



ALL OVER THE WORLD TO CHANGE IT!

INTERNATIONAL UNION OF SOCIALIST YOUTH

RESOLUTIONS – RESOLUCIONES - RÉOLUTIONS

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UNE SEULE RÉOLUTION PAR FEUILLE!

TITLE/ TÍTULO/ TITRE:	Political economy programme
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	<p>Explainer</p> <p>Through the Political Economy Programme the YES-IUSY Political Economy Working Group works out and presents our basic ideas around the political economy and our main views and proposals on different topics. Along with a general introduction, the main body of the text is divided around the different focus groups we have agreed on with the people who have signed up to work on each topics taking responsibility for coordinating the discussion and the outlining of the text. The idea of the programme is to start and facilitate a comprehensive discussion on socialist economics, our analysis of the current situation and how we got there, our aims and visions and possible short and midterm objectives and how we can achieve them.</p> <p>The below paper is an outline of the ideas and aspirations of the working group up to this point. These are ideas which are still in the process of being developed and worked on, and should not interpreted as final or definitive conclusions. Support and feedback are very welcome!</p> <p>Table of Contents</p>



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Introduction: The beliefs and aims of socialist economics

(Coordinator: Neil Warner neil.warner@youngsocialists.eu)

Our fundamental aim is to bring about the greatest possible sustainable security and prosperity for all people, through a fundamental redistribution and rebalancing of all forms of power and wealth. Crucial to this vision is our recognition that power acquired or denied through economic assets or relationships is as important or more important than power held through official political office.

This is especially the case in a neoliberal capitalist regime in which the market system, rather than the political system, has been allowed to become the ultimate arbiter of people's decisions and the quality of our lives. Without expanding accountability and empowerment into the economic system and our material lives, all political forms of democracy will not only be incomplete but will be increasingly undermined and seen as irrelevant.



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In addition, the pursuit and defence of equality of genders, of social rights such as education and health-care, and of flourishing cultural life all depend on a sustainable and egalitarian economic system, just as a sustainable and egalitarian economic system requires a equality of genders, social rights and cultural freedoms. For this reason we consciously reject any political approach that seeks to separate the social from the economic. The spheres are inextricably linked. Our task as socialists cannot be the promotion of the social goals separately from economic questions. Such efforts will always prove unsustainable unless they simultaneously deal with the economic relations that determine the distribution of power and resources in society. Our task is instead the socialisation of economic systems and the simultaneous and mutually reinforcing democratisation of all spheres of life, whether social, economic, cultural or political.

The most essential task for 21st century socialism is to remove economics from the abstract and merely structural, and to reinsert the implications of its relationships into everyone's day to day lives - expressing this in terms of our understanding of people's right to economic security, equality and protection

Our most basic aim is material security, equality, and genuine and sustainable economic democracy. This means decommodification, equality, and democratic control over power and wealth. It secondly means asserting that all people have a fundamental right to the work, income, equal participation and material security that enables them to live fulfilling and flourishing lives. Thirdly, everyone must have an equal say in the decisions and developments that affect their material lives, such as in their workplace and working lives. Fourthly, accountable social and political power must be built to resist and take precedence over unaccountable economic power (both legally and in real power relations). Finally, international economic organisation means that power and wealth operates on an international level, which requires international democratic accountability and organisation.

To achieve these aims requires a strategy tackles the existing economic power structure on a every levels, with clear aims for both the long term and short term and a clear understanding of the existing system and the conflicts and interests behind it.

Our understanding of relations in the modern economy

(Coordinator: Matthias Krainz matthias.krainz@iusy.org)

Capitalism (Definition, development, principle mechanisms)

Factbox: Marxism

- 1.) Origin
- 2.) Theory and content



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3.) Demands and implications **SOCIALIST YOUTH**

4.) Strengths and Weaknesses

Fordism and the „Golden Age“

Factbox: Keynesianism

- 1.) Origin
- 2.) Theory and content
- 3.) Demands and implications
- 4.) Strengths and Weaknesses

Neoliberalism and financial capitalism

Factbox: Neoclassic and Neoliberalism

- 1.) Origin
- 2.) Theory and content
- 3.) Demands and implications
- 4.) Strengths and Weaknesses

The Great Recession and its aftermath

Immediate and midterm objectives

Reforming the financial market and its institutions

(Coordinator: Andrea Scheck andrea.scheck@juso.ch)

Over the last 30 years, we have seen an over accumulation of capital: The gap between profits and wages has led to high profit rates, making the rich richer by the day. But not only that: the profits earned are turned into new capital, to be re-invested and generate still more profit, creating still more capital. While this sounds logical and, though unequal, not dangerous for the economy, most capital is and was not invested into real-life investment opportunities, which are limited and difficult to predict. Instead, thanks to neoliberalism and the waves of liberalisation, deregulation and globalisation it had brought, there is a much easier and cheaper way to gain profit: speculation.

While profits in the real economy (real capital) are rooted in a direct connection to an exchange of values and thus limited by the production of said values, profits from financial speculation (fictitious capital) are not. Trading and speculation on the financial markets can consequently reach massive extents, especially in light of the breakdown of rules and regulations by neoliberal governments in the last 40 years. With a massive amount of fictitious capital in the financial market, speculative bubbles are no surprise; as soon as enough speculators expect the price increase of an asset and raise trading volumes, more speculators join them, like a vultures, wanting to get involved, leading to actual higher prices and even more speculators. This is aided by newer trends such as high-frequency trading, where speculation is done automatically by computer programs detecting the smallest changes in stock rates. This massive number of investors drives the



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asset price far beyond any realistic value. Then, as soon as the asset price takes even a small dip – either due to outside circumstance or a certain number of owners of fictitious capital being smart and getting out of the game – the bubble bursts. All speculators begin to sell, resulting in a panic among investors, a mass sale and plummeting stock prices. If, at this point, enough institutions or players are involved, we have reached an economic crisis.

Thus the latest financial crisis of 2007 was not the first of its kind – and it will not be the last. While it caused neoliberals to put state intervention and the question of regulations for the financial market back on the political agenda, we know that they did so only attempting to save the capitalist system. As socialists, we are of course aware that the repetition of crisis must be delayed as long as possible because it does affect all people negatively, but we are just as aware that, in capitalism, a new crisis is never completely avoidable, despite all regulations we might implement. A fundamental change from capitalism to socialism is therefore our logical goal. In the meantime, we fight for short-, mid- and long-term solutions in the following fields:

The re-regulation of the financial markets

Since the latest financial crisis, speculation has reached new, perverse, extremes. With the spread of high-frequency trading and the ability to speculate on almost anything, even things such as food commodities, it has become dangerous to both the real economy and all those affected by it. A re-regulation is overdue!

- *Short-term:* Finance products (derivatives) and transactions made purely for asset price inflation must be forbidden, as well as credit insurance in case bonds fail (e.g. credit default swaps).
- Forcing banks to keep higher equity and/or reserves to decrease their instability
- *Short-term:* Capital transfer controls between countries must be reintroduced in order to keep track of funds and point out off shore finance markets which help undermine tax and a democratic control of the finance sector. International co-operation and the abolition of bank secrecy are key for this to succeed.
- *Mid-term:* There must be an international register of debt and credit, with the help of which international finance institutions and private credit funds (e.g. hedge funds, private equity funds and rating agencies) can be controlled and regulated.

The redistribution of wealth

Contrary to neoliberal belief, the danger is not in giving the state too much money, but in letting the rich turn too many profits in too many fields of business. We need to redistribute money from the richest to the poorest, leading it away from potential speculators as long as we can.



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- *Short-term:* Low wages must be augmented, meaning slimmer profits and therefore less accumulation of capital. Liveable wages (and stable social security programs) also improve purchase power and prevent people from taking on subprime credits.
- *Short-term:* A fair taxation system is indispensable to prevent over accumulation of capital, and fairly taxing profit from speculation is especially important. A capital income tax in every country as well as an international financial transaction tax on the trade with shares, bonds and derivatives will make speculators pay their due part as well as make many of the short-term transactions on tiny price fluctuations unattractive, bringing more stability to the financial markets.
- *Mid-term:* The top wages cannot expand indefinitely. The payment of bonuses must be abolished, and a maximum wage must be implemented for the entire economy (this could, for example, be set at 12 times as much as the worst paid employee of the same company makes).

The implementation of democratic rule over the financial market

The decisions and failures on the financial markets affect us all. It is therefore imperative that all the population gets a say in how the finance sector is run and what decisions are made on it.

- *Mid-term:* The separation of investment and commercial banks must be implemented, giving individuals the choice to keep their funds safe from speculation. This means the state would not have to save “too big to fail” banks if they gamble too high, since private citizens would not be affected.
- *Long-term:* Systemically important financial institutions must be owned by the state and put the control of an economic council elected by the population, with the council structuring the business policy and criteria for the granting of credits.
- *Long-term:* Finance must be de-globalized, meaning that every nations’ right to determine its own development goals without pressure from international finance institutions must be reinstated. This means cancelling the debts of all developing countries and suspending the debt of countries from the European periphery as well as forbidding structural adjustment programs dictated by the international finance institutions such as the IMF.
- Democratic rating agencies

General Sources:

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OECD (2015) – The future of productivity.

Robert Lawrence (2015) – The growing gap between real wages and labor productivity.

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Simon Clarke (1990): The Marxist Theory of Overaccumulation and Crisis.

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Loans made to people with a low credit score who otherwise to not receive credits. G-SIBs and D-SIBs; large, globally active financial institutions whose failure would affect the entire economy and lead to financial instability. Definition by Basel Committee on Banking Supervision (2013): Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement.

