PART TWO

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THE POLITICAL ROOTS OF DEVELOPMENT

Jeronima Quiviquivi is a force of nature. Surrounded by the youngest of her six children, sitting outside her new house on the edge of the indigenous village of Monteverde in the muggy heat of a tropical afternoon, she recalls the struggles of her people, the Chiquitano Indians of lowland Bolivia.

> *My father never realised about our rights. We just did what the white people told us – only they could be in power, be president. We couldn't even go into the town centre – people swore at us. But then we got our own organisation and elected our own leaders and that's when we realised we had rights.*

Organising themselves at first under the guise of a soccer league – the only way they could meet and talk with Chiquitanos from other villages – the indigenous activists of Monteverde fought for things that mattered to them: land, education, rights, a political voice. Moments of confrontation helped build a common history: bursting into the local government offices to seize the files proving that the unpaid labour they were forced to provide had been outlawed years before; a march on the distant capital, La Paz, which bolstered their sense of common identity with Bolivia's highland indigenous majority (see case study on page 31).

Now the Chiquitanos have seized the positions of what was once white power: they have their own mayors and senators and, in La Paz, South America's first ever indigenous president, Evo Morales.

And with power came the promise of precious land: after a ten-year campaign, on 3 July 2007 the Chiquitanos of Monteverde clinched an agreement with the government that granted them a 'land of communal origin' of 1m hectares.

The course of this epic struggle also transformed relationships at home. Jeronima's husband, himself a local leader, now looks after the kids when she has a meeting. 'We used to meet separately as women, but now we meet with the men – we're no longer afraid,' she says.

The Chiquitanos' journey out of marginalisation underlines the central role of power and politics in development. The interplay between individuals, families, communities, and states can open paths to rights, security, and prosperity, or it can condemn communities to vulnerability and poverty. Power and politics will determine whether the world can build on the extraordinary pace of political and social change of the twentieth century in order to eradicate extreme poverty and tackle inequality and injustice.

At the core of power and politics lie citizens and effective states. By 'citizens' we mean anyone living in a particular place, even if they are not formally eligible to vote, such as migrants or children. By 'effective states', we mean states that can guarantee security and the rule of law, design and implement an effective strategy to ensure inclusive economic growth, and are accountable to and able to guarantee the rights of their citizens. The interaction between active citizens and effective states, with its complexity, its cross-class alliances, its peaks and troughs, and its many contradictions will be discussed below.

At an individual level, active citizenship means developing self-confidence and overcoming the insidious way in which the condition of being relatively powerless can become internalised. In relation to other people, it means developing the ability to negotiate and influence decisions. And when empowered individuals work together, it means involvement in collective action, be it at the village or neighbourhood level, or more broadly.[1] Ultimately, active citizenship means engaging with the political system to build an effective state, and assuming some degree of responsibility for the public domain, leaving behind simple notions of 'them' and 'us'. Otherwise, in the memorable phrase of the French philosopher Bertrand de Jouvenel, 'A society of sheep must in time beget a government of wolves'.[2]

Active citizenship includes, but is not confined to, political activism. It comprises any individual action with social consequences, which may include participation in faith groups or neighbourhood associations, 'social entrepreneurship' directing business activities to social ends, and a panoply of other social organisations, if their benefits extend beyond the purely personal or familial. Necessarily it is blurred at the edges – and is distinct from the broader concept of 'social capital' (which includes any social network), being distinguished by its transformatory character and its engagement with the structures of power, in particular the state.

Such an assertion of power is both an end in itself – a crucial kind of freedom – and a means to ensure that the different institutions of society (the state, the market, the community, and the family) respect people's rights and meet their needs, via laws, rules, policies, and day-to-day practices. Institutions often discriminate against women, indigenous communities, disabled people, and other specific groups. Yet when individuals join together to challenge discrimination, they can transform the institutions that oppress them. In contrast with portrayals of poor people as passive 'victims' (of disasters, or poverty, or famine) or as 'beneficiaries' (of aid), in this development vision poor people's own 'agency' takes centre stage. In the words of Bangladeshi academic Naila Kabeer, 'From a state of powerlessness that manifests itself in a feeling of "I cannot", activism contains an element of collective self-confidence that results in a feeling of "we can".' [3]

Across the world, Oxfam has seen social, political, and economic activism by people living in poverty achieve profound and lasting improvements in their lives. It constitutes a central means of combating deep-rooted inequalities by redistributing power, voice, opportunities, and assets to those who historically have lacked all four. Activism is more often local than national, and more often national than global, although increasingly it takes place on all three levels. It is often about resisting imposed changes, which in the process may create positive alternatives. It usually addresses the allocation of resources, such as land, public spending, or credit. And it nearly always pursues reforms rather than revolution, although the reforms pursued are often radical, and the accumulation of reforms can, over time, constitute a revolution.

