about us all. And this is exactly what we are seeing right now: people getting engaged to make the world a better place.

Our new political vision should not only be seen as having to deal with strictly global problems in the sense of "external", i.e. non-national/non European, which only call for international policy actions.

On the contrary, we see that in our increasingly interdependent world, global issues have an ever-stronger internal dimension as well as internal issues have an ever-stronger global dimension.

I call it "the linkage" - the linkage between ordinary people's daily life and the effects of the globalisation.

If we are not able to connect, to explain this interdependence - and to present new, credible and relevant answers, people will react by saying: "It is too big, it is too complex, I cannot do anything about it, I turn off my TV-news"!

It is of fundamental importance that we persistently link our political vision to the lives of ordinary people. The hard working people should feel and see us as politicians who understand them and connect their daily problems to global issues.

It is all about this feeling of uncertainty and the need to find the basic values again, the social security, the feeling of having a clear path for the future, the feeling of the existence of a community in which the individual can find himself!

How do we - social democrats - convey a vision, which will give people relevant understandable answers to this feeling of insecurity? How can we ensure security in a world that is permanently changing? This is the most important challenge.

Before devising to a more comprehensive counter-strategy we must deal with some real problems, which affect the feeling of insecurity in ordinary people's lives.

Let me go a bit deeper into three issues, which have proved to be of increasing concern to our electorates:

- Measures to increase employment
- Improving internal and external security
- Managing immigration

Lets start with the measures to increase employment

At national level we have to combine an active labour market policy, an ambitious educational policy and a responsible economic policy to increase employment.

But the economic interdependence within Europe gives us - all at the same time - a good opportunity to strengthen measures to increase employment, but also implies the risk of mutual uncoordinated national decision making, which would cause the employment situation to deteriorate.

The case goes for economic co-ordination in Europe.

With the employment chapter of the Amsterdam Treaty, and later the Lisbon processes, great progress has been made in the European collaboration. With the introduction of the Euro and the consolidation of the single market, an economic community has been created which has efficiently put a stop to welfare- and employment-deteriorating habits with technical trade barriers and a spiral of devaluation's devoid of common cause.

A climax of sorts was reached at the Lisbon-summit, where we set ourselves the ambitious goal of making the EU:

"the most competitive and dynamic knowledge-based economy in the world, an economy that can create a lasting economic growth with more and better jobs and greater social cohesion".

At my request, The Economic Council of the Danish Labour Movement has attempted to estimate the advantages of a policy that follows the guidelines from Lisbon. The results are quite convincing. The fact is that if we act together and at the same time - in a sort of convoy - we will all be better off, compared to a road, where each country acts uncoordinated and short-sighted. So, if we act co-ordinated until 2010, increase our investments in education, increase the employment rate of women and senior citizens, improve the labour market structures and improve the conditions for entrepreneurs, the result is remarkable: The increase in employment by 2010 in the EU would be by 11 million people, and the employment rate would increase by 4.2 percentage points. As you see, it will at the same time be an important response to the demographic challenge of ageing populations in our countries.

It must be a deciding social democratic priority that the further development of, and every nation's compliance with the Lisbon aims be granted a degree of importance, on the same level as the effort that went ahead of the introduction of the Euro. The centre-left, if anyone, must take it seriously, if we really do want to put action behind all those words on a united answer to the challenges of globalisation.

Then some reflections about security

How do we recreate security in a world in constant change?

We will not settle for "working poor"-strategies, but insist on creating the necessary preconditions for a society where a life as a working rich is accessible to the ordinary citizen. A society, where work is the key to welfare and wealth. Where everyone can count on that if you do your duty on the labour market, you can expect acceptable conditions.

If we are to put such a working rich strategy to use, it is necessary to acknowledge that new challenges require new solutions. I do not doubt that everyone recognises the enormous difference between the relatively closed and constant economy of the industrial society on one hand, and the open, ever-changing, globalised economy of the information, service and knowledge based society on the other.

More effort put into education, activation and upgrading of working qualifications is a central element in such an endeavour.

Instead of ensuring security from change, we must provide security amidst change. This is the major answer. To equip people to live with permanent change.