Fiscal and monetary policy for prosperity and equality

(Coordinator: Matthias Krainz matthias.krainz@iusy.org)

The responses to the financial crisis in 2008 did range from dogmatic austerity by force to new approaches such as the Quantitative easing by the FED. Many neoliberal dogmas in macroeconomics have been proven wrong and put aside, many remain. What kind of monetary policy do we want? What should be the structure and the role of a central bank? What kind of fiscal policy do we want? What and why is a different approach needed?

Possible: Case study Greece vs Island post 2008

Input from Labour Rights section:

Macroeconomic Policy

Unfettered international competition and so-called free-trade undercut justice,



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dignity and fairness. We call for civilized markets, civilized trade and equality-led growth instead of a devastating race-to-the bottom. The drive for gains in competitiveness to stimulate growth and employment proves useless. We accept the fact that the world-economy as a whole shows wage-led economic growth. It is impossible for all countries to achieve a trade-surplus at the same time. For this reason, we call for macroeconomic demand management aimed at achieving equality. Comprehensive macroeconomic management is the only effective tool for resolving the multiple crises of climate change, inequality and social protection. It does so in a complementary fashion. The resulting equality-led growth is capable of providing full employment, guaranteeing the transition to a zero-carbon economy and effectuating equality in unpaid care work. Macroeconomic management is a cornerstone in financing and initiating innovation. The state is to retain equity in their spending on research and development so that the gains of publicly funded innovation are shared and not privatized. Affluent economies are to adopt institutions which mandate and guarantee minimum production standards for goods sold in their markets. This will guarantee the basic workers' rights across the globe. Social development in some parts of the world should not be paid by less development in others.

Markets are tools which, if deployed responsibly prove useful. Markets, however, are not means in themselves. Markets are institutions, and as such their rules are shaped by society. They are designed and crafted through the law-making process. We call for a civilized market that works to better the lives of all people across the globe. We believe that the civilized market is not only the most moral but also in pure economics terms the most successful institution.

As central tool of macroeconomic management, Public Investment Banks are to be set up. This policy is to replace Quantitative Easing. The Public Investment Banks are publicly owned in their entirety and enjoy preferential conditions from Central Banks. Their mandate is to provide large scale finance to green and purple investment projects. Green investment refers to the infrastructure which ensures a zero-carbon economy: large scale public transport investment, massive, but decentralized investment into renewable sources of energy such as solar and wind. Purple investment is the social infrastructure which ensures equality. Massive investment into high-quality, public care facilities. The investment into public elderly- and child-care will also encompass the valorisation of purple jobs and further equality between genders but also between classes. Thus, energy transition and formalisation of unpaid care work can be the main driving factor for future employment growth.

The Public Investment Banks are to provide large-scale patient capital for innovative technologies. They are to retain equity so that the society as a whole benefits. The state is to supply funding for large-scale fundamental research, as the private sector cannot guarantee this. The redistribution away from middle- and low incomes of the last 30 years is to be rolled back. This is done by the gradual



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reduction in working hours at full pay. The reduction in working hours ensures the fruits of automatization are shared by the society as a whole.

Trade and Trade agreements

(Coordinator: Michael Mayer michael.mayer@akeuropa.eu)

Trade agreements such as TTIP, TPP, CETA and TISA have become a major focus of progressive concern and opposition in recent years. As well as being individual threats, they are part of a wider trend in which “trade agreements” have moved away their traditional role of focussing on tariff barriers and have increasingly concerned themselves with domestic social and environmental regulations and accountability of corporations to domestic governments. How should we understand this phenomenon? How should we combat it? What is our vision for an alternative system of “fair trade”?

The trade we want

We live in a globalised world, where international trade and trade agreements are more complex than they have ever been before.

Trade has always had an impact on society.

What we see is the downside of trade under the rules of the so-called “Developed Countries”: Instead of creating constant growth and wealth for all, international trade creates value for few, leaving all the others behind. The idea of free trade – non tariff barriers like tolls are holding back the economy – has been proved as wrong many times by now. Free trade has become a mechanism of reducing the regulatory power of states, as well as strong welfare systems, over the economy. Instead it now is used to undermine labour and social rights as well as environment standards.

We do not want to ban trade. No one would believe, that a world without trade is a better place at once. Trade is necessary, - just take a look at the smartphone in your pocket: It was developed in the US or Europa, manufactured in Asia, with minerals that were farmed in Africa.

What we want instead is trade that is based on values, not only on profits.

Protectionism vs. the free market

Since the election of Donald Trump as President of the United States, Protectionism seems to have overthrown the old paradigm of free markets. However, the wealth of the “Western World” is mostly based on a strong protectionist agenda. Historically speaking, the free trade concept and the opening of the western markets was established at a point where western economies did not have to fear competition. This asymmetry is still present.

To understand the function of a free trade agreement, one has to understand how profit is made: The main reason for a capitalist’s profit is the so called surplus



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value. Basically speaking: A company can produce a product for a sum of 100\$ (which includes the costs of the workers' wages, energy, the machines, ...) and can sell it for 110\$. The additional 10\$ is the surplus value. So how can a company increase the amount of surplus value? First of all, there is always the possibility to raise the price of the product, which for several reasons will only work until a certain cost. Much easier is to cut down the costs of production. And this is where free trade agreements start to work. FTAs like NAFTA cut down tolls & non-tariff-barriers, so that goods which are produced very cheap in (in NAFTA's case) Mexico (where labour is cheaper, has less social standards and environmental protection is weak) can be sold without any burdens in the US, which automatically increases the surplus value.

The beginning of an international trade model as it is used today was the GATT-Treaty in 1948, which later became the WTO. For a period over 25 years now the WTO has tried to negotiate the so-called Doha Round. Large protests all over the world showed very clearly, that this system has to be overthrown:

The policies of the WTO impact all aspects of society and the planet, but it is not a democratic, transparent institution. The WTO rules are written by and for corporations with inside access to the negotiations. WTO rules put the "rights" of corporations to profit over human and labor rights. The WTO encourages a 'race to the bottom' in wages by pitting workers against each other rather than promoting internationally recognized labor standards. The WTO has ruled that it is illegal for a government to ban a product based on the way it is produced, such as with child labor. It has also ruled that governments cannot take into account "non commercial values" such as human rights, or the behavior of companies that do business with vicious dictatorships such as Burma when making purchasing decisions.

The WTO is being used by corporations to dismantle hard-won local and national environmental protections, which are attacked as "barriers to trade." The very first WTO panel ruled that a provision of the US Clean Air Act, requiring both domestic and foreign producers alike to produce cleaner gasoline, was illegal. The WTO declared illegal a provision of the Endangered Species Act that requires shrimp sold in the US to be caught with an inexpensive device allowing endangered sea turtles to escape. The WTO is attempting to deregulate industries including logging, fishing, water utilities, and energy distribution, which will lead to further exploitation of these natural resources.

The WTO played a central role in deregulating the financial markets via GATS (General Agreement on Trade in Services). In the agreements on financial services for example the limitation of trade with speculative derivatives is seen as a trade and investment barrier. For a structural change and reregulation of the financial markets GATS needs to be renegotiated and the WTO has to be fully embedded in the UN system and be accountable to the General Assembly.

EXCUSESE actual free Trade agreements

NAFTA

NAFTA for example did not harm Mexico too bad, but it killed thousands of jobs in



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the US. This might also be one of the reasons for the populists rise: for too long politics were in favour of capital and economy, instead of society.

TTIP

TPP

CETA

CETA was approved by the European Parliament in February 2017, making it the first „New Generation Free Trade Agreement“ in power.

We cannot allow trade agreements to undermine workers' rights, environmental standards, consumer protection or fair trade. We must reform international trade agreements which currently allow capital to move, but do not ensure the rights of working people who move along with it. Especially in regional trade blocs this dimension needs to be strengthened.

Trade as development aid

Trade can be a key factor in economic development. The prudent use of trade can boost a country's development and create absolute gains for the trading partners involved. Trade has been touted as an important tool in the path to development by prominent economists. However, trade may not be a panacea for development as important questions surrounding how free trade really is and the harm trade can cause to domestic infant industries come into play.

, thus ruining local markets. Instead of helping countries, this kind of aid just puts them into a more deeper reliability to Europe and the US.

We clearly see: Rich countries profit from free markets; and most of the often praised trade benefits just sum up on one side.

Developed countries subsidize farmers while developing countries tax farmers. Subsidies influence world prices, since they encourage farmers in developed countries to export more agricultural products than they would otherwise. Agricultural trade barriers and producer subsidies are therefore a major threat to many developing countries and their possibilities to develop their agricultural sector and labour market. So on one Hand we have to abolish trade barriers for Western countries, but at the same time make them available for underdeveloped countries to protect their local farmers and agriculture.

We demand that trade, especially with so-called “underdeveloped countries” has to follow the Sustainable Development Goals of the United Nations.

Our demands

Free trade between two partners does not always make both better off. Liberalization of trade has caused worldwide social and ecological destruction. We need to control free trade and the free circulation of goods. We are opposed to all international trade agreements that are shaped by the interests of big business. Trade has to be about values and principles as much as it's about economic interest.

We don't accept the non-political wording of globalisation, we are certain that we can have a fair and well-regulated trade policy which not only serves companies but societies all over the world. We stand for Fair Trade. Our trade policy is based on fair, solidary and sustainable values.



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Human Rights have to be a mandatory standard and must always come first before everything else.

- NO PRIVILEGED RIGHTS FOR CORPORATIONS

The idea of having the privilege for companies to sue public authorities and states on a Dispute Settlement System instead of a court is not acceptable. We continue to reject them.

