

A WORLD  
**FOR THE MANY**  
NOT THE FEW

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THE LABOUR PARTY'S VISION FOR INTERNATIONAL DEVELOPMENT



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# CONTENTS

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<b>Foreword by Rt. Hon. Jeremy Corbyn MP</b>	<b>3</b>
<b>Executive Summary</b>	<b>5</b>
<b>1. Preface</b>	<b>7</b>
1.1 About the paper	7
1.2 How the paper was written	6
1.3 Acknowledgements	8
<b>2. Introduction: the world we live in</b>	<b>9</b>
2.1 What does a world for the many, not the few, look like?	9
2.2 The crisis we all face	10
2.3 Labour: the party of international social justice	11
2.4 The Conservatives and the failure of charity	11
2.5 The transition to a fairer world	13
<b>3. Labour's vision for international justice</b>	<b>15</b>
3.1 Objectives	15
3.2 Our top five priorities	18
3.3 Affirming existing principles	23
<b>4. How Labour will achieve this vision</b>	<b>25</b>
4.1 For the many, by the many	25
4.2 Planning for transition	28
4.3 A renewed Department for International Development	29
4.4 The whole of government, working to build a world for the many	30
4.5 Effective development	32
4.6 The legislative framework for international development	33
<b>5. Conclusion</b>	<b>35</b>
5.1 Summary: what we will do on entering government	35
5.2 Next steps	37



# FOREWORD

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The scale of the challenges facing the world is enormous. Conflict, climate change, degradation of our natural world and a global economy rigged for and by a tiny elite are creating conflict, poverty and inequality right across the world. Our people's needs in the UK - decent jobs, healthcare, homes and education - are the needs and demands of people, especially young people in every country on our planet. Our struggles, our ambitions and our humanity, are collective and universal.

In Britain, the Conservatives want to turn us in on ourselves. They won't challenge the rigged system that has created global crisis because they are at the heart of that system. They reduce aid to a matter of charity, rather than one of power and social justice. Worse, they seem ever too ready to abandon our development commitments to the world's poorest.

Labour stands for something very different. We take a progressive, outward-looking, global view, driven by social justice and human rights.

There is no shortage of well-intentioned words or well-researched reports into the world's problems. Even the International Monetary Fund agrees with us that inequality poses a threat to the global economy and stability. And the world already has a comprehensive plan: the Sustainable Development Goals.

What is missing is political will. What is missing in the UK is a government prepared to take on vested interests, and represent the many, not the few.

This paper – written by Kate Osamor, who I am proud serves as our Shadow Secretary of State for International Development – is Labour's plan for how we will do just that in government.

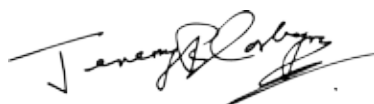
It sets out our vision to build a world for the many, not the few, and to make sure everything we do tackles inequality. And it outlines practically how Labour in government will deliver it.

Poverty and inequality are not inevitable. International development budgets can do more than just reduce the worst symptoms of an unfair world. We don't have to accept the world that global elites are building for us.

Let's take on the root causes of poverty, inequality and climate change, and not just their symptoms.

Let's help people around the world be more powerful and make their societies fairer - and in the process make our planet more safe, more just and more sustainable.

Let's prove that just around the corner another world is possible - a world that really is for the many, not the few.



**Rt Hon Jeremy Corbyn MP**





# EXECUTIVE SUMMARY

'A World For the Many, Not the Few' is a policy paper setting out the Labour Party's vision for international development and plans for government. The paper draws on evidence from 55 written submissions and 18 expert witnesses, as well as advice from a Task Force of 12 experts.

## THE WORLD WE LIVE IN

A world for the many, not the few, will be a **fundamentally fairer** one. What people need and want in the UK, people need and want everywhere: **our needs, our rights and our struggles to achieve them are one and the same.**

Yet we face a global crisis. Poverty remains widespread. Inequality is becoming more acute. Even as conflicts and protracted crises worsen, climate change is already wreaking havoc around the world. Poverty and inequality are not natural – they are human-made. They are symptoms of an unfair system that funnels wealth and power into the hands of a few, at the expense of the many.

The UK can play an important role. The Labour Party has always been the party of international social justice, and in 1997 a newly elected Labour government took the radical and revolutionary step of establishing a new Department for International Development (DFID), guided not by short-term national interest but by the moral purpose of poverty reduction. But since then, the Conservatives have mismanaged the UK's approach to aid, fundamentally undermining public trust and belief in international development. Worse, the Tories' world view of international development as charity, rather than social justice, fundamentally prevents the UK from tackling the root causes and structural drivers of poverty and inequality.

## LABOUR'S VISION FOR INTERNATIONAL SOCIAL JUSTICE

It is time for another, equally radical, '1997 moment'. The Labour Party stands ready to lead the transition to a fairer world. The singular mission of international development under Labour will be to build **a world for the many, not the few.** Labour will **wholeheartedly back the Sustainable Development Goals (SDGs)** as a progressive route to building that world.

Labour will set **a second twin objective for all international development work and spending: not only to reduce poverty but also, for the first time, to reduce inequality.** Among other things, that will include measuring partner country progress against the Palma Ratio; evaluating all DFID work on the extent to which it reduces income inequality and other inequalities; and bringing like-minded countries together to champion faster action on inequality.

To serve the twin goals of reducing poverty and inequality, Labour will deliver on five key and connected priorities:

- 1. A fairer global economy**
- 2. A global movement for public services**
- 3. A feminist approach to development**
- 4. Building peace and preventing conflict**
- 5. Action for climate justice and ecology**

In each priority area, Labour will take action not only directly through DFID, but by working with other government departments and international partners.

## HOW LABOUR WILL ACHIEVE THIS VISION

The second half of this paper sets out how Labour will use the levers available to DFID to achieve its vision, in six key areas:

- 1.** Labour will put in place an effective **whole of government approach to building a world for the many, not the few**. Aid will only tackle the root causes of poverty and inequality if it works alongside progressive, pro-development policies in other areas. Where the Tories have undermined the positive international development work through incoherent policies – including, for example, selling arms to the Saudi-led coalition while sending aid to Yemen - Labour will take immediate steps to ensure policy coherence. Labour will tie future departmental allocations of Official Development Assistance (ODA) for other government departments to clear, joined-up development objectives, as well as to much needed improvements in effectiveness and transparency standards.
- 2.** Labour will always seek to redistribute power to people, not only as the objective of international development but also as its means: international development must be **for the many, by the many**. Labour will put people first in the areas of ‘delivery’, ‘voice’, ‘understanding’, and ‘inspiration’, helping the aid sector to reconnect with the public and communities.
- 3.** Labour will strengthen how DFID **plans for transition** between countries. We will differentiate clearly between countries, communicating how and why we work where we do, and showing the public a light at the end of the tunnel: that aid dependency is not forever.
- 4.** Labour will strengthen and empower **a renewed DFID**, reviewing the mandate and staffing of the Department to ensure it is fit for purpose to deliver on Labour’s radical new vision.
- 5.** Labour will prioritise **effective development**, adopting a more ambitious approach than the Tories have done to development effectiveness and working hard to get the greatest long-term impact in reducing poverty and inequality from every pound.
- 6.** Labour will update the **legislative framework for international development** to ensure it enables Labour’s radical new vision.

The paper concludes with a summary of the **34 actions that Labour will implement** within the first 100 days of entering government; or the first year of entering government; or the first five years of being in government.



## 1.1 ABOUT THE PAPER

This paper is written as an Opposition Green Paper and is designed to stimulate discussion and set the direction for the Labour Party's programme for government. Written by myself as Shadow Secretary of State for International Development, it represents the voice and plans of Labour's leadership.

The paper builds on both the 2017 General Election Manifesto and the party's international policy, as shaped by the National Policy Forum's International Policy Commission. It will inform future policy, as well as the next election manifesto.

The paper does not intend to be exhaustive. It does not seek to cover the wide range of important development objectives embodied in the SDGs. Any omission of specific issues does not signify that Labour considers them to be unimportant. Rather than offering a complete and detailed international development strategy, this paper sets out top-line political priorities for a Labour government, along with practical plans for implementation. Sections 2 and 3 outline Labour's political priorities, while Section 4 focuses more on the mechanics of how we will use the levers available to us in government to deliver on them.