Nevertheless, activism alone is not enough. Of all the institutions that exercise power over people's lives, it is the state that is capable of channelling the power of individual initiative and the market toward long-term development goals.

In the interaction between states and citizens lie the seeds of developmental success and failure. That interaction includes both the formal politics of elections, parliamentary debate, and party activism, and the wider engagement of active citizenship.

Development is seldom peaceful. When a country transforms itself, social and economic structures change rapidly, new classes are born, and new wealth is accumulated at historically unprecedented rates. Losers and winners in this upheaval often come to blows. It took centuries for this social and economic transformation to manifest itself in today's industrialised countries, yet in developing countries a shock of a similar magnitude has been telescoped into a period of decades.[4]

In some countries, this process of 'creative destruction' has led to a viable and dynamic capitalism. In others, it has led to 'spoils politics' – the theft of resources by unproductive classes – and a descent into anarchy. The nature and political evolution of the state is crucial in determining which path a country follows.

Effective, accountable states are essential for development. States ensure health, education, water, and sanitation for all; they guarantee security, the rule of law, and social and economic stability; and they regulate, develop, and upgrade the economy. There are no short cuts, either through the private sector or social movements, although these too play a crucial role.

A central challenge for development is thus how to build states that are both effective and accountable, able to tackle poverty and inequality in all their forms (not just income), and ensure the respect for rights that allows active citizenship to flourish. Effectives states are critical in reducing vulnerability to shocks and enabling poor people and communities to benefit from the market, as will be discussed elsewhere.

However murky their origins, modern-day states are duty-bound by international law to uphold people's rights, and are increasingly evolving into this role under pressure from citizens' movements and

the international community. For this reason, politics writ large – the interface of citizens and states – is the focus of this part of the book, which examines the challenges of political action, as well as evidence of progress towards ever greater freedom.

I HAVE RIGHTS, THEREFORE I AM

> The highest manifestation of life consists in this: that a being governs its own actions.
>
> ST THOMAS AQUINAS, THIRTEENTH CENTURY

An old development saying runs: 'If you give a man a fish, you feed him for a day. If you teach him how to fish, you feed him for a lifetime.' Fine and good, except that, as the case study on the fishing communities of Tikamgarh on page 146 shows, he must have rights to fish the pond in the first place. Moreover, as a village leader from Cambodia points out, '*A man* is just as likely to be *a woman*'. She adds:

> *That woman already knows how to fish. She would like her river left alone by illegal logging companies or fish poachers. She would prefer that her government not build huge dams with the help of the Asian Development Bank, dams that have damaged her livelihood. She would prefer that the police not violently evict communities to make way for the dam. She doesn't want charity. She would like respect for her basic rights.* [5]

Feeling that one has a right to something is much more powerful than simply needing or wanting it. It implies that someone else has a duty to respond. Rights are long-term guarantees, a set of structural claims or entitlements that enable people, particularly the most vulnerable and excluded in society, to make demands on those in power, who are known in the jargon as 'duty-bearers'. These duty-bearers in turn have

a responsibility to respect, protect, and fulfil the rights of 'rights-holders'. Rights therefore are naturally bound up with notions of citizenship, participation, and power.

Rights alone are not enough, however. In the words of Indian economist Amartya Sen, individuals need capabilities – rights and the ability to exercise them – an ability that is undermined when people are poor, illiterate, destitute, sick, lack vital information, or live in fear of violence. Having the 'right' to go to school is of no use to girls if the pressure of domestic tasks, prejudice in the home or community, or coming last in line at family meal-times means that they must spend their days hungry, carrying water, cleaning, or looking after younger siblings. Capabilities determine what people can do, and who they can be.[6] The ability to achieve material security through productive labour is a crucial aspect of such capabilities.

All rights are necessarily related to responsibilities, constituting the web of moral connections and obligations that binds society together. All people, however poor, have responsibilities towards their communities, but powerful individuals and organisations, notably governments, bear a particular burden of responsibility if we are to build a society based on equity and fairness.