No Trade Deals that include privatisation of basic life needs; such as: Water, Public Healthcare, Education, Housing, Energy, Social services, ... This goods belong to the public and not to companies.

PUBLIC SERVICES BELONG TO ALL AND HAVE NO PLACE IN A TRADE AGREEMENT

- We demand the full and unambiguous exclusion of public services such as water, energy, transport, social insurance, healthcare, municipal services, education, social services and culture from all provisions of the CETA agreement. The positive list approach must be applied to all other services.
- ENFORCEABLE ILO CORE LABOUR STANDARDS
- Core labour standards and more far-reaching labour standards of the ILO must be incorporated as mandatory provisions in trade agreements. Violations must be penalised.
- HIGH SOCIAL, HEALTH AND ENVIRONMENTAL STANDARDS

It is to be feared that mutual recognition or the harmonisation of important prohibitions or regulations to protect health, workers or food safety will be relaxed or even repealed. There are no apparent exemptions for sensitive areas. The precautionary principle that represents the European model must be incorporated explicitly.

- establishing new bodies providing permanent leadership on global economic, social and environmental issues, monitoring and coordinating the action of the various UN agencies such as the World Bank, the International Labor Organization (ILO), the International Monetary Fund (IMF) and the regional development banks, as well as the activities of the World Trade Organization (WTO)

Therefore, negotiations on free trade agreements should be stalled until we are sure none of these basic requirements will be violated. We need a public debate on trade, and to look into alternatives to free trade agreements for the construction of a fair global trade system.

Tax Justice

(Coordinator: Carmelo Sutera carmelosutera.be@gmail.com)

Taxation: Taking your hard-earned money out of your pocket ? It is often said that taxation is a financial charge imposed upon a taxpayer. Business, associations,



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natural person. In our society, nearly every kind of revenue is suppose to be taxed one way or the other. This is often described as the appropriation of « our money » for the cause of public goods and services. It's a big fat lie !

We, current living humans, are not responsible for most of the usable wealth that is currently present on Earth right now. Our ancestors, workers and inventors, added to this the wealth created by animals and robots (themselves created by workers, past and present !) and the fraction of what you are paid that is directly linked to your work capacity is quite small !

It's our collective duty to see that the heritage of the pain and sorrow, losses and victories, of the workers of the past is duly redistributed through the entire society in an efficient way, and not concentrated in the hands of a very few. That is the true purpose of taxation.

Public services, public good.

Farmers, factory workers and coalminers have not suffer from debilitating backbone, tinnitus, or died from Sillicosis so that just a few of their children will be allocated a decent amount of money through an amoral market led by an oligarchy that mostly rewarded their own parasitical need. No! What they wanted for their children is for them to be well educated, in good health, and well prepared for a world that would take their opinion into account, valued as citizens no matter their origin, races, or classes.

An efficient universal healthcare system, a universal basic income, a social security that leave no one behind, public programs that tackles the ecological crisis on behalf of everyone, are but a few things we can achieve if we collectively take control over the wealth produced by the workers of the past !

Distributional effects : Sharing is Caring.

It is a well-documented fact that inequality is a major factor of civil unrest. A real chance to change one life trajectory and materials conditions are indispensible to a stable and healthy society. We can't wait for tomorrow to be better or to be worse to act, we can't wait only on the markets or on jobs : we need to have a strong redistribution system.

It's through a collective effort of redistribution that we can really change life and hope at an individual level.

A European negative income tax for all young people financed by a european corporate tax will be a good first step in that direction.



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Behavioral effects: The Carrot and the Stick **YOUTH**

Taxation can also be used to try to shift consumption and acquisition of products and assets based on different criteria. (Being health concerns, social value, or simply political preferences) The best know examples are specific rates for consumption taxes of certain items: Tobacco is heavily taxed in several countries, as is sugar and some other products.

On the other hand, cultural products (especially books) tend to benefit from a reduced rate of VAT. It mostly is a gift to those who will already purchase this kind of product, and does not achieve any goal of reinforcing the attract of those products toward other population. We call for a systematic evaluation of the impact of this policy.

Corporations and capital owners are also impacted by taxes at least partly designed to affect theirs comportment. Even if some on those tax break and exemptions have very noble intent, the general effect of this multiplication is to multiply the risk for loopholes and to allow actors with the most knowledge of the different tax systems to drastically affect their tax rates.

Simplification of the tax codes should therefore be a priority for anyone who value transparency and equality between the different actors, citizens and business alike.

Taxation of different kinds of incomes : What do we tax, and how ?

Identifying why taxation is legitimate, and what we can to do with it, is useless if we can't get from the system the kind of wealth we need to achieve the desired result. This is a common mistake and common failure of our political family in the last twenty years.

We must therefore be methodical and strong in our propositions and even before have a thorough analysis of the situation if we want to really have a meaningful impact.

Tax Evasion

In a globalized world that is not equipped with a global regulatory system, capital has the strength and the means to escape much more easily from administration and taxation than ordinary workers. Mobility of capital allows for a competition between the different national systems and the difference between the systems



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allows creative accountants to move wealth basically untaxed through different nations.

The taxation and tax cheating of legal entities:

Legal entities are not taxed the same way natural persons are: Taxation of legal entities occur on profit. On a tax return of a business, we will see three elements: Revenues, Expenses, Profit. Playing with the two first elements is feasible, in legal and illegal ways (mostly a question of scales and bending more or less the rules), but it's on the profit than most of the tax cheating occur in companies who tried to exploit the discrepancy between the different fiscal codes of the world.

A company based in State A (where the tax corporation rate is high) sells at great cost the products to a company based in State B=> No profit in State A, No taxes!

The company based in State B (enjoying at leisure a low corporation tax rate) then sells the products at ten times the cost to a company based in State C=> High profit, Low Taxes!

The company based in State C (with a high tax corporation rate) sells the products to different actor with a small profit=> Small profit, Small taxes!

What's the trick? Those different companies are subsidiaries of the same multinational while public authorities continue to play in the fiction that they are different actors. The sums are so large than most of the developing countries often considered as "debtors" of the world are really net lenders in terms of financial wealth!

What can we do?

As Young Socialists, we have to understand that the fight against tax evasion is a crucial one and that we cannot hope to change the world we live in if we can't get regulate the corporate wealth. Many NGOs and academics are already working on that subject: As citizens, as activists, as organizations, we should join forces with those organizations and learn from them. And share that knowledge as widely as possible with our comrades.

With that knowledge and forces of convictions, we can advocate for a lot of practical solutions:

- **Apply a 100% withholding tax** against small offshore countries and a duty penalty against



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the big ones. **INTERNATIONAL UNION OF SOCIALIST YOUTH**

- **Create an international fiscal framework** through new treaties or existing international organizations. (eg. UN, OECD, G20...)

-We should deal with a **multinational as a one entity** that should be taxed on a global level and afterward redistributing the taxes between the different states (which also require automatic reporting of profits worldwide)

-**Excluding cheating companies from all public call for bids.**

-**Have global tax treaties with clear definitions** of profits, expenses and revenues.

Tax cheating by natural persons.

Picture you suddenly stumble on a great amount on wealth. How much time do you think it will take for bankers to offer ways and means to enjoy better all this money you completely deserved without having to pay all those annoying taxes? The first step is generally to open a bank account for you in Switzerland. From there, your wealth will be channelled to an accommodating country with basically no income taxes into an account that is not officially yours (belonging to the financial institution). Repeat this trick as much as necessary to lose the tax authorities, the press or any sense of solidarity with your fellow humans who now benefit from fewer resources for the hospitals and railways and other public commodities they sorely need. The most inventive and important part is: How to get the money back to you without alerting the tax authorities? You could suddenly do some "consulting" for a business that is most definitely not yours. Or settle a legal dispute.

What can we do?

A very important thing will be to register all the international, whatever forms it takes. It will be only a start, but a start that will require a lot of international pressure and very well-written document.

Wealthy people always try to hide the real level of possessions they have, and they will be extremely reticent about stepping outside the shadow. So we need to make sure that there is not one kind of product (stock-options, derivatives, etc.) that allow for a possibility of anonymity.

A solution that could at the same time fund a lot of programmes is to have a 2% withholding taxes on every capital until a natural owner is identified. We could fund UN global projects with that wealth, because even with that kind of punitive level of



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taxes some capitals will stay anonymous! Mostly, because they are coming from the illegal economy.

Importance of international awareness and cooperation : Digital money really know no frontier. It cannot be stressed enough that the solutions we recommend cannot have a strong and durable effect if we don't aim for a full change in every jurisdiction.

We don't think that a true Fiscal Justice is half-achieved if 50% of the fiscally irresponsible countries adopt a fair taxation system.

The main effect will only be to increase the profit of the other half of the so-called « tax paradises ». Stopping those bad practices inside the European Union should therefore be a priority but we can't stop there. An international movement and cooperation between all the actors should be a priority for our political family.

How we would tax on a national level (A few suggestions)

As we all know, a successful campaign, especially on the international level, can only pick up speed and be of great impact if it is solidly present in the local reality and people can see a possible change.

As every country have a different taxation system and a different historical relation with it, we can't really proposition a perfect model to directly implement.

Instead, what we will propose to you is a few guiding principles that could really affect in a positive way a tax base.

Universal taxation standards for Incomes

One euro of income should not be taxed differently than another one. In most countries, that is not the case: If you get this euro because you have a lot of apartments, you will still have most of this euro. It is not the case, if you get it through your hard work! Incomes from capital should be taxed at a rate as high as the level of taxation on labour.

This would allow for a decrease in the taxation of workers as more money is raised from the taxation of capital

Taxations on Robots.