Between now and the next General Election, we will continue to develop further policies and plans for government in the areas set out by this paper. Within the first year of government, we will produce a White Paper setting out a new international development strategy, theory of change and expected results. In subsequent years, we will produce a clear and concise annual international development report, outlining development outcomes achieved in the year under review and intended results in the year ahead.

## 1.2 HOW THE PAPER WAS WRITTEN

To write this paper, I sourced a wide range of views, and sought to gather the best policy ideas available. I convened a Task Force of 12 experts and activists, acting in an individual capacity, to assist me over the course of six meetings between November 2017 and March 2018. The information and views set out in this report are those of the Labour leadership, and do not necessarily reflect the views of Task Force members.

I issued an open call in December 2017 for written evidence from anyone who wanted to contribute. In total 55 different civil society organisations (CSOs), unions, think tanks and individuals submitted evidence, that the Task Force helped me to analyse.

Eighteen different expert witnesses also appeared before the Task Force in two oral evidence inquiry sessions held in Parliament, where they shared their insights on international development policy and practice.

I was particularly keen to invite activists from the global South to share their perspectives on UK international development policy by video, and an online conversation (on the Twitter hashtag #WorldForTheMany) helped generate further ideas.

I am delighted that leading up to the 2018 Labour Party Conference in Liverpool, a full Labour Party member consultation on the SDGs will now help to refine thinking and ensure the vision set out in this paper is fully integrated with long-term party policy.

### **1.3 ACKNOWLEDGEMENTS**

I am particularly grateful to the members of my Task Force for their advice, expertise and feedback across many hours of conversation: Christine Allen, Eliza Anyangwe, Larry Attree, Valerie Brese, Nick Dearden, Amy Dodd, Andrew Firmin, Dr Jason Hickel, Ann Pettifor, Asad Rehman, Natalie Sharples and Robert Yates.

I would also like to especially thank Dr Jason Hickel and Andrew Firmin for their edits to the paper, and Mark Nowotny for drafts and for supporting the work of the Task Force throughout. My impressive Ministerial Labour international development team – Dan Carden, Lord Collins, Preet Gill and Ellie Reeves – have been a source of support throughout.

Finally, the proposals and input of those 55 organisations, networks and individuals who submitted written evidence and the 18 witnesses who gave oral evidence to my Task Force was invaluable. I trust that the paper incorporates many of their best proposals, and I look forward to continuing close collaboration with the sector when Labour enters government. Any omissions or errors that remain are, of course, my own.

## 2.1 WHAT DOES A WORLD FOR THE MANY, NOT THE FEW, LOOK LIKE?

What people need and want in the UK, people need and want everywhere: not just basic needs like survival, shelter, zero hunger, clean water and freedom from violence, but also decent jobs; access to quality, free healthcare and education; honest and responsive government; personal security; the right to live on a healthy planet; and a fair chance in life, regardless of gender, ethnicity, disability, or where you were born.

Refugees are fleeing conflict. In low income countries, people are fighting to stay above the poverty line. In the UK, people are hurting from years of austerity. But around the world, our needs, our rights and our struggles to achieve them are one and the same.

The global SDGs, agreed in 2015, set out a compelling vision of what a better world could look like in 2030. We may be a long way from achieving it. But that world should be achievable - for everyone, everywhere.

Yet poverty, hunger, inequality, injustice and climate change are not natural: they are human-made, and entirely avoidable. The challenge of our generation is inequality. Achieving equality is fundamentally a matter of social justice. Yet more equal societies are also better societies: they have fewer health and social problems<sup>1</sup>, are less internally divided, and are better able to sustain economic growth<sup>2</sup>.

However, progress on inequality is lacking in many countries around the world because the vested interests of an elite few prevail. Inequality persists because too few governments are able or willing to challenge those elite interests, and take real action to shape their societies so they work for the many, not the few.

A world that works for the many, not the few, must therefore be a fundamentally fairer one. Labour has already set out to the British public how it will build a fairer country. But in today's interconnected planet, it is neither feasible nor just to do so without also playing our part in building a world that works for the many, not the few.

A Labour-led UK government can make a real difference. It is quite realistic to imagine that with concerted action in societies around the world, the income gap between the richest 10% and the poorest 40% will narrow. New, fairer, economic models will gradually start to take the place of the current ones. Governments will be better able to clamp down on tax avoidance and increase their investment in the universal, free, high quality public services that act as the best safeguard against poverty and inequality. As women drive a new wave of change, new attitudes will emerge across societies, and gender inequality will be challenged. The most acute impacts of conflict on millions of people around the world will be mitigated, and potential new conflicts will be prevented. Climate and ecological change, where they cannot be reversed, will keep within bearable limits, and their worst effects on the world's poorest will be mitigated by the world's biggest polluters.

<sup>1</sup> Kate Pickett and Richard Wilkinson, 'The Spirit Level: Why Equality is Better for Everyone', 2009.

<sup>2</sup> Jonathan Ostry, Andrew Berg, and Charalambos Tsangarides, 'International Monetary Fund Staff Discussion Note: Redistribution, Inequality and Growth', 2014.

## 2.2 THE CRISIS WE ALL FACE

The vision of a world for the many, not the few, is worth fighting for. But we should be under no illusions about the scale of the global crisis we face today, or how far there is to go.

Poverty remains widespread: four billion people live on less than the equivalent of US\$5 a day<sup>3</sup>. Inequality is getting worse: last year, the richest 42 people claimed more wealth than the poorest half of humanity combined, and 82% of the wealth generated went to just 1% of the global population<sup>4</sup>. The world's cities are scarred by jarring extremes of wealth and poverty, with elite enclaves walled off next to sprawling slums. The per capita income gap between the rich nations of the global North and the poorer nations of the South continues to grow<sup>5</sup>. The gender pay gap embeds inequality in every country in the world: women in low income countries, it is estimated, could be US\$9 trillion better off if their pay and access to paid work were equal to that of men<sup>6</sup>.

Because we live in a single, interconnected system, these crises affect us all. As inequality and ecological breakdown begin to bite and as conflicts and protracted crises worsen, they are triggering political upheaval and mass displacement around the world. A global refugee crisis now stretches from Syria and Libya to Myanmar and Bangladesh, with 65 million people displaced from their homes.

People are increasingly aware that poverty, income inequality and gender inequality are not natural – they are created. They are symptoms of an unfair system that funnels wealth and power into the hands of a few. Our globalised economy has been designed over several decades to benefit a few at the expense of the many.

This is true both in the UK and internationally. While UK public services are undermined by tax avoidance, hundreds of billions of dollars in illicit financial flows are also stolen from low income countries in the global South each year, outstripping the flow of aid<sup>7</sup>. Large corporations evade taxes and stash their profits in offshore secret jurisdictions, many of which are governed by the UK.

Unfair trade deals threaten the UK's own food safety and jobs, but they also undercut the industries of poor nations, drive down workers' wages, trap women in unskilled, low paid jobs, and roll back environmental protections. Many low income countries are forced to service onerous debts with meagre resources that would be better spent on healthcare and education.

When public services in the UK and around the world are sold off to private bidders, the common public goods on which we all depend are closed off. The dominant economic model ignores unpaid work and keeps better jobs, equal pay and leadership positions out of reach for too many women. Rather than governments taking action on the greatest threats to people's security, such as gender-based violence or unsafe cities, failed wars on terror and drugs sow the seeds of instability and divert crucial resources away from people.

If that was not enough, climate change is already wreaking havoc around the world. As greenhouse gas emissions continue to rise, extreme weather events – like the South Asian floods and the Caribbean hurricanes of 2017 – are becoming more frequent, leaving destruction in their wake.

Although we all suffer, it is the world's poorest and most vulnerable people that suffer most. Those who contribute the least to greenhouse gas emissions are paying the highest price. Climate change already costs the global South more than US\$500 billion per year – far more than they receive in aid<sup>8</sup>. If global warming exceeds 2C, poverty and hunger will increase to catastrophic levels.

In short, there is a profound gap between the world we want and the world we have. That is precisely why the UK must play its part through an international development policy that seeks to transform - rather than preserve - the status quo.

<sup>3</sup> World Bank, PovcalNet, 2005 PPP

<sup>4</sup> Oxfam, 'Reward Work, Not Wealth', 2018.

<sup>5</sup> World Bank, World Development Indicators, GDP per capita 2010 USD.

<sup>6</sup> ActionAid, 'Close the gap! The cost of inequality in women's work', 2015

<sup>7</sup> Global Financial Integrity, Financial Flows and Tax Havens.

