

**** CHECK AGAINST DELIVERY ****

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Development**

Thank you colleagues for that warm welcome, and Alex for that kind introduction. Thank you to the Overseas Development Institute for your kind invitation to speak here today. The ODI has an incredible history of making space for critical thought on international development, and I am honoured to be part of that.

I want to speak to you today on the challenges facing the world and what the Labour Party will do in government to address them.

Over the weekend, I visited two of the Caribbean countries worst affected by hurricanes Irma and Maria.

It's only fair to mention that the British Virgin Islands have already been visited by Britain's top diplomat and statesman. The person you can trust when the going gets tough. That's right. Boris Johnson. As if one hurricane wasn't enough.

But, it is no laughing matter.

It was an honour to visit two independent countries where the recovery risks being forgotten.

On 5 September, Barbuda received a direct hit from Hurricane Irma. 95% of buildings damaged. Electricity, water, and infrastructure knocked out. All 2,000 people evacuated. An estimated US\$ 250 million of damage. For the first time in 300 years, the island left uninhabited.

It takes over an hour to get there by small coast guard boat from Antigua, through choppy waters. The first thing that strikes you is how empty and eery the island feels. How few people have returned. Two of those who had returned – Jacynta, a local resident, and a policeman who called himself the Colonel – offered to show us round.

Everywhere, the damage is visible. Homes with no walls left. Living rooms left open to the elements, furniture still there, like some sort of doll's house. The island's only hospital, Hanna Thomas, is without a roof and unusable. Medicines and x-ray machines thrown around everywhere.

I went on to Roseau, the capital of Dominica. The proudly independent country of 72,000 people was hit hard by Hurricane Maria thirteen days later, even as they were preparing to send assistance to Barbuda in solidarity.

A month on, and the picture is bleak. A full humanitarian operation is in swing. The World Food Programme and Red Cross are trying to help people cover basic needs and survive the next few months. Barbuda was able to turn to its sister island Antigua in its hour of need. But Dominica is one of few countries in living memory to be devastated from end to end. Unlike Puerto Rico, or Guadeloupe, or the British Overseas Territories, no-one to turn to for unconditional help and protection.

Dominica was a beautiful island of jungles and waterfalls and volcanic lakes. A paradise to the thousands of eco-tourists that bring income to the island every year. A place that Dominica's Prime Minister Roosevelt Skerritt called "Eden".

Then Maria hit. 90% of buildings damaged. Electricity out. Water affected. Trees stripped of their leaves by the high winds. Those green jungles turned to brown mud. An exodus of thousands of people to other islands. Schools still closed. Children still missing out on education. No prospect of tourism income for many months.

But Dominicans will rebuild, and better than before. There is a determination and a solidarity and a pride that disaster cannot destroy. At a food distribution centre, I spoke to an eloquent young girl called Myas. She was just ten years old, her future ahead of her. She told me she wanted nothing more than for Dominica to get back on its feet.

It would be easy to say that what happened in Barbuda and Dominica was apocalyptic. Or a disaster film brought to life. But this is no fiction. It may not be in our living room, but it is real. It is happening, now.

The future we feared and talked of is here. More frequent, extreme climate disasters. Whole islands evacuated and torn apart. Tropical storms all summer. Not just Irma and Maria, but Jose and Harvey. Flooding across South Asia, affecting the lives of 40 million people. Rising waters that continue to shrink islands like Kiribati in the Pacific, and that mean they will soon be gone.

In Dominica, I met a humanitarian worker with the Red Cross. He told me, and I quote: "I don't do politics, but right now it feels like I'm working in a growth industry".

And standing in the UN General Assembly days after Dominica was hit, Prime Minister Skerritt told world leaders: "The stars have fallen. Eden is broken". He told them: "72,000 Dominicans lie on the front line. In a war they did not choose. With extensive casualties from a war that they did not start".

Together, all 14 Caribbean Community countries produce less than 0.1% of global emissions. Prime Minister of Antigua & Barbuda Gaston Browne who I met on Friday, has pointed out the "painfully obvious ... unfairness, injustice, and inequality" of the hurricanes and that small island states are "the least of the polluters, but the largest of the casualties".

Dominica wants to rebuild as the world's first climate resilient nation. Barbuda wants to rebuild as entirely green, organic, and resilient.