It is my experience through nearly 9 years of leadership of the Danish government, that our vision - our basis for the future in a globalised world, should not only build upon the work to ensure equal opportunities for all but be supplemented by two other pillars: Equal access and social security.

- Equal access to education, hospitals, childcare etc.
- Social security in case of unemployment, incidents in the family, care for the elderly etc.

Case: High unemployment benefit / quick return to new jobs.

Equal opportunities, equal access and social security are the three pillars, which - together - will ensure the basis for: High mobility on the labour market, inclusion instead of exclusion, coherence.

No matter what the demands for renewal of the welfare society, we must also preserve a core of basic social security for those who, for different reasons, are unable to function a hundred per cent on the labour market - they should have a real chance through higher social responsibility in firms.

This does not mean in any way that we reject the need for solving structural problems in labour market policy and ensure adjustment to its rapid changes. On the contrary. The German example shows the need for a strong effort in this area. My point however, which I believe is documented by the Danish example, is that there need not be a contradiction between social security and flexible adjustment. If shaped cleverly, a societal barrier against the whims of the market, can actually increase the will of the individual to accept the risks and seek out the opportunities of the same market. Just look at the relatively short notices that Danish businesses have to give before making discharges.

We have here some indications incl. Lisbon process - to "A New Deal for labour" - a social labour reform in Europe!

Social security and competitiveness are not contradictions but - in a certain sense preconditions for each other. A fair distribution policy and efficiency go hand in hand - the Danish example is a good case. What we need now is to place this security aspect in a broader context of coherence.

Let me then come to the problems of managing immigration

The European centre-left must keep on being the greatest defender of the openness of our respective societies. When I address this issue, it is because I recognise that the question of refugees and immigrants has undoubtedly played a major role in the rise of the right, which we are currently witnessing. So obviously, we have to keep an open mind towards the changes that preoccupy so many. We have to address existing problems and develop solutions. To play down or even ignore is the wrong option.

The living conditions at stake are specific ones: someone who lives in, let us say, a ghetto-like neighbourhood, surrounded by immigrants from other cultures, without any efforts towards integration being made, without any adequate measures to combat the rising tide of everyday violence, may rightfully expect that these problems should be addressed and that a visible solution be elaborated.

Integration and the control of migration are issues that are often avoided or defensively addressed by the center-Left. What we fail to see is that social and political integration, in other words real and sustainable cohabitation, is possible, only when all those involved do have the same rights and obligations, have access to a maximum of opportunities in life, chances of participation and security as well as a core of common values and recognised rules. Usually, this does not come about by itself.

The international conventions must be complied with down to the last letter. But we must admit plainly that this does not allow us to assist all the extremely needy individuals of the globe - we could not possibly. Instead we must put other means to use: A decent development aid, fair world trade, and an active effort to solve and prevent armed conflicts.

We must do much more to limit such conflicts. And we must have far more European co-operation on asylum and immigration policies.

Regarding the battle against the causes of xenophobia we must be just as clear in speaking our minds. The effort to successfully integrate foreigners to our societies is one of the greatest chal-

allenges of present day. We must admit that it has not been met well enough just yet, therefore we must give it a higher priority. Much higher. We must ensure a close connection between rights and duties for all - immigrants and all other citizens, whilst actively offering education and employment - rather than passively providing maintenance.

These reflections bring me again to the key words "linkage" and "coherence". I think it is time to formulate a social democratic common European action programme for the immigration-challenge. In many people's mind "globalisation", violence and terrorism and immigration are the basis for fear and feeling of insecurity.

Our answers should concentrate on bringing coherence, security and justice back to ordinary people's daily lives.

Our message with a new European common programme on immigration is also: Yes, we understand your worries - the amount of immigration should be seen in relation to the sustainability of our countries - but integration on equal terms, rights and obligations for those who settle in our countries is also fundamental.