<sup>8</sup> DARA, Climate Vulnerability Monitor, 2012

## 2.3 LABOUR: THE PARTY OF INTERNATIONAL SOCIAL JUSTICE

Labour has always fought for justice and equality, at home and internationally. It was Labour that stood in solidarity with Indian independence. It was Labour that supported the anti-apartheid struggle in South Africa. It was Labour that fought for universal free healthcare, gender justice and the Fairtrade movement.

In 1997, a newly elected Labour government took a radical and revolutionary step. It established a fully independent Department for International Development, guided explicitly by the goal of reducing global poverty, rather than serving foreign policy objectives and short-term national self-interest.

Since then, UK international development work has helped save millions of lives, delivered emergency humanitarian aid, helped to eliminate disease, stopped violence against women and girls, put millions of children in school and strengthened the ability of some of the world's poorest people to access free public healthcare.

It has also helped tackle deep-rooted structural barriers to prosperity, stability and equality – by challenging oppressive gender norms and sexist attitudes; tackling corruption; building support for human rights and democracy; and investing in a free and vibrant civil society.

The work of the department has transformed whole countries such as Sierra Leone, where systematic investment by the UK as the country's biggest donor over generations helped the country to navigate the recovery from civil war and, decades later, the Ebola crisis.

It has also led to moments of truly significant international justice, such as the cancellation of hundreds of millions of pounds of onerous debt for the most heavily indebted countries in the 2000s.

Establishing a higher moral purpose of poverty reduction as the goal of international development also had an unintended effect. It often turned out also to best serve the long-term national interest, establishing the UK as a globally respected force in international development and enabling us to influence and lead others.

Times may have changed, but Labour and the UK should be particularly proud of the legacy it left the 2010 Conservative government. It endures today in DFID's leading reputation for technical expertise, commitment to transparency, and for setting the pace on international development cooperation. It endures also in the important cross-party consensus and pledge, now enshrined in law, to commit 0.7% of Gross National Income each year to Official Development Assistance. And it endures in widespread support for international solidarity and justice among the British public, even in spite of the fiercest onslaught from right wing press critics and Conservative politicians.

## 2.4 THE CONSERVATIVES AND THE FAILURE OF CHARITY

In the early days of the Conservative-led coalition after 2010, there was hope that the Conservatives might maintain a progressive stance to international development. They did, after all, back the cross-party move to enshrine 0.7% in law, and David Cameron spoke compellingly of a 'golden thread' that would drive systemic change in good governance and build effective institutions.

As eight years of Conservative government unfolded, the truth became clearer.

The scandals themselves could have been damaging enough: not only the damage done to DFID's integrity and reputation by Secretary of State Priti Patel's secret, unauthorised trip to meet with Israeli officials in August 2017, but also the subsequent question marks in 2018 over its handling of sexual exploitation in the aid sector and the signing of new deals with Saudi Arabia while war rages in Yemen.

Less prominent, but just as important, were the effects of the Conservatives' 2015 aid strategy. Without developing a joined-up plan or insisting on proper policy coherence or oversight, the strategy nevertheless promised to spend the aid budget increasingly through other government departments that lacked DFID's world class effectiveness and transparency standards. It also committed to shifting the focus of the aid budget from poverty reduction alone to what it called the "national interest", abandoning in a single stroke the important principle established in 1997.

Committed to the 0.7% GNI commitment but under pressure from foreign aid critics on their own side, the Conservatives have ever since sought to repurpose, reallocate and redefine aid. As well as shifting the focus from poverty reduction towards the UK's short-term national self-interest, they encouraged other government departments to plug budget gaps with ODA. It apparently even led to the common Whitehall refrain about where to charge expenditure: "can we ODA that?"<sup>9</sup> And in November 2017, the Conservatives used the opportunity of a media spotlight on the Caribbean hurricanes to lobby, albeit without immediate success, for a wider relaxation of the internationally agreed Organisation for Economic Cooperation and Development (OECD) rules concerning what the aid budget could be spent on. In the process, the reputation of so-called Global Britain was further damaged on the international stage.

Perhaps most damaging of all, though, is that the Conservatives' world view of international development, based on charity rather than social justice, is fundamentally unfit for purpose in the 21st century. Whether addressing poverty, climate change, income inequality, gender inequality or conflict, an international development policy that fails to tackle root causes is destined to fail. Conservative ideology fails to acknowledge that the system and rules of the game need to change fundamentally. This sets aid up to only ever act as a sticking plaster for the worst symptoms of the global crisis, rather than diagnosing and addressing its root causes. Indeed, the danger of basing international development policy on an ideology of charity is that the aid system could ultimately preserve rather than challenge entrenched injustices.

Little wonder then that, fuelled by the toxic interaction between a right wing media and successive Secretaries of State who barely believed in the transformative project they were supposed to be leading, public trust and belief in international development has suffered enormously under the Conservatives.

As Britain leaves the European Union, it is more important than ever that Britain looks outward and is forward-thinking. We must maintain our commitment to international development and reclaim our lost international reputation and credibility. The Tory party, in contrast, is increasingly beholden to those with a narrow, inward-looking world view. More Conservative internal fighting is on the horizon, and it is entirely possible that this same faction - that would see Britain turn inwards and abandon its progressive outlook - will take control. In the event that aid sceptics take over, it is quite possible that the Conservative record on international development will go from one of simplistic 'charity' to something far, far worse.

International development may have lost its way, but we can find it again. The choice ahead is a stark one.

<sup>9</sup> Diane Abbott, Labour Shadow Secretary of State for International Development, quoted in The Guardian, 4 June 2016.

## 2.5 THE TRANSITION TO A FAIRER WORLD

The Labour Party stands ready to lead the necessary transition to a fairer and more sustainable global system, and a world that works for the many, not the few.

Indeed, the global crisis demands a truly global response. The same forces that exploit and impoverish the peoples of the global South also exploit and impoverish the citizens of our own country. The forces that drive inequality and ecological crisis abroad also drive inequality and ecological crisis within our own shores.

The solution is clear: we must find ways to unite across borders in solidarity against elite control of our global economy, and in support of this living planet that is our home. We must move beyond charity, and advance instead a vision of fairness. We must address the root causes of the crises we face, and not just the symptoms.

We will not stand aside as these crises continue to unfold, and we will not turn our backs on the rest of the world. As Labour prepares to enter government, it is time for another radical step forward – another ‘1997 moment’. It is time to address the root causes of poverty and inequality, and build a world for the many, not the few. Labour’s values of international solidarity, human rights and social justice are once again sorely needed in today’s world.





## 3.1 OBJECTIVES

### 3.1.1 NEW TWIN GOALS: REDUCING POVERTY AND INEQUALITY

DFID's current mission is to end extreme poverty. According to UK legislation, all ODA spending, including that which is not delivered by DFID, should be guided by this goal. When the Labour government founded DFID in 1997, this focus was radical and transformative. It went on to become the international consensus. Reducing poverty is and always must remain a central objective for international development.

But today we need to expand this agenda, because reducing poverty alone is not enough. Inequality is the great challenge of our generation. In response, we will add a crucial new goal for DFID: to address the crisis of global inequality.

The twin goals of reducing poverty and inequality will inform at all levels how the UK delivers projects and interventions, develops policy, partners with other countries and acts on the global stage. Our vision of a world free from the twin scourges of poverty and inequality will inform an integrated ethical foreign policy across the diplomacy, defence and development spheres, carrying our domestic social justice agenda into the international arena.

### 3.1.2 WHY FOCUS ON INEQUALITY?

Today, over 75% of people in the global South are living in societies in which income is more unequally distributed than it was in the 1990s<sup>10</sup>. Ten years after the global financial crisis, inequality is getting worse – not better. As people watch the income gap widen and billionaires thrive while their own lives get harder, they no longer buy the tired old arguments about 'trickle down economics' or 'inclusive growth' for all. GDP growth has been shown to be a crude indicator that tells us little about whether people's lives are genuinely improving.

Inequality as well as poverty is holding back women and girls the world over. Women endure discrimination, violence and the denial of rights simply because they are women. Patriarchal norms underpinning state, social and family dynamics block them from participating in economic life and leave them oppressed and exploited. While violence affects women from all walks of life, women living in poverty can be especially prone to exploitation, which in turn makes them more vulnerable to violence, perpetuating a vicious cycle of inequality.

