

## DECLARATION

This document has come about through the shared commitment of different people and civil society organisations, comprising different religions and cultures, who have gathered together in Genoa from different parts of the world.

Convinced that the human person, despite his egoistic tendencies, is fulfilled in relationships based on solidarity, disinterested openness to the other, capable of giving rise to reciprocity, we feel the need and the responsibility to formulate a shared analysis of the current trends of economic globalisation, and to offer a shared proposal for a kind of economic action which is both personal and social, and capable of orienting globalisation towards solidarity, towards a united world.

### GLOBALISATION

Whilst it is impossible to deny that the dawn of globalisation has given rise to a growth in well-being and an increase in the global wealth, it is also clear that it is creating unacceptable consequences, like the concentration of economic power in the hands of a few people and multinational companies.

Such a concentration is increasingly conditioning political power, often preventing it from fulfilling its task as the custodian of the common good: the result is a global society in which wealth and extreme poverty co-exist, and the protection of fundamental public goods such as the global environment have become secondary. At the same time, in many parts of the world, people are denied the most elementary human rights, such as self-determination, health, work, the right to lead a dignified and peaceful life.

On the one hand, this situation is giving rise to escalating intolerance and opposition on the part of those who are exploited, marginalised, and dismissed, and could eventually spark a global revolt. On the other hand, even those who are not afflicted by economic problems often experience alienation, insecurity, and a growing sense of despair.

These negative results force us to challenge the dominant economic culture which currently underpins globalisation: the culture which lies behind the choices we make as citizens, the way businesses are run, the nature of administrative action and how institutions are designed.

It is a culture which often reduces relationships between people to a mere self-interested exchange, reduces human aspirations to the search for a higher income, reduces society to an anonymous space in which one seeks individualistic self-affirmation, based on the illusion of equal opportunities for individuals and peoples, which is far removed from reality.

We feel it is necessary to spell out the reasons for which civil society is rebelling against this global evolution of the economy governed solely by liberalist ideology, which theorises a kind of social Darwinism, in which the strong survive by distancing themselves, or at most, having a little compassion for those who are left behind.

**We feel it is necessary for civil society to harness political power, guide it and sustain it until globalisation is governed by the common good of the citizens of the whole world, in other words, until it reaches the globalisation of solidarity.**

### A NEW CULTURE

Enriched by the experience of those participating in projects of global economic solidarity, such as the Economy of Communion in Freedom, which now involves 750 businesses all over the world, and of those working in a development co-operation based on a spirit of equal dignity amongst peoples, we would like to make a commitment to increase and spread an *“economic culture of sharing”* through our actions and reflection.

Such a culture is expressed through a style of consumption which is both moderate and analytical. It takes into consideration the shared resources of humanity and the natural aspiration to reach basic equality with others, making responsible use of ones' own wealth in ways which promote the common good.

Such a culture encourages us to take an active role in economic initiatives which promote the common good, creating jobs and responding to the unanswered needs of peoples and communities, and also through sharing ones' own income and resources with those who are in need, in a relationship of equal dignity.

**We, therefore, call on the actors of civil society all over the world, in particular young people and their organisations, who have the greatest interest in creating a future in which insecurity and lack of hope can be substituted by peace and the happiness of communion amongst people united in a common destiny.**

We call on all the governments of the world, through civil society, and in particular those that hold the greatest international power which will shortly be gathering in Genoa, to consider the proposals of this Document bearing in mind their special responsibility to the future of the planet.

#### **PROPOSAL TO GOVERNMENTS, CIVIL SOCIETY ACTORS AND THE BUSINESS COMMUNITY**

The main underlying cause of the current inability to ensure that all people can live a dignified life and that humanity has a future, is the weight of interest payments from external debt in developing countries and the impossibility that these will be eliminated over time. This situation is linked in turn to two economic factors: the inability of developing countries to sell their agricultural products to the industrial nations of the world at a fair price, and the perverse effects of international capital speculation. We, therefore, propose:

##### **A – To reduce the external debt of developing countries.**

Credits obtained in the last decades have been transformed, through monetary policies in industrialised nations, into debts which can never be repaid, since they have expanded to such an extent as a result of interest rates increases, particularly in countries whose currencies became objects of international speculation.

Whilst we welcome the decision of creditor countries, to cancel the debts of the poorest countries, provided they use the extra resources to support welfare provision in health, education and to develop the country's infrastructure, we call on governments, in a similar way, to find the resources, or mechanisms, to lower the debt service charges of the large emerging countries, that today are reducing their expenditure for food, health care, and education for their new generations.

##### **B – To eliminate import tariffs on products from developing countries**

In order to help developing countries to have equal opportunities in a globalised world, we would ask that industrialised countries, and their respective trading blocks, such as the EU, develop policies which would work towards the elimination of protective import tariffs, finding other more sustainable ways of protecting their domestic agricultural sector, where it is judged necessary for territory defence.

##### **C –To tax capital flows in favour of alleviating poverty**

In the course of the last decade, international speculation has been transformed. What was once a useful instrument which favoured productive and commercial activity, has become an autonomous activity which now involves over 95% of capital movements.

Through this process, **currency has been transformed into a commodity** which can be exchanged irrespective of rules or obligations, making the production of real wealth and the restitution of past debts more difficult.

