

**INVITATION TO  
JOIN THE GOVERNMENT  
OF BRITAIN**



**THE CONSERVATIVE MANIFESTO 2010**

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## INVITATION TO JOIN THE GOVERNMENT OF BRITAIN

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A country is at its best when the bonds between people are strong and when the sense of national purpose is clear. Today the challenges facing Britain are immense. Our economy is overwhelmed by debt, our social fabric is frayed and our political system has betrayed the people. But these problems can be overcome if we pull together and work together. If we remember that we are all in this together.

Some politicians say: 'give us your vote and we will sort out all your problems'. We say: real change comes not from government alone. Real change comes when the people are inspired and mobilised, when millions of us are fired up to play a part in the nation's future.

Yes this is ambitious. Yes it is optimistic. But in the end all the Acts of Parliament, all the new measures, all the new policy initiatives, are just politicians' words without you and your involvement.

How will we deal with the debt crisis unless we understand that we are all in this together? How will we raise responsible children unless every adult plays their part? How will we revitalise communities unless people stop asking 'who will fix this?' and start asking 'what can I do?' Britain will change for the better when we all elect to take part, to take responsibility – if we all come together. Collective strength will overpower our problems.

Only together can we get rid of this government and, eventually, its debt. Only together can we get the economy moving. Only together can we protect the NHS. Improve our schools. Mend our broken society. Together we can even make politics and politicians work better. And if we can do that, we can do anything. Yes, together we can do anything.

So my invitation today is this: join us, to form a new kind of government for Britain.



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**WE'RE**

**ALL**

**IN**

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## FOREWORD

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Britain needs change: few can doubt that. Our national finances are mired in massive debt. Millions are living the misery of unemployment. Communities are shattered by crime and abuse. People in the public services are trapped in a web of rules and regulations. People have lost faith that politics can fix our problems, or that politicians can lead us into a better future. There is a feeling of helplessness. Once again, there is a mood afoot that the decline of Britain is inevitable.

But there is no law that says we must accept decline. We have the energy, the ideas and the ambition to get Britain back on track. And that includes everyone in Britain, wherever they live and whatever their circumstances. If we join together, if we act decisively, and move forward with optimism, we can start to fix the economic, social and political problems that threaten the nation. We can bring about the change Britain needs.

What is that change? Some promise solutions from on high – but real change comes from collective endeavour. So we offer a new approach: a change not just from one set of politicians to another; from one set of policies to another. It is a change from one political philosophy to another. From the idea that the role of the state is to direct society and micro-manage public services, to the idea that the role of the state is to strengthen society and make public services serve the people who use them. In a simple phrase, the change we offer is from big government to Big Society.

This manifesto is the most important stage so far on a journey that began four and a half years ago, when the Conservative Party itself voted for change by electing David Cameron as its leader. Since then, the Party has remoulded itself for the modern era, applying its deepest values and beliefs to the urgent problems of the hour. Even as it has done so, the problems confronting Britain have escalated, and escalated fast. So our ideas are ambitious and radical as well as modern. They match the scale of Britain's problems, and are in tune with a world that is changing before our eyes. But our core values have not altered and our core beliefs remain consistent.

We believe in responsibility: government responsibility with public finances, personal responsibility for our actions, and social responsibility towards each other. We believe in enterprise and aspiration. We believe there is such a thing as society, it's just not the same thing as the state. Our fundamental tenet is that power should be devolved from politicians to people, from the central to the local. Personal ambition should be set as high as is humanly possible, with no barriers put in its way by the state. Perhaps most importantly, we believe that we are all in this together.

Everything you will find in this manifesto is built on these beliefs. They are the building blocks of the change we want to see in every home, every street, every community, every business.



## FOREWORD

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Our belief in responsibility with public finances is the starting point of our **plan for economic recovery and growth**. We want your consent for a programme of public spending control that will deal with Labour's debt crisis and stop the Labour jobs tax that would kill our economic recovery. The programme set out in this manifesto is fully costed and fully funded. Some of our proposals – such as on school discipline – cost nothing, but require energy and leadership. Others – like stopping Labour's jobs tax – will require money, and we will make savings in other areas to pay for them. The debt crisis is the terrible legacy that Gordon Brown is bequeathing to our country. But fiscal responsibility needs a social conscience or it is not responsible at all: so we will not allow the poorest people in Britain to pay an unfair price for the mistakes of some of the richest.

Nor will we allow irresponsibility in the private sector to continue unchecked. We will bring law and order to our financial markets as a necessary step to restoring confidence. But the real prize for Britain is to create a new economic model, one founded on investment and savings not borrowing and debt. This economic vision reflects our belief in enterprise and aspiration. It is a vision of a truly modern economy: one that is greener and more local. An economy where Britain leads in science, technology and innovation. But it is founded on a determination that wealth and opportunity must be more fairly distributed. We want to see an economy where not just our standard of living, but everyone's quality of life, rises steadily and sustainably.

But a nation is only really successful if it is built on a **strong society**. We will never deal with our debts and build a new economy unless we solve the social problems that cost so much and hold so many people back. Labour's big government approach is making our social problems worse, not better – inequality and poverty on the rise; social mobility stalled; family breakdown a fact of life for too many children. So we need fundamental change: from big government that presumes to know best, to the Big Society that trusts in the people for ideas and innovation.

We will move from state action to social action, encouraging social responsibility in all its forms and across all the country – whether curbing incivility on our streets or supporting social enterprises with the power to transform neighbourhoods. Mending Britain's broken society will be a central aim of the next Conservative government.

That is why in this manifesto we set ourselves an ambitious goal: to make Britain the most family-friendly country in Europe. That is why we back the NHS. That is why we will reform schools to raise standards and restore discipline. It is why we will get people off benefits and into work; reform policing, sentencing and prisons. And why we are committed to a greener future.

## FOREWORD

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But we will not succeed in building the Big Society, or in building a new economic model, unless we stop government trying to direct everything from the centre. We will get nowhere with yet more top-down state control. So, after thirteen years of Labour, we need **radical political reform**. We need to change the whole way this country is run. As Conservatives, we trust people. We believe that if people are given more responsibility, they will behave more responsibly. We believe that if you decentralise power, you get better results and better value for money. So the plans set out in this manifesto represent an unprecedented redistribution of power and control from the central to the local, from politicians and the bureaucracy to individuals, families and neighbourhoods.