But they are finding the rules of the game work against them. A dismal response from aid donors, including the UK, even when eligible for Official Development Assistance. Aid rules that don't recognise the vulnerability of small island states. International recovery loans that come with extortionate interest rates. Trade terms that continue to exploit their countries. Historic debts that won't be written off. Meaning that the pressure to open up the islands to predatory investors, the only source of money for the recovery, is greater than ever before.

Climate change is a matter of social justice, and acting on the symptoms now is part of the answer. After many years, the world has the Paris Climate Agreement. We have the Green Climate Fund, set up for exactly this kind of climate mitigation and recovery. At next week's 23rd Conference of Parties in Bonn the UK must be unequivocal and protect and deliver on that hard-won world agreement.

No more appeasing climate deniers - whether they are Donald Trump in the White House, or Nigel Lawson in the House of Lords. No more hand-holding, please.

But this is about much more than just our climate policy.

It is also about the fundamental challenge of growing inequality in our world. Inequality between countries, but also within countries.

Oxfam say that eight men now own as much wealth as the bottom 3.6 billion people.

And it's not just them.

Even the IMF said earlier this month that increased taxes will not reduce growth.

The IMF has come to champion the idea of reducing inequality in recent years. They recognise that inequality has increased within a large number of countries in recent years, and is preventing stability and inclusive growth.

On this, the IMF and the Labour Party agree.

It is a broad church indeed.

Jeremy Corbyn said it at our Party Conference, and I will say it again: “We are the political mainstream now”.

The truth is that in today’s world, the triple challenges of climate change, inequality and enduring poverty cannot be treated in isolation.

So let me be absolutely clear: the root cause of our crises today is our global economic system.

Over several decades, it has made a few people very rich. But in the process it has brought the planet and the many to their knees.

Finally, here in the UK and in places all around the world, that bubble is bursting. The myth that says wealth will trickle down is disintegrating before our very eyes. When people around the world are told that it just a matter of time until the so-called “left behind” catch up, they are no longer buying it. Unless we make a serious attempt to tackle the root causes of inequality, climate change and poverty, our international development policy is doomed to fail.

It is time to stop using UK aid only as a sticking plaster on the worst sores of our global economic system. It is time we leveraged the UK development budget to stop those sores in the first place.

There can sometimes seem to be consensus in the UK between the Conservatives and Labour: on the basic principle of helping others, and on the UK’s pledge to spend 0.7% of national income on development.

But the truth is that the choice is stark. It always has been.

Down one path, the Conservatives will tell you that the world’s economy is fundamentally fair and working. That more free trade, more entrepreneurship, more neoliberalism, and less regulation, means we can all become wealthy. That the wealth will trickle down. They will search for the successes that prop up the narrative, and will tell you that extreme poverty is falling. They will not tell you, for example, that the threshold has been reduced multiple times in real terms. Or that when China lifted hundreds of millions out of poverty under the

Millennium Development Goals it did so without following the classic neoliberal prescription. Or that if you apply an ethical poverty line of just US\$5 a day, the number of people in poverty is more than 4 billion.

They will tell you that aid is our gift to the world, and that the rich should be applauded for their generosity. They will not tell you about the overall financial flows, where wealth continues to leave developing countries. Or how aid is a drop in the ocean compared to the importance of tax yields, of national debt, of remittances, of foreign direct investment, of the billions of wealth extracted every year.

The other path is Labour's, the party of international development. Back in 1964, the Labour government led by Harold Wilson set up a Ministry of Overseas Development. The first time in this country where we had a stand-alone department for aid. In 1970, when Edward Heath's Conservatives came to power, this was merged into the Foreign Office. When Labour was back in government in 1997, we again separated it out from the Foreign and Commonwealth Office, this time as the Department for International Development.

That decision led to Britain being internationally recognised as a world leader in development. It led to millions of lives saved, millions of girls in school, hundreds of millions of pounds of developing country debt wiped out, and a world class department that is the very best in the world at what it does. And it was Labour that laid the groundwork for the new consensus on 0.7%, which I am proud endures today regardless of party.

Labour has always believed in social justice, in getting to the root of the problem, in tackling structural issues like national debt, as we did in the 2000s, in social spending on health and education systems, in finding the policy solutions that make the world fairer and that put people before profit.

But the Department for International Development is now twenty years old. And a lot has changed since then. The financial crisis hit. The bubble of neoliberalism has burst. Inequality has worsened. Whether in the Arab Spring or in Brexit and Trump or in countless movements across the global South, people are making their own diagnosis and realising that the system doesn't work for them, it works against them.

