

**SPEECH BY THE RT HON TONY BLAIR MP**  
**TO THE WORLD ECONOMIC FORUM, DAVOS**

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**EMBARGOED UNTIL 1600**

Despite the multiple challenges we face in the world today, I am optimistic. Mind you, in my job, you have to be. It is true that each of the three issues - world trade, climate change, Africa - that have dominated Davos, hangs in the balance. But on each, there is progress that would have been unimaginable even a short time back. Let me briefly state where I think we are on each issue and then give a broader context for my optimism; and end with an analysis of what we have to do.

On the WTO, within the past few days I have held discussions with President Bush, President Lula and Chancellor Merkel. We had a great discussion with trade Ministers under Pascal Lamy's expert eye yesterday. "Cautious optimism" was how it was described. I think it is now more likely that not, though by no means certain, that we will reach a deal within the next few months. Countries are moving closer together; there is a recognition of political energy and drive; and an increased recognition of the dire consequences of failure.

A trade deal would be a big boost to the notion of multilateralism; help the world's poorest escape their poverty; and achieve an impact on overall trade and business, three times the amount of the last trade round. This is a critical priority for me in the coming period and that determination, I am pleased to say, is shared by the other major players in the negotiation.

Of course Africa would be a central beneficiary of such a deal. It is sometimes too easy to be pessimistic about Africa. But just think of what progress there has been. HIV/AIDs treatment now being given to 1.6 million. \$100 billion of debt wiped out, enabling countries like Tanzania to transform primary education. Fifty democratic elections in Africa in the last five years. And six major wars have ended. We made commitments, not least on aid at the Gleneagles G8 Summit in July 2005. We must honour them. We will have the first meeting of the Africa Progress Panel which will monitor our commitments under Kofi Annan's leadership in Berlin later this year.

The other topic at the top of the Gleneagles agenda was climate change. Kyoto was an extraordinary achievement, over 100 countries coming to an agreement with profound implications for their future economic growth. But in reality, even if implemented - and Britain is one of the few nations that will hit, indeed exceed our Kyoto targets - it would only stabilise emissions. In truth, we need them cut, probably by an order of 60 per cent by 2050 - something we have now set as a UK domestic target.

Moreover, whatever we do - Britain accounts for around 2 per cent of total emissions - any agreement that does not have binding commitments from America, China and India is not one that can deliver. If Britain shut down our emissions entirely ie we closed down the country, the growth in China's emissions would make up the difference within just two years. Without the biggest economies

being part of a framework to reduce carbon dependence, we have no earthly hope of success.

Fortunately I believe we are, potentially, on the verge of a breakthrough. Chancellor Merkel is providing excellent G8 leadership. China and India are participating constructively in the G8 + 5 process Gleneagles established. They know that they will suffer if the environment degrades further. They have every imperative to be part of a deal, provided it is one that allows them to grow their economies so that they can spread the prosperity they are creating to the millions in those countries still in poverty.

And the mood in the US is in the process of a quantum shift. The President's State of the Union address built on his "addiction to oil" speech last year and set the first US targets for a reduction in petrol consumption.

Many individual American states - notably California, with whose Governor I signed a bilateral agreement on this subject last year - are setting targets for reducing emissions and taking far-reaching action to achieve them. American businesses - including many of their major power companies - have become advocates of a binding cap and trade system.

The German G8 Presidency gives us an opportunity to agree at least the principles of a new binding international agreement to come into effect when the Kyoto Protocol expires in 2012; but one which is more radical than Kyoto and more comprehensive, one which this time, includes all the major countries of the world. It is a prize of tantalising significance and I think it is possible.

So across all three issues, there are signs of hope. But this is part of a bigger shift in the politics of the global community. It is in this shift that the real possibilities of progress lie.

What is really happening is that nations - even the most great - are realising that they cannot pursue their narrow national interests without invoking broader global values. They are obliged to recognise that interdependence is the defining characteristic of the early 21<sup>st</sup> century world.

These three topics which have dominated Davos in 2007 are all global in their impact, their political relevance and in their prospective solutions. The Shifting Power Equation, the title of Davos this year, is in part, obviously, about emerging new powers; but it is equally about the fact that power over global issues can only be effectively wielded today by global alliances, based on global values.

There is also the curious mix of moral cause and strategic interest. We know we have a clear interest in combating climate change; but we feel it too, as a moral duty to successive generations as well as our own.

Business is here in Davos not simply to talk about commerce, industrial trends, competitive challenges, but also about its role in tackling the great issues of the day. It has moved way beyond traditional notions of corporate responsibility. Business believes that it, too, has a strategic interest in the moral cause.

