

XXI Congress of the Socialist International

Paris, 8-10 November 1999

Speech by

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Check against delivery

This gathering of the Socialist International comes at an important moment. The world over, there is a debate underway about the future of the left. It is whether we are able to set out a vision for the left that can combine our traditional emphasis on social justice with the necessities of the new economy of the 21st century; whether we can stand for fairness and enterprise together. My case is that we can and must. What's more, we have an extraordinary opportunity to renew our base of support amongst the people, because globalisation means both that we need international solidarity more than ever and that we will only succeed economically if we create a society of opportunity for all.

Leave aside labels used by the media. For example it is sometimes said that Lionel Jospin is on the left; I am in the centre and there is a great divergence between us. It is true that as a New Labour Government we have cut corporation tax, have strong relations with business and have introduced difficult welfare reform, insisting that young people who are given work, take it or lose benefit. But we have also introduced a minimum wage, the right to trade union representation, increased child benefit and are under attack from Conservatives for spending too much on schools and hospitals. And as well as traditional left measures to help the jobless, the Jospin Government have opened up the capital of public enterprise and promoted innovation in the private sector.

When I say New Labour means enterprise and fairness, and Lionel says he believes in a market economy but not a market society, we are both saying we must rise to the challenge of change and do it true to our values; find different ways, for our own different countries, of reaching the same goals, inspired above all by those values: solidarity, social justice, community, opportunity and responsibility together.

Some will talk of social democracy, some of democratic socialism. Some of the centre left, some just of the left. I do not minimise the real and genuine debate that underpins these terms. I simply say it is the debate itself that is important, not the labels.

In reality that debate today is no longer about whether we modernise but how; and how fast. My case is straightforward. The left and centre-left has to stay true to its values but re-discover fundamental radicalism in applying those values to the modern world and jettison outdated doctrine and dogma that stands in our way. In history the left always wins when it is not just about justice but the future too. We must take on the forces of conservatism, left and right, who resist change, whether it is the right who believe the knowledge economy is just a passing fad, or those parts of the left happy defending the status quo, promoting tax and spend or yielding up the territory of law and order to the right. We must

be the modernisers but for a purpose: to create a society of fairness and enterprise for all.

The key to changing the world lies in first understanding it. I am constantly struck by the sheer pace, scale and force of change: economic, technological and social. Global financial markets that move with frightening rapidity and power as we discovered in the Asian crisis. Technology that means our children's lives are already light years away from our youth. We estimate that soon two-thirds of new jobs will require computer literacy. Whole industries come and go. Many people will work in small businesses, using advanced technology. We will work, shop, communicate and learn in wholly different ways. In the wake of economic change, social change. Crime and drugs; loss of community identity; family instability and breakdown. Massive changes in culture and art, that will be speeded again by the digital revolution.

The change, I believe, is going to get faster in the next ten years than in the last.

So what should our response be: resist change – often the gut instinct of the old left – and we become conservatives of the left, protecting vested interests and bureaucracies and old ways of working in the name of social justice and actually causing injustice by failing to adapt.

Alternatively, the second choice: if we let change just happen, then we really have become like the right. This is laissez-faire. It is where the right of today is. And, as ever it will help the few to prosperity at the expense of the many.

What I have called the third way, but in reality is modernised social democracy, is to become the champions of change, managing change in a way that overcomes insecurity and liberates people, equipping them to survive and prosper in this new work.

Why is it true to the roots of the left and centre-left? Because we believe in a role for the collective, for people together, whether through Government, the local community or informal solidarity. We cannot manage change unless we decide to do it together, in partnership. This role for Government is not as controller; it is a new role: we are enablers; empowerment is our goal. Not uniformity in outcome; but putting it within the power of each of us to fulfil our true potential.