Crucially, there is now a new opportunity for change. For the first time, the SDGs mean the world has agreed that real development means not only reducing poverty, but making our economic system fundamentally fairer. SDG 10 commits every government to reducing global inequality, both within and among countries, and sets the target that governments will "by 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average."

### 3.1.3 HOW WILL LABOUR TAKE ACTION ON INEQUALITY?

We will raise the bar on SDG 10. We will make the case that reducing inequality not only improves numerous social indicators, but also produces happier and more harmonious societies. We will take a far-reaching understanding of inequality, being clear that inequality goes beyond gaps in income to encompass the denial of equal access to power and voice, which contributes to an inequality of access to livelihoods, services, security and justice. We will be clear that tackling inequality involves proactively working to address the structural causes of gender inequality.

<sup>10</sup> <http://www.un.org/sustainabledevelopment/inequality/>

In the early years of the 2010-2015 coalition government, the UK and DFID became global champions of the principle, now embedded in the SDGs, of “leaving no-one behind”. This is a worthy aim, but one on which insufficient progress has been made. We will go further, not only reaffirming this commitment but also actively pursuing equal outcomes for the most marginalised groups. To do so, we will advance DFID’s world-class work to monitor the impact of aid on different groups and disaggregate data wherever possible, including by gender, race and age. Internationally, we will encourage and inspire other countries to take real action on inequality, and will argue for stronger commitments under SDG 10. In doing so, we will once again position the UK as a global leader in international development.

To mainstream action on inequality across all DFID programme areas, we will take the following steps at the national level:

- ▶ We will make reducing income inequality a key metric in the countries DFID partners with, adopting the Palma Ratio (the ratio of income between the richest 10% and the poorest 40%) and the Palma Premium (the extent to which the incomes of the poorest 40% are growing faster than the richest 10%).
- ▶ All UK-funded international development projects and interventions will be evaluated on the basis of the extent to which they reduce inequalities, alongside other existing criteria.
- ▶ We will go beyond simply measuring and addressing income inequality, and will work towards measuring and addressing inequalities in power and the exercise of rights to ensure that women and marginalised groups, such as indigenous communities, people living with disabilities and LGBTI people, are not left behind.
- ▶ In order to promote these objectives, we will look to appoint a senior civil servant post to lead the government’s international work on reducing inequality.

We will complement these initiatives with global level advocacy:

- ▶ In the first year of a Labour government, the UK will host an international summit bringing together like-minded countries and partners to champion ambitious action on inequality. Ideally, this will become an annual gathering to keep the issue as a top international priority.
- ▶ We will encourage countries to sign up to more ambitious targets than those set in SDG 10, with the goal of halving their existing Palma Ratio by 2030 and achieving a Palma Ratio of 1 by 2040<sup>11</sup>.
- ▶ We will ensure DFID works with the Treasury and uses the UK’s influence to push for the World Bank and International Monetary Fund (IMF) to take action on inequality. That will include assessing the institutions’ policies to determine their impact on inequality, as part of a broader multilateral development review.
- ▶ We will call for an international commission to explore the possibility of a global wealth tax, as proposed by economist Thomas Piketty.

<sup>11</sup> A Palma ratio of 1 means that the top 10% have the same income as the bottom 40%. Sweden has this ratio currently. Other countries currently have a Palma ratio of up to 7 currently.

### 3.1.4 REALISING THE AMBITION OF THE SDGS

The 17 powerful SDGs agreed in 2015 reflect a genuine new international consensus, shaped by the dreams and demands of millions of people around the world who took part in consultation around their development. The SDGs widen the development agenda well beyond poverty reduction, and beyond the targets set out by the previous Millennium Development Goals.

The SDGs fundamentally redefine the objective of international development. For the first time, the Goals are 'universal': they apply not only to the world's poorest countries but also to richer countries, including the UK. The world has signed up to a deal that insists that every country, poor or rich, improves life for its citizens - measured against hard, quantifiable targets. What is more, the SDGs also put the planet alongside people and prosperity as equal priorities, recognising that we need to shift the global economy into harmony with the ecosystems on which we depend for our survival.

We will wholeheartedly back the SDGs as a progressive way to build a world for the many, not the few. That will include planning around, delivering on and regularly reporting against SDG progress here in the UK until 2030. Under Labour, DFID will work with the Cabinet Office to jointly publish a strategy for how we will work across government to meet the SDGs at home and abroad, and then report annually to Parliament on how this is being delivered, collecting and publishing data to monitor progress. International development legislation will be updated to ensure that the SDGs become central to DFID and ODA spending.

We will also lobby for more ambitious targets and indicators for the SDGs, to ensure that the true ambition that lies behind the SDGs is not diluted. We will advocate internationally for more decisive action where necessary, including to address the structural factors that may prevent the SDGs from being realised, and informed by SDG 16.7 on responsive, inclusive, participatory and representative decision making and SDG 17 on partnerships, will work with civil society as well as governments to scale up the efforts of all to realise the radical ambitions of the SDGs.



## 3.2 OUR TOP FIVE PRIORITIES

Labour's twin objectives of reducing poverty and inequality, and the guiding ambition of the SDGs, cover a terrain that is broad, diverse, and complex. This paper does not attempt to outline all the issues on which DFID will focus. Nor does it reflect what the technical or programmatic priorities will be to achieve the SDGs. These will be shaped in an early White Paper, and refined through a process that allows for maximum local, inclusive and democratic ownership and priority-setting.

Nevertheless, we can indicate that a Labour government will seek to deliver on five key and connected priority areas for international development, all of which serve the twin goals of reducing poverty and inequality.

### 3.2.1 A FAIRER GLOBAL ECONOMY

Growing inequality and persisting poverty are symptoms of a failed global economic order that skews its benefits towards a wealthy elite and is rigged against low income countries. Serious progress cannot be made on tackling inequality and poverty without making the global economy fairer.

**The Tories** have watched income inequality grow at home while promoting a broken neoliberal model abroad and failing to crack down on tax avoidance. The Tories are unlikely to turn their rhetoric on challenging economic unfairness into action as long as they continue to be funded by donors that most strongly benefit from the broken system.

**A Labour government** will take action to make the international trade system fairer, so that low income countries are able to challenge poverty and inequality; enable low income countries to build their tax base and ease their debt burdens; help workers in the global South to access living wages and labour rights; ensure that transnational corporations pay their taxes and respect rights; and reform international financial institutions so that they take greater account of the drivers of and solutions to poverty and inequality, including the gender dimensions, and provide finance free from neoliberal structural adjustment conditions. We believe that these are essential elements to rebalancing the global economy and making it fairer.

**We will take action within DFID**, such as:

1. Stepping up technical and policy assistance to support low income countries to clamp down on tax avoidance and build their tax base through progressive taxation;
2. Testing, investing in and taking to scale alternative models of ownership, including cooperatives and local ownership;
3. Reviewing DFID's Economic Development Strategy to ensure it prioritises people over private sector profit, and reduce spending where it does not.

**We will take action with other government departments and with international partners**, such as:

1. Ensuring that the UK's own approach to international trade, taxation and debt supports poverty and inequality reduction, for example through expanding preferential trade access for low income countries; supporting UK-controlled tax havens to transition away from enabling tax avoidance; and promoting transparency measures such as registering beneficial ownership of firms;

2. Supporting progressive international reforms for a fairer global economy, including for example the Independent Commission for the Reform of International Corporate Taxation, a global financial transactions tax, the tightening of rules governing corporate accountability for abuses in global supply chains, and debt cancellation mechanisms for unpayable debts;
3. Promoting reform and democratisation within global economic governance institutions, including the World Bank, IMF and World Trade Organisation, by encouraging them to open up decision-making to government and civil society voices from the global South.

### 3.2.2 A GLOBAL MOVEMENT FOR PUBLIC SERVICES

Our experience in the UK tells us that ensuring free, universal access to quality services is one of the most effective ways to promote greater equality and enable people to transition out of poverty.

**Under the Tories**, public services have got worse at home while privatisation and for-profit solutions have been promoted abroad. As a result, people in low income countries are further away from being able to access quality public services.

**A Labour government** will spearhead a global movement for universal, free, high quality and gender responsive public services, and work with governments and publics in the global South to enable their development. Public services are a key mechanism through which governments can practically tackle inequality and build societies that work for the many, not the few.

**We will take action within DFID**, such as:

1. Increasing the proportion of ODA spent on helping partner countries strengthen public health and education services;
2. Stepping up, through a new Centre for Universal Health Coverage, technical and policy assistance to support low income countries to strengthen and expand their own free, universal public health systems;
3. Ending the UK's support for public-private partnerships overseas, including initiatives such as Bridge International's fee-paying education academies and PFI schemes in healthcare.