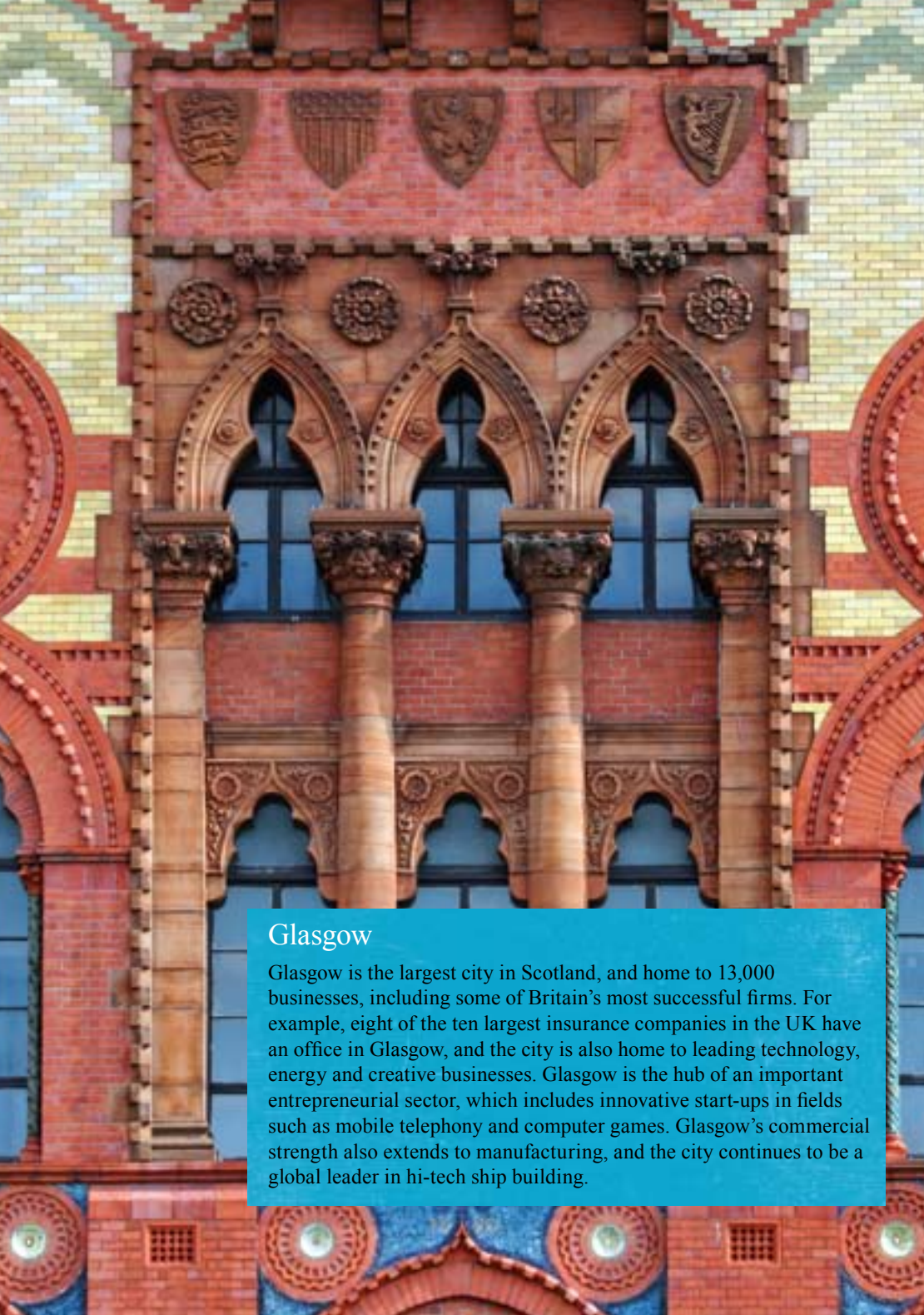
We will give people much more say over the things that affect their daily lives. We will make government, politics and public services much more open and transparent. And we will give the people who work in our public services much greater responsibility. But in return, they will have to answer to the people. All these measures will help restore trust in our broken political system.

We know that this is an ambitious vision. A profoundly optimistic vision. It is also an authentically Conservative vision: sound money, backing enterprise, trusting people. The journey we embarked on four and a half years ago was all about applying this Conservative approach to the progressive challenges of our age: making opportunity more equal; fighting poverty and inequality; improving the environment and general well-being. So our creed today is progressive Conservatism; and this is an unashamedly progressive Conservative manifesto.

Now we ask you to join us for the next and most important stage of the journey: changing Britain so we can offer a better life to all our citizens and play a proud and leading role in the world.

Each of the three programmes of reform outlined in this manifesto – our plans to build a new economic model; to build the Big Society; to build a political system where people have more power and control over their lives – is a massive undertaking in its own right. Yet we are proposing to carry out these changes all at once, because that is the only way to put Britain on the right path for a successful future.

Britain faces huge problems that demand radical change; and it cannot come soon enough. We are impatient to get on with this work. We are determined to make a difference. We have the policies to make that difference. And most importantly, we have faith in the people of Britain, because we know that if we all pull together, stick together, then this country can change its future.



## Glasgow

Glasgow is the largest city in Scotland, and home to 13,000 businesses, including some of Britain's most successful firms. For example, eight of the ten largest insurance companies in the UK have an office in Glasgow, and the city is also home to leading technology, energy and creative businesses. Glasgow is the hub of an important entrepreneurial sector, which includes innovative start-ups in fields such as mobile telephony and computer games. Glasgow's commercial strength also extends to manufacturing, and the city continues to be a global leader in hi-tech ship building.

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# Change the economy

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**LET'S  
GET  
BRITAIN  
MOVING**

## Get the economy moving

*Gordon Brown's debt, waste and taxes have wrecked the economy and threaten to kill the recovery. A Conservative government will take action now to cut the deficit, stop Labour's jobs tax, help keep mortgage rates low and get the economy moving. We will create a new economic model built on investment and savings, not borrowing and debt.*

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Where is the growth going to come from? Who will provide jobs for the millions out of work? How will families be able to aspire to a better future? These are the questions being asked about Britain, at home and abroad.

One thing is clear. We can't go on with the old model of an economy built on debt. Irresponsible public spending, an overblown banking sector, and unsustainable consumer borrowing on the back of a housing bubble were the features of an age of irresponsibility that left Britain badly exposed to the economic crisis. Now, with the national debt already doubled and in danger of doubling again, it is this debt – together with the jobs tax that Labour will introduce to help pay for it – that threatens to kill the recovery.

Britain needs a new economic model. Saving and business investment must replace reckless borrowing as the foundation of growth. We need to boost enterprise and develop a low carbon, hi-tech economy. Our exports must grow. We need to get Britain working by creating jobs in the private sector, and we must get better value for money from the public sector.

With the next Conservative government, our tax system, education and national infrastructure will help British firms out-compete their global rivals, not hold them back. We will build a more balanced economy that does not depend so heavily on the success of financial services, and where all parts of the country share in the gains. The bedrock of this new economic model will be the stability and low interest rates that come from a credible plan to reduce our record budget deficit, protect Britain's credit rating and give taxpayers value for their money.

Building this new economic model requires a national effort. We can reverse Britain's economic decline – but only if we accept that we are all in this together. No government, even a strong and united one, can create a better country alone. It needs individuals, families and businesses pulling alongside. We want to unite everyone in our country behind this bold vision of a new British economic model.

**GET BRITAIN  
WORKING**



## Benchmarks for Britain

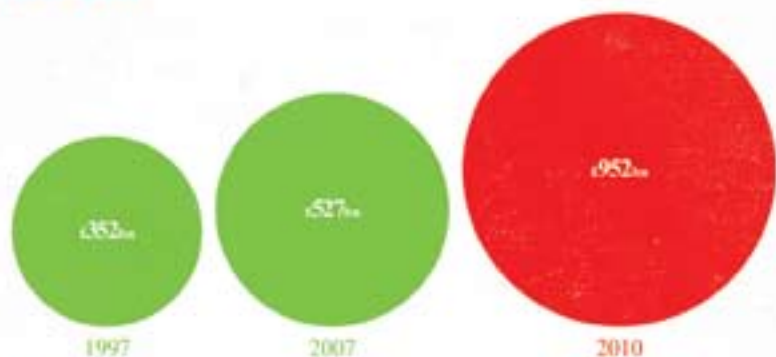
*For the first time, the British people will have eight clear and transparent benchmarks against which they can judge the economic success or failure of the next government. We will be accountable and open. These are the eight Benchmarks for Britain. Achieving them over the next Parliament will mean we have put Britain back on its feet and are building a new British economic model, very different from the debt-driven economy of recent years.*