Today, and even worse tomorrow, a lot of factory and administrative work will be destroyed and we can't really accept that level of destruction and hope for new jobs to replace them.

Championing a social security and a productivity taxes is therefore a necessity and



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the only way to avoid new dangerous level of concentration of capitals.

Labour rights

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The rights of workers and relations between the power of capital and labour is one of the most important aspects of a socialist approach to the economy. But it one which socialist parties have frequently neglected in recent years. In the meantime, the strength and voice of trade unions has declined, labour protections have been reduced, wage share has declined and workers' solidarity has been undermined. There are positive signs of workers' movements of growing strength in parts of the global south, particularly in large parts of Asia. But even basic rights and conditions remain denied to workers, and how these developments can be connected the the political realm remains an very unclear. And everywhere, international labour solidarity remains weak. What are the key areas of workers' rights that we should focus on? What should a labour movement in the 21st century look like? How exactly should it be connected with more traditional politics? And how can we build international labour solidarity?

From the 1990s until the eve of the financial crisis in 2007, global labour productivity has accelerated and the so called "output per worker" has rapidly increased, meaning that every year, employees have been able to do their jobs more efficiently, make more products and do more services in the same amount of time than in the year before – thus steadily creating more and more value. Despite this increase in profits earned by businesses thanks to their workers, the actual wages received by workers have stagnated, especially in the low-wage segment, and, leading up to 2007, the number of working poor even increased. Instead of being distributed to the workers, the profits went elsewhere: To the rich.

Strategies for Organised Labour

Organised labour, being under pressure and losing influence in the last decades, is a key actor in setting and forming international labour rights and markets. Trade unions' national and international importance needs to be strengthened in order to implement socialist policies international and sustainable. Domestic neo-liberal policies as well as a shift of power from representative democracy towards transnational corporations eased by efforts of international financial institutions led trade unions' power decline in absolute terms but also relatively to other actors like governments, international organizations and transnational corporations. Besides the wage measure there needs to be a recollection of bargaining strategies in



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terms of working hours, employment security and new and fair working time and employment models. This ensures relevance of unions for broader societal questions and new forms of employment.

To regain relevance on the (inter)-national stage, trade unions have to overcome the missed internationalisation and adaption to the structural economic changes with higher female participation rates and a higher average education level of workers. Setting wages and working conditions on a more centralised level, either sectorial or national, not on the enterprise level, needs to be (re)implemented to regain leverage to shape labour markets fairer, more egalitarian, set level playing fields for corporations and allow for macroeconomic management of industrial relations. In the light of currently low unionization rates extension mechanisms for collective agreements and further institutionalization of encompassing social partners needs to be driven by the socialist movement.

The so called European debt crisis since 2011 has shown strong attacks by the European Union and the IMF on the (sectorial and national) power of unions in the European monetary Union (EMU) periphery. Here the absence of cross-country coordination has remarkably shown the lack of international solidarity among organised labour even within the global north. Existing international umbrella organisations as well as national unions have failed to organise European-wide coordinated action against the undemocratically imposed austerity programmes. Instead of calling for international industrial actions the union leadership in most countries has represented narrow national and sectorial interests. This failure showed that the majority of trade union members was unable to recognise the broader implications of attacks of international financial institutions and the EU elites on organised labour in certain countries.

This case illustrates the insider-outsider dynamics faced by unions that need to be acknowledged but weakened by policies and labour. Unions can only achieve and maintain their societal relevance if they represent not only their member's narrow interest but broader interests of workers. This is particular of relevance in times of huge migration waves and a growing sector of precarious work. The weakest should not be played out against the working middle class. These dynamics must be prevented through unions by fighting precarious work, dual labour markets and at the same time unionize vulnerable groups.

Global supply chains (GSCs) need to be the centre of discussion when considering labour in the international context. To relieve global pressure on labour and the related fragmentation, Global Framework Agreements (GFAs) have been introduced. They are used frequently by Global Unions (GUs) to improve working conditions in transnational corporations (TNCs) and hence in the global south by demanding, e.g. compliance with the ILO's Core Labour rights. We demand international organizations to institutionalize labour rights in GFAs by making them binding and recoverable through strong enforcement mechanisms.



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Besides the yet teeth-lacking GFAs labour must focus on creating progressive international standards dealing with GSCs and actively promote existing ones. The power of unions in the global north must materialize itself in demanding (inter)national legislation that makes TNCs accountable for human and labour rights violations in their supply chains by due diligence. A positive aspect to be strengthened in future is international solidarity utilized and lived by Global Unions, to help the global south by financial, technical or moral support (consumer awareness). Remarkably are regional efforts like the Asia Floor Wage initiative. We want international accountability of TNCs together with a stronger institutionalisation of labour. This will increase the participatory bargaining power of workers and unions in the global south as well as north which will make a fairer globalization become reality.

In order to push for a labour-led development of international labour markets, support by socialist politics is crucial. A strategic integration of unions with socialist labour parties is key to realize transformations and institutionalize workers' interest on the political level.

Youth Employment

Many countries face an unprecedented youth employment crisis proven by the highest global youth unemployment rate since data has been collected and many young workers at the bottom end of wage distribution, often in insecure or precarious employment. Therefore, in addition to macroeconomic policies to increase the number and quality of jobs for youth, stronger policies that improve the labour market prospects for young generations are needed. We need immediate and targeted action to respond to the youth who lost hope and gave up their job search due to perceived labour market hardship.

Youth employment policies should address education and labour market training. The government qualification measures need to be introduced in such a way that they are in line with the technological transformation. This becomes even more necessary when we have a labour demand which cannot be covered due to skills mismatch. These should be complemented by community services and business start-up programmes.

Some mitigation policies which are already in place should be strengthened. Even though evidence on the impact and effectiveness of youth guarantee schemes is rather limited, they have proved to be efficient in ensuring a smooth transition of young people into the labour market or in keeping young people connected to the labour market or in education, thereby preventing the scarring effects arising from long-term unemployment. Nevertheless, the success rate of interventions is higher for new labour market entrants than for long-term unemployed. Therefore, in order to address the needs of disadvantaged groups of young people who might face structural problems, the interventions should make sure that young people are entitled to participate in an active measure by law and imply an ; age criteria for



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accessing the intervention is higher (up to 29); extend participation to young people who are not registered to public employment services and ensure job stability in the long term. The duration of the intervention has to be long enough as to allow participants a sufficient time to be integrated in the labour market.

We call for a universal education and employment guarantee for every person between 15 and 65. In order to boost youth employment, governments should act as employer of last resort in providing jobs. Public employment services must be able to assign unemployed persons to adequate jobs for their education or re-skilling programmes. We believe that having a secure job is the best form of social protection that a government can offer to its citizens. The highest employment growth potential for workers of all grades of qualification will lie in the education, health and care sectors.

Fragmented labour market and precarious work

In the last decade there has been an observable increase in the amount of precarious work. The legalization and enhancement of precarious work has gained popularity in European governments for reasons such as increasing the competitiveness of the economy. Flexibilisation of work has different meanings (and forms) depending on the country in question, going from independent subcontractors to zero-hour contracts. Depending on how a trade union stands towards temporary workers, the flex worker is better off in cases where the trade unions stand strong(er) in negotiations for collective agreements with both the government and the employer, agreements such as prohibiting ad hoc (less than 24 hours) calls on temporary workers and prohibiting working on consecutive days with successive day contracts. Trade unions prevent the unrestrained growth of flexibilisation on the work floor; making it harder for the employer to invoke on flexible workers. Sadly, this is more often not the case, causing distressing situations for employees.

Job security is a luxurious term in this context, since there is no security created for workers to be sure of work for a certain amount of time at the same employee. Working multiple jobs at multiple employees to ensure income stability is more a rule than an exception for these workers. Abuse with temp workers would not happen if the legal framework is sufficient enough to avoid misuse on the labour market. Governments choose nowadays to make their labour market cost competitive and restrain welfare policies, which affects low-skilled workers the most negative. There is a need for policies that include an equal treatment for all employees, without minding the working statute in the company, a minimum amount of working hours, certainty of a possible fixed contract in the future, social protection and equal termination arrangements.

To ensure adequate compensation and labour rights are universally applied, trade unions need to call for a general collective agreement, encompassing to all



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formally dependent-employed. While such wage floors need to be set on an adequate level, sectorial trade unions should still maintain independence to push for higher compensation and working time reduction related to productivity gains of the past and the present. Overall the aim of organised labour movements need to be to distribute productivity gains of certain sectors equally to all workers and especially ensure adequate compensation for sectors under pressure of rationalisation.

Nudging for gender equality

The politics of austerity which characterised the policy response to the Eurozone crisis make it hard to achieve gender equality, especially in the countries which were most hit by the crisis and imposed austerity programs. In Southern European countries, gender equality has clearly been labelled as a luxury good that is no longer affordable. However, it is easy to see how a situation of high deficit and debt deflation make it almost impossible for such countries to recover, also given their significant structural problems (and not least, those of the EMU). Governments must adopt a revisited Keynesian plan of investment in 'social infrastructures', such as education and health care. This kind of investment is preferable to an intervention of similar magnitude in, say, the construction industry. Indeed, investment in social infrastructure has the potential to create more employment and reduce gender gaps at the same time. This is particularly true for care-related programs, which would also free women from the obligation of unpaid work.

