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PROGRESSIVE GOVERNANCE: GREECE AND THE NEW INTERNATIONAL ORDER

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Good evening and thank you all for coming here this evening. I'm very glad to be back, and I'd like to thank Professor Kevin Featherstone for giving me the opportunity to pay back my dues through this grueling experience of questions and answers which I'll go through tonight.

No, I think it will be a pleasure to be with you and discuss with you and hear what you have to say and ask on some very interesting issues, which we are facing both in Greece but also around the world.

I'd like to thank the Hellenic Observatory for the very important work that it has been conducting over the years, since it was founded in 1996. During that period of time, I was also a minister and supported, and I do continue to support the work, and particularly now, during critical developments in Greece, I believe that the Hellenic Observatory can make a very important contribution to understanding what Greece is today, but also in proposing ideas and solutions for a Greece of tomorrow. So again I assure you of my full support for your future work.

If you watch Greek television, you will come across hundreds of ads for mobile telephone and Internet services. One of these ads kept on reminding me of my years here at LSE. It uses a jingle from a group I used to listen to in the '70s, called Ten

Years After. The refrain of the song goes like this: “I’d love to change the world, but I don't know what to do, so I’ll leave it up to you.”

If there is one message I would like you to take home tonight, it is this: Don’t leave your fate up to some higher force. Don’t leave your fate up to some leader who promises you heaven on earth or preaches salvation.

Does this mean I am saying don’t trust anything or anyone? A nihilistic message about the world, our societies, our politics? No, my message is a message of optimism. What I am saying is simply: We cannot wait. We must act today to restore trust - to restore trust in our democratic institutions, confidence in our political systems, restore solidarity and security to our societies, our neighbours, our citizens, so that we can take on the major global, national or local challenges we face.

I am certainly not here to make grandiose promises. I am here to say that we can and we must change our world. And I am here to ask you, whether you are Greek or whether you are a citizen from another corner of this world, to participate in our common project. Because although I used to have a head of dark hair, I today share the frustration of our younger generation.

And I’m lucky to also have two good advisors, my son and my daughter Margarita, who is here and studying in London, who are both of university age. Traveling around the world, but also seeing the potential my country has but is being wasted, I know the frustration of the younger generation.

Only a few months ago, as Professor Featherstone said, thousands of young Greeks took to the streets to express their frustration with our political system. And there are plenty of good reasons for young Greeks to despair. During the last five years, the New Democracy government, the neo-conservative government, has brought the economy to the brink of collapse, and paralysed progress on all fronts.

Like so many Greeks, I feel both sorrow and outrage for my country. A country where only five years ago people were confident and optimistic about their future; a country that hosted one of the safest, the most hospitable Olympic Games ever; a country that had joined the Euro zone, was playing a crucial role for peace, democracy and stability in the Balkans, had developed a new relationship of hope with its historical rival, Turkey, had been instrumental in Cyprus's accession to the European Union, and had boosted membership prospects for other South East European countries.

Today, Eurostat classifies Greece as one of the most pessimistic nations and peoples in the European Union. We have a job market where political patronage and cronyism deprive graduates of decent jobs and prospects. One in four young people are unemployed. Parents, crippled by debt, must work two or three jobs to support their families. One in five Greeks are now living below the poverty line.

Greek families pay more than any other Europeans for their health and education, out of their own money. Public spending on education accounts for just three per cent of the GDP, the lowest in the euro zone. We have an academic system that suffocates the aspirations of a dynamic youth, promotes boring and uninspiring rote learning, does not connect with the needs of our economy. And I also hear many younger Greeks saying: 'Well, maybe we should leave our country and find a better future outside', something which we only heard maybe forty years ago, and before that, when we did have mass migration.

Because underlying all these social and economic problems is also an overwhelming sense that we don't have the rule of law but the rule of the powerful. A sense of corruption, a sense of inequality, a sense that our political system has been captured, and that many resources, whether they are human or natural resources, are being squandered.