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1. **Ensure macroeconomic stability:** We will safeguard Britain's credit rating with a credible plan to eliminate the bulk of the structural deficit over a Parliament. Our fiscal policy will seek to help keep interest rates lower for longer. The independent Bank of England will continue to target 2 per cent Consumer Price Index (CPI) inflation, and will use its new role in prudential supervision to preserve financial stability.
2. **Create a more balanced economy:** We will create the conditions for higher exports, business investment and saving as a share of Gross Domestic Product (GDP).
3. **Get Britain working again:** We will reduce youth unemployment and reduce the number of children in workless households as part of our strategy for tackling poverty and inequality.
4. **Encourage enterprise:** We will improve Britain's international rankings for tax competitiveness and business regulation.
5. **Ensure the whole country shares in rising prosperity:** We will increase the private sector's share of the economy in all regions of the country, especially outside London and the South East.
6. **Reform public services to deliver better value for money:** We will raise productivity growth in the public sector in order to deliver better schools and a better NHS.
7. **Create a safer banking system that serves the needs of the economy:** We will reform the regulation and structure of the banking system to ensure lower levels of leverage, less dependence on unstable wholesale funding, and greater availability of credit for small and medium-sized enterprises (SMEs).
8. **Build a greener economy:** We will reduce UK greenhouse gas emissions and increase our share of global markets for low carbon technologies.



## National debt



Source: HM Treasury

## Budget deficit, 2010, % of GDP



Source: OECD, HM Treasury

## Public spending, 2010



Source: HM Treasury, Department for Children, Schools, and Families

## Ensure macroeconomic stability

*We will safeguard Britain's credit rating with a credible plan to eliminate the bulk of the structural deficit over a Parliament. Our fiscal policy will help keep interest rates lower for longer. The independent Bank of England will continue to target 2 per cent CPI inflation, and will use its new role in prudential supervision to preserve financial stability.*

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After a decade of mismanagement, the UK entered the recession in poor shape, with the second biggest budget deficit in the developed world. We have been honest about the scale of the problem, and the actions we will need to take to deal with it. This will not be easy, but we can overcome our problems if we all pull together.

The absence of a credible plan to deal with our record budget deficit, the largest of any major economy, is creating uncertainty over Britain's credit rating and interest rates. This instability undermines confidence and jeopardises investment. It could tip Britain back into recession. This is Gordon Brown's legacy – and why the greatest risk to our economic recovery is five more years of Gordon Brown.

## Urgent action to reduce debt

Urgent action is needed if we are to avoid the higher borrowing costs that would inevitably follow from a credit rating downgrade. So we will cut wasteful government spending to bring the deficit down and restore stability.

We will increase spending on health in real terms every year and honour our commitments on international aid, but our plan to get a grip on the deficit will include cuts to wasteful spending in many other departmental budgets. That will enable the independent Bank of England to keep interest rates as low as possible for as long as possible.

To ensure that no Labour government can ever attempt to bankrupt our public finances again, we will set up an independent Office for Budget Responsibility to restore trust in the government's ability to manage the public finances.

We will provide an emergency Budget within 50 days of taking office to set out a credible plan for eliminating the bulk of the structural current budget deficit over a Parliament. The case for starting early to re-establish our economic credibility is overwhelming, and is backed by economists and business leaders.

We will start by cutting a net £6 billion of wasteful departmental spending in the financial year 2010/11. In addition, we will make the following savings:

- freeze public sector pay for one year in 2011, excluding the one million lowest paid workers;
- hold a review to bring forward the date at which the state pension age starts to rise to 66, although it will not be sooner than 2016 for men and 2020 for women;
- stop paying tax credits to better-off families with incomes over £50,000;
- cut government contributions to Child Trust Funds for all but the poorest third of families and families with disabled children;
- cap public sector pensions above £50,000;
- cut Ministers' pay by 5 per cent, followed by a five year freeze; and,
- reduce the number of MPs by 10 per cent.

Over the course of a Parliament, we will cut Whitehall policy, funding and regulation costs by a third, saving £2 billion a year, and save a further £1 billion a year from quango bureaucracy.

## Cut government waste to stop Labour's jobs tax

Labour are planning to increase National Insurance in 2011. Anyone earning over £20,000 will pay more tax, and employers will pay more tax on all jobs paid over £5,700. This jobs tax, which will hit small businesses especially hard, will kill off the recovery. Experts predict it will cost 57,000 jobs in small and medium-sized businesses alone.

At the same time, Labour will not take action to cut waste in government. They have identified £11 billion pounds of waste, but they do not plan to start dealing with it until April 2011. So Labour will continue wasting money while putting up taxes on working people.

We will act immediately to cut government waste so we can stop the most damaging part of the National Insurance rise for employers and for anyone earning under £35,000.

We will make the following changes in April 2011, relative to Labour's plans:

- raise the primary threshold for National Insurance by £24 a week and raise the Upper Earnings Limit by £29 a week; and,
- raise the secondary threshold at which employers start paying National Insurance by £21 a week.

Seven out of ten working people – those earning between £7,100 and £45,400 – and almost every employer will save up to £150 a year per person compared to under Labour. Lower earners will get the greatest benefit as a percentage of their earnings. Nobody will be worse off as a result of these changes.

Our plans are backed by many of Britain's top business leaders, who between them employ more than half a million people, as well as by Britain's leading business organisations.

To pay for this we will take immediate action to cut a net £6 billion of wasteful departmental spending in the financial year 2010/11, with further savings in future years. This is in addition to the savings made by cutting tax credits and Child Trust Funds for better-off families.

These actions will allow us to reduce the deficit more quickly than Labour year-on-year while avoiding the most damaging part of their jobs tax. It will also lower the proportion of the reduction of the structural deficit that is accounted for by tax increases, from about one third towards one fifth. This is in line with international best practice, as well as the Treasury's own internal analysis.

Former government advisers Sir Peter Gershon and Dr Martin Read have advised us that savings of £12 billion across all departmental spending are possible in-year without affecting

the quality of frontline services. These are over and above any savings already planned by Labour. We will achieve this through:

- a freeze on major new Information and Communications Technologies (ICT) spending;
- immediate negotiations to achieve cost reductions from major suppliers;
- tighter control of public sector recruitment;
- reductions in discretionary spending, including travel, expenses, advertising, consultancy and office supplies; and,
- reductions in public sector property costs.

We will match Labour's spending plans for 2010/11 in health and overseas aid. Given our commitment to carry out a Strategic Defence and Security Review, it would also not be appropriate to make in-year reductions to the existing defence budget in 2010/11. Savings in these protected areas will be channelled back into frontline services. The net £6 billion of savings will be made from the remaining departmental budgets.

## Growth in key economic sectors, 1997-2009



Financial services



Housing property



Manufacturing

Source: Office for National Statistics

## Create a more balanced economy

*We will create the conditions for higher exports, business investment and saving as a share of GDP.*

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For the last decade, growth has been too dependent on government spending and debt-fuelled consumption. More than half of the new jobs created were driven by public spending. Household savings collapsed, and the UK has the lowest investment as a share of GDP of any G7 country. Our share of world exports has fallen by almost a third. A sustainable recovery must be driven by growth in exports and business investment, and through a better environment for wealth creation.

## Make Britain the leading hi-tech exporter in Europe

We will implement key recommendations from Sir James Dyson's Review into how to achieve our goal of making Britain Europe's leading hi-tech exporter, including:

- encouraging the establishment of joint university-business research and development institutes;
- initiating a multi-year Science and Research Budget to provide a stable investment climate for Research Councils;

- creating a better focus on Science, Technology, Engineering and Maths (STEM) subjects in schools; and,
- establishing a new prize for engineering.