Such an Action Programme could consist of 6 clear points:

1. A clear set of common European values, based on "The charter of fundamental rights", including human rights, equality between men and women, the right to choose your own partner, equal rights and duties for all. The values should respect the separation between religion and state, religion and legislation. No one can, based on religion, deny respecting the legislation. This set of values and fundamental rules has to be respected by everyone - by all nations, peoples individuals and religions.
2. A common asylum and immigration policy - based on non-discrimination.
3. A strong common fight against trafficking, illegal immigration, international crime.
4. A set of common minimum principles for integration. The challenge: A united - not divided society. Integration means the same rights and duties for all. Against ghettos. Learn the languages. Jobs and education. Equal rights and duties for all citizens.
5. Stronger common assistance to areas which produce economic immigrants. Repatriation is closely connected to better assistance to rebuild homelands.

6. A stronger, common European assistance to Third World countries. We cannot solve the poverty of the world by immigration to Europe. On the other hand we must - consequently - create the basis for a social and economic future in the poorer countries. Access to our markets.

Let me now finally turn to the perspective of a new multilateralism based on a constructive dialog between East Asia, Europe and USA.

Especially I would like to focus upon the role of Europe as I see it. The facts are there:

25 members, 458 million inhabitants, the worlds largest economy whit in the European single market

This is our enormous political potential to create better conditions for a new sustainable multilateralism

Let me highlight some key-elements

1. Bridging the divide between Europeans and globalisation. We must create more and good jobs in Europe by co-ordinating our economic policies, investing more heavily in education, in research and in infrastructure. Fiscal stability is necessary, but cannot be a goal on its own. Only this will allow us to safeguard our social protection systems. And we must learn how to manage immigration and how to develop cultural understanding and recognition within our communities. Only a prosperous and confident Europe can play a strong and positive role in global affairs.

2. Bridging the divide between rich and poor. Decades of development policy have led nowhere for more than half the world's population. We know why: wrong policies, lack of governance and insufficient funding. We must urgently regenerate development policy: increase our aid, if need be by creating a global tax, improve our policies away from the Washington consensus, and promote

good governance and democracy. The UN Millennium Goals must be achieved as the number 1 international priority. It is the best peace programme we can think of.

3. Bridging the divide between global challenges and global policies. We must succeed in eight major fields:

- promoting sustainable development, including food security, water provision, and the development of renewable energy and clean technologies;
- ensuring security, but in a wider sense, with a focus on very early conflict prevention;
- building a truly global legal order
- reforming the international financial system, limiting the role of the IMF and creating a World Finance Authority
- Managing international migration far more effectively and connecting it to development in a positive way
- Developing cultural understanding and recognition
- Developing the notion of global public goods
- and increasing international economic coordination to generate a global recovery.

4. Bridging the divide between global challenges and global governance. Here, we must be bold, even if some reforms will take years, if not decades to come into being. But we need to know where we are going, even in the longer run. The global multilateral system embodied in the United Nations must be adapted to the 21st century or it will gradually decline.

We need political responsibility and guidance in the economic, social and environmental sphere.

We need a World Environment Organisation. Beyond, we must claim a Human Development Council on an equal footing with the Security Council. If we had such a Council today, it would be responsible for the achievement of the UN Millennium Goals; who is responsible now? I think this would make a difference.

We should also lobby for the creation of a UN Parliamentary Assembly. Already, a WTO parliamentary assembly is on the agenda. We must go further.

At global level, we are equally engaged. End of November, we will hold a major event called the 'Global Progressive Forum' in Brussels. Its objective is to connect social democracy to civil society in an effort to contribute to the "global progressive community" building I have mentioned before. I

very much hope to see some of you there, as an important occasion to pursue our common dream of another globalisation.

Political conflicts of the Cold War, based on ideological differences, have been replaced by deep-rooted economic and cultural differences and aggravated by the globalisation of information. The end of the Cold War and faster integration between different world economies raised hopes for global security and political stability. The transitional world of the 1990s seemed to point in the direction of a new multipolar, multilateral system. The UN Millennium Assembly's agreement on a highly ambitious, socially-progressive declaration confirmed this impression.

Since then, the fundamentals of international politics have changed dramatically. The bipolar world of East and West has been replaced by a fragmented order with severe political tension, military conflict and terrorism. Armed conflicts continue to dominate large parts of the world. In 2001, there were 37 conflicts in 30 countries, 27 of which began more than a decade ago. Entire generations of children have thus been denied access to meaningful education. Health care is minimal and economic development is on hold. Most of these conflicts are inside sovereign states and take place in two continents, Africa and Asia. They account for 80 per cent of armed conflict in the world. The Middle East continues to be the most conflict-intensive area with more than a third of its states affected. This region takes up about half of world armament deliveries to the Third World.