The world today is in a kind of perpetual global conversation. Campaigns are begun and intensified almost instantly. Tragedy or injustice, like war, leaps into our living rooms, assaulting our senses, bringing us to a judgement on events that may be thousands of miles away but of which we feel a part.

This can happen in a malign way, as when an atavistic terrorist ideology uses the internet to recruit or proselytise; or in a benign way, as the magnificent Live Aid showed in awakening the conscience of the world over Africa.

Either way, it is a reality and it has a profound impact.

Individuals become part of mass movements for change and action. Political leaders find that the time quotient between foreign and domestic affairs alters dramatically. Business gets involved in politics, not as partisans of a political party, but as important actors in global debate.

Above all, nations find that they need to confront and deal with challenges that simply do not admit of resolution without powerful alliances of other nations. And every nation, even the most powerful, is obliged to find such alliances or find their own interests buffeted and diminished.

That is why we call it interdependence. It is the ultimate joining together of self-interest and community interest. Afghanistan was a failed state, its people living in misery and poverty but in days gone by it would have stayed that way without the world much noticing. September 11<sup>th</sup> brought it to our notice in the most unforeseen but catastrophic way. Look how the world has changed because of it.

We know Africa's plight is shameful in a world of plenty. But I have never shrunk from confessing another motive. I believe if we let Somalia or Sudan slip further into the abyss, the effect of their fall will not stay within their region never mind their nation. I will argue for the presence of peace in Palestine on its own terms; but there is no question that its absence has consequences on the streets of cities in Britain amongst people who have never been near Gaza or the West Bank.

And, of course, there is climate change. Assume even a possibility of its threat being real. It would be madness not to act to prevent its realisation – just as a precaution. Its challenge is the supreme expression of interdependence. America and China, even if they had no other reason for a relationship and they have many, would need one simply for this alone.

To this add economic globalisation, which offers, in general, such immense opportunity but whose effects, in particular, can be random and savage.

So just take these three issues: climate change; Africa and world trade. Work out what is at stake: the future of the planet; the death or life of millions of people every year; the ability to spread the life chances of globalisation, the single greatest economic engine of our time, more evenly.

Consider what is at stake in these issues. Then consider how hard we have found it to put the right alliances in place; reach agreement; and take the appropriate measures to get the job done.

This is my major reflection on 10 years of trying to meet these challenges, 10 years in which, as a deliberate policy, Britain has been at the forefront, for better or worse, of each of these major global issues.

Interdependence is an accepted fact. It is giving rise to a great yearning for a sense of global purpose, underpinned by global values, to overcome challenges, global in nature.

But we are woefully short of the instruments to make multilateral action effective. We acknowledge the interdependent reality. We can sketch the purpose and describe the values. What we lack is capacity, capability, the concerted means to act.

We need a multilateralism that is muscular. Instead, too often, it is disjointed, imbued with the right ideas but the wrong or inadequate methods of achieving them.

None of this should make us underestimate what has been done. But there is too often a yawning gap between our description of an issue's importance and the matching capability to determine it.

In this regard, there is often an easy and lazy critique that puts this down to an absence of political will. In my experience there is, usually, not a problem of political will. By and large its there. It is translating that will into action that is the problem. Why? Because it requires focus, time, energy and commitment and though individual leaders and nations can provide those qualities intermittently, sustaining them over time, with all the other pressures is just practically impossible.

Global purpose, underpinned by global values requires global instruments of effective multilateral action.

A UNSC without Germany, Japan, Brazil or India, to say nothing of any African or Muslim nation, will, in time, not merely lose legitimacy in the eyes of the world, but seriously inhibit effective action. By all means let us have some form of bridging mechanism – perhaps semi-permanent status without a veto – to a reformed Council; but get it done. Likewise with reform within the UN – greater power to the Secretary General, merging agencies, one UN organisation in-country. But reform now has to happen.

There is a powerful case for merging the IMF and World Bank and for increasing the influence of the developing countries within them.

The G8 is already well on its way to metamorphosis into G8 +5. At G8 +5, it can be a forum for agreement between the most powerful nations with a true modern global reach.

But sooner or later, the metamorphosis should be complete.

We need to make the regional blocs more effective.

I strongly believe in changing the rules of the EU to build efficacy in Europe's power. The EU at 27 cannot operate within the system used for an EU of 15 countries.

It would hugely help the cause of Africa if the AU became a strongly and cohesive voice and instrument of Africa's interests.

However, this is not just about Governmental institutions.