Research and development tax credits will be improved and refocused on hi-tech companies, small businesses and new start-ups. At the same time, we will give strong backing to the growth industries that generate high-quality jobs around the country.

We will improve the performance of UK Trade and Investment with a renewed focus on high priority sectors and markets where the return on taxpayers' money is highest. We will regularly compare government support for exporters and inward investment against the services provided by our competitors. We will work for the successful conclusion of the Doha trade round and support bilateral free trade negotiations between the European Union (EU) and other countries.

## Encourage saving and investment

Only by saving more can we finance investment for the future without being dependent on unsustainable inflows of capital from abroad. We will help stop the spread of means-testing by restoring the link between the basic state pension and average earnings, making it worthwhile for people to save. Other measures we will take to encourage saving include:

- reinvigorating occupational pensions and working with employers and industry to support auto-enrolment into pensions;
- working with the trade unions, businesses and others to address the growing disparity between public sector pensions and private sector pensions, while protecting accrued rights; and,
- when resources allow, starting to reverse the effects of the abolition of the dividend tax credit for pension funds.

We will reward those who have saved for their retirement by ending the effective obligation to buy an annuity at age 75. And we will raise the inheritance tax threshold to £1 million to help millions of people who aspire to pass something on to their children, paid for by a simple flat-rate levy on all non-domiciled individuals.

We must not let the mis-selling of financial products put people off saving. We will implement the Ombudsman's recommendation to make fair and transparent payments to Equitable Life policy holders, through an independent payment scheme, for their relative loss as a consequence of regulatory failure.

## Help households manage their debts

Going into the recession, Britain's consumer debt was the highest in the G7. A Conservative government will promote responsible consumer finance by creating a powerful Consumer Protection Agency (CPA) to take over the Financial Services Authority's consumer protection role. In addition, we will:

- give the CPA new powers to define and ban excessive borrowing rates on store cards;
- launch Britain's first free national financial advice service, funded in full through a new social responsibility levy on the financial services sector;
- introduce a seven-day cooling off period for store cards;
- require credit card companies to provide clear information; and,
- ensure that no-one is forced to sell their home to pay unsecured debts of less than £25,000.







## Debbie Scott

“I’ve always believed that we’ll only solve our big social and economic problems if we all get involved and try and make a difference. It’s never enough just to sit back and think ‘well the government can take care of it’ – I think we’ve all got a responsibility to do what we can. That’s why every day, my colleagues and I use all the innovation and flexibility we can muster to help those furthest from the labour market to overcome their personal barriers to work. For me, it is all about believing in the power of people. Tomorrow’s People welcomes the concept of the single Work Programme – it pulls everything together and allows organisations like ours to support people more effectively on their individual journey from welfare into work.”

Debbie Scott is the Chief Executive of Tomorrow’s People, a national employment charity founded in 1984

## Get Britain working again

*We will reduce youth unemployment and reduce the number of children in workless households as part of our strategy for tackling poverty and inequality.*

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Under Labour, youth unemployment has reached over 900,000, with one in five young people unable to find a job. We are at risk of creating a lost generation of young people without the skills to participate in the workforce, without hope for the future. At the same time, economic inactivity is rising, and more than five million people are out of work and on benefits.

This tidal wave of worklessness is making it hard for many families to make ends meet. In recent years, the number of people living in severe poverty has risen. One in six children in the UK now lives in a workless household – the highest proportion of any country in Europe – and child poverty has gone up in recent years. Getting people back into work is an essential part of realising the goal of eliminating child poverty by 2020, and ensuring that everyone benefits from economic growth.

## Reduce welfare dependency

We will scrap Labour's failing employment schemes and create a single Work Programme for everyone who is unemployed, including the 2.6 million people claiming Incapacity

Benefit who do not get enough help from existing programmes. We will reassess all current claimants of Incapacity Benefit.

Those found fit for work will be transferred onto Jobseeker's Allowance. Recipients of Incapacity Benefit who are genuinely disabled will continue to receive the financial support to which they are entitled. Our Work Programme will:

- offer people targeted, personalised help sooner – straight away for those with serious barriers to work and at six months for those aged under 25;
- be delivered through private and voluntary sector providers, which will be rewarded on a payment by results basis for getting people into sustainable work;
- draw on a range of Service Academies to offer pre-employment training for unemployed people – our first Service Academy, for hospitality and leisure, will provide up to 50,000 training places and work placements; and,

- involve the development of local Work Clubs – places where people looking for work can gather together to exchange skills, find opportunities, make useful contacts and provide mutual support.

Our plans will give unemployed people a hand up, not a hand out. Unemployed people must be prepared to take up job offers. So, with the Conservatives, long-term benefit claimants who fail to find work will be required to ‘work for the dole’ on community work programmes. Anyone on Jobseeker’s Allowance who refuses to join the Work Programme will lose the right to claim out-of-work benefits until they do, while people who refuse to accept reasonable job offers could forfeit their benefits for up to three years. This will create a welfare system that is fair but firm.

## Boost small business

In the end, it is not the state that creates sustainable employment – it is business people. And small businesses are especially important to the UK’s economic recovery and to tackling unemployment. Government can help boost enterprise by lowering tax rates, reducing regulation and improving workers’ skills.

As well as stopping Labour’s jobs tax, for the first two years of a Conservative government any new business will pay no Employers National Insurance on the first ten employees it hires during its first year.

To support small businesses further, we will:

- make small business rate relief automatic; and,
- aim to deliver 25 per cent of government research and procurement contracts through SMEs by cutting the administrative costs of bidding.

We will support would-be entrepreneurs through a new programme – Work for Yourself – which will give unemployed people direct access to business mentors and substantial loans. We need to make work pay, so we will keep the minimum wage and work to reduce the very high marginal tax rates faced by many people on low incomes who want to return to work or increase their earnings. We will look at how to abolish the default retirement age, as many older people want to carry on working. And we will force equal pay audits on any company found to be discriminating on the basis of gender.

## Improve skills and strengthen higher education

Developing economies are able to provide highly-skilled work at a fraction of the cost of British labour. The only way we can compete is by dramatically improving the skills of Britain’s workforce, yet thousands of young people leave school every year without the skills they need to get a good

job. A Conservative government will not accept another generation being consigned to an uncertain future of worklessness and dependency.

We will promote fair access to universities, the professions, and good jobs for young people from all backgrounds. We will use funding that currently supports Labour's ineffective employment and training schemes, such as Train2Gain, to provide our own help for people looking to improve their skills. This will allow us to:

- create 400,000 work pairing, apprenticeship, college and training places over two years;
- give SMEs a £2,000 bonus for every apprentice they hire;
- establish a Community Learning Fund to help people restart their careers; and,
- create a new all-age careers service so that everyone can access the advice they need.

To meet the skills challenge we face, the training sector needs to be given the freedom to innovate. We will set colleges free from direct state control and abolish many of the further education quangos Labour have put in place. Public funding will follow the choices of students and be delivered by a single agency, the Further Education Funding Council.

Universities contribute enormously to the economy. But not all of this contribution comes directly – it can come from fundamental research with no immediate application – and universities also have a crucial cultural role. We will ensure that Britain's universities enjoy the freedom to pursue academic excellence and focus on raising the quality of the student experience. To enable this to happen, we will:

- delay the implementation of the Research Excellence Framework so that it can be reviewed – because of doubts about whether there is a robust and acceptable way of measuring the impact of all research;
- consider carefully the results of Lord Browne's review into the future of higher education funding, so that we can unlock the potential of universities to transform our economy, to enrich students' lives through teaching of the highest quality, and to advance scholarship; and,
- provide 10,000 extra university places this year, paid for by giving graduates incentives to pay back their student loans early on an entirely voluntary basis.