This is not the real Greece. Even the vast majority of demonstrators in Greece were not the violent militants you may have seen on television. They were ordinary people from all walks of life, who took to the streets to peacefully protest social injustice and a state of corruption.

And there is a simple question but also a frustrating paradox that we are facing not only in Greece but throughout the world. For the first time in human history, we have the knowledge, the technology, the wealth to design a different world. Yes, there is poverty, but we have the capacity to make poverty history.

Our globe is overheating, but we can reduce carbon emissions, by investing in renewable energy and innovative alternative technologies.

We have high unemployment, but we can create decent work or future prospects through training for all.

With only a few billion dollars or euros a year, we could achieve universal literacy. With cheap one-hundred-dollar, or maybe a few more dollars, laptops, we could bridge the digital divide.

With the monies that we are now putting in to rescue the banks or to retired failed bankers, we could easily provide decent healthcare and a viable pension system for all.

If we produced cheaper medicine, put our resources together, our heads together, our governments together, we could stop pandemics, which may be emblematic of what globalisation can bring, such as HIV, AIDS, malaria, or even swine flu.

So the slogan 'Yes We Can' is not a hollow slogan. It *is* possible to change the world. The goal of more just, safe and sustainable societies is no longer beyond our reach.

So why haven't we succeeded? Why haven't we fulfilled, for example, the United Nations Millennium Development Goals adopted in 2000 by all governments in the United Nations? And these goals are in no way revolutionary.

With the recent crisis, we have seen that when there is a will, money can be found, and lots of it. But it is going to social protection, education, development, green development, alternative energy, debt relief?

Well, there may be many reasons why our systems have failed us, but I would propose that we need a radical democratisation of the way we govern our world, our resources, our societies. We need to make our politics more responsive, more accountable, more representative, and more participative, to guarantee that people do come first.

With the crash of the two walls, the Berlin Wall some years ago and Wall Street only a few months ago, we have seen that we need a radical and democratic rethink of governance in the world. Both communism and neo-liberalism have failed us. These two Cold War dogmas, which were supposedly designed to serve the people, ended up propping up political systems which transferred both wealth and power to an elite minority.

Yes, inequality - inequality of wealth and inequality of political power - is at the core of today's crisis. It is not simply an economic crisis. It is deeply a political one. Both Paul Krugman, a Nobel Laureate, and Kenneth Sokoloff have written extensively about how inequality, how the neo-conservative economic policies recently have stifled social progress and corrupted democracy. According to Sokoloff, who wrote very much about Latin America, "as these inequalities persist, elites are able to institutionalise an unequal distribution of political power."

In his recent book, Paul Collier describes how weak democratic institutions, particularly in African nations, rich in oil or diamonds, are captured by multinationals, which in turn corrupt leadership in these countries. and rather than these countries, rich in resources, becoming rich societies and prosperous societies, they become societies of conflict, misery and poverty.

But this is not just an African, an Asian or a Latin American problem. I would propose that this is also a problem for our developed democracies. This is also a problem for global governance.

The recent collapse of Wall Street indeed revealed that we do not have a free market system, but in fact we have a global, non-transparent collusion of powerful business,

media, sometimes military, or even mafia, as Misha Glenny would tell us, to concentrate wealth and power in the hands of the few.

The Nobel Prize winning economist, Joe Stiglitz, has called this unholy alliance of business and government “welfare corporatism.” I, coming from my Greek experience, would call it “clientelistic capitalism.” And I believe my former LSE professor, Nikos Mouzelis, would like this term, as he has written much about clientelism in Latin America.

Buying favours, buying off politicians, buying off votes, undermining the independence of the checks and balances of our democratic institutions, parliament, our justice system: yes, the huge unequal distribution of power and wealth is threatening our democratic institutions today, threatening them through corruption and capturing them through special interests.

And this in turn has meant that we have wasted our resources, squandered our environmental resources, our human capacity. We have not planned according to the needs of our peoples. And this has brought insecurity, polarisation, sometimes violence, around the world, but certainly the crisis which we are living through these days.