THE ROOTS OF RIGHTS

The idea that all people are of equal dignity and worth, and have natural rights, developed in Western Europe in the seventeenth and eighteenth centuries as a tool to protect individuals from the arbitrary power of the state. Some authors speak of two 'human rights revolutions': the first around the period of the US Declaration of Independence (1776) and the French Declaration on the Rights of Man and the Citizen (1789); the second linked with the post-Second World War era of globalisation with the Universal Declaration of Human Rights (1948) which, for the first time in history, acknowledged human rights as a global responsibility.[7] That second revolution is still under way, as human rights frameworks expand with new treaties that address gender, ethnicity, and the rights of children. It forms the basis of the emerging system of global governance and international law (see Part 5).

Progress in human rights became one of the hallmarks of the second half of the twentieth century, with the spread of democracy and decolonisation leading to a massive expansion in the proportion of the world's population that exercised some degree of say in the organisation of society. The advent of mass literacy and improvements in health meanwhile strengthened their ability to exercise those rights.

Human rights can be grouped into three distinct generations: civil and political, or so-called 'negative' rights such as freedom from torture, which the state must guarantee; economic, social, and cultural, or 'positive rights', such as the right to education, which the state must finance and actively promote; and finally collective rights, such as self-determination, which the state must respect. Most recently, the UN has tried to extend the notion of rights to non-state actors such as corporations.[8]

From universal franchise and the abolition of slavery onwards, new forms of rights have initially been viewed by those in positions of power as unreasonable or unjustified, but have slowly been absorbed into the mainstream consensus. The latest candidates are the culturally contentious issues of equal rights for women and for children.

For many years after the UN Declaration, the rhetoric of human rights was reduced to a weapon in the propaganda battles of the Cold War. As the economist J.K. Galbraith once joked, 'Under capitalism, man exploits man. Under socialism, it is the other way around.' Neither side had much time for human rights. The West pointed the finger at socialist countries for denying civil and political rights. The East criticised the capitalist countries for their failure to secure economic and social rights for all citizens and for supporting cruel dictators such as Zaire's Mobuto Sese Seko or Chile's Augusto Pinochet. There was little active interaction between the worlds of rights and development.

The end of the Cold War brought convergence, with many development practitioners combining the two disciplines into what became known as a 'rights-based approach' to development. By reuniting economic and social rights with political and civil rights, this approach aimed to build a comprehensive vision of a new, just, and viable 'social contract' between state and citizen.[9]

The worlds of human rights and development feel very different. Put crudely, lawyers and scholars dominate the former, and economists and engineers the latter. While this can lead to communication problems between two sets of mutually impenetrable jargon, both sides have much to learn from one another. According to the UN:

> *The tradition of human rights brings legal tools and institutions – laws, the judiciary, and the process of litigation – as means to secure freedoms and human development. Rights also lend moral legitimacy and the principle of social justice to the objectives of human development. The rights perspective helps shift the priority to the most deprived and excluded. It also directs attention to the need for information and political voice for all people as a development issue – and to civil and political rights as integral parts of the development process.*
>
> *Human development, in turn, brings a dynamic long-term perspective to the fulfilment of rights. It directs attention to the socio-economic context in which rights can be realised – or threatened. Human development thus contributes to building a long-run strategy for the realisation of rights. In short, human development is essential for realising human rights, and human rights are essential for full human development.* [10]

Sometimes making use of the international human rights system, citizens in many countries have successfully pressed governments to pass laws protecting rights. One of the leaders in this field has been India, which in recent years has seen several groundbreaking initiatives on the rights to food and information.[11] Numerous countries now have ombudsmen to whom citizens can appeal if they believe their rights have been violated. Most countries now also recognise the rights of children. Such laws, often introduced in response to UN conventions, exert a permanent 'drip-drip' impact on attitudes and practices. These subterranean shifts in notions of rights occasionally explode into the political daylight when groups of citizens seek political redress, as witnessed by events in recent decades in La Paz, Kiev, Berlin, Tehran, and Manila, where mass demonstrations of people demanding their rights overthrew governments and ushered in eras of rapid change.

RIGHTS AND POVERTY

Oxfam starts from the premise that poverty is a state of relative powerlessness in which people are denied the ability to control crucial aspects of their lives.[12] Poverty is a symptom of deeply rooted inequities and unequal power relationships, institutionalised through policies and practices at the levels of state, society, and household. People often lack money, land, or freedom because they are discriminated against on the grounds of one or more aspects of their personal identity – their class, gender, ethnicity, age, or sexuality – constraining their ability to claim and control the resources that allow them choices in life.