## Silicon Valley

Despite having a population twenty times smaller than the UK, Silicon Valley is a global beacon for innovation and enterprise, attracting more venture capital investment than the whole of the UK. Having led the internet revolution, Silicon Valley is now becoming a world leader in green technology development. These successes are thanks to the highly skilled workforce and world-class universities, the ease of starting a business, and the availability of credit and investment. In addition, companies in Silicon Valley have been able to attract employees in a highly competitive labour market by introducing measures to improve the general well-being of their staff, including flexible working and childcare facilities.

## Encourage enterprise

*We will improve Britain's international rankings for tax competitiveness and business regulation.*

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Thirteen years ago, Britain's tax system was one of the most competitive in the developed world. Over the last decade, other countries have cut their tax rates while our tax system has become one of the most complex in the world. Our competitiveness rating has fallen, while the burden of regulation and the impact of taxation have risen. We can only make a sustainable economic recovery if we send a clear signal that Britain is open for business again. That means stopping Labour's jobs tax, lowering corporate tax rates, reducing the regulatory burden, and supporting innovation and sustainable development – changes that will benefit businesses of all sizes and boost employment.

## Cut and simplify business taxes

The Conservative Party believes in lower and simpler taxation. That is why we will ensure that by far the largest part of the burden of dealing with the deficit falls on lower spending rather than higher taxes. Cutting the deficit is the most urgent task we need to undertake if we are to get the economy moving, but it is not enough. So, initially, we will cut the headline rate of corporation tax to 25p and the small companies' rate to 20p, funded by reducing complex reliefs and allowances.

Over time, we hope to reduce these rates further. Our ambition is to create the most competitive tax system in the G20 within five years.

We will restore the tax system's reputation for simplicity, stability and predictability. In our first Budget, we will set out a five year road map for the direction of corporate tax reform, providing greater certainty and stability to businesses. We will create an independent Office of Tax Simplification to suggest reforms to the tax system.

We will take a series of measures to encourage Foreign Direct Investment into the UK, including:

- making the UK a more attractive location for multinationals by simplifying the complex Controlled Foreign Companies rules;
- consulting on moving towards a territorial corporate tax system that only taxes profits generated in the UK; and,
- creating an attractive tax environment for intellectual property.

## Reduce regulation

Increasing amounts of red tape and complex regulation have eroded Britain's reputation as a good place to invest, create jobs or start a business. A Conservative government will introduce regulatory budgets: forcing any government body wanting to introduce a new regulation to reduce regulation elsewhere by a greater amount. And we will give the public the opportunity to force the worst regulations to be repealed.

To encourage new businesses to start up, we will reduce the number of forms needed to register a new business – moving towards a 'one-click' registration model – to make Britain the fastest place in the world to start a business, and end the restrictions on social tenants starting a business from their homes.

We are proud of the last Conservative government's industrial relations reforms, which helped bring about our economic revival in the 1980s, and we will always be prepared to build on them if necessary.

## Support innovation and sustainable development

Government procurement is a £200 billion a year market that can be used much better to stimulate enterprise and innovation. We will take steps to open up government procurement to small and innovative businesses by:

- publishing online all government tender documents for contracts worth over £10,000 via the Supply2Gov website;
- creating a level playing field for open source ICT in government procurement; and,
- opening up contracts to SMEs by breaking up large ICT projects into smaller components.

Britain's complex and unwieldy planning system has long been cited as a significant barrier to growth and wealth creation. We will create a presumption in favour of sustainable development in the planning system. We will abolish the unelected Infrastructure Planning Commission (IPC) and replace it with an efficient and democratically-accountable system that provides a fast-track process for major infrastructure projects. We will:

- use private or hybrid Bills to promote major projects, such as our plans for a national high speed rail network;
- ensure that all other major infrastructure projects are considered at planning inquiries which have binding timetables and which focus on planning issues – with final permission given by a Minister; and,
- provide transitional arrangements for projects already before the IPC to ensure that these projects are not disrupted or delayed.

## Attract the brightest and best to our country

Immigration has enriched our nation over the years and we want to attract the brightest and the best people who can make a real difference to our economic growth. But immigration today is too high and needs to be reduced. We do not need to attract people to do jobs that could be carried out by British citizens, given the right training and support. So we will take steps to take net migration back to the levels of the 1990s – tens of thousands a year, not hundreds of thousands.

To help achieve this goal, we will introduce a number of measures, such as:

- setting an annual limit on the number of non-EU economic migrants admitted into the UK to live and work;
- limiting access only to those who will bring the most value to the British economy; and,
- applying transitional controls as a matter of course in the future for all new EU Member States.

In addition, we will promote integration into British society, as we believe that everyone coming to this country must be ready to embrace our core values and become a part of their local community. So there will be an English language test for anyone coming here to get married.

We want to encourage students to come to our universities and colleges, but our student visa system has become the biggest weakness in our border controls. A Conservative government will strengthen the system of granting student visas so that it is less open to abuse. We want to make it easier for reputable universities and colleges to accept applications, while putting extra scrutiny on new institutions looking to accept foreign students or existing institutions not registered with Companies House. In addition, we will:

- insist foreign students at new or unregistered institutions pay a bond in order to study in this country, to be repaid after the student has left the country at the end of their studies;
- ensure foreign students can prove that they have the financial means to support themselves in the UK; and,
- require that students must usually leave the country and reapply if they want to switch to another course or apply for a work permit.



## Country or region size by share of UK economy



Source: Office for National Statistics, 2008

## Ensure the whole country shares in rising prosperity

*We will increase the private sector's share of the economy in all regions of the country, especially outside London and the South East.*

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Too many areas of the UK lack a vibrant private sector and are too dependent on public spending. These regional imbalances have got worse over the last decade, despite billions of pounds spent by the Regional Development Agencies (RDAs). Our aim is to increase the private sector's share of the economy in every part of the country by boosting enterprise and creating a better business environment. We will work closely with local government, and with the Scottish Parliament, Welsh Assembly and Northern Ireland Assembly, to achieve this goal.

### Create a modern transport network

A rebalanced economy requires an extensive and reliable infrastructure. But transport has been a low priority for Labour, and the hassle of getting around is bad for business, bad for families and bad for everyone's quality of life.

A Conservative government will begin work immediately to create a high speed rail line connecting London and Heathrow with Birmingham, Manchester and Leeds. This is the first step towards achieving our vision of creating a national high speed rail network to

join up major cities across England, Scotland and Wales. Stage two will deliver two new lines bringing the North East, Scotland and Wales into the high speed rail network.

Because travel abroad is so important for our economy and for family holidays, we need to improve our airports and reduce the environmental impact of flying. Our goal is to make Heathrow airport better, not bigger. We will stop the third runway and instead link Heathrow directly to our high speed rail network, providing an alternative to thousands of flights. In addition, we will:

- block plans for second runways at Stansted and Gatwick; and,
- reform Air Passenger Duty to encourage a switch to fuller and cleaner planes.

To improve life for commuters and encourage people to switch to lower carbon public transport, we will reform our railways to provide a better focus on tackling problems that matter most to passengers, such as overcrowding. We will grant longer, more flexible rail franchises to incentivise private sector investment in improvements like longer trains and better stations.

We support Crossrail and the electrification of the Great Western line to South Wales. We will turn the rail regulator into a powerful passenger champion and reform Network Rail to make it more accountable to its customers. And we will introduce a moratorium on building on disused rail lines still in public ownership, so they are available to be re-opened.