However, the narrative around gender equality policy making tends to be worryingly around cost saving. In this context, introducing the behavioural economics concept of 'nudge' in the discussion could help alleviate the perceived tension between equity and efficiency that arises when speaking about gender equality policy making. Nudge theory, advocates for designing better options for people to self-select in the most desired ones. In other words, it is not only which range of options people have that matters: how the options are presented is going to make a huge difference in the decisions people end up making. There is evidence that people are likely to stick with the default option, unless they have a strong preference for another option. Nudging has been applied to choices related to pension schemes and health insurance. It is time to explore its application on gender equality more deeply. There is evidence that this approach works in this policy area as well: a well-known example of this is the 'daddy quota' for paternity leave implemented in Sweden. With this policy, three months of parental leave are reserved to the fathers and, if not taken, they are lost. This is an example of nudge, as it actively sets social norms and expectations about women's and men's role in society. Applying nudging to the design of social infrastructure investment policies would allow the use of behavioural science insights to design more effective policy promoting gender equality. This is because effectively fostering behavioural change is a crucial aspect of achieving gender equality. Among others, higher remuneration and career pathways in the care sector need to be



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promoted.

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The more progressive, pro-employment investment in social infrastructure is diametrically opposed to the deficit reduction goals of austerity. Tensions arising from permanent austerity, low social protection and repressed female employment combined with the lack of a new progressive policy paradigm contributes to making the revolution of women's role in society incomplete.

Online Gig-Economy And Platform Co-operatives

Fundamental to us is that we see human labour not as an ordinary commodity. To ensure an equal level playing field all externalities need to be internalised, meaning that gig-economy giants and platform providers need to come up for the social cost arising from their activities. Hence, companies such as Uber, AirBnB and TaskRabbit need to provide social contributions as traditional employers.

Reflections on the Gig economy

Gig economy refers to apps or websites that enable workers to connect with customers to perform individual "gigs", with the ride sharing platform known as Uber, and its Chinese competitor Didi spearheading development. The former US Secretary of Labor Robert Reich has called the gig economy "the biggest change in the American workforce for over a century", and as hyperbolic as it may sound, the fact that the world's largest taxi company (Uber) doesn't own a single taxi vehicle and the world's largest accommodation provider (Air BnB) doesn't own a single rental property is clear evidence that we are seeing an unprecedented shift in the economy. Another example of a gig-economy giant is TaskRabbit, a company that connects consumers with freelance labour for small, everyday tasks such as childminding, dog walking or assembling furniture. Amazon's Mechanical Turk, where users can do "mini-tasks" such as labelling a product in an image or translating a snippet of text, for a pay of 5-50 cents per task.

While the gig-economy platforms offer a low threshold and a flexible way to work, there are challenges regarding minimum wage legislation, taxation, pensions, safety and other essential workers' rights. These challenges require sanctioning and regulation in order to eliminate the negative aspects of the gig-economy, but what I propose in this article are policy recommendations on how governments could become more worker friendly, co-operative alternatives to gig-economy giants. These so-called "platform co-operatives" have emerged in recent years, with most successful examples being several driver-owned taxi apps and an artist-owned stock photo co-operative Stocksy United. Recent development in Indonesia, where the government is attempting to resolve the dispute between Uber and trade unions by requiring Uber to operate as a co-operative, suggests that a transformation of monopolistic intermediaries into democratic platforms might happen by government intervention.

1. Offer people who have renewed their vehicle tax online an opportunity to join a carsharing co-operative. Users of the website who have finished their vehicle tax online should be randomly assigned to receive several different messages and vouchers to see what message and voucher combination is the most cost-effective to increase uptake.

2. Offer people who use public transportation journey search engines an opportunity to use ridesharing co-operatives to supplement their journeys. Randomly assign users of the website to receive one of several different messages and vouchers to see what message and voucher combination is the most cost-effective to increase use of the platform co-operatives.



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Social Protection

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Social protection is widely understood to comprise interventions which serve four main functions for households and individuals: the protection of a minimum standard of living, the insurance against economic shocks that result in or exacerbate deprivation, the guarantee of social equity, i.e. protecting against discrimination or abuse and the promotion of sustainable ways out of poverty (Devereux & Sabates Wheeler 2004). It concerns the most deprived and vulnerable strata of society and should accordingly constitute a top priority on every government agenda.

The main policy objective should be the establishment of a universal social protection floor, eliminating extreme poverty globally. A crucial step to achieve this, is for governments follow the examples of South Africa and Uruguay and recognize social protection as a justiciable human right. However, with almost 200 million of global unemployed, as well as 1.5 billion individuals in vulnerable employment, concrete and immediate policy action is warranted. For the unemployed and individuals outside the formal labour market income transfers need to be introduced or expanded to provide alleviation and lift them out of extreme poverty. However, monetary transfers alone are not sufficient as it is equal important to provide social infrastructure and inclusion. In case of particular vulnerabilities, such as disability, old age or single parenthood further social support in form of transfers and care institutions needs to be guaranteed. This would also solve the question of how to extend social protection to workers in non-standard forms of employment, who often remain outside of traditional contributory social insurance systems. Since it is likely that in the absence of drastic policy action, global unemployment will increase further, there is scope for public work programs, which can fulfil the dual goal of providing employment as well contribute to the functioning of care institutions.

To strengthen the situation of individuals who are active in the labour market, institutions of collective bargaining need to be strengthened and a living minimum wage has to be introduced in all countries and sectors. Anti-discrimination legislation protecting vulnerable groups such as women, individuals with disability and migrant workers needs to be introduced where it is absent. International migrants are especially vulnerable to exploitation in the labour market. It is important that social protection policies are explicitly inclusive to them.

Globalisation and Global development



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Many, not only economic issues have to be addressed on a global level. As internationalists, what is our position towards globalisation? What has to change and how? How should Global development change and how could it be changed?

What do we understand by globalization?

Globalisation is commonly defined as a process of international integration in almost every major social dimension: economical, political, cultural and technological. It's a dynamic process at a world scale. It's origins can be traced back at least to the birth of capitalism five hundred years ago, and probably further back in time (see e.g. Frank A. G., 1998, 2011). This historic process was boosted in the 19th and early 20th century, when the capitalist system finally covered the entire planet and economic and cultural interdependence peaked.

Nonetheless, globalisation is also something else. From a Gramscian perspective, globalisation is part of the latest hegemonic vision (i.e., worldview) imposed by the world elites, led of course by the financial fraction of capital. In this sense, it was proposed as “inevitable”, as the “natural” and “ultimate” fate of humanity. But this ideological-political global project -neoliberalism- has failed to fulfill its promises.

Furthermore, as Alvaro García Linera puts it, with Brexit and Trump's victory globalization is revealed to have been dead for at least the last few years. This dead -by suicide-, in addition to the defeat of “real socialisms” more than two decades ago, seems to have left the world without future, hope, common horizon.

This new context, along with the known dangers (retreat to national spaces, rise of nationalism and racism, etc) also poses a great opportunity: to construct a new hegemonic vision, about a new global order, more fair, more equal, more inclusive: “a world where many worlds fit”.

What is our position towards it? What has to change and how?

Globalisation's dual character -as historic process and as ideology- must be taken into account when assessing it.

With regard to its ideological dimension, we should always fight what has been the main banner of neoliberalism. But this fight should be an intelligent one; for



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globalization -as a process- has plenty of positive aspects.

As internationalists, we welcome international integration, interdependence and cooperation in all fields -cultural, technological, political, economic, educational, etc-. What we reject, however, are the shortcomings or harmful effects of globalisation. They are usually found in the economic sphere, in the form of global economic inequality, poverty, exploitation, erosion of national production systems, debt, crisis and increased dependency.

But a closer look at the other spheres of social life can also find noxious effects, often of surreptitious character. Examples of this are the “westernization” -and thus, homogenization- of most of the world, in areas such as culture (Tv, films, clothing, etc), philosophy, values (materialism, consumerism); political dominance of weak states by powerful ones (or their corporations), and its extreme form, war and military interventions; technological dependence, fueled by intellectual property rights sacralized by international laws and treaties, and so on.

What do we understand by Global Development? Development in which main areas of society?

Global development is a process of transformation in the social, economic, political and cultural dimensions of global society, in a progressive direction, and which ultimate aim is the rise of living standards for all. It is not a final stable state, but a process, and thus it is dynamic, and must be sustainable in a broad sense.

Etymologically, “develop” implies to unwrap, unfurl, unveil something that is folded (or wrapped), something that *is latent*. In that sense, development is an endogenous process, beyond the well recognized fact that societies are more interconnected than ever. As a consequence of that, it can never be imposed from the outside, but it can only sprout from the internal forces of each community.

Also, development implies economic growth, but growth alone is not enough.

Besides, it must be understood in relative terms, not absolute. An interesting conceptualization of development, suitable for different contexts and cultures, is the one proposed by Amartya Sen (1999). In his view, development entails the existence of political freedoms, freedom of opportunity and economic protection from extreme poverty. Of course, he means real freedoms, not merely formal ones.

Consequently, part of the process must be a rise in equality, not only among individuals and social groups, but also between national and sub-national states.

According to the structuralist perspective, the fundamental drives of development



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can be found at the economic base (structure) of society. There, the (endogenous) technological innovations increase productivity (and thus enhance accumulation) and change the productive structure and, ultimately, society itself. The enhanced accumulation in turn allows investments which result in more innovations, feeding the virtuous circle (Furtado, 1965). In time, as cause and effect of this process, the productive structure should be transformed into a more diversified, homogeneous and inter-linked one.

The former process implies that the economic surplus is not deviated to other uses, such as superfluous consumption, tax havens, financial speculation, burdensome debt payments, war, etc.

In order to meet these prerequisites, another condition to be met by development seeking societies is to have a ruling class (in a broad sense, politicians, businessmen, trade unionists, etc.) capable of leading this common project. This is of course, part of development's political dimension, which implies conflicts and consensus.