**We will take action with other government departments and with international partners**, such as:

1. Promoting increased domestic resource mobilisation for education through support for platforms such as the Global Partnership for Education, the Education Cannot Wait fund and the International Financing Facility for Education;
2. Investing in new public health-driven research and development to find effective and affordable treatments for diseases in the developing world, including TB, malaria, HIV/AIDS and neglected tropical diseases;
3. Promoting fairer international patent regimes that do not prevent developing countries from accessing essential public health medicines.

### 3.2.3 A FEMINIST APPROACH TO DEVELOPMENT

The struggle for gender equality is not going far enough, fast enough. Women remain under-represented and unheard around the world, denied rights and voice, and locked into cycles of disempowerment. We can only claim to be advancing equality if we are advancing women's equality.

**The Tories** try to address important challenges like child marriage or FGM in isolation and empower individual women leaders, without tackling the root causes and structural drivers of gender inequality and entrenched patriarchy. Under 1% of current aid spending is earmarked for tackling gender inequality. A persistent faith in 'trickle down' economics, meanwhile, entrenches inequality and disempowerment.

**A Labour government** will implement the UK's first explicitly feminist international development policy. Based on the principles of gender justice, rights, intersectionality and solidarity, it will aim to tackle the structural causes of gender inequality, transform gender norms and challenge patriarchy in everything that DFID does. We will launch our feminist international development policy immediately on entering government, working closely with civil society in the UK and low income countries to develop the detail and ensure scrutiny. It will be fully functional by the end of our first five-year term in government.

**We will take action within DFID**, such as:

1. Tripling DFID's funding support for grassroots women's organisations through a new funding mechanism;
2. Implementing a gender transformative approach across all of DFID's work, for example by giving voice to grassroots women's organisations in policies and programming; training staff on transforming power relations; and strengthening further DFID's global leadership on disaggregating data to understand gender outcomes;
3. Stepping up technical assistance and funding to support partner governments committed to reducing gender inequality, for example through gender audits, gender impact assessments and gender budgeting.

**We will take action with other government departments and with international partners**, such as:

1. Working with other government departments to expand the reach of DFID's feminist international development policy, for example so that foreign policy and trade policy have positive gender impacts;
2. Convening an international summit of partner country gender ministries to step up global action on tackling gender-based violence and exploitation;
3. Providing political leadership globally where women's rights are under attack: championing women's sexual and reproductive health rights and mitigating the impact of US-led funding cuts; protecting women's human rights defenders; and promoting the right to freedom of association, assembly and expression.

### 3.2.4 BUILDING PEACE AND PREVENTING CONFLICT

Conflict and crisis are leading drivers of poverty and inequality. The world has experienced a sharp rise in conflicts, terror attacks and forced displacement in recent years, reversing development gains and trapping millions of people in poverty. We cannot achieve a fairer world when so many people experience the impacts, often long-term, of crisis and conflict.

**Under the Tories**, the UK's aid has been increasingly drawn into ill-thought out attempts to contain these problems. Diplomatic, security and anti-migration agendas have been loaded onto and cut across development priorities, side-lining human rights concerns. Warm words about peacebuilding have been undercut by arms sales and security support to states with some of the world's worst human rights records.

**A Labour government** will ensure that UK aid plays a critical role alongside diplomacy, defence and trade, as part of a wider ethical foreign policy, in promoting viable, long-term solutions to crisis and conflict that always put peace, human rights and social justice first. We will drive a shift from reactive crisis management to coherent, effective and sustainable peacebuilding and conflict prevention. As a large but nimble donor, we will continue to get life-saving aid to conflict and humanitarian crises, focusing on reaching the most marginalised, and ensuring that ODA is always spent in line with the principle of 'doing no harm'.

**We will take action within DFID**, such as:

1. Increasing the proportion of humanitarian relief funding going towards crisis prevention (rather than response), and towards locally led (rather than internationally led) prevention and response;
2. Test, invest in and take to scale successful, innovative models in the humanitarian policy space, such as cash transfers or civil society-led responses such as the START network;
3. Replace the opaque Conflict, Stability and Security Fund, widely criticised for securitising aid and neglecting human rights, with a transparent, human rights-focused peace fund.

**We will take action with other government departments and with international partners**, such as:

1. Stepping up efforts across government, through an integrated human rights-based foreign policy, and with international partners, through renewed commitment to multilateralism, to prevent conflict and build peace, including by better using our influence at the UN Security Council;
2. Providing global leadership on the refugee crisis, including lobbying for the most ambitious and progressive global agreements possible; standing in solidarity with host countries that adopt progressive compacts of their own, such as Uganda or Jordan; and meeting our own obligations to resettle and host refugees in the UK by setting up a joint task force led by DFID and the Home Office;
3. Working with the Foreign and Commonwealth Office to review and develop strategies to protect civilians in conflict, including for example by expanding cross-departmental capacity to respond rapidly to sexual and gender-based violence in emergencies.

### 3.2.5 ACTION FOR CLIMATE JUSTICE AND ECOLOGY

International development policy will only succeed if it preserves and restores the environment on which humanity depends. We cannot live in isolation from our environment: we need to live in harmony with it. Climate change has emerged as a new force that drives people into vulnerability and poverty.

**The Tories** are breaking their promise to be the greenest government ever. Despite paying lip service to the notion of ‘greening the economy’, they continue to promote a broken, unsustainable economic model, as well as subsidising gas and oil extensively, limiting investment support for renewable energy sources and backing fracking. In 2018, the Committee on Climate Change warned that the Tories are no longer on track to meet climate targets<sup>12</sup>. Internationally, the Tories are failing to call out Donald Trump properly as he threatens to withdraw the USA from the crucial Paris Climate Agreement, undermining the best chance the world currently has to manage climate change.

**A Labour government** will reclaim the UK’s leading role in tackling climate change, working hard to preserve the Paris Agreement and deliver on international commitments to reduce emissions, while mitigating the impacts of climate change on global South countries. We will work at home and internationally to decarbonise the economy, reduce fossil fuel reliance and promote alternatives that enable us all to live within planetary boundaries.

**We will take action within DFID, such as:**

1. Ensuring that UK aid does not support fossil fuel projects, divesting DFID from fossil fuels as soon as possible;
2. Reinvesting into renewable energy infrastructure, and working to ensure that this infrastructure is publicly-owned, decentralised and community-controlled wherever possible;
3. Developing an alternative measure of wellbeing and economic success instead of GDP growth, and reducing the importance of GDP growth as an objective for UK-funded development programmes.

**We will take action with other government departments and with international partners, such as:**

1. Ensuring that the UK gets back on track with meeting its targets and commitments under the Paris Climate Agreement;
2. Using the UK’s position on multinational development banks around the world to work with them to reduce investment in fossil fuels and increase investment in renewable energy;
3. Working to decarbonise economic activity and reduce resource intensity in line with the SDGs, and test alternative economic models such as the circular economy.

<sup>12</sup> <https://www.theguardian.com/environment/2018/jan/17/uk-to-miss-legal-climate-targets-without-urgent-action-official-advisers-warn>.



### 3.3 AFFIRMING EXISTING PRINCIPLES

In pursuing these ambitious objectives, we will continue to build on the best of British leadership in international development.

- ▶ Britain can be proud of its commitment, enshrined in law, to spend 0.7% of Gross National Income on Official Development Assistance. We will continue to honour that commitment unequivocally, and use the UK's global leadership to persuade other countries to do the same.
- ▶ We will guarantee the independence of the international development department. This means that we will never make aid subservient to the pursuit of UK diplomatic or military interests, or the pursuit of advantage for trade, businesses and private sector and military contractors.
- ▶ We will champion the principle of development effectiveness. This means we will strive to ensure that UK taxpayers and people in countries receiving our support get the greatest impact possible from every pound of ODA spending. We will work with partner countries to ensure budgets are spent effectively, with strong local public oversight of spending. We will reclaim the UK's leading international voice in urging that international rules on development are more progressive, better focused on reducing poverty and inequality, and more supportive of effective development.
- ▶ We will champion the importance of evidence and expertise in everything that DFID does, and we will continue to invest in the UK's technical expertise on international development, including in new and evolving priority areas above, such as inequality, gender inequality and climate justice.



