

Resist outsourcing

Impose respect of social and environmental norms in world trade by calling for a new Philadelphia Summit Meeting.



In 1944, before summoning the Bretton-Woods summit that would reconstruct the international finance system, Roosevelt organized the Philadelphia Summit that established as an absolute priority, respect for a few simple social ground rules: "...Work is not merchandise. [...] There will be no lasting peace without social justice." asserted Roosevelt and the other heads of state before defining regulations on salaries, work hours and a way of distributing wealth fairly between salaries and dividends...

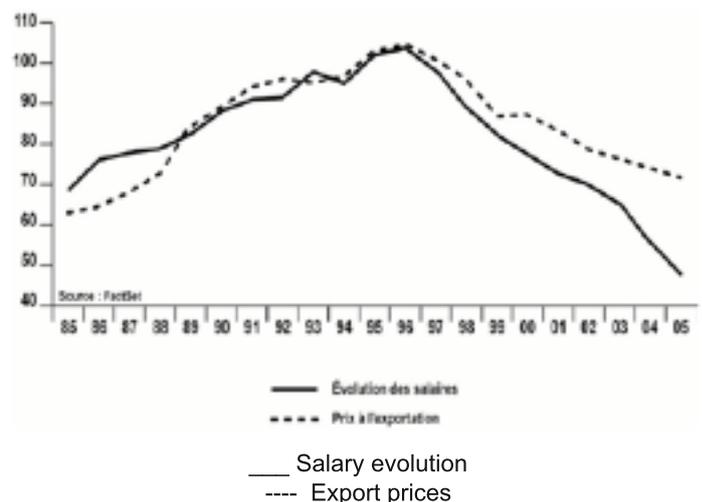
These were very concrete rules to be applied in every country as well as in world trade. Before they were dismantled by neo-liberals, these rules made 30 years of prosperity possible without incurring debt.

While our planet teeters on the brink of a precipice, while warmongering speeches and the risk of conflict abound, it has become ever more urgent to call for a new Philadelphia Summit. Cooperation and social justice must be urgently developed to offset social dumping, finger-pointing and conflicts.

Before joining the WTO (World Trade Organization), China signed social agreements on 22 points with the International Labour Organization¹, but has respected virtually none. This is as extremely prejudicial for the Chinese people (hundreds of millions of Chinese could benefit from more decent living conditions) as it is for the economy. (Given the low level of the average salary, domestic spending represents only 28% of GDP while it represents 60% in India or in Europe. This explains China's economical instability and its extreme dependency on exports and investments.) It is also prejudicial for other peoples of the world who see part of their industrial production desert their countries for China.

Evolution of labour costs in China compared to the rest of the world

Evolution des couts salariaux en Chine par rapport au reste du monde



China's joining the WTO would have been impossible had it failed to sign these social agreements. By participating in a new Philadelphia Summit, China and other countries with low level salaries may avoid immediate

1. China signed agreements on a 44 hour work week, an 8 hour workday, the right to a decent salary, to a decent lodging...

application of protectionist measures in Europe and the US. **But they must clearly commit themselves to respecting the social and ecological norms to which they formally agreed upon joining the WTO.**

Europe must clearly state that, if this is not the case, it will, within four years, set up border taxes to restore fair trade conditions.

Europe is China's number one client. This gives Europe true negotiation capability². Once again, the key lies in the political willingness³ and organisation of Europe (we shall come back to this crucial point later). There is no unavoidable reason for allowing globalization to proceed without both social and ecological regulation. For 40 years, Europe has been a space of regulation, and globalization has proceeded with regulatory provisions for social justice. If we want to prevent our economies from collapsing, if we hope to hinder the rise in warmongering, it is urgent to revive, in a very concrete way, the spirit of Philadelphia.

Right-wing Austerity or Left-wing Austerity?

Some would have us believe that there is no alternative and that, in 2012, we will be forced to choose between two kinds of fundamentally similar austerity. This is untrue! As we saw above, it is possible to quickly save the euro and restore healthy management of public finances without imposing austerity policies on the middle classes and on all those who are already suffering terribly from the financial crisis.

Implementing these 9 proposals would enable us to rapidly recover our freedom in relation to the financial markets. It is simply a matter of political will. As we saw before: when Roosevelt took office, he closed the banks for a few days to avoid panic or excessive reactions. He then, despite the bitter opposition of banking lobbies, put 15 fundamental reforms to the vote in just a few weeks.

The fight against financial lobbies is as important today as it was in 1933:

Many Americans observe, "Whether you vote for Bush or Obama, it's Goldman Sachs who makes the laws".

In France, Nicolas Sarkozy's proximity with the heads of the major banks is nobody's secret. Henri Guaino, the president's special advisor, explained some months ago that "Nicolas Sarkozy increasingly listens to late visitors. And in particular to Michel Pébereau, head of BNP Paribas, who tells him that French banks are doing fine and that he should change nothing in his political line"

In front of the TV cameras, Nicolas Sarkozy quotes Jean Jaurès and promises to regulate financial markets, but behind closed doors in the presidential palace, his main advisor is a banker. This explains why nothing serious has been done to regulate the financial system in the last 5 years. But, overall, nothing, save the unwillingness of a few, can stop us from doing what needs to be done.

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2. *Our negotiating capacity is all the greater since the recent downturn in Chinese growth. It desperately needs to keep its "European market".*

3. *When one of our political leaders visits China, is it to capture markets for Bouygues, Alstom and Arexa, or is it to defend social and human rights?*