

Speech to the 2000 Labour Party Conference

Brighton

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Conference - we are living at a time of massive historical change. The effects of the new information technologies and the speed with which capital is moving around the world, is reshaping the world economy and the nature of political power.

I have just returned from the Annual Meeting of the World Bank in Prague. As you know the meetings faced big demonstrations. These follow on from the violent demonstrations in Washington last Spring and before that the demonstrations in Seattle, calling for a halt to globalisation and the dismantling of our global economic institutions.

There is no doubt that people across the world are feeling troubled by the speed of change. In the developing world people also feel worried that they will be permanently marginalised from the new wealth being generated by the globalising world economy.

There is a clear parallel here with the period of the industrial revolution. This was a time of enormous change, driven by changes in technology. It generated massive new wealth and led to a society where some had plenty and others lived in squalor. The whole inspiration of our political tradition was a commitment to democratic action to share the wealth of industrialisation, in order to improve the lives of all. Today, the challenge is to manage globalisation for all -to share the new wealth across the world and usher in a new era of massive poverty reduction.

Conference, we are living at a time of great opportunity and great risk. 1.2 billion people - 1 in 5 of the world's population - are living in abject poverty without access to adequate food, clean water, basic healthcare, education and the opportunity to improve their lives. At the same time, we have great new wealth generated by the new technologies, and a surfeit of capital flowing ever more rapidly around the world.

The policy document you have been discussing this morning provides an analysis of these changes, and an agenda for action by the next government. It is a document which thousands of Party members have helped to shape. This will build on our Government's increased commitment to international development over the last three and a half years. It outlines how we need stronger, not weaker, international institutions. A World Bank and IMF focused on the systematic reduction of poverty. And a World Trade Organisation that is more responsive to the three quarters of its membership that are developing countries, and that puts in place a fairer international trading system.

Over the last 3 years we have worked to improve the effectiveness of the international development effort by getting all parts of the international system committed to meeting the international development targets. They aim to halve the proportion of people living in extreme poverty by 2015 - which means a billion people being lifted out of poverty between 1990-2015.

They also commit us to getting all the children in the world into quality primary education and improving basic health care for all. We have had great success in this work. The UN and all its members, the World Bank, the IMF and the Development Assistance Committee of the OECD, are now all firmly committed to the targets - not just as an aspiration, but as measures of the success of our joint development efforts. This is an unprecedented global consensus and creates the opportunity for a major advance.

Our own UK contribution - as we promised in our manifesto - is greatly expanded, a 50% increase in our budget, up from £2.2 billion in 1997 to £3.6 billion in 2003, so that we now have the biggest ever UK development programme in real and cash terms. And our programme - both our direct spend and our contributions to international institutions is focused on the systematic and measurable reduction of poverty.

This record contrasts very sharply with that of the Conservative Party. Under the Tories the aid budget shrank and too often focused on Britain's commercial and political interests. This led to the shame of the Pergau Dam - a project that was linked to a proposed arms deal, and was struck down by our courts because it was an improper use of development funds.

Our Labour Government has reversed all of this. Our budget is growing, our focus is on the systematic reduction of poverty and the promotion of sustainable development, and we are seen once again as a radical and influential player in the international system. All this and much more would be lost if we were ever to allow the Conservative Party to be elected to government again.

We have also led the international effort to improve debt relief for the heavily indebted poor countries. Gordon Brown and I worked closely together to win a commitment to more generous debt relief focused on support for poverty reduction. In Prague the Bank and Fund were strongly committed to ensuring that 10 more countries join the 10 already receiving debt relief by the end of the year. This will lead to the writing off of \$50 billion of debt.

But after that we face major problems. Of the remaining countries that need debt relief, many are mired in conflict. They include countries such as Sudan, Sierra Leone, the Democratic Republic of Congo, Burma and Somalia.