This section sets out how we will use the technical levers available to DFID – such as ODA, legislation, how the Department itself operates, and how DFID works across government - in order to achieve the priorities set out above.

## **4.1 FOR THE MANY, BY THE MANY**

Labour will always seek to redistribute power to people through the UK's international development policy. That must be not only the objective of international development, but also its means.

### **4.1.1 WHY REDISTRIBUTE POWER TO PEOPLE?**

Over 20 years of operating as a commissioning agency, DFID has developed world class expertise not only in managing the aid budget effectively but also in ensuring technical excellence in everything it does. That commitment to expertise must not change – it is what makes the UK a global leader in development.

Yet the price of technical excellence must not be uprooting the international development sector from communities and people, and preventing it from challenging power. The 2018 scandal of sexual exploitation in the aid sector revealed the appalling ways in which those made powerful by current aid practices can abuse their positions. It was also indicative of an aid system that has been incentivised by successive governments over many years to prioritise technocratic service delivery over redistributing power, challenging its abuse, and standing on the side of communities. The consequences of this are seen in unchecked abuses of power, an aid industry that is known for throwing its weight around in disaster zones and outmuscling local CSOs, and wage inequality between the lowest earners at the bottom and CEOs at the top, and between men and women. There must be a redistribution of power within the development industry itself.

CSOs themselves are increasingly realising<sup>13</sup> that their rootedness in communities is not guaranteed, and must be constantly strengthened. DFID and government has a particular role and responsibility to incentivise, rather than discourage, such connections between international development work and people.

Indeed, international development and social justice are only achieved at scale when people come together to demand and bring about change. There is already a powerful global movement - made up of millions of citizens, activists and volunteers, and thousands of trade unions, CSOs, social movements, and diaspora and faith groups - that is working to achieve a world for the many and realise the SDGs. Every time a member of the British public donates their time or money to an international cause – something that happens millions of times every year – they become part of that movement.

<sup>13</sup> See for example CIVICUS' 2018 Resilient Roots programme: <https://www.civicus.org/index.php/what-we-do/knowledge-analysis/resilient-roots>.

Labour's own mass movement for change in 2017 was powered by over half a million members. It was shaped by young people in particular, and drew on new ways of mobilising for change that evolved beyond simply broadcasting to a passive audience. That movement is now bringing more people together to build a fairer society.

Labour must not simply aim to maintain the public's support or consent for international development. In government, we must revitalise and revolutionise the UK's approach to international development by drawing on the energy, creativity and support of people in Britain and global South countries, and actively involving them in the work of DFID, in four different areas.

### **4.1.2 DELIVERY**

There are immediate steps we will take. We will protect civil society space in the UK and the global South and back civil society by repealing the UK Lobbying Act that restricts campaigning. We will restore a flexible, strategic funding mechanism (similar to the recent Programme Partnership Arrangements, cut under the Tories) for British international development CSOs.

We will also establish a new Social Justice Fund to directly support civil society activists in the global South. We will take particular efforts to support progressive diaspora groups working towards the SDGs. Under the next Labour government, DFID will work with and recognise CSOs as partners, and not, as the Tories have done, only as service delivery contractors.

Across DFID's funding and programmes, we will examine how they are working with and through communities and people. The rootedness of international development in communities and people will become an increasingly important criterion for evaluating interventions and making funding decisions, and we will test, invest in and take to scale new models and innovations for strengthening the role of people in international development.

### **4.1.3 VOICE**

If a movement is to coalesce around the SDGs and building a world for the many, DFID will need to bring in the voices of people not only in the UK, but also from low income countries to help shape the direction of its work.

Where DFID has often led the way on commitments to transparency and publishing its data, it must now go a step further, not only in investing in enabling better usage of and access to data, but also by practising a more proactive and dynamic form of accountability. A Labour government will begin that process in the first year by creating a permanent mechanism for civil society and activists from across the British public and global South countries to be consulted on government policy and improve people's engagement in DFID's work.

Under a Labour government, the UK will promote inclusive local ownership of its international development projects and interventions. We will do this not only because interventions are best designed and implemented when closest to the people they serve, but also because our commitment to international development is an act of solidarity and equal partnership with the people of low income countries. As well as investing significantly in local and national civil society and activists, that means devolving more decision-making power and human and financial resources to DFID's country offices and building respectful long-term partnerships with governments.

#### 4.1.4 UNDERSTANDING

Building support to address the root causes of poverty and inequality requires building public understanding. Over eight years of shaping the narrative in government, the Tories have misled the public with a dishonest message that pretends poverty is accidental rather than human-made.

The Tories have also drastically cut support for development education in schools, communities and workplaces, even though this is essential for enabling young people to understand how poverty is created, energising them about social justice and engaging the next generation in changing the world. Effective, progressive volunteering schemes have suffered too, with the International Citizen Service programme stretched to breaking point.

Labour will reverse those cuts, and will restore ambitious development education and volunteering schemes that help hundreds of thousands of young people across the country to understand and tackle the root causes of poverty and inequality, as well as climate change.

#### 4.1.5 INSPIRATION

In government, we will revolutionise how DFID communicates about international development. Communications must be more honest about the successes, challenges and complexities of international development work, differentiating for different audiences and channels.

Communications must also become more participatory, moving from a model of only 'broadcasting' to passive audiences to one of actively involving people in the UK and global South countries to influence their peers to take action, including through social media. Peer to peer trust and inspiration will be crucial in restoring deeper, longer-term support for international justice.

Wherever possible, we will move away from a narrative of aid and charity and towards one of rights and international social justice. We will work with British international CSOs to raise standards on public engagement and fundraising. That will include reducing the use of so-called 'poverty porn', that erodes the possibility of solidarity, and the use of communications that often mislead by failing to communicate the real causes of poverty.

In the first year of government, Labour will carry out a full review of DFID's communications to set this new direction.

## 4.2 PLANNING FOR TRANSITION

The British public deserves better than to be fed a narrative of simplistically positive news about the impact that their taxes are having through ODA. Progress is complex, and rarely linear.

A Labour government must do a better job than the Conservatives have done at showing the public a light at the end of the tunnel: that ODA, deployed alongside other pro-development government policies, can contribute to changing societies for the better, to the point that they become independent of it.

DFID has strong and effective management systems and expertise in place for determining which partner and priority countries to work in, what the focus of its work should be, and what kind of support they should deliver.

Nevertheless, the Tory government has struggled to communicate these choices clearly and compellingly to the British public, fearful of the supposed orthodoxy that the British public would not understand or tolerate that change is complex and that different situations require different approaches. Labour must do better at explaining why and how UK international development works in different countries, and how it is helping those countries progress and succeed. We must explain that genuine, long-term change and social justice is not just about delivering aid, but requires supporting civil society to change policies, laws and practices in their own communities.

But it is about more than communication. There are hard policy choices to be made. As countries get wealthier on average, should the UK pull out and assume governments and markets will take care of the rest? Should we concentrate our resources and efforts only in responding to humanitarian crises where life is at immediate risk, or should we dedicate them to preventing crises in the first place and building better societies in line with the SDGs?

When donors suddenly transition support away from newly graduated countries without proper planning or coordination, or based only on a simplistic measure of per capita income, it can wreak havoc on public services, cost lives, undermine trust in aid and lead to political instability.