Britain has the chance to lead the world in making our transport system greener. So we will introduce incentives for electricity network operators to establish a new national car recharging network, making it much easier for drivers to move to electric and plug-in hybrid vehicles. We will support sustainable travel initiatives that work best for local communities by:

- giving the concerns of cyclists much greater priority;
- encouraging partnerships between bus operators and local authorities; and,
- helping people cut down on work-related travel.

We will stop central government funding for new fixed speed cameras, and switch to more effective ways to make our roads safer, including authorising ‘drugalyser’ technology for use in testing for drug-driving. We will make companies that dig up our roads accountable for the congestion they cause and crack down on rogue clampers. Councils will

get more powers to get traffic flowing more smoothly.

We will consult on the introduction of a ‘Fair Fuel Stabiliser’. This would cut fuel duty when oil prices rise, and vice versa. It would ensure families, businesses and the whole British economy are less exposed to volatile oil markets, and that there is a more stable environment for low carbon investment.

## Spread prosperity

We want Britain to become a European hub for hi-tech, digital and creative industries – but this can only happen if we have the right infrastructure in place. Establishing a super-fast broadband network throughout the UK could generate 600,000 additional jobs and add £18 billion to Britain’s GDP.

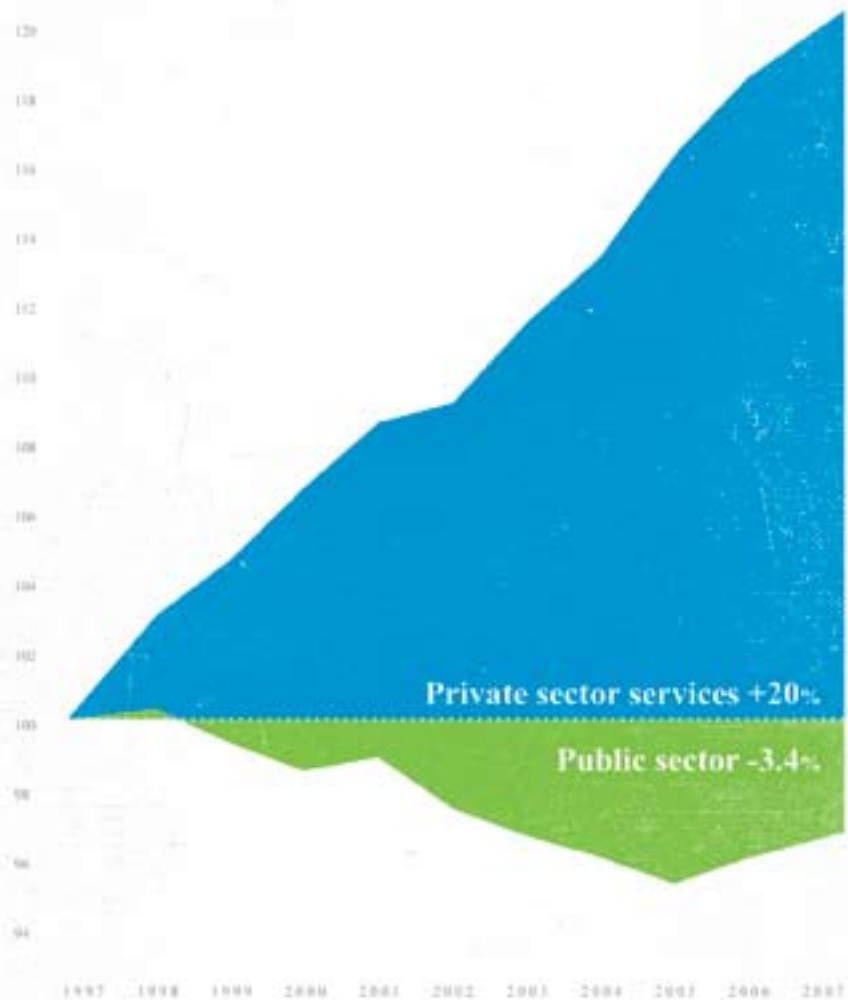
We will scrap Labour’s phone tax and instead require BT and other infrastructure providers to allow the use of their assets to deliver super-fast broadband across the country. If necessary, we will consider using the part of the licence fee that is supporting the digital switchover to fund broadband in areas that the market alone will not reach.

We will give councils and businesses the power to form their own business-led local enterprise partnerships instead of RDAs. Where local councils and businesses want to maintain regionally-based enterprise partnerships, they

will be able to. Local government should be at the heart of our economic recovery, so we will:

- allow councils to keep above-average increases in business rate revenue so that communities which go for growth can reap the benefits;
- give councils new powers to introduce further discounts on business rates; and,
- introduce an immediate freeze of, and inquiry into, the Government's punitive programme of back-dating business rates on ports.

## Productivity, 1997-2007



Source: Office for National Statistics

## Reform public services to deliver better value for money

*We will raise productivity growth in the public sector in order to deliver better schools and a better NHS.*

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Public sector productivity has fallen under Labour, acting as a drag on growth and reducing the quality of our public services. If productivity in the public sector had grown at the same rate as in private sector services, we could now have the same quality of public services for £60 billion less each year. So, by improving public sector productivity while getting a grip on the debt, we will still be able to deliver better public services. That is why good government costs less with the Conservatives.

### Decentralisation, accountability and transparency

We value the work of those employed in our public services, and a Conservative government will work with them to deliver higher productivity and better value for money for taxpayers. We will raise public sector productivity by increasing diversity of provision, extending payment by results and giving more power to consumers.

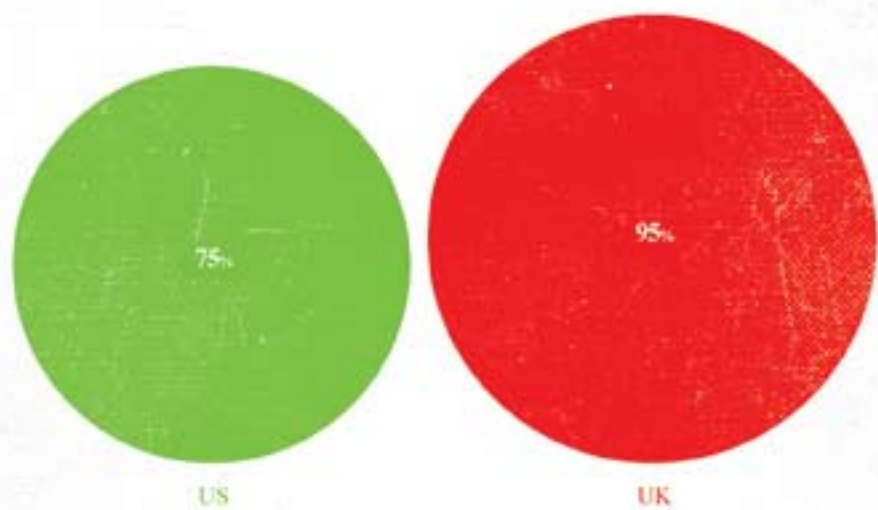
Giving public sector workers ownership of the services they deliver is a powerful way to drive efficiency, so we will support co-operatives and mutualisation as a way of transferring public assets and revenue streams to public sector

workers. We will encourage them to come together to form employee-led co-operatives and bid to take over the services they run. This will empower millions of public sector workers to become their own boss and help them to deliver better services – the most significant shift in power from the state to working people since the sale of council houses in the 1980s.