One in seven people in the world – about 900 million people – experiences discrimination on the basis of ethnic, linguistic, or religious identities alone.[13] These excluded groups form the hard core of the 'chronic poor'. Some unequal power relationships are due to age-old injustices. In the Indian state of Uttar Pradesh in northern India, for instance, close to 80 per cent of women require their husband's permission to visit a health centre, and 60 per cent have to seek permission before stepping outside their house. Other such relationships are the more recent result of economic globalisation and imbalances in negotiating power between rich and poor countries.

The underlying purpose of a rights-based approach to development is to identify ways of transforming the self-perpetuating vicious circle of poverty, disempowerment, and conflict into a virtuous circle in which all people, as rights-holders, can demand accountability from states as duty-bearers, and where duty-bearers have both the willingness and capacity to fulfil, protect, and promote people's human rights.

A rights-based approach rejects the notion that people living in poverty can only meet their basic needs as passive recipients of charity. People are the active subjects of their own development, as they seek to realise their rights. Development actors, including the state, should seek to build people's capabilities to do so, by guaranteeing their rights to the essentials of a decent life: education, health care, water and sanitation, and protection against violence, repression, or sudden disaster. Less gritty issues such as access to information and technology are no less important in the long run.

Such a rights-based approach anchors the debate about equity and justice in principles endorsed by the international community and codified in international law. In an era when nations are subject to a multiplicity of forces affecting the state's capacity to address the needs of its citizens, the human rights framework helps governments and citizens to pursue justice.[14] A rights-based approach compels Oxfam and other rights-based agencies to 'raise the bar' on their own accountability, lest they unwittingly perpetuate outmoded notions of charity, overlook discrimination and exclusion, and reinforce existing imbalances of power.

RIGHTS AND POWER

People's capacity to realise their rights, and states' capacity to fulfil them, are of course dependent on their relative power. Inequality in power drives the motor of social and economic inequality in the lives of poor and rich alike. Power resembles a force field that permeates households, communities, and society at large, shaping both the interactions and innermost thoughts of individuals and groups. And like a force field, it is often only detectable through its impact on events.

Development policies and practitioners sometimes act as if power did not exist. When aid donor and recipient nations agreed the Paris Declaration on Aid Effectiveness in 2005, they used the words 'partner' and 'partnership' 96 times, but 'power' not once, ignoring the deeply unequal power relationships between rich and poor countries.[15] Understanding power and how it shapes the lives and struggles of both powerful and powerless people is essential in the effort to build the combination of active citizenship and effective states that lies at the heart of development.

Power is often understood merely in terms of one person's ability to achieve a desired end, with or without the consent of others, but it comes in at least four different forms:

- Power *over*: the power of the strong over the weak.
  This power is often hidden – for example, what elites manage to keep off the table of political debate.
- Power *to*: meaning the capability to decide actions and carry them out.

- Power *with*: collective power, through organisation, solidarity, and joint action.
- Power *within*: personal self-confidence, often linked to culture, religion, or other aspects of collective identity, which influence what thoughts and actions appear legitimate or acceptable.

Power is real, but conceptually slippery. Any individual or group of people has multiple relationships, in which they are more or less powerful. Nobody is entirely powerless: a mother has power over her children, but may be at the mercy of a violent male partner. Her children in turn have power over their younger siblings. Moreover, changing the distribution of power is not always a 'zero sum game': one person acquiring power need not require another person to lose power in equal measure.

A rights-based approach supports poor people to build up their power by addressing both their self-confidence – 'power within' – and their organisation – 'power with'. Visits to Oxfam's programmes on the ground reveal dozens of gripping personal stories of how contact with outside agents – NGOs, activists, inspirational leaders, academics, or others – has helped to catalyse a process of personal transformation in which, as with the Chiquitanos in Bolivia (see page 31), the scales fell from people's eyes and they became aware of their rights. According to Chiquitano activist Miguel Rivera, 'A sense of our rights came from outside, from political leaders and ILO Convention 169 [on indigenous rights]. It was important, it made our indigenous part wake up.' [16]

Previously marginalised people and groups then have the 'power within' to demand their rights by challenging elites with 'power over' them, and assert their rights by acquiring the 'power to' do the things they need to improve their lives.[17] Many of the best-known development initiatives, such as India's Self Employed Women's Association (SEWA), have followed this 'bottom up' process.