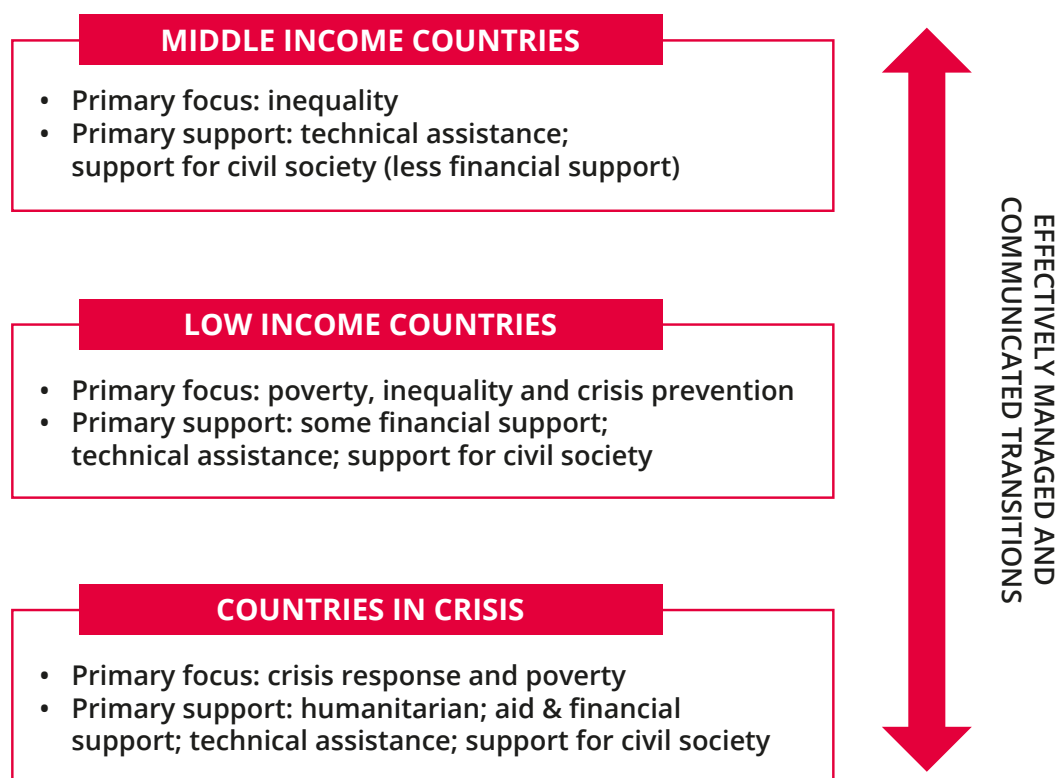
To reduce inequality and build a world for the many, not the few, Labour will clearly differentiate between partner countries and tailor the UK's support and focus to the context. The diagram below gives an indication of how Labour might do this.

### **The conundrum of the India space programme**

*In recent years, the UK government has failed to address head-on the conundrum of what to do when previously low income countries graduate to middle income status. When the government claimed to withdraw from India – a country now with its own space programme – as well as China, Brazil and South Africa, the Independent Commission for Aid Impact criticised DFID for failing to be upfront about the legitimate support it continued to provide.*

*Labour believes governments around the world should shape their societies for the many, not the few. An international development policy that recognises up front that inequality is the challenge of our generation, and that large numbers of the world's poorest people live in middle income countries, should be proud when the UK continues to provide technical assistance, helps government strengthen policy and supports civil society - even when it is time to reduce aid and financial assistance. Rather than step away, the UK must explicitly help governments and activists invest in their own public services, collect taxes, make their countries more socially just and narrow the inequality gap for the bottom 40%.*

Labour will communicate clearly where it is working, why and how. It will do more to communicate the bigger picture on the difference the UK is making. Labour will also develop and publish a full framework for ensuring smooth transitions, which will underpin its ambitious agenda for global justice and a renewed commitment to using ODA effectively.



### 4.3 A RENEWED DEPARTMENT FOR INTERNATIONAL DEVELOPMENT

Labour's vision tasks an international development department with twin objectives of reducing poverty and inequality, under the overarching aim of achieving the SDGs.

That fundamental shift will require an international development department fit for purpose to drive forward transformative political change around the world.

As Labour proceeds with publishing its White Paper, strategy and Development Effectiveness Review, it will also carry out a departmental review to ensure DFID is mandated and set up in the right way.

As part of this departmental review, Labour will specifically review DFID's mandate and role. Whereas DFID has operated primarily as a department primarily responsible for "commissioning" others to do work, it is likely that DFID will need to develop additional functionalities, either in-house or by subcontracting.

Since 1997, and now with a legal requirement to spend 0.7% of an annually growing national income, the UK's aid budget has more than quadrupled. This has not been anywhere near matched by a proportional growth in DFID's staffing, endangering DFID's oversight of contracts, its ability to understand the landscape and political context where it works and, ultimately, how effectively our aid budget is spent.

As part of the departmental review, Labour will therefore also review staff numbers and roles and ensure that

they are at the optimum level to achieve the greatest impact possible from our 0.7% ODA, and that DFID is fit for purpose to deliver Labour's ambitious global vision. Where the costs of staff roles are included in our 0.7% ODA spending, they will be exempted from any other government-wide civil service recruitment freezes that may be in place.

## **4.4 THE WHOLE OF GOVERNMENT, WORKING TO BUILD A WORLD FOR THE MANY**

### **4.4.1 TORY FAILURE - EVEN BY THEIR OWN STANDARDS**

In 2015, the Tories introduced a cross-government approach to international development as a cornerstone of their national aid strategy. On paper, it would allow government to address challenges like migration and trade in a coordinated way.

In practice, however, the approach has turned out to be both chaotically implemented and - with little intention to prioritise development or global justice issues coming from other government departments - has turned out to be more about raiding the ring-fenced ODA budget to plug departmental budget gaps than it has been about a coherent policy vision for achieving poverty reduction.

Even on basic transparency and effectiveness standards, other government departments continue to fall far short of DFID. Yet rather than insist on a rapid improvement in standards, the government continues to increase the proportion of ODA being spent outside DFID. By 2016, it was up to 26%. Crucially, the policies of other government departments directly undermine its stated development objectives.

Recent examples shine a light on the dangers of getting it wrong: while the UK will in 2018 spend close to £200m on humanitarian aid in Yemen, other government departments continue to sanction the sales of billions of pounds worth of arms to the Saudi-led coalition which is bombing civilians and blockading Yemen in violation of international law. While DFID spends millions trying to respond to the refugee crisis and tackle its root causes overseas, the UK is domestically unwilling to honour its obligation to receive and host refugees. And while DFID helps partner countries collect taxes and boost receipts for spending on public services, other government departments fail to clamp down on UK tax havens and force through tax treaties that hurt developing countries.

### **4.4.2 MAINSTREAMING GLOBAL SOCIAL JUSTICE**

Labour will not be able to deliver its bold vision for a world for the many, not the few, through DFID alone. Fighting inequality - and getting to grips with its root causes - demands a more ambitious approach. ODA remains a crucial lever for bringing about change and reaching the most marginalised, but Labour can and must look beyond it.

That will require leadership and ambition from across different government departments, including for example the Treasury, the Department for International Trade (DIT), Foreign and Commonwealth Office (FCO), Ministry of Defence (MoD), Department for Business, Energy and Industrial Strategy (BEIS), the Department for Education, the Department of Health and Social Care, and the Department for Home Affairs.

### **4.4.3 A COHERENT VISION AND APPROACH**

Policy coherence begins with having a coherent objective: to achieve the SDGs, reduce poverty and inequality, and build a world for the many, not the few.



We will ensure that an annual whole-of-government plan is in place across government departments, setting out development objectives for the year with measurable indicators, and signed off by the Secretary of State for International Development. Each government department will be accountable for delivering on their objectives.

To ensure strong political buy-in across government, we will step up coordination at the political level. We will use DFID's role in the National Security Council to ensure the risks of high levels of global inequality and poverty are key considerations in the development of a Labour's National Security Strategy (NSS). We will create a new Cabinet Committee on International Development, chaired by the Secretary of State for International Development. We will appoint special advisers focused on international development policy in key government departments, as well as in Number 10. Coordination of a policy agenda will be led from within DFID. We will empower DFID to carry out international development assessments of new government policies before they are announced, to ensure that they are supportive of and do not undermine international development.

To ensure strong coherence within the civil service, the senior cross-Whitehall officials group, already in existence, will be strengthened. The group will meet more regularly and will be empowered to deliver - rather than only monitor - policy coherence and the new annual whole-of-government plan. We will second small teams of advisers from DFID to other government departments where the department's expertise is in demand. Building on existing successful models, we will also establish joint working groups on key issues with other government departments, normally coordinated by DFID staff.

Finally, we will ensure that an empowered DFID is actively represented in policy areas led by other areas of government, promoting development and equality objectives consistently. For example, we will ensure DFID plays a proactive role on the Export Controls Joint Unit, the government body currently responsible for sanctioning UK arms sales. As we work towards an integrated ethical foreign policy that puts human rights and social justice at the heart of the UK's diplomatic, defence and development objectives, DFID will also work closely with the FCO and MoD to ensure that UK national interest objectives work hand in hand with international development objectives.

#### **4.4.4 ODA SPENDING**

We will continue to allocate ODA spending across other government departments as well as the DFID. However, rather than setting an arbitrary target (as the Conservatives did in their 2015 aid strategy, setting the target at 30% of ODA), we will base allocations on needs and on the extent to which spending requests deliver the best development outcomes for the world's poorest, including reducing inequality. The allocation will not exceed 30%.