Transparency is crucial to creating a value for money culture. We will publish all items of spending over £25,000 online, and the salaries of senior civil servants in central government will also be published. We will create strong financial discipline at all levels of government and place an obligation to manage taxpayers' money wisely at the heart of civil service employment contracts. In addition, we will:

- introduce and publish a standard set of cost measures that capture the key drivers of departmental spending;
- help departmental Finance Directors to manage resources more efficiently;
- implement clear financial performance targets for senior civil servants; and,
- create a focus on delivering strong financial management across government.

## Size of peak bank bailout, % GDP



Source: Bank of England

## Create a safer banking system that serves the needs of the economy

*We will reform the regulation and structure of the banking system to ensure lower levels of leverage, less dependence on unstable wholesale funding, and greater availability of credit for SMEs.*

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In the run up to the financial crisis, British banks became amongst the most indebted and most leveraged in the world – with disastrous consequences for us all. This credit boom turned into a bust, with a significant fall in credit available to firms. Lack of access to credit remains a major problem, especially for SMEs. We need to change the way we regulate our banks to stop a crisis on this scale ever happening again.

### Reform financial services

The financial services sector is one of our most globally successful industries, and we want the City to be the leading location for global finance. But the financial sector must not put the stability of the whole economy at risk.

We will put in place a levy on banks. We are prepared to act unilaterally if necessary, but there is emerging international agreement on this approach and the US and German governments have both announced similar plans.

We need fundamental reform of our failed regulatory system, avoiding badly-designed regulations that will damage our competitiveness and ensuring that the financial

sector can supply the affordable credit that businesses need.

We will abolish Gordon Brown's failed tripartite system of regulation and put the Bank of England in charge of prudential supervision. We will restore the Bank's historic role in monitoring the overall growth of credit and debt in the economy. In addition, we will:

- pursue international agreement to prevent retail banks from engaging in activities, such as large-scale proprietary trading, that put the stability of the system at risk;
- empower the Bank of England to crack down on risky bonus arrangements;
- increase competition in the banking industry, starting with a study of competition in the sector to inform our strategy for selling the government's stakes in the banks; and,
- as the government comes to sell off its holdings in the banks, offer a 'people's bank bonus', so that everybody in the country has the chance to buy a stake in the state-owned banks.

We will create more diverse sources of affordable credit for small businesses, building on our proposals for a National Loan Guarantee Scheme.





## Japan

Japan is a world leader in the development of green technology. It invests in R&D at almost double the UK's rate, and Japanese companies hold roughly 30 per cent of green technology patents filed in the US. As a result, Japan is far ahead of the UK in the trillion pound market for green technology. This leadership is not just good for the economy; it's also good for the environment. For example, thanks to the widespread use of green technologies, Japan has the lowest carbon intensity of any major economy.

## Build a greener economy

*We will reduce UK greenhouse gas emissions and increase our share of global markets for low carbon technologies.*

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Labour have said the right things on climate change, but these have proved little more than warm words. Despite three White Papers, a multitude of strategies and endless new announcements, the UK now gets more of its energy from fossil fuels than it did in 1997. Our performance on emissions has been criticised by environmental groups and we have the worst record of any major EU nation when it comes to renewable energy. This must change to safeguard Britain and the world's future.

We need to cut our carbon emissions to tackle the challenge of climate change. But the low carbon economy also provides exciting opportunities for British businesses. We will encourage private sector investment to put Britain at the forefront of the green technology revolution, creating jobs and new businesses across the country.

## Create a low carbon future

This wave of low carbon innovation we want to unleash requires investment, so we will create Britain's first Green Investment Bank – which will draw together money currently divided across existing government initiatives, leveraging private sector capital to finance new green technology start-ups. We will create

green Individual Savings Accounts to help provide the financial backing we need to create a low carbon economy.

A credible and sustainable price for carbon is vital if we are to see adequate and timely investment in new electricity generation. Whatever the carbon content of electricity generated, operators considering new investments in projects with a life of several decades need to know where they stand. We will reform the Climate Change Levy to provide a floor price for carbon, delivering the right climate for investment in low carbon energy production.

We will increase the proportion of tax revenues accounted for by environmental taxes, ensuring that any additional revenues from new green taxes that are principally designed as an environmental measure to change behaviour are used to reduce the burden of taxation elsewhere.




## Aberystwyth

Aberystwyth is an important cultural and education centre. Aberystwyth University has over 12,000 students and is one of the leading universities in the country. The National Library of Wales is based in Aberystwyth, as are the Welsh Books Council and the offices of the Dictionary of the Welsh language, Geiriadur Prifysgol Cymru. Aberystwyth has a range of neighbourhoods – from Victorian terraces to 1960s suburban semis. Over 70 per cent of British people live in suburbs, which are a defining feature of modern Britain. Suburbs play a vital role in the success of Britain's cities, providing housing and green spaces for millions of families. Suburbs are places where a sense of community can flourish, and where people raise children and play an active part in neighbourhood groups.

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# Change society

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**THERE IS  
SUCH A  
THING AS  
SOCIETY**



**IT'S JUST  
NOT THE  
SAME THING  
AS THE  
STATE**

## Mend our broken society

*Our society is broken, but together we can mend it: we can build the Big Society. A Conservative government will make Britain the most family-friendly country in Europe. We will back the NHS, which matters more to families than anything. We will reform education, with new schools – and higher standards and improved discipline for all. We will tackle welfare dependency and the causes of poverty, and fight back against crime.*

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Despite Labour's massive expansion of the state, many people's quality of life is getting worse, not better. The number of people living in poverty has risen in the last three years, and inequality is at a record high. We have some of the worst rates of family breakdown in the world. In some of the most deprived parts of the country, life expectancy has actually fallen. The achievement gap at school between the richest and poorest is growing.

This terrible record of failure is not just a problem that affects our society and ruins people's lives. It affects our economy too, costing billions and wasting potential. It is the result of a political approach that addresses the symptoms, rather than the underlying causes, of social breakdown; one that relies on top-down government intervention and bureaucratic micro-management.

So we need a new approach: social responsibility, not state control; the Big Society, not big government. Only in this way will we tackle the causes of poverty and inequality, rather than just the symptoms. Only in this way will we transform the quality of our public services. And only in this way will we rebuild shattered communities and repair the torn fabric of society.

So we will redistribute power from the central state to individuals, families and local communities. We will give public sector workers back their professional autonomy. They will be accountable to the people they serve and the results they achieve will be made transparent. If people don't like the service they receive they will be able to choose better alternatives. In this way, we will create opportunities for people to take power and control over their lives. Our approach is absolutely in line with the spirit of the age: the post-bureaucratic age.

This vision demands a cultural change across the country. Our success will depend not just on the actions we take but on society's response. By promoting equality and tackling discrimination, our policies, like recognising civil partnerships as well as marriage in the tax system and helping disabled people live independently, will give everybody the chance to play their part. This way, we can make Britain fairer and safer; a country where opportunity is more equal.

**BIG  
SMILE SOCIETY**

**NOT BIG  
FROWN GOVERNMENT**

## Build the Big Society

*We will use the state to help stimulate social action, helping social enterprises to deliver public services and training new community organisers to help achieve our ambition of every adult citizen being a member of an active neighbourhood group. We will direct funding to those groups that strengthen communities in deprived areas, and we will introduce National Citizen Service, initially for 16 year olds, to help bring our country together.*

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The size, scope and role of government in the UK has reached a point where it is now inhibiting, not advancing, the progressive aims of reducing poverty, fighting inequality, and increasing general well-being. We can't go on pretending that government has all the answers.

Our alternative to big government is the Big Society: a society with much higher levels of personal, professional, civic and corporate responsibility; a society where people come together to solve problems and improve life for themselves and their communities; a society where the leading force for progress is social responsibility, not state control.

