

Globalisation and Security

Speech by the Foreign Secretary

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Washington D.C.

July 11th 2006

In Washington, London, Paris, Brasilia, Moscow – in every capital across the world - there is much soul searching about global security. But I think that is the wrong description. Its global insecurity that's the real problem.

Global insecurity takes many forms. But they all have their source and can be traced back to the basics of human existence. Poverty, injustice, deprivation, the contest for basic resources, are at the core of global insecurity and today, more starkly than in previous centuries when statesmen and women have come to gatherings like this to discuss the dilemmas facing the world, we can see the interdependence of these issues – we can see the disease and not just the different symptoms it presents.

The conventional approach to foreign policy tends to deal

either issue by issue or place by place with the points where insecurity breaks the surface - the Middle East, Darfur, Rwanda or the widespread phenomenon of Al Qaeda-inspired terror.

We ignore any of these outbreaks at our peril but we will never tackle them successfully - never tackle them piece by piece - unless we understand what links them, the pattern which runs beneath the surface of all these conflicts.

The old fashioned approach to security is to think only about arms and armies, the balance of power between one nation or indeed one continent and another. To think only of your own direct interest, narrowly defined to your own country, as opposed to engaging across the board in an effort to build a fairer and more secure world for all. A recognition in other words that in today's world national security must be founded on strong international security. And both must stem from and be inspired by our values – fairness, justice and democracy.

Part of the role of governments is to put the right structures for international security in place. And these are not just hard security structures, such as NATO and the UN, essential though these are. They are also the structures for trade, intellectual property, non-proliferation, human rights, the rule of law.

Over the past decade the United Kingdom has pursued an activist agenda – believing that there are times when

the international community should and must intervene to protect the weak and to enforce global security. Sierra Leone and Kosovo were two examples.

In Kosovo we were part of a NATO action, alongside the United States.

We acted together too with other allies in Afghanistan to oust a regime that harboured terrorists; and in Iraq to remove a dictator who was defying the will of the international community.

In each case military action has been necessary. But in no case has it been sufficient on its own. Stability and prosperity in those regions – and therefore our own security – can only be achieved if we empower the people there to build a better life for themselves.

People say that state-building is hard. It is. But that doesn't mean we give up on it.

Suppose we had stopped the rebels overrunning Freetown in Sierra Leone, but then left without trying to help local people build their economy, build their education and promote reconciliation. How much would we have achieved?

Suppose we had prevented Milosevic from slaughtering innocent civilians in Kosovo, but then decided not to try and reconcile the different ethnic factions; not support

journalists in their battle for a free press; not to help establish new political and judicial institutions. What kind of stability would that have provided?

If in Afghanistan and Iraq our soldiers had fought hard to liberate the people only to abandon them completely to war lords and terrorists, what would their sacrifice mean in the long term?

So all this remains an important facet of “security” as it has usually been defined. But I believe energy security, climate security, water security and food security must also be addressed. Already across the world these elements of insecurity are visibly sparking and feeding conflict. And with modern day communication, modern day travel there is the potential for these conflicts to engulf and involve us all.

Its not that the old challenges have gone away. It’s the greater understanding of what drives them for which we must strive.

In the Middle East five per cent of the world’s population survives on one per cent of its water. In 1998 we saw Syria at loggerheads with Turkey over plans to dam the Euphrates. Israel, the Palestinian Territories and Jordan all rely on the River Jordan. Egypt, Ethiopia and Sudan have to share the waters of the Blue and White Niles.

A more variable climate makes water management even

more difficult within and between countries. We know that climate change will lead to more extreme weather conditions. That increases water stress.

So if we respond to the global imperative of climate change the right way we can reinforce global security. The technologies we need to reduce dangerous greenhouse gas emissions and develop a low carbon economy – advanced coal technologies with carbon capture and storage, renewable energy, energy efficiency – can also help developed and developing economies alike reduce their reliance on imported hydrocarbons.

That is of huge significance as the supply of those hydrocarbons becomes increasingly concentrated in the hands of national oil companies. Eighty per cent of oil and gas trade is from three regions: Russia and the FSU, West Africa and the Gulf. Twenty per cent of global oil flows through one narrow waterway: the Straits of Hormuz.

The International Energy Authority predicts that, if we carry on with business as usual, by 2030 energy demand will rise by up to 60 per cent and energy related carbon dioxide emissions by 52 per cent.

The task for governments is to send the right policy signals so that the corporate sector has an incentive to invest in a global transition to cleaner, low-carbon technology. This offers an alternative that is good for climate security because it cuts emissions, and good for energy security

because it diversifies our energy supplies. So our climate security objectives and energy security objectives can be mutually reinforcing.

A couple of weeks ago, I met my Japanese opposite number to discuss amongst other things energy and climate change. He mentioned that the Japanese economy was remarkably fuel efficient.

International Energy Agency figures confirm that for each barrel of oil Japan generates twice as much GDP as the United States, ten times as much as China and 20 times as much as Russia.

Think about the potential that offers for reducing global demand for hydrocarbons.

If the US or the EU used oil equally efficiently it would have a massive impact on our energy security.

If a country like China could move towards a low carbon economy while still meeting its legitimate energy needs the pressure on global fossil fuel resources would be eased. And the prospects of a more collaborative relationship with China in third countries around the world would be enhanced.