In order to ensure that ODA spending across government delivers the best development outcomes, it will be tied to activities and objectives within the annual whole of government international development plan.

While currently all ODA allocations to other government departments are signed off only by the Treasury, we will ensure that both the Chancellor and Secretary of State for International Development sign off on every allocation.

Improvements in how other government departments spend ODA are crucial, but will not come overnight. Therefore, Labour will freeze any further increase in the proportion of ODA going to other government departments, until the government is satisfied that the department in question has met key effectiveness and transparency requirements (these are currently set by the government as measuring "good" or "very good" on

Publish What You Fund's Aid Transparency Index, although more appropriate indicators may be possible). To help departments raise their game and meet those standards, DFID will also step up its support and technical assistance through training, capacity building and systems strengthening.

Finally, we will guarantee full, effective oversight of ODA spending across government departments. That will include explicitly clarifying that all responsible departments and Ministers are as accountable as DFID for their ODA spending on development objectives to Parliament's International Development Select Committee, and that they will face equal scrutiny by the Independent Commission for Aid Impact. Ministers will expect to face the same level of scrutiny on ODA spending, regardless of department.

## 4.5 EFFECTIVE DEVELOPMENT

Successive Conservative governments, fearful of losing right wing media support, have pandered to a narrative of the foreign aid budget as wasteful, positioning themselves as tough on so-called 'Value for Money' while failing to achieve truly effective development by making decisions based on political expediency and prioritising short-term, visible results that do little to transform societies over support for deep and systemic long-term change.

In recent years, for example, the Tories have:

- Shifted resources away from supporting general or sectoral budgets for public services, instead moving them towards so-called 'vertical funds' that, despite being politically useful and highly visible for addressing an issue in isolation, are not necessarily more effective.
- Incrementally allowed decision-making power and resources to centralise and move away from DFID's country offices around the world, which are often best positioned to understand local context and know how aid spending can help transform societies and drive positive change.
- Failed to make significant progress on the 2016 World Humanitarian Summit pledge to 'localise' humanitarian funding and spend one quarter of humanitarian aid through local humanitarian actors, who are often best positioned to prevent and respond effectively in crises.
- Overseen an increase in the percentage of DFID's bilateral spending through private contractors (from 12% in 2010 to 22% in 2015, despite a widely shared assessment that DFID is insufficiently staffed to exercise effective oversight), as well as promoting public-private partnerships internationally in public services.
- Squeezed civil society, and particularly its advocacy and campaigning work to challenge the political drivers of poverty and inequality, by removing flexible long-term funding and bringing in the Lobbying Act.

A Labour government will adopt a more ambitious approach to development effectiveness, working hard to get the greatest long-term impact in reducing poverty and inequality from every pound. ODA spending must ultimately be underpinned by established international principles<sup>14</sup> on development effectiveness, rather than the whims of media or individual politicians.

<sup>14</sup> The Busan Principles on development effectiveness, crafted in 2011, set out four key principles: ownership of development priorities by low income countries; a focus on results; partnerships for development; and transparency and shared responsibility: <https://www.oecd.org/dac/effectiveness/Busan%20partnership.pdf>.

In government, we will carry out our own Development Effectiveness Review on bilateral, multilateral, civil society and private contractor ODA spending, and ensure that ODA is spent based on evidence about what will best achieve DFID's strategic objectives. Given Labour's focus on long-term structural change, that will likely include being willing to take more informed risks over longer term periods.

Across government, we will end the "outsource first" approach to public contracts, which is based less on evidence of what works than ideological dogma. In international development, Labour will therefore reassess the evidence and review and tighten how it commissions contracts with private sector providers. We will also explore the feasibility of establishing a publicly owned implementing agency, operating independently and at arm's length from DFID, that would be eligible and expected to bid and compete fairly for large contracts.

#### **4.6 THE LEGISLATIVE FRAMEWORK FOR INTERNATIONAL DEVELOPMENT**

Labour will update the legislation for international development to ensure it is fit for purpose to deliver this vision until 2030.

Intended changes to legislation will:

- Establish the SDGs as the ultimate purpose of international development until 2030, and establish in legislation the principle of universality and sustainability in international development.
- Guarantee that all ODA spending must now have poverty and inequality reduction as its primary aim, and be spent in ways that are consistent with human rights.
- Clarify that all ODA, regardless of the government department through which it is spent, is fully subject to the provisions of all international development acts (including the gender equality act).



## 5.1 AT A GLANCE: WHAT WE WILL DO ON ENTERING GOVERNMENT

By the end of the first 100 days	By the end of the first year	By the end of the first five years
LABOUR'S VISION FOR INTERNATIONAL JUSTICE (SECTION 3)		
Adopt inequality reduction as a twin goal alongside poverty reduction; and the SDGs as an overarching aim	Produce a White Paper	Produce an annual cross-government international development plan and annual report every year
Launch the UK's first feminist international development policy	As part of the strategy review and White Paper, review and replace DFID's economic development strategy	Ensure that the UK's first feminist international development policy is fully functional
	Establish a Centre for Universal Health Coverage to help countries achieve publicly-financed UHC based on the principles of the NHS	Move towards full divestment by DFID from fossil fuels towards renewable energy sources
	Host a major global summit to accelerate progress against SDG 10 (reducing inequality)	Triple amount of UK aid going to grassroots women's organisations
	Appoint a senior civil servant at Director General level to lead the government's work on reducing inequality internationally	Host an international summit to convene gender ministries and others to tackle gender based violence
		Move towards full divestment by DFID from fossil fuels towards renewable energy sources
		End the UK's support for public-private partnerships overseas
		Replace the Conflict Stability and Security Fund with a transparent, human rights-based Peace Fund
		Increase proportion of humanitarian relief going to prevention rather than response, and to locally led rather than internationally led solutions
		Develop and adopt additional measures of wellbeing and development

By the end of the first 100 days	By the end of the first year	By the end of the first five years
ENSURING WE ARE SET UP TO DELIVER IT (SECTION 4)		
Establish a new Cabinet Committee on International Development	Restore a flexible, strategic funding mechanism for British international development CSOs	Publish a full framework for developing country transitions, clearly communicating which countries DFID is working in, why and how
Appoint international development special advisers within DFID and other key departments	Establish a Social Justice Fund to directly support civil society activists in developing countries	Review and tighten contracting and outsourcing to private suppliers
Establish joint working groups on key issues with other government departments	Restore ambitious development education and volunteering schemes	Ensure DFID is represented on the government body responsible for sanctioning arms sales
Freeze further increases in ODA allocated to other government departments until effectiveness and transparency requirements met	Create a permanent mechanism for civil society and activists to be consulted on policy and improve people's engagement in DFID's work	Repeal or replace the Lobbying Act (with Cabinet Office)
	Carry out a departmental review of DFID, including mandate and staffing	Update legislation
	Carry out a Development Effectiveness Review	
	Carry out a review of DFID's communications	
	Increase capacity building support on aid effectiveness and transparency for other government departments	

## 5.2 NEXT STEPS

This paper has set out Labour's vision for international development, the priorities we will look to advance, and our plans for using the levers of government to ensure we achieve them. It is, however, only the start of the journey.

Between now and the next election, the Labour Party and I will continue to develop the detail of our policy and plans for government. Our second twin goal – reducing inequality – as well as our five top priorities all tread new terrain for DFID, and we will continue to evolve the thinking in each of these areas. I look forward to doing that collaboratively with the sector.

We will also continue to develop and update our detailed plans for government, as we have been doing since the 2017 General Election. We are ready to hit the ground running should another snap General Election be called, and we must remain so.

Finally, and perhaps most importantly, we must continue to defend the cause of internationalism and social justice in the weeks, months or years that are left of this Tory government. We must not become complacent about the cross-party consensus that has endured of late around 0.7% and around the independence of DFID: there is a battle for the soul of the Conservative Party and of Britain looming, and with different Tory leadership it is not impossible that when Labour enters government it may do so without an international development department or budget to speak of. We will factor that worst case scenario into our plans for entering government.

But there is also a struggle of ideas looming too. The old logic of international development as charity from rich to poor - and as aid alone - has had its time. The old logic is dead. Today, it is easier than ever before for people in the UK and global South to see that they and their struggles are one and the same. We in the UK are not alone in wanting a country that works for the many, not the few. It is time for a government that will recraft international development as a real force for international social justice and fairness, and that is able to deliver on its ambitions.

We could not be more ready.