The Big Society runs consistently through our policy programme. Our plans to reform public services, mend our broken society, and rebuild trust in politics are all part of our Big Society agenda. These plans involve redistributing power from the state to society; from the centre to local communities, giving people the opportunity to take more control over their lives.

But we recognise that it is not enough to create opportunities for people to get involved in building the Big Society; our reform plans require a social response in order to be successful. So building the Big Society is not just a question of the state stepping back and hoping for the best: it will require an active role for the state. The state must take action to agitate for, catalyse and galvanise social renewal. We must use the state to help remake society.

## Public service reform

Our public service reform programme will enable social enterprises, charities and voluntary groups to play a leading role in delivering public services and tackling deep-rooted social problems.

We will strengthen and support social enterprises to help deliver our public service reforms by creating a Big Society Bank, funded from unclaimed bank assets, to provide new finance for neighbourhood groups, charities, social enterprises and other non-governmental bodies.



This will provide social enterprises with the start-up funding and support they need to bid for government contracts or work towards delivering services under a payment by results model.

Britain has a proud and long-standing charitable tradition, and we are convinced that the voluntary sector should play a major part in our civic renewal. We will introduce a fair deal on grants to give voluntary sector organisations more stability and allow them to earn a competitive return for providing public services. We will work with local authorities to promote the delivery of public services by social enterprises, charities and the voluntary sector.

## Neighbourhood groups

Our reform agenda is designed to empower communities to come together to address local issues. For example, we will enable parents to start new schools, empower communities to take over local amenities such as parks and libraries that are under threat, give neighbourhoods greater control of the planning system, and enable residents to hold the police to account in neighbourhood beat meetings. These policies will give new powers and rights to neighbourhood groups: the ‘little platoons’ of civil society – and the institutional building blocks of the Big Society.

Our ambition is for every adult in the country to be a member of an active neighbourhood group. We will stimulate the creation and development of neighbourhood groups, which can take action to improve their local area. We will use Cabinet Office budgets to fund the training of independent community organisers to help people establish and run neighbourhood groups, and provide neighbourhood grants to the UK’s poorest areas to ensure they play a leading role in the rebuilding of civic society.

To stimulate social action further, we will:

- transform the civil service into a ‘civic service’ by making sure that participation in social action is recognised in civil servants’ appraisals;
- launch an annual Big Society Day to celebrate the work of neighbourhood groups and encourage more people to take part in social action;
- provide funding from the Big Society Bank to intermediary bodies with a track record of supporting and growing social enterprises; and,
- develop a measure of well-being that encapsulates the social value of state action.

## National Citizen Service

Building the Big Society means encouraging the concept of public-spirited service – the idea that everyone should play a part in making their communities stronger.

That is why we will introduce National Citizen Service. The initial flagship project will provide a programme for 16 year olds to give them a chance to develop the skills needed to be active and responsible citizens, mix with people from different backgrounds, and start getting involved in their communities.

Even in these difficult times, the British people have demonstrated their desire to give money and time to good causes. We will introduce new ways to increase philanthropy, and use the latest insights from behavioural economics to encourage people to make volunteering and community participation something they do on a regular basis.

## The National Lottery

We will restore the National Lottery to its original purpose and, by cutting down on administration costs, make sure more money goes to good causes. The Big Lottery Fund will focus purely on supporting social action through the voluntary and community sector, instead of Ministers' pet projects as at present. Sports, heritage and the arts will each see their original allocations of 20 per cent of good cause money restored.

## Sport and the Olympics

We will deliver a successful Olympics that brings lasting benefits for the country as a whole. Part of the community sports budget of the National Lottery will be responsible for delivering an Olympic legacy, including the vigorous promotion of competitive sports through a national Olympic-style school competition. To support high-level sport further, we will:

- work with the Scottish government to deliver a top-quality Commonwealth Games in Glasgow in 2014;
- ensure that the 2013 Rugby League and the 2015 Rugby Union World Cups are successful; and,
- strongly support England's bid to host the 2018 Football World Cup.



## One World Conservatism

*We will honour our commitment to spend 0.7 per cent of national income in aid, and ensure our aid is transparent and properly targeted. We will spend at least £500 million a year to tackle malaria. Both the British people and those who receive aid will get more control over how it is spent. We will push for a trade deal which brings growth to the poorest countries, helps those countries adapt to climate change, and puts in place the building blocks of wealth creation.*

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The global downturn has shaken up rich and poor countries alike. For poor countries, it threatens to undermine a decade's growth and poverty reduction. For rich countries, it puts new pressures on household and government budgets – nowhere more so than in the UK, where Labour's appalling mismanagement of the economy has saddled us with unprecedented levels of debt. But we should use this opportunity to reaffirm, not abandon, our values – which is why we will continue to increase the level of British aid. We will do so because it is in our national interest, as well as being the right thing to do.

### Deliver on our commitment to the world's poorest nations

A new Conservative government will be fully committed to achieving, by 2013, the UN target of spending 0.7 per cent of national income as aid. We will stick to the rules laid down by the OECD about what spending counts as aid. We will legislate in the first session of a new Parliament to lock in this level of spending for every year from 2013.

We support the Millennium Development Goals and will continue to work towards them. We will maintain an independent Department for International Development (DFID) and keep aid untied from commercial interests.

We will be completely transparent about the cost and performance of DFID programmes by independently evaluating programmes and by introducing, where appropriate, payment by results.

Our bargain with taxpayers is this: in return for contributing your hard-earned money to helping the world's poorest people, it is our duty to spend every penny of aid effectively. We will ensure British aid money is properly spent by publishing full details of British aid on the DFID website. This will include spending data on a project-by-project basis, published in an open and standardised format so that it can be used by third party websites. In addition, we will work to bring about improved transparency of aid spending by other development organisations.

We will create a new MyAid Fund to allow British people a direct say on aid spending, as well as giving people in developing countries more say over how aid is spent in their communities.

Under Labour, our aid funding is not used in a focused way, and is sometimes spent in countries that should be looking after their own poor citizens. So we will stop giving aid to China and Russia and review which other countries should get British aid. We will focus more on the poorest, paying particular attention to development within the Commonwealth.

A key aim of our aid is to make sure everyone gets access to the basics: clean water, sanitation, healthcare and education. We will focus particularly on the rights of women, children and disabled people to access these services. Malaria continues to kill nearly a million people per year, despite the fact that it is easily preventable and treatable. So, as part of our commitment to increase aid funding, a Conservative government will spend at least £500 million per year tackling malaria and will strongly support efforts to develop a malaria vaccine.

Trade and economic growth are the only sustainable way for developing countries to escape poverty, which is why we will put maximum effort into achieving an ambitious, pro-development global trade deal. Our aid programme will help poor countries put in

place the building blocks of wealth creation: property rights, effective public services, stability and the rule of law.

We will provide a more integrated approach to post-conflict reconstruction where the British military is involved – building on the Stabilisation Unit in Whitehall and creating a new Stabilisation and Reconstruction Force to bridge the gap between the military and the reconstruction effort.

To help deliver on our commitment to developing countries, we will:

- establish a Poverty Impact Fund to support innovative and effective British poverty-fighting groups which do not currently qualify for government funding;
- explore ways to help the very poorest developing countries take part in international climate change negotiations, and work to make our aid ‘climate-smart’;
- end Labour’s use of the Export Credit Guarantee Department to support investment in dirty fossil fuel power stations, and instead use it to help spread new green energy technology to developing countries; and,
- encourage the establishment of a Pan-African Free Trade Area, which has the potential to transform that continent’s economies.





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