**We therefore feel it is necessary to ask – and strongly urge – governments to act together, starting with those of Europe and the large emerging countries, to place a levy on such movements at a level which would not have a negative effect on commerce and international investments.**

The extra resources which such a levy would generate could be used by governments, in part, to substitute for other taxes currently paid by citizens, and also, in view of commitment to equality and solidarity, to reduce the weight of international debt of developing countries, which in turn would be in a position to embark on a serious programme of repayment themselves.

**We, therefore, call on the heads of state to abandon the ideological dogmas which up till now have stopped them from pursuing such measures. Such measures should not be regarded as state interference in the economy, but rather, as acts of justice.**

They are a way in which the financial system can be asked to reimburse the costs that its activity is creating by destabilising currencies and increasing the cost of money for those who need it for production.

The objection that it would be difficult to apply such a levy, and that it could easily be evaded, is no longer tenable, given the high levels of technological advance already reached within the international financial system.

#### **D - To start from the civil society**

We cannot deny, however, that economic and financial power will slow down the decisions of many governments to proceed in this direction, and that such legislation will not come into being in the short term. Meanwhile, hundreds of millions of human beings still face the immediate problem of suffering and death from famine, lack of adequate health care, and lack of hope for the future due to insufficient education and work.

We, therefore, think that the task of civil society can no longer be limited to asking governments to provide, nor only to organise protest, though this can serve a useful function in raising the profile of these issues in public opinion.

**Civil society also has other means which can be used to make an effective impact on the mechanisms of globalisation today: the power of every citizen as a consumer and as an investor of savings has potential influence in addressing economy, that works when citizens become aware of it, and the conditions through which this can be exercised are created.**

This is a power exercised not against the economic system in general, but against the current ‘quick buck’ economy, which is incapable of having a long term vision, and leads every organisation to seek a quick profit, even when this creates a much greater loss in the long term as a result of the social unrest and environmental damage it creates.

**Experiences of economic solidarity demonstrate that it is possible, even within current economic structures, to grow as people and become fulfilled, leaving space for the fruits of our labours to be shared with the least and to promote a new culture of sharing, which aims towards a United World.**

The pursuit of a global strategy for sustainable economic development is increasingly becoming the central focus, not only at a political level and within civil society, but also for a growing number of multinational societies whose directors are trying to predict future obstacles which could block the survival of their activities in the long term.

**There are signs that many leaders of prominent businesses feel called to make decisions without forgetting the long term considerations which take into account the social responsibilities connected to their decisions.**

## The World Youth Fund

The proposal of a 'World Youth Fund' is directed to all citizens, and to leaders in the business community who recognise the need to face up to their social responsibility.

**This proposal calls on financial institutions, multinational institutions and the whole economic world to participate in the culture of giving, through "investing" a small fraction of their turnover in favour of future generations, and at the same time introducing an important long term element into the current financial system.**

The following points provide his framework:

1. All international traders of goods, services and financial transactions would be invited to **allocate** on an ongoing basis, **a fraction of their capital movements on the international market** (for example between 0.1 % and 0.05%) to purchase shares in the World Youth Fund.
2. Participation in the Fund would not be mandatory, but **citizens could use their power of persuasion** – as consumers and fund investors – to make it more attractive for the companies.
3. To help engender such public support, a **World Youth Fund Trade Mark** would be created. Businesses that adhere to the proposal would be entitled to use the WYF mark in advertising their products. **Consumers could support their products and investors their shares.**
4. Governments would be asked to consider treating such **contributions as a business cost, and therefore as not taxable.**
5. The **Fund shares would be reimbursed** at their face value **after 30 years** from the subscription, but they would be immediately negotiable as financial instruments.
6. The World Youth Fund would **invest the resources as follows:**
  - a) **One third** would be issued in the form of **grants** to NGOs and UN Agencies acting on the field in favour of disadvantaged peoples, to provide for disadvantaged youth and children, food, health care and primary and secondary education.
  - b) **A second third** would be used for **loans to finance health and education projects** of governments, managed by NGO's and UN Agencies. Preference would be considered toward funding local NGO's as a means of developing local managerial talent and reducing dependency.
  - c) The **remaining third** would be invested in financial instruments with a view to **long term profit:**
    - in order to support – acquiring shares of multinationals and working actively as shareholders
    - the leaders of those companies with a long-term vision and who pay attention to the social responsibility of their companies
    - to acquire forests and natural reserves, mines and oil and gas wells during periods of market surpluses - to help reduce the impact of falling market prices that frequently lead to financial crises in raw material exporting countries
7. Fund would be managed by a Counsel composed of:
  - a) Experts appointed by governments which would offer a range of fiscal incentives, to be suggested by the NGOs active in the social fields in the countries concerned.
  - b) Experts nominated by the shareholders' organisations.

c) Experts nominated by international NGOs recognised for their work in the field of social development, peace and social justice

8. The Fund would be controlled by an overseeing committee created by the governments participating in the initiative, consisting of prominent international figures in the world of community development and the voluntary sector.

**The creation of such a Fund would, therefore, be an important step on the way towards a more united world.** It would represent a tangible sign of hope for humanity, showing that the powerful forces of economic globalisation do not necessarily mean greater social inequality and environmental destruction.

**On the contrary, the Fund would demonstrate that the forces of creativity, which have given rise to the current global economic system, can be underpinned by a spirit of solidarity and harnessed to build a more peaceful, environmentally sustainable and equitable world both today and in the future.**