



The Group of 78 Annual Policy Conference

The Growing Struggle between Democracy and Global Economic Liberalization

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Brittany Salon, Cartier Place Suite Hotel, 180 Cooper St., Ottawa

CONCLUSIONS & RECOMMENDATIONS

Summary Positions

1. Adopt a social market economy model
2. Pursue counter-cyclical spending policies
3. Rebuild the real economy
4. Embed markets within society
5. Reinvest in civil society
6. Enhance social justice
7. Invest in education
8. Reduce military spending
9. Reform international economic governance
10. Regulate financial transactions
11. Promote state-led development policies
12. Support global democracy

1. Adopt a Social Market Economy Model

- ❖ Recognizing the wide variety of capitalisms practiced throughout the world, we need a version of capitalism that does not consider unfettered economic growth to be its overriding goal.
- We therefore call for the adoption of a new economic model that locates the pursuit of competitiveness and efficiency more firmly in the context of the socio-economic well-being of citizens.

2. Pursue Counter-Cyclical Spending Policies

- ❖ To combat the chronic economic instability that has resulted from the deregulation of markets, governments must establish a regulatory framework that permits a more balanced management of the economy.
- We call for the adoption of economic policies based on Keynesian principles to help mitigate the most negative consequences of capitalism.

3. Rebuild the Real Economy

- ❖ Increased reliance on the real economy, as opposed to the financial economy, will promote more stable and sustainable employment and growth.
- We call upon the government of Canada to rebuild our economic infrastructure and promote the development of a stronger technological and industrial foundation for our economy, using mechanisms such as the Business Development Bank of Canada among others.

4. Embed Markets Within Society

- ❖ Canada needs more democratic management of the economy.
- We call for Canada to adopt a model of social partnership that will require systematic government consultation on socio-economic policy with labour, business, and civil society organizations.

5. Reinvest in Civil Society

- ❖ Recent reductions in the funding of civil society organizations have reduced the capacity of all citizens, and youth in particular, to participate meaningfully in economic governance especially since these cuts were disproportionately aimed at critical voices.
- We call for the restoration and the expansion of public funding for the broad spectrum of civil society organizations.

6. Enhance Social Justice

- ❖ The accelerating and extreme imbalance of wealth and opportunity that has developed over the last forty years has left the majority of Canadians with stagnating and declining real incomes.
- We call for the adoption of social and economic policies that reverse this trend.

7. Invest in Education

- ❖ We understand that it is necessary to invest in our future by supporting the educational development of our youth.
- We urge all levels of Canadian government to expand financial support for publicly funded education and to ensure that high quality education is available to all Canadians.

8. Reduce Military Spending

- ❖ The increase of military spending in recent years has reduced the capacity of governments to invest in the social and economic goals of greatest importance to Canadian citizens.
- We call for the reduction of military spending and the reorientation of the military toward defensive and peacekeeping capabilities.

9. Reform International Economic Governance

- ❖ We need a global economy in which all nation-states are empowered, encouraged, and assisted in their efforts to remain on a full employment growth path.
- We urge the creation of a new institutional framework for international economic governance that returns to the basic principles of the original Bretton Woods system.

10. Regulate Financial Transactions

- ❖ We believe that financial speculation imposes heavy costs on economies and societies by increasing uncertainty, misallocating resources and distorting income patterns.
- We therefore urge the Canadian government to work with the international community to develop measures to curb this practice effectively.

11. Promote State-Led Development Policies

- ❖ We need to empower developing countries to develop in a more endogenously driven manner.
- We call for the Canadian government to use the principle of subsidiarity in their development assistance so that recipient countries are better enabled to shape their futures in accordance with their own democratically determined values and priorities.

12. Support Global Democracy

- ❖ It is important to recognize that democracy can exist in multiple forms and should be respected even if it does not conform to the political values of the Canadian government of the day.
- We call for our foreign policy to be guided by a meaningful respect for international law and for the right to self-determination and urge that interventions be strictly in accordance with these principles.

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