In international development too, since 1997 it has become clear that poverty eradication – the current focus of DFID and the International Development Act – is not enough. For the first time, the recently agreed Sustainable Development Goals give equal weighting to People and Planet, alongside Prosperity. I am proud of them, and I will fight hard to make sure the world achieves the targets.

It is the first time we have a global plan of action like it. The Global Goals are a promise to the planet and future generations, and world leaders must keep them.

It has always been the Labour Party on entering government that takes bold strides forwards on global justice. In 1964. In 1997. And now, once again, it is time for Labour when we enter government to revolutionise the UK's approach to international development. We will once again raise the bar. So let me tell you a little about what I believe that revolution must look like.

The singular mission of the next Labour-led Department for International Development will be to build a world that is for the many, not the few.

But before revolution, we must be clear where we need evolution.

We must of course protect our pledge to spend 0.7%, as Labour has committed to doing in its manifesto. No more dancing to the tune of Paul Dacre and right-wing aid sceptics.

We must also throw our weight behind the Sustainable Development Goals. Particularly those where enough is not being done, and where the UK can add value. They are too big and too important to fail. The Sustainable Development Goals begin at home. The next Labour government will take achieving and reporting on them here in the UK seriously.

And we must recommit and double our efforts to strengthen the global rules-based system. Already, global governance and the world's ability to tackle its biggest problems is on the ropes. So no more unilateral threats to withhold United Nations funding without agreeing a multilateral approach first with other member states. No more jingoistic threats from Theresa May, Priti Patel and Boris Johnson to take back control of our aid budget from the OECD. No more scapegoating of global institutions for the sake of scoring political points at home. Instead: sensible, calm leadership and cooperation.

But we must do more than just defend the status quo. Our manifesto committed to, and I quote, "develop a targeted development agenda based on the principles of redistribution, social justice, women's rights, and poverty reduction". Jeremy Corbyn and I have been clear in the build-up to June's election that our international development policy will work for the many, not the few. That central aspiration – a world for the many, not the few – must be what drives the UK's international development policy. That is how we can be a beacon of hope for the world.

So it is no longer enough simply to fixate on protecting 0.7%. Of course we know why we did: it was under assault from the extreme right. Making sure we spend the development budget effectively and transparently is absolutely right. The Tories' confused aid strategy says much on how they will spend the money, and that it will be in the British national interest. But they do not articulate clear, compelling, transformative objectives. The failure to do so damages the British public's belief and trust in international development. We must not put the mechanics of 'how' we spend the aid budget before the aspiration of 'why' we spend it any longer.

After seven long years of Tory government, it is time we put that central moral case and purpose back at the heart of international development. That means we will make sure that the Department for International Development has clear objectives for how it will transform the world. Not just numbers, targets, or results, important though they are. But a clear strategy and set of measurable objectives that tells the British taxpayer how their contribution will help build new free health services in other countries, transform education systems, get tax cooperation agreements signed, prevent conflicts that are at tipping point, reduce inequality gaps, and challenge gender inequality.

If we are going to help build a world for the many, not the few, then that central moral argument cannot be about charity. In today's world, the central driving purpose of our international development policy must be first and foremost about fairness. We must challenge inequality, wherever it exists. Inequality between genders. Inequality of wealth, and of opportunity. Inequality between the few who are ahead, and the many who are left behind. The kind of global inequality and unfairness that leaves the recovery of Barbuda and Dominica in jeopardy.

So I am delighted to announce today that a Labour government will explicitly task the Department for International Development, for the very first time, with a twin purpose of not only eradicating poverty, but also reducing global inequality.

In practice, that means that everything DFID does will be looked at through a lens of how it contributes to reducing inequality and that outcomes will also be measured on that basis. This inequality focus will build on the important principle within the Sustainable Development Goals to "Leave No-one Behind" as well as DFID's existing world-class work to break down data to make sure the most marginalised are benefitting from development.

It will also mean that DFID will specifically champion global efforts to make progress against Goal 10 of the Sustainable Development Goals to reduce inequality within and among countries. That will include convening like-minded

champion governments from around the world at a major summit to accelerate progress on reducing inequality. We will hold that within the first 9 months of being in government.

I have already spoken at some length about how our international development policy cannot hope to tackle the root causes of inequality, climate change and poverty if we rely on aid alone.