Into the void between identifying an issue's importance and securing the means of acting on it, has increasingly stepped the non-governmental and non-state actors. The resource of the Gates Foundation is being put to the eradication of Malaria – a preventable disease which kills one million a year. The Grameen Bank, founded by Mohammed Yunus has pioneered micro-credit projects which now have over 80 million recipients, the majority of them women.

It is a partnership between Governments, private markets, NGOs and faith groups that is providing immunisation that will save five million children's lives and those of a further five million adults.

The agenda on climate change is increasingly being set by coalitions of business, most recently the group of US companies calling for tougher action but also setting out practical ways of doing it.

All of this is great, ground-breaking work. But in a sense it is laying bare the paucity of the instruments to effect change, which we have at our disposal.

In 1999 in Chicago I called for a doctrine of international community, in which we accept that a modern foreign policy cannot work except on the basis of shared common values. These values gave us not just a right but a duty to act in order to protect people at risk. I meant it in the context of Kosovo and ethnic cleansing. But of course its application goes far wider.

The common theme that runs through such apparently disparate issues like the struggle against terrorism or poverty in Africa is that both require active measures of intervention. Indeed the very consequence of interdependence is the necessity to intervene, in coalition with others, in order to prevent danger or injustice that may originate outside our borders but ultimately will affect us within them.

So, today, we see the establishment of a proper democratic state of Palestine as benefiting not just the people of Palestine and Israel but the wider Middle East and the world. We know, too, that if Central Africa is given over to conflict it will at some stage be a global threat. Likewise if Iraq or Afghanistan falls back into failed states exporting violence, we will suffer the impact.

But we know also that none of these desirable objectives will occur without our active intervention.

We are familiar with military intervention; the path of aid and development is well trodden. But the concept of nation-building - by which I mean the construction of the capacity for effective self-government within a country - is still in its infancy. The proper infrastructure of government - functioning commercial and legal systems, health and education ministries that can actually administer, economic authorities that have real authority; police and military that perform the tasks they should under proper rules of governance: these things often seem less exciting and motivating than direct intervention to cure disease or alleviate poverty, but in reality they are the life blood of true progress for nations struggling to be nations.

Aid for trade is at least as important as any other part of the world trade deal. Why? Because it builds capacity.

There is a whole new dimension to international intervention that needs development. It is in building capacity that the fate of Palestine, Iraq, Afghanistan or any of poorest or war-ravaged African nations will obtain their salvation. Everything else - worthy and essential though it is - fails unless the systems of self-government and therefore self-help are brought into being.

These are new skills the international community must develop.

There is a further element to it. We need proper, well-constructed means of conflict resolution and peace-keeping. What is happening in Darfur today is a

scandal; not a problem, a scandal. Hundreds of thousands die or live lives of unbelievable risk and misery because we cannot assemble a proper peace agreement, properly enforced, with the full weight of the international community behind it. I know there are a host of political reasons that are colliding with our good intent. But the real problem, again, is the absence of a sustained international focus, with the capacity to keep at it, report back credibly and trigger action, if nothing happens.

Not all of this requires us to go back to traditional institutions of international governance like the United Nations. Non-state actors can play a role here too. But the point is very simple: if we are to intervene successfully, we have to have the capability to do so.

Therefore a key and new part of our international dialogue must now be strengthening the instruments and institutions, those between governments but also those within broader civic society, that can build capacity. We need new networks, new relationships between countries and between people which mobilise the practical means of bringing change into being.

There is an urgency here. What is remarkable about Davos this year - and this has been true for some years now - is the degree of consensus around a values-based international agenda. It is what makes me optimistic. There is a true sense of global responsibility.

But ours is not the only narrative competing for the world's attention. There is another. It may be - is - based on a total perversion of Islam; but it has shown itself capable of playing cleverly on the injustice, poverty and alienation felt by many whose lifestyles are a world away from ours. We believe we are doing our best to confront the world's problems and to lift the scourge from the backs of so many millions whose lives are blighted. But this counter-ideology mocks our efforts, disputes our motives, turns our good faith into bad.

And there is yet another narrative. In 20 years, or sooner, there will be new powers, new constellations of authority, with strong intentions and powerful means of advancing them. What values will govern that new world? Will they be global values, commonly shared or will the world revert to spheres of interest, to competing power-plays in which the lesser or struggling nations are the victims?

If the narrative we believe in - a world of tolerance, freedom, openness and justice for all - is to be credible, it has to be effective. The best answer to fear is always hope. But hope requires belief. And belief comes only from words turned into deeds. So take these issues: Africa, climate change, world trade.

Imagine over the coming months the world agrees and over the coming years, it acts. Think how attractive our story of the world's progress would be. Then think



of failure and who will weep and who will rejoice. Think of all of this. Then let us agree. Then let us act.