Some social scientists pose that development and under development are two sides of the same coin. Most of them are heirs of the "Dependency Theory", a very strong movement in the 60s and 70s in Latin America and Africa (see e.g., Theotonio Dos Santos, Ruy Mauro Marini, Celso Furtado, Samir Amin). Hopefully, under-development is only the reverse of a particular type of "coin", a particular type of development based on wild capitalism, financial speculation and dominance, neoliberalism, exploitation, etc. Hopefully, that is not the only possible type or "style" of development, since capitalism is no more than a social system and thus, it can be regulated, changed.

In order to achieve that goal, a series of issues should be addressed on a global level. This is the only way to achieve a sustainable development, since capital is global (by definition and logic) and national - based regulations are not enough to regulate it. Some global regulations (such as trade and intellectual property rights) need to be changed, while others (e.g. financial, taxes, environmental) still have to be established.

This by no means suggests that development can be achieved by following some kind of "universal recipe". Only general lessons can be learned from successful cases; then every society need to create and follow its own path. But this will only be possible in a global context of cooperation, that fosters global development, instead of the usual "zero-sum game" in which what one country gains is lost by the other.

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Feminist Economics

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Economic inequalities are fundamentally connected to gender inequalities. Capitalist systems and policies facilitate concentration of wealth in the hands of men and unequal power relations between genders. In turn, economic status is often defined by gender and gender inequalities often express themselves in economic terms. How can the relationship between economic and gender inequalities, and between “socialist” and “feminist” economics, be best understood? What should a feminist economics look like? What are the key gender-related economic issues which should be addressed, and how?

Our Feminism is intersectional and queer!

As socialists we believe in the value of equality. Equality not only between classes but also between all sexes and genders.



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But too often we can not cope with our ideals. To often our feminism integrates only white, healthy, able-bodied often privileged woman. This is no wonder because even privileged woman lack the kind of opportunities males poses.

But we can not stop there if we want to tackle all kind of injustices and discrimination. We need to integrate people from different races and age, sick and disabled persons from different religious background who do not fit in the patriarchal beauty standards. People who are poor, underprivileged or from the LGBTQI*-community. Not only because they would make our movement stronger but because we want to cope with our own ideals.

We have to keep in mind that different forms of discrimination can overlap and people can be oppressed in multiple ways. The emancipation of woman is impossible because there is no homogenous group "woman". Intersectional feminism is therefore a tool to detect discrimination, to analyze it and to present solutions. Feminism which is not intersectional is condemned to fail because it can not detect all kinds of oppression.

Intersectional feminism is inconvenient because it reminds us all to check our privilege and it is a working task for our movement. A working task because it also includes a queer perspective. Our socially constructed order of sexes which only includes two sexes "male" and "female" leads immanently to discrimination of people who do not identify as heterosexual males.

The far biggest group are people who have been socialised and often identify as woman but also all people who do not identify as male or female at all.

This line of thought is not only theoretical but has a big practical impact. People from the LGBTQI* community are often seen as "not normal" the counterpart of our order of sexes. Degradation and social exclusion are widespread through our language, disadvantages on the labour market and ultimately abuse, hate-speech and physical violence.

If we truly check our privilege we have to realise that our whole system is directed against people who differ from the norm. In a truly socialist society everyone should live according to their needs.

If you are not happy with outdated gender roles and want to raise children as male, want to wear a scarf, fight for your right to equal pay or appreciation. If you are sick of patriarchal beauty standards and "mansplaining" or a lack of attention you deserve. Or if you are forced to identify as "male" or "female" for events in our own movement.

Socialist feminists stand at your side! Our fight is international, intersectional and keeps a queer feminist perspective.

Our goal is a society where sex and gender do not play a role when it comes to life chances and material and immaterial participation. We want to smash the binary system of the sexes and our whole order of the sexes.

We do not want to abolish the sexes and different gender roles which often are vital for our identity but we want to diminish the effects and the rigid categorisation which leads to discrimination and limit our personal liberty.



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Economics: a feminist issue!

For us as socialistic feminists feminism has not only to be intersectional and queer but also needs an economic foundation. If we want to detect discrimination and exploitation an economic analysis is not only useful but a precondition for possible solutions.

A feminism without economic analysis which solely focuses on questions of identity, cultural phenomena and legal injustices was never enough for our movement. Politically it can lead to alliances with a "progressive" neoliberalism or even worse with reactionary movements who are trying to use feminist issues for kind of cultural struggle against muslims or immigrants and refugees in general. These appropriations of feminism for worldviews which are economically blind or further cultural or antimuslimic racism we refuse harshly.

But if we want to build up a socialist feminist movement which thinks economically and supplies anticapitalistic solutions which topics do play a vital role?

First and foremost we have to acknowledge that capitalism as we know it can not function without a lot of unpaid work mostly done by woman. Reproduction and care work are keywords for this debate and represent nearly half of all economic activities but are not paid at all.

If these work would be paid with market prices the tax revenues would be enough to socialise a lot of tasks. The whole discussion therefore is not an utopistic vision for a socialist future but should be a medium term strategic goal for our movement. We experience the capitalistic "solution" for this problem already through a redistribution of work. But it is not a redistribution from woman to man but from privileged woman to other woman. Especially migrants are doing increasingly domestic work or in the care economy under precarious or illegally working conditions. This development first enables that both sexes nowadays can join the working force equally. For us socialists it is clear that capitalist solutions are no solutions at all. We need a strong state which takes over these economic activities and pays appropriate wages or at least ends precarious working conditions.

Especially because these economic activities are hardly profitable, can not be "outsourced", are not as open as other economic activities to mechanization and therefor it is more difficult to increase working productivity the private market can not offer sustainable solutions without low wages, appreciation and racial discrimination. The share of such "personenbezogene Dienstleistungen" is growing, which questions capitalism in general, and therefor need a socialist answer.

These described developments have lead to the paradox situation that household working times have increased dramatically. A lot of people can not handle this economic pressure. Burnouts and mental health problems are increasing and too often woman are victims of these diseases. In the short term it is therefor a feministic struggle to secure equalisation of medical treatment. If you break a leg or break mentally under societal pressure everyone needs to have access to free



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healthcare. This goes along with a fight against neoliberal ideology which tries to individualise pressures so that everyone needs to work individually on everyone's "work-life-balance". We as socialists know that the contradictoriness of family and labour are not individual problems but economic ones.

An economic solution to this problem would be to decrease the household working time. We need a debate about a reduction of working hours not only weekly or annually but in life generally. This solution is as old as the socialist movement but in the last decades trade unions have focused mostly on redistribution of money. Redistribution and reduction of working time is a feminist issue we need to push!

Of course it is harder to explain why everyone's shortages of time are results of capitalistic accumulation than lower wages so it is a working task for our movement to reshape the discourse about this topic and to convince trade unions to fight for a reduction of working times. This shows that feminism is not a "feel good" or "luxury" topic or a niche topic but is touching the needs of the working class. This also shows that the emancipation of woman and the emancipation of the working class can only be achieved together.

When it comes to a scientific debate about economics the described developments have implications not only for neoliberal economics, which we reject anyway, but also for progressive ideologies like Keynesianism. The whole concept of strengthening domestic demand seems to be obsolete especially for smaller economies which are fully integrated in the global economy. One solution is to strengthen European solutions because Europe after all would be an economic area which has enough domestic demand to be effective. But a feminist viewpoint would exactly be the strengthening of economic activities which have to be local and can not be outsourced. Here we face low wages mostly for women, low productivities and the most potential for investment and job creation in culture, education, health and domestic work. The focus on investment in good production is not sustainable economically and for the environment.

Furthermore the Keynesian explanation why a progressive tax system is economically useful could be added another point. A progressive tax system can redistribute incomes from high paid jobs (often done by males) to low paid jobs (often done by females) and furthermore finance the described investments and jobs which would relieve women from unpaid work. Tax reduction in contrast would lead to a higher pressure on households because they can not finance privately for the general risks of life and care work. The neoliberals try to convince us that lower taxes make us wealthy but it is the other way round.

In general this is an appeal to analyse economic measures from a gender-perspective. If it is gender budgeting, which tries to detect injustices in investment decisions, our fight for a progressive tax system or European integration it is worth to remind ourselves how interconnected our feminist and economic goals really are.



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Ecology

INTERNATIONAL UNION OF SOCIALIST YOUTH

(Coordinator: Neil Warner neil.warner@youngsocialists.eu)

Underlying all of the problems and prospects of our economic system and methods of production is the imminent threat and damage that the existing system poses to the future of the planet, particularly the urgent crisis surrounding climate change. How should the economic system be restructured to meet these challenge? What are the implications and possibilities for an economic system that limits its activities and requirements to meet these ecological requirements?

Feminist Economics and ecological change

When it comes to ecological change and sustainability feminism can play a vital role. The way we structure our economy around paid labour, unquestioned growth goes along with the degradation of the work woman do. These work is often unpaid and without it our capitalist system would fall apart.

If we as socialist want to abolish our capitalist economic system and replace it with democratic socialism we have to review our relation with the ecology as well as to unpaid labour. Marx himself argued that: "Capitalist production, therefore, develops technology, and the combining together of various processes into a social whole, only by sapping the original sources of all wealth - the soil and the labourer"

First and foremost we as socialists have to do a tightrope walk. On the one hand we should not volunteer the neoliberal appropriation of the ecological movement. We do not think that the solution for our ecological problems can lie in asceticism, individual life-style choices and a reduction of the life standard of the masses. It doesn't lie as well in the commodification of environmental "goods" like the trade with greenhouse gas emissions implies. On the other hand we have to take the climate problem seriously and should not treat it as minor aspect. If we enact democratic socialism the environment will not automatically be great again.