'Power with' is not always progressive, as a long tradition of 'uncivil society', from the Russian pogroms to the genocide in Rwanda, attests. More importantly, 'power over' is not always malign. To achieve lasting improvements in people's lives requires harnessing the state's 'power over', not doing away with it.

Within families, communities, and nations at large, people in positions of power are usually better resourced, connected, organised, and skilled in pursuing their interests, and can use that power to maintain privileges and exclude others from the charmed circle. Economic power and political power are always interwoven. Elites in all countries have historically gone to extreme, often bloody, lengths to maintain and even increase their dominance. That structures and practices on issues such as the lack of transparency or accountability reinforce these inequities is no accident: efforts to reform them meet dogged, sometimes violent, resistance. Redistributing economic and political power more fairly is often the first step towards disrupting this self-perpetuating cycle of inequality.

The founder of the British National Health Service, the Welsh radical Aneurin Bevan, believed that 'the purpose of getting power is to give it away', and indeed those in power may opt to share it, for a combination of altruistic and selfish reasons. In the end, though, harnessing power for development depends not on the virtues or calculations of individual leaders, but on a combination of public watchfulness and institutional checks and balances, such as the division of powers, rule of law, and an independent media – all based on the guarantee of rights.

Asserting rights can be slow, legal, and peaceful, but often it involves moments of confrontation and struggle, when the powerful resist, often with force, and the newly empowered refuse to back down. In some of the epic struggles for justice in recent times, such as the fight against apartheid in South Africa, violent confrontation lasted for decades and became a crucible in which a new collective national identity was forged. Even when such dramatic events are over, the struggle and negotiation for the fulfilment of rights continues.

HOW CHANGE HAPPENS CASE STUDY
A REVOLUTION FOR BOLIVIA'S CHIQUITANO PEOPLE

On 3 July 2007, after 12 years of unremitting and often frustrating struggle, the Chiquitano people of Bolivia – a group numbering some 120,000 people – won legal title to the 1m-hectare indigenous territory of Monteverde in the eastern department of Santa Cruz. Evo Morales, the country's first indigenous president, and several ministers attended the ceremony. So did three elected mayors, ten local councillors (six women, four men), a senator, a congressman, and two members of the Constituent Assembly – all of them Chiquitanos.

Such an event would have been unthinkable even a generation ago. Until the 1980s, the Chiquitanos lived in near-feudal conditions, required to work unpaid for local authorities, landowners, and the Church, and prevented from owning land.

The Chiquitanos are best known outside Bolivia as an indigenous group that survived some of the worst impacts of colonisation on Jesuit *reducciones* (missions), where they became adept baroque musicians and built extraordinary churches that still attract tourists to the region. Their story was told in the 1986 film *The Mission*.

In the nineteenth century the Bolivian government colonised the eastern lowlands. During the ensuing 30-year rubber boom, thousands of Chiquitanos and other indigenous peoples were enslaved on rubber estates. Despite the radical revolution that swept the highlands in 1952, in the isolated East, indigenous families continued to be bought and sold along with the estates where they worked.

Change began to stir in the 1980s, as indigenous identity slowly began to replace the class-based peasant identity promoted by the nationalism of the 1952 revolution. For the first time, the Chiquitanos began to identify themselves as indigenous people, with their own particular demands, and rapidly built their own Chiquitano Indigenous Organization (OICH), representing more than 450 communities. As one elderly woman explained: 'Only a short while ago did we begin calling ourselves Chiquitano Indians…We look alike, we were all handed over to the bosses… they called us *cambas* or peasants until not long ago.'

This process was unexpectedly boosted by the structural adjustment policies of the 1980s, which dramatically reversed three decades of state intervention and improvements in social rights, and galvanised protest movements across Bolivia. Following the lead of other social movements, lowland peoples organised a march to the capital La Paz in 1990, which, as one participant put it, 'demonstrated that the indigenous peoples of the East exist'. Literally and politically, indigenous people were on the move.

The 1990s saw some unorthodox measures within the hard-line Washington Consensus policies, including a new law that greatly facilitated participation in local government, and an acceleration of agrarian reform, all of which helped boost indigenous movements.

In January 1995, the Chiquitanos presented their first legal demand for title to Monteverde under a new concept, 'Original Community Territory'. A year-and-a-half later, a second indigenous march won parliamentary recognition for the concept. Years of tedious legal procedures followed. However