And we do so today, with one great advantage denied our predecessors. The Third Way is not about splitting the difference between Conservatives and Social Democrats, but is about modernising social democracy in a way that liberates the potential of every individual, not the few represented by the right. We on the left

have always fought for "opportunity for all" on grounds of social justice. But now, in this modern world, we can do so for reasons of economic necessity as well. Because today it is human capital, not land or machinery that is vital. Waste the talent of any one person, we make the nation poorer. Unemployment is not just morally wrong. It is economically inefficient. Ignorance and poor education are a barrier to wealth for a country today not just regrettable in themselves. Today fairness and enterprise do indeed go hand in hand. That is the central modernising message.

But we can only make this message a reality if we are prepared to tear down the barriers that hold people back. And if we have learnt one thing from the 20th century, it is that: yes, those barriers can be the hoarding of capital in the hands of a few; but they can also be bureaucratic and state engendered. So wherever these forces of reaction and conservatism, left or right, impede human progress and potential, we must have the courage to address them.

Round the world, in our different ways, we are. But we could learn far more from each other. We all face the same challenges. The Socialist International - in which over 120 countries are represented - must revitalise itself to become a genuine means of exchange of views and mutual help and support. A meeting like today is good but not enough. We must do far more and if the Socialist International is to be relevant, it must help organise it. Because make no mistake. If we don't become the reformers, the right will step in and take our place.

I believe that round the world there are signs of a new consensus emerging in centre-left and left politics. Any successful left Government in the 21st century is likely to be taking many of the following ten steps.

- Financial discipline and strong stable economic management. There is nothing left-wing about running up big deficits.
- Massive investment in education, skills and lifelong learning. The more our people learn, the more they will earn.
- Embracing with enthusiasm the creation of the knowledge driven economy. E-commerce, information age skills, the promotion of innovation, the strengthening of the science base.
- Launching a concerted attack on social exclusion. Old style regulation or tax and spend programmes are not the way to lift people out of exclusion. We need targeted measures to get people back into work, in particular through reform of our welfare and benefits systems. In the UK, by doing

this, we have halved the rate of long term and youth unemployment in two years.

- We must address the issue of the growing number of older citizens through pensions reform. Otherwise we will not be able to afford a modern welfare state to look after those in real need. And this reform has to be based on a partnership between public and private sectors.
- We must recognise the importance of stimulating small businesses. Millions of new service jobs depend on it.
- We need to lead a renewal of civic society based on rights and duties. We give opportunity. We demand responsibility. We must make a concerted attack on crime and drugs. Working people are the biggest victims of crime and we should demonstrate solidarity on their side in combating these evils.
- We must be the modernisers of public services, the innovators, making full use of partnership between public and private sector. Our citizens expect a public service to be as good as a private one today and they are entitled to it.
- We must be strengthening international co-operation against crime and drugs.
- And finally, we must work together as nations for the better regulation of international capital markets and financial flows; enhanced north south co-operation and debt relief; liberalisation and management of world trade; linking the promotion of sustainable development with action to tackle the global environmental threat.

Some of this is controversial, as Gerhard Schroeder and I discovered when we launched our joint paper on reform back in June. But I say: don't abuse the argument; listen to it and argue back. If reform is wrong and there is another way, let us debate it. But the world desperately needs the centre-left to be up to the challenge. And let us not hear nonsense that the seizing of the centre ground by social democrats, is betrayal. It is vital we reach out to new support, build new coalitions in the electorate.

If we do not, the right will be resurgent. There are many moderate people on the right. But there are others who are not-so-moderate. They will peddle chauvinism dressed up as nationalism; attack immigrants and other vulnerable groups; seek to dismantle Government on the basis Government is a burden; put

cutting tax for a few in front of helping the many. Every time, in every country, if we fail to have the courage to reform our countries, even taking on some in our own ranks who resist reform, we boost the right. We give them comfort and cover.

So as the 21st century comes upon us, let us face it with confidence and determination. The future can be won but only if we go out to win it. This is a time when we will make our own history. For the sake of the people we serve, we must make it work.