And this, I propose, is because your voice, our voice, is not duly represented in our global and national political system today. It’s no wonder our citizens, no wonder our younger generation are sceptical, if not even cynical. This is why we need a radical democratic change, for the people, by the people, of the people.

So the essence of the socialism or social democracy I espouse today is not based on any dogma or some final solution. It is based on the need for society to respect values and principles. And I would identify three overarching principles:

First, the need to rejuvenate our democracies and to create participative societies.

Second, social solidarity, just distribution of wealth, and

Third, sustainable development for a green economy.

As the largest political organisation in the world, with 170 member parties on all five continents, the Socialist International can unite the world's citizens around a new global agenda, to achieve these goals.

We are already engaged in a deliberative process to set in motion a new model of economic governance. Last September, just after the crisis broke out, we set up a commission on global financial issues, chaired by Joe Stiglitz and comprised of political leaders, ministers and experts from around the world. We are not opposed to globalisation, but we are determined to humanise globalisation. To this end, we are calling for the Washington Consensus to be replaced by a new global consensus built on sustainable development and solidarity. We have outlined a roadmap with concrete proposals for a new global and political architecture. I'd be happy to elaborate on our proposals in the Q&A session later.

But coming back to Greece, the problem of good governance is central to the widespread social and economic problems we are facing. That is why in PASOK we have launched a series of reforms, to ensure that our decision-making process is more inclusive, our institutions are transparent, and our leaders accountable. We have also outlined five national goals, which we think are of the highest priority for the future of Greece:

First, to re-establish an active Greek foreign policy that will promote democracy, stability, and economic development in the Balkans and beyond, our wider neighbourhood. Our active participation in the European affairs must be restored.

Secondly, deep reforms of our educational system, with the necessary investment in human capital. We have said we need to invest at least five per cent of GDP in our educational systems.

Third, reforms of our tax, social welfare and health system, to restore equity and to create efficient systems.

Fourth, a transition, a major, radical, if you like, transition, towards a green economy. From tourism to agriculture, from energy to transportation, from construction to education, we should move our economy, our citizens, to become a leader in this area around the world.

But fifth and not least, we cannot do all this if we do not have the courage to make major changes in our political system, democratising our heavily centralised, patronage-oriented, public bureaucracy, fighting corruption and nepotism.

And our principles for democratic governance are, first of all, transparency. We say every single document signed by a Greek minister or high public official will be made public online, as an example. Secondly, accountability as to where public money goes. Third, meritocracy in public service and a constant evaluation of government achievements. Fourth, inclusiveness, through public deliberation and participation in policymaking.

My goal, which I know is an ambitious one, is to make Greece a model of democratic governance. From today's citizens, who feel marginalised, isolated and abandoned, abandoned to their fate by a corrupt state, we want to move to a citizen with rights and responsibilities, a citizen who also actively participates in the demos and is no longer alienated from work, from his or her neighbourhood, from his or her city. I envision a Greece where every citizen contributes to the creation of a sustainable and inclusive society.

So my invitation tonight is to you, to participate in our quest for a democratic change in Greece and solidarity around the world. We must neither give in to fatalism nor search for a new dogma or a new fundamentalism or absolutism or new authoritarian leaders holding out promises. This would only lead to more violence and misery. We need to strengthen our democratic culture and institutions.

The word democracy, as you know, in Greek means the rule of the demos or the people. But we need to go one step further, using new technologies, such as social

networks, our interactive and collaborative tools, creating a deliberative democracy, our web tools – I see Anthony here somewhere; we have talked about this very often, Anthony Barnett, working on an open democracy and how we should deliberate more through the Internet. So that we can become, as we would say in Greek, ‘demiourgoi’. ‘Demiourgos’ in Greek means someone who creates, a creator. Literally it means demos and ergo - in fact, the work of the people.

So let us all participate and become creators of tomorrow’s world. This is today’s democratic challenge, for the world and for Greece.

Thank you very much.