The multilateral security system has been substantially weakened by dramatic change in the last few years. Today, there is a deepening security divide, posing a threat to progress and prosperity that in some ways reminds us of the Cold War.

The EU must be able to rely on a truly common foreign and security policy (CFSP) in the context of a wider security concept – reaching from conflict prevention to military crisis management and conflict resolution.

The Convention and the IGC must provide the institutional capacity to do so, by creating the post of European Foreign Affairs Minister jointly at Commission and Council level. In military terms, the

Rapid Reaction Force will be an important link in a comprehensive CFSP. Its assembly should be speeded up. This should go hand in hand with significant upgrading of Europe's joint defence capacity, without leading to an unrealistic and unnecessary arms race with the US.

The Petersberg tasks should be redefined to include disarmament, military assistance, stabilisation and the fight against terrorism. Regional conflict prevention should be strengthened, both in assessment of potential threats and prevention of their emergence. We propose the creation of a Non-Military Rapid Reaction Unit. The fight against terrorism must remain a priority, but a more comprehensive approach is required. Europe must make joint efforts with its neighbours

Thessaloniki in June this year were a turning point – EU has now - in principle - decided for the first time a common security and foreign strategy – its a historic step. Now the implementations rest to be done. The most difficult work.

We think in Europe that we have specific experiences in how to create peace among nations, which have been in war through centuries. Our thinking is based on pre-emptive policies – as a broader concept to the present US administration concept of pre-emptive wars.

I am also thinking of the Korean Peninsula. Here we really need the implementation of pre-emptive policies – it will take time but in the long run it will be the most effective democratic answer to obtain lasting peace.

History shows us that dictatorship has never gained in the longer run of opening up trade, dialog, information's, economic progress and knowledge – they have always lost to democratic.

To strengthen multilateralism we need a global governance reform. Let me just outline some thinking about the major needs of reforms

The following could be the elements of a *first reform package*:

- **Structured consultation and co-ordination** between UN agencies, the WTO and the Bretton Woods institutions. These organisations must be obliged to work together on common aims, based on the existing global agenda (mainly the UN Millennium Goals, ILO declaration on Fundamental Principles and Rights at Work, UN Monterrey and Johannesburg agendas, WTO Development Round agenda).
- A **first phase reform of the UN Security Council** and of the UN capacity in the peace and security field, including the enlargement of the Council's membership to Japan, Germany and several countries from the developing world.
- Creating a **United Nations Human Development Council** (or Economic and Social Security Council) to provide political leadership and decision-making capacity in the monetary, economic, social and environmental fields is a necessity now. However, rapid consensus-building will be extremely difficult to achieve.

A *second reform package* in the longer run could have the following elements:

- Reforming the **Bretton Woods institutions**, World Bank and IMF, to re-focus their respective missions and to re-balance voting rights in both to give a greater say to developing countries.
- Completing, if necessary, the reform of the United Nations Security Council into a **United Nations Human Security Council** (determine detailed components of this reform).
- Creating a **United Nations Human Development Council** (or Economic and Social Security Council) to provide political leadership and decision-making capacity in the monetary, economic, social and environmental fields, if this is not possible in the medium term. Creating a World Environment Organisation. Bringing the Bretton Woods institutions into the UN system. This Council would eventually replace the existing G-8.

- Creating a **United Nations Parliamentary Assembly** to reinforce the democratic legitimacy of the UN as an executive and to provide new political channels for global civil society.

For this second reform package, there must be a roadmap proposal on how to achieve such ambitious reform

Here we have to develop our dialog and co-operation between East Asia, Europe, and USA. One could imagine a sort of international convention on global governance with active participation of regions by regional conventions – and then leading to the global convention.

This convention would have to submit its recommendations fore the general assembly of the United Nations.

Dear audience as you have seen: my philosophy is clear – to create a new world order based on multilateralism, we need more politics not less. We need more regulations – not less. We need more dialog – not less.

Lets continue our work, after all it is up to our self.

Thank you for your attention

Poul Nyrup Rasmussen