The reality is that in large numbers of poor countries, especially in Africa, conflict is a major barrier to development. Poverty and division lead to conflict that entraps people in growing poverty. We need a more effective UN and a stronger international effort to help resolve these conflicts. After the UN's terrible failures in Rwanda and Srebrenica we must ensure that the peacekeeping operation in Sierra Leone is a success, and that peace and development replace war and amputation in that long-suffering country.

Our three international departments - Robin Cook, Geoff Hoon and I - are committed to stronger joint working to resolve conflict. In the Comprehensive Spending Review a £50 million pooled budget was provided to support this work in Africa.

We must also provide more support to countries coming out of conflict to rebuild and move forward, so that poverty and division do not lead to a renewal of fighting. It is for this reason that the UK has over the past 3 years taken on the leading international role in helping Rwanda to establish justice and development in that small tortured country.

And today I can announce a major new commitment to Rwanda. Over the next three years, we will provide £63 million in budgetary aid to assist the government to rebuild basic services for their people. This will include a programme of universal primary education - giving new opportunities to a whole generation of Rwandan children.

In addition, we will pilot, in partnership with the private sector, a teacher training programme. This will make use of modern technologies so that more teachers can be trained and more Rwandans will have access to information technology.

Thirdly, Rwanda is one of the ten countries that will qualify for debt relief before the end of the year. This will provide more than £20 million for each of the next 10 years, to support their highly stretched budget.

I can also announce a new commitment to Malawi. Malawi is one of the poorest countries in the world. 64% of its people are malnourished. In Malawi, as in Rwanda, a small, densely-populated country with few natural resources, it is the education of its people that is the hope of the future.

We will therefore provide £61 million over 7 years to support the building of quality primary education for all in Malawi.

But for developing countries to achieve the economic growth necessary to reduce poverty, they also need massive investment in water, sanitation, telecommunications, electricity and transport. Currently over 1 billion people lack access to clean water and 2.4 billion lack sanitation.

The public sector funds available in the countries concerned and in the international development system are minuscule compared with the need. Yet there is abundant capital looking for opportunities to invest in emerging economies.

To achieve the necessary investment, we need to create public-private partnerships to bring private capital and know-how into partnership with government and thereby provide a massive expansion in services. We have provided £23 million to support the World Bank to set up offices in Kenya, South Africa and south-east Asia — to assist governments in this task.

We are also reforming the Commonwealth Development Corporation and our Export Credit Guarantee Department, to provide more support for such investment.

Conference, I hope these examples of work being supported with our development budget show that our efforts are more successful than the depressing images of crises and emergencies that dominate media coverage. I am proud that the UK is known throughout the world for being one of the fastest and most efficient countries in responding to such disasters. (West Bengal)

But we must also be clear. This is only 5% of our international effort. The rest goes into long-term development, the resolving of conflict, the building of effective government, and economic policies that enable people to work, save, invest, grow their economies, get their children to school and provide proper healthcare for their families. An investment in development and self reliance rather than dependency and handouts.

I hope, Conference, that you feel some pride in seeing the deepest values of our party in action in government, helping to build a more just and sustainable world.

But Conference, the level of inequality and poverty that exists alongside abundance and plenty in the modern world is the biggest moral challenge we face. Reducing poverty is obviously right, but it is also in our self-interest. So many of the world's contemporary problems are rooted in poverty. War and conflict, the spread of HIV/AIDS, environmental degradation, rapid population growth -these problems affect us all and endanger the future - wherever we live.

In 1945, after the suffering of depression, world war and fascism, a previous generation - with the Labour Government of 1945 in a leading role - acted together to create the United Nations, the Bretton Wood Institutions and new trading arrangements. They were determined to ensure that peace and development replaced depression and war.

The challenge for our generation is to act with equal vision to create a strengthened international system capable of achieving what is now possible — for the first time in human history, the elimination of abject poverty from the human condition.

The Labour Party has a major role to play in this. We must all work to ensure that we win the next election to ensure that we fully play our part.

Clare Short MP