If we see our struggle as an integrated task we have to focus on a concrete reform programme for the environment which also improves the life of underprivileged people.

We need investment in all areas which can further ecological change and on the other hand divestment in specific economic areas we can not tolerate because of their negative environmental impact. A new organisation of transportation, consumption and (energy) production will not come automatically. Especially not because of green market solutions but need to be achieved politically.

One of these political struggles is the fight for a higher share of public investment instead of private investment. Another struggle is to enforce civil services like education, care, recycling, mass mobility and social rights instead of social programmes directed to traditional families . And lastly one struggle will be about



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the reduction of the working time. **THE WORKING TIME OF SOCIALIST YOUTH**

Here we can see the old conflict between labour and capital on a societal level. How are we going to distribute investment and power? How can capitalism function when a bigger share of the investment has to be redirected by the state and traditional investment areas increasingly lack profitability? The ecological question is after all a system question, especially for us as socialists.

From a feminist perspective the answers should be clear. We need a collective approach which puts the areas of the economy first which are too often organised privately by woman. Child education and care work need to be at the center of change. But also domestic work like cooking should be socialised. Individually through the possibility for all people to visit restaurants on a daily basis or through governmental programmes. This also applies for doing laundry, cleaning, ironing, washing up or repair work. This work can be done more successful and environmentally efficient by private firms or the state. Here it is essential to fight for higher wages and salaries, higher taxes to finance these task publicly or a reduction of working time to relieve the pressure from families and individuals. Also a mixture of all measures could be possible.

We can not accept a backlash which puts traditional gender roles back into life. Furthermore a kind of tokenism through the blaming of individual life-style choices which often includes classicism against underprivileged groups of society, like woman, can not be tolerated.

The presented measures not only have an economic and eco-friendly effect but also aim towards a higher appreciation of until now unpaid work.

Building a coalition for change

(Coordinator needed)

Many issues have to be addressed on various levels, in our organisations and parties, in our political base and the media, in universities and think tanks. On different topics, different alliances are possible. How could these alliances look like? What role can we as Young socialists play? What should be the role of our parties?

Starting point: A recognition that the left, particularly the social democratic parties, are very weak at the moment across Europe. The challenge, then, that we are exploring when we talk about coalition building is more than just identifying left/progressive organizations we can work with (although that is part of it), but more importantly, it is about identifying more broadly the political and social-



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demographic groupings that the left can appeal to

Three main sections to this topic: 1) Electoral base/demographic coalitions of support. 2) Organisational coalitions/social movements, 3) European level cooperation 4) Global cooperations

1) Electoral base/demographic coalitions of support

In the 1990s-early 2000s Social Democratic parties were able to build up wide coalitions of support, able to offer something to the traditional working class, aspirational middle classes, and to varying extent gain support from Business. This 'Third Way'/centrist position worked to some extent in times of economic prosperity, but ultimately failed to tackle soaring wealth inequalities and it can be argued that many of its concessions to the centre (privatisation, insufficient regulation of the financial sector etc) have actually created the problems with the economy and political consensus we face today. Nonetheless if we are to understand how to build successful coalitions of voters, as a starting point we need to explore how this was achieved in the 1990s-2000s **and exactly why the different economic circumstances and shifting political consensus makes a repeat of this centrist approach coalition no longer possible in the present day.**

Who is the new core electoral base of social democratic parties now? (eg left parties currently tend to do much better in cities etc). How has this shifted in the last few decades? (eg. Decline of more traditionally working class votes?) How does this shift reflect the social demographic changes going on – eg definitions of class becoming more fluid and difficult.

The section should aim to have a template for the demographic coalitions social democratic parties should be aiming towards – including a critique of the various one's offered (cf Paul Mason on Labour's new electoral base: <https://medium.com/mosquito-ridge/labour-the-way-ahead-78d49d513a9f#.wjub75roc>)

2) Organisational coalitions/social movements

This section is about looking at specific types of organizations (as opposed to just social groupings). The aim would be to create toolkit for a grassroots alliance for change ,looking at some concrete case studies.

This would cover examining examples of social movements, exploring, exploring what defines a 'social movement', how is it different to a political party, and how do left parties work with social movements.

3) European Level Co-operation.



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How can left parties/organisation better collaborate internationally? Exploring both how in national governments/left parties can collaborate better on issues that require multi-national cooperation (eg climate change, refugee crisis, tax justice), but also how can left parties collaborate to present a more *visible* coalition between left parties internationally. It is all well and good party members or parliamentarians having an internationalist outlook, but how do we translate that to public perceptions and build political consensus that international cooperation is desirable? I.e. how do we translate the European project to individuals in times of increasing Nationalism.

4) Global cooperations

The European case: EU and Eurozone

(Coordinator: Miguel Costa Matos migmatos2905@gmail.com)

Reforming the European Central Bank

One of the Eurozone's chief institutions is the European Central Bank. While it is clear that its functions and structural connections must accompany any change in its official mandate, a mandate revision would send a strong message to central bankers to step up their game in supporting a more progressive economy that works for all.

European socialists have long campaigned for 'full employment' to be added as a target for the European Central Bank. While the definition of full employment is ground for controversy, the ECB would not be a 'first mover' in this area. The Federal Reserve in the US has always had employment in its mandate and even if merely rhetorically, this has made jobs a weighing factor in setting monetary policy. If jobs are added to the official mandate, it will be up to socialists across Europe, in official institutions and on the street, to demand that the mandate is upheld.

Another issue for discussion is whether inflation targets should be raised above 2%. While some are still afflicted by fears of hyperinflation, it is not the level but the acceleration of inflation which concerns most economists. This has led even some neoliberal economists to embrace the thought of a higher inflation target. This would increase the gap between already existing inflation and the inflation target and reassure central bankers that further accommodative monetary policy will not result in them overshooting their inflation targets. Insofar as socialists identify a lack of effective demand as a source for Europe's economic woes, a



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greater inflation target would be a step towards greater stimulus from the ECB. It would also be beneficial in what regards debt. As debt is in nominal terms, inflation reduces the real value of debt thereby helping member-states meet their Stability & Growth Pact debt targets, and thereby relieve themselves of forced austerity, faster.

One of the ECB's main programs is quantitative easing. While some socialists have praised quantitative easing for expanding the monetary base, it is clear that quantitative easing's main effect is to increase asset prices, with little effect on either inflation, growth or employment. The reason for this is that quantitative easing as practiced buys (mostly sovereign) bonds from banks and investors. However, if either for supply or demand reasons, banks cannot then channel that liquidity into the real economy, the new money does not trickle down. It stays stuck in the speculative world of finance. Moreover, because of asset price inflation, Quantitative Easing has had a real effect in increasing the net wealth of some of the wealthiest Europeans.

For this reason, some have called for alternative approaches to Quantitative Easing. Two of these approaches are Helicopter Money and Quantitative Easing for the People (QEP). Helicopter Money essentially involves the creation of hard money which is credited to the bank account of each citizen, while QEP involves the purchase of sovereign bonds directly from governments to fund public works for the common good. It is our considered opinion that QEP is a preferable measure for socialists. For the past few years, governments have been hamstrung by austerity. Social programmes have been cut, infrastructure has been left in a state of disrepair, and all this at a time when both climate change and new technological developments promise to disrupt our economy and both ageing and migration waves challenge the capacity of our public services. Meanwhile, a windfall transfer towards all citizens, which might necessarily be equal for all, would neither contribute towards mitigating inequality, addressing major societal challenges, or even guarantee economic growth.

A political campaign for Quantitative Easing for the People requires deep thought and strong framing. Many are rightly concerned that QEP could open a Pandora's Box for letting governments off the hook, or that QEP 'free money' could warrant further fiscal competition and corporate subsidies, instead of addressing their intended long-term purpose. Some contending solutions for this include the emission of bonds financing a specific project, the withholding of seignorage gains in case of transgression, and limitations in the scale and timing of the programme. YES is committed to working with PES on developing a coherent proposal for QEP in Europe that addresses concerns and enables investment for the public good.

Budget rules

The Stability and Growth Pact, ever since Maastricht, has established as targets



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for the Eurozone member-states a budget deficit below 3% and sovereign debt below 60% of GDP. Since then, budget rules have tightened significantly. Medium-Term Objectives mandate member-states to have structural deficits of at most 0.5% of their GDP if they owe over 60% of their GDP, and 1% if they owe less. Today, x countries do not meet the deficit target and x countries do not meet the debt target.

It's clear that we've been had in what regards the Stability and Growth Pact. Socialists naïvely believed that they could build social and convergence elements into the Euro later, but let Europe's right enforce an austeritarian straightjacket into the Euro's rules from the start. The European Union, and particularly the Eurozone, is about creating more opportunity and expanding the sphere of freedom, rather than restricting it. Instead, it has restricted governments' ability to have strongly expansionary fiscal stances, and so doing, prolonged the misery brought by economic slumps. As unlike central bankers, governments are democratically accountable to the people, it cannot be overstated that restricting economic stimulus to monetary policy is not only bad economics but anti-democratic.

We believe that budgets should be an economic expression of democratic will. Insofar as national governments remain the principal budget-making authority, it shall be in electing them that people shall express their preferences on budget policy. It is our belief that member-states should be given the necessary flexibility in fiscal rules to apply budget discretion according to their democratic mandate, and particularly to provide the level of economic stimulus they deem necessary to overcome recessions. The use of structural deficits to apply deficit targets is insufficient for this, as it does not consider discretionary policy to boost effective demand. Instead, deficit targets need to be considered over economic cycles rather than at any one year. We therefore propose that the deficit and debt targets in the Stability & Growth Pact (SGP) be revised in order to provide flexible and realistic targets (i.e. reachable to all member-states) to be applied on average across the economic cycle, rather than in any one year.