Most of the global warming to date has been caused by developed countries. And between us the G8 is still responsible for nearly half of all carbon dioxide emissions.

So if we are going to convince developing countries to adopt these technologies then we ourselves all need to move in that direction.

And food security is linked to both energy security and climate security. Part of my last job was as secretary of state for agriculture. My department did some in depth research in partnership with the Chinese government on the impact of climate change on agriculture.

That research predicted a decline in available agricultural land of the order of 13- 15 per cent and a drop in grain yield of as much as 30 per cent.

And what is true in China is doubly true in Africa. So food security like energy security and climate security are all part of the same picture – that same underlying pattern of pressures. And as those pressures grow we can ill afford the artificial distortions of an outdated trade system that undermines the worlds capacity to achieve food security.

I know that the wider implications of the global trading environment have resonance here in the United States. The National Security Strategy published in March this year has a whole chapter which sets out the need to “ignite a new era of global economic growth through free market and free trade”.

And yet, despite all this, we are in danger of sleepwalking over a precipice in the Doha Development Round.

I do not exaggerate when I say that we have come to a crunch; a window for agreement that is now to be measured in days.

What needs to be done is pretty clear to all. I don't intend to get into the details of that. It is self-evident that all sides, the European Union, the United States and the G20 must be flexible and willing to move further.

The consequences of failure would be stark.

As Asia continues to demonstrate, allowing developing countries to trade their way out of poverty is the most effective route to rapid and sustainable growth.

But look at the situation today. Agriculture tariffs and subsidies reduce developing countries' earnings by US\$75 billion a year – 50 per cent more than they earn in aid. In 1980 Sub-Saharan Africa accounted for four per cent of total world exports; in 2003, for only one per cent.

That's a tragedy for the world's poorest. They will pay the heaviest price. But it will be at a cost to us too.

First the damage to our economies. A successful round could boost world trade by US\$100 billion a year. And the paradox is that all those currently holding the keys to an agreement would gain from us reaching one: the European Union would, the G20 would, the United States would.

A World Bank study suggests that here in the United States, for example, you could be better off to the tune of US\$5 billion a year. Three billion from agriculture, two billion from non-agricultural market access.

If the trade round fails, we lose this. No-one should kid themselves that we can get the same level of benefit from networks of bilateral agreements. We won't. The prize on offer through Doha is far larger.

And, as experience has shown, there is no reason to believe bilateral agreements would be any easier or quicker to negotiate. Believe me – I have been involved in such negotiations. Same difficult path, smaller pot of gold at the end of it. And, once again, the poorest countries frozen out.

There are much wider consequences to a failure on Doha than our own economic losses. Just as with climate change and with HIV AIDS, failure in one area bleeds through into our other priorities.

It will slow our progress against the Millennium Development Goals – promises we made only six years ago.

Those goals were a recognition not of the developing world's dependence upon the rich nations of the world. Rather they were a recognition of our interdependence.

We used to think that tackling some of these problems of insecurity whether through aid or through the disparate

opportunities of trade, was in “their” interest – the people most directly at risk. Increasingly today we realise that it is in our interest. “We the people” are all the people of the world.

We understood that inequality, injustice and poverty were the heralds of instability and conflict. Drugs, crime and illegal migration washed against our shores because of the turbulent currents in other parts of the world.

We will have forgotten that lesson if we let this chance to give a better future to millions around the world slip from our grasp.

For many of the poorest countries in the world there could be nothing more important than this trade round. If we let them down, we run the risk that they will in turn take rather less interest in some of those things that most matter to us: combating terrorism, proliferation and organised crime; protecting our intellectual property, our borders and our international investments.

Moreover, we will leave the WTO, one of the main pillars of the multilateral system, tottering.

That could lead to rising protectionism, threatening the growth and stability of the global economy.

We are seeing the beginnings already. In Europe we see pressure in France to block Italian utilities take-overs, in

Italy to question Dutch banking acquisitions, in Spain to stall German energy bids. And, of course, here in America the blocking of the Dubai ports deal.

Instead of striving for a greater and greater share of the growing global market, many countries are settling for sheltering a smaller protected national market.

The United Kingdom has always been a free-trader. This trade round should be a win-win. But what we gain from a liberal, open world economy is so vital to our interests that we should be prepared to give and not necessarily equally to receive as well.

And if we damage the credibility of the WTO, we could damage faith in multilateralism more widely – in the ability of the international community to work together for the common good.

Multilateralism is always a compromise. You never get everything you want. But you do have more chance of getting what's most important to you, and so does everyone else.

It can be particularly difficult for powerful nations to make the trade-off between the autonomy of going it alone and the wider legitimacy – and effectiveness – of working with others. But in my experience you have to be prepared to put the global interest above what appears to be some limited self-interest.

Globalisation is a phenomenon of our times. When we talk about globalisation its usually the perils or the opportunities globalisation brings with it that we address.

But because this family of insecurities can only be addressed by a world community understanding our responsibilities one to another, understanding that self interest and common interest go hand in hand, we need nothing less than a globalisation of responsibility. United we stand, divided we fall – one of the oldest political slogans – one of the simplest. But in these times ‘we’ are not a small group or a small community. We are the whole human family.