Take tax for example. Tax avoidance costs developing countries huge amounts of money. It is estimated that more than US\$ 100 billion are lost each year from corporate tax avoidance by developing countries. In Africa alone, the estimated US\$ 35 billion lost each year exceeds the US\$ 30 billion that enters the continent as aid. The UK of course has its own particular obligations given our relationship with a vast network of overseas tax havens. DFID also does important work on strengthening the capacity of tax authorities, and boosting tax yields in developing countries. Labour has been clear that we will step up that work with other countries to develop progressive tax systems. We have also committed to leading the way on tax cooperation and strengthening existing international bodies so that we can secure a breakthrough in creating fairer global rules to govern taxation across borders. And I am calling on the government ahead of the November budget to use the powers granted in the 2016 Finance Bill and insist on multinationals doing public country-by-country reporting of their tax affairs.

That work is hugely complex. It requires diplomacy. The outcomes are uncertain. It is sometimes outside the domain of the Department for International Development. But when so many billions of pounds are at stake, that should be spent on hospitals and schools in the world's poorest countries, it is all the more important for it.

And you could apply that same argument to the global rules that govern debt. Or trade. Or peace and conflict.

But let me be clear. A Labour government will not shirk the responsibility of tackling structural factors head-on in government. We will think ambitiously. We will act boldly. We will do the hard work of winning international support and changing the rules of the global game to make our economic system fairer. We will do whatever we can to level the playing field.

To do that we need at least three things. First of all, a strong cross-government approach. Not like the Tories, who want to use ever greater portions of the aid budget to plug the budget gaps of departments that cannot spend aid effectively or transparently. But a whole-of-government approach to international development policy with other government departments - Treasury, Trade and

Investment, Foreign Office, Ministry of Defence - actively involved in formulating and delivering on our ambition to build a world for the many, not the few. An empowered and properly staffed department, coordinating policy and action across the whole of Whitehall in order to get to grips with the biggest problems facing this planet.

Secondly, we cannot hope to make breakthroughs on social justice through top-down government alone. We need civil society. Whenever social change happens – whether in the struggle against apartheid, the cancellation of developing countries' debt in the 2000s, or in the hundreds of struggles fought everyday in the global South – it is invariably because a committed group of citizens stands up for what is right and what is fair. The UK government must do much more to protect and promote civil society and its ability to operate, not only here in the UK but also directly in the global South. Under the Tories, advocacy and campaigning organisations have been targeted and undermined. The Lobbying Act has delivered a chilling effect across the sector.

Strategic funding mechanisms like the Programme Partnership Arrangements and the Civil Society Challenge Fund have been slashed, despite evidence that they work, and NGOs forced to apply for rigid and limited funds that don't do justice to their work.

A Labour government will celebrate civil society not only for its service delivery, but also for its advocacy and campaigning. We have committed to repealing the Lobbying Act. Our human rights-based foreign policy means we will speak out wherever it is helpful to do so when civil society space is squeezed.

I am also delighted to announce today that Labour in government will take immediate steps to increase overall funding to civil society. Not only international NGOs but also to civil society organisations that play such a crucial role in driving change in the global South. We will immediately relaunch a strategic funding mechanism for civil society within the first nine months of entering office. We will also establish a significant new Social Justice Fund, specifically designed to support civil society to challenge the root causes of poverty, inequality and climate change within countries.

Thirdly and finally, if we are to tackle them, we must be ready to hit the ground running in government. To put more detail to our vision. That is why I am pleased to also announce and launch today a new Labour International Development Task Force - experts and activists who will advise me, acting in their individual capacity. Over the coming six months, they will help put flesh on the bones of our programme for government. Before the end of 2017, I want to hear ideas and evidence from the sector and from within the Labour Party. And

in spring next year, we will publish a paper setting out in more detail our programme for government.

That is the work that lies ahead of us all. To get beyond British aid as a sticking plaster, as a last attempt to hold back the waves unleashed by our global economic system, and instead to use it to drive serious, systemic, change.

I want to be able to look Myas, that 10 year old girl in Dominica, in the eye and tell her that we hear her, we see her, we're on her side. That Dominica will recover, that pollution unleashed on the other side of the world and unfair rules on debt, trade, and aid, will not hold her back from her future, that the UK and the world stand for global justice, and that we are doing all we can to build a world for the many, not the few.

Thank you very much.