From the start, the Eurozone has struggled with enforcing these rules. This inconsistency remains to this day and remains a key weakness of the SGP. In its early days, Greece and Portugal had seen punitive proceedings started while Germany and France were let off the hook. In 2016, Spain and Portugal were also almost fined for excessive deficit while France was let off. While initially argued that this was on account of its response to Paris' terror attacks, Commission President Juncker has since admitted that budget leeway was given "because it is France". Regardless of whether SGP rules do change, it is unacceptable that some member-states be "above the law" while others are not. While the final decision on the application or not of sanctions may warrant discretion (as seen this year with sanctions suspended in light of political developments), it appears



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obvious that at least punitive procedures should be initiated automatically for those in breach of budget rules.

The Stability & Growth Pact has implied a budget effort for many countries, with adjustment often taking a toll on public investment. Public investment both in the Euro area and the European Union has been continuously decreasing since 2009. However, public investment represents not only a cost but future revenue. As a result, they may even be self-financing. EU fiscal rules have long recognized that some reforms and investments are self-financing. Since 2005, the SGP allowed temporary deviation from its targets due to structural reforms. More recently, the Commission allowed member-states not in the corrective arm of the Excessive Deficit Procedure (EDP) to deviate temporarily from their budget consolidation on projects that are largely co-financed by the EU's many structural and investment funds, but only so long as GDP is negative or below potential, the temporary deviation is compensated for, and the deviation does not put the Member-State within striking distance of the 3% deficit reference value.

It is our considered opinion that the European Commission has not gone far enough to exempt capital spending from fiscal rules. Many economists have argued that capital spending should not be considered as deficits, just as it is not considered when calculating a firm's EBITDA. This would, in turn, require current spending to be (near-)balanced, give states more budget leeway for public investment, and reassure markets that sovereign bonds finance investment rather than current expenditure. Another proposal, namely from ETUC, has been that net public debt should be considered so that debt could be weighed against a state's assets. We strongly welcomes these proposals. They are simple examples of how budget rules can be changed to give member-states more flexibility, to attenuate the budget rules' recessionary bias and promote investment.

Europe's Sovereign Debt Problem

The economic crisis has left many countries with a problem of legacy debt. Legacy debt is not only a problem because it puts countries far from meeting the SGP's rules. More particularly, it presents a burden and a threat. The weight of debt service in a country's budget is significant in a great many number of Eurozone countries. This is not merely money that doesn't go into redistribution, public services or public investment. It is moreover money that goes directly into the pockets of some of the world's wealthiest. To put it mildly, it is redistribution to the rich.

The imposing role of debt is not surprising. Philip Coggan, in his 2012 book Paper Promises, Phillip Coggan of The Economist notes "economic history has been a war between creditors and debtors, with the nature of money as the battleground." He proposed the return of a "biblical-style Jubilee", whereupon every 50 years,



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debts would be forgiven and slaves and prisoners freed. We believe it is important to resolve the Eurozone's legacy problem.

Debt forgiveness has been a feature of European politics in the past. The victors of the First and Second World War restructured and cancelled reparation debts owed by Germany in order to spur its economic development. It is ironic that it is precisely Germany (or rather, its government) the most fervent opponent of debt restructuring for other European countries. This has led to the resurrection of old animosities, with Greece having wanted in 2015 to reclaim reparation debt in compensation for Germany's brutal occupation during the Nazi period.

Europe, as a political union whose key impetus has been a drive to preserve peace in the continent, must avoid fuelling these bitter sentiments. It is time once more to forgive our partners in this union in order to assist them. This is particularly so considering that in order to meet these debts and obligations, highly-indebted countries are defaulting on other debts and obligations, including pensions, wages and social rights. We call for nothing less than equality for political obligations of states to their citizens when compared to financial obligations to creditors. We urge its member-organizations to foster a culture of solidarity that can re-enact the jubilees of the 20th Century and alleviate our contemporary problem of debt.

While in some cases, write-downs are both preferable and inevitable, in many cases, debt renegotiation must consist merely of extending maturities and shrinking interest rates. With sovereign debts strongly concentrated in banks, write-downs would eat up the capital that sustains a bank's solvency. Ever since QE, this happens not only in private banks but in the central bank itself. Debt renegotiation will not be successful if it comes at the cost of bank failure. Indeed, bank failure has been a prime cause for sovereign indebtedness in the preceding decade. To enact debt renegotiation at the expense of bank solvability appears to us as simply self-defeating.

This leaves debt mutualisation as a key instrument for diminishing the cost of debt renegotiation on society. This is not to mean that banks should not foot some of the bill. We are tired of the public footing the bill for banks who cannot take the responsibility for the credits they lent out. We know that more often than not it is the wealthiest who are defaulting on the banks and it is the poorest who are suffering the brunt of cuts and tax hikes that pay for the bank's mess. Mutualisation should not exclude resolution, but we must recognise the reality that it will assist its feasibility and sustainability.

Furthermore, debt mutualisation carries many additional benefits as a solution. One key problem when a crisis erupts is for financiers to have a safe asset they can flock to that is credibly free from default. As Eurozone countries are issuing



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debt in a currency they do not control, they are not credibly free from the risk of default. However, were the European Union or the Eurozone to issue their own bonds, and institutions were made robust as to make them safe, .

The crisis has been prolific in finding names for debt mutualisation. While the most common is Eurobonds, there has been PADRE, Debt Redemption Fund, Blue Bond Proposal, . All of these differ significantly in the extent of debt to be mutualised.

Longer term Vision for Socialism: Sustainability, Democratisation, Security

(Coordinator: Neil Warner neil.warner@youngsocialists.eu)

Socialism suffers from a lack of vision of where it wants to go and what it is specifically aiming for with respect to the economic system. Its political agenda is often hurt by a general defensiveness and a sense that, in the neo-liberal system, we are often left fighting simply to defend what we already have or even to regain what was already gained and lost in the past. This type of situation, is in the first place, not likely to be inspiring. How can we win people over to our vision of society when we do not even know what we want ourselves? It secondly leaves socialists suffering from a lack of direction and purpose that is evident when it comes to the implementation of policy. A genuinely effective and inspiring socialist approach to the economy require a more deep-rooted and ambitious understanding how we want to reconstruct society and the economy and what we ultimately want to achieve.

Changing the global economy is not something that is going to happen overnight. And while we have the option to hope and wait for the global revolution to come, we can still work within the system to transform it. Maximization of corporate profits has for too long been the driving force of change to the global economy. It is not enough just to regulate the capitalist market-profit driven economy – we need to replace it with a viable socialist alternative.

Even if we do not entirely achieve such an alternative society in our lifetime, we should have an understanding of the kind of society we are ultimately aiming for and, as importantly, of how we might plausibly get there.

This vision is something that is inevitably changeable and open to criticism and reconsideration, and that should welcome every challenge and debate as a means to improving its plausibility and credibility. Simply engaging in and promoting the debate and discussion on as wider basis as possible is a task in itself.



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This is what our 'socialist utopia' might look like, and the conditions for it to which we would aspire:

It would be an economic systems built in a manner that is fully sustainable in our relationship with nature, which lives are based around leisure rather than labour. There would be a basic floor of welfare or income for each person in every part of the world, and a guaranteed right to employment or participation of some form. It would ensure full equality of power, resources and recognition between all genders and ethnicities.

Different social and state experiments around the world have shown the problems of socialism in just one state – and its problems in the capitalist world. But there are viable socialist alternatives that work in the global economy.

Economic democracy should be at the front of our movement so change the economic system where we live. Different cooperatives, from small local consumer coops, to large industry worker owned cooperatives and other forms of people “cutting out the capitalist middle man” have shown to be a viable alternative – that works. Our alternative to privatization is not just state ownership, but also the cooperative option with the democratic “one member – one vote” system in its core. From banks to factories and football teams, this system has shown that economic democracy is a viable option.

At the same time other elements of economic democracy like mandatory profit-sharing and worker participation and representation at the workplace of economic democracy, should be implemented globally as a socialist regulation of the economy. Profit sharing and workplace democracy should become universal worker's rights. There should also be common pension funds and a socialised financial system which would support a common social insurance and cooperatively-run investment system and wealth funds. Cooperative control and decision-making should be extend not simply in the productive arena, but also extended to the social and leisure spheres that will become increasingly important.

We must not simply hold this out as some kind of utopian vision, but develop concrete steps within the current system for working towards it. This would include return to counter-cyclical demand management to achieve and maintain full employment as the basis of economic policy, as outlined in the labour and fiscal and monetary policy sections of this paper, both for the sake of the direct benefits it would produce but also in order to rebalance the power between capital and labour

We should support a legal framework for workers' councils in each country, at the very least comparable to the existing German model. There must also be strong



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legal frameworks for social partnership on the national, European and international level. In order to reassert democratic power over the international economy, we also require international democratic bodies and organisations and the creation of genuine international public sphere, including the changes outlined in the labour rights and taxation systems.

There should be financial and legal support for the establishment of cooperatives from local, state, regional (including EU) and global authorities. We should also push for the establishment participatory institutions to hold capital to account on an industry-level, not simply the firm level – involving the participation of people not connected to a particular firm. There should be regulations requiring wage ratios in each company and minimum investment requirements for profits and wealth. We also call for the establishment of common pension systems with a minimum share ownership in each company (extended to a European and translational level) and the expansion of democratic sovereign wealth funds.

We believe that we cannot just smash the system; we need to change it and know with what and how we want to change it with. And turning to the market socialism economy can be our first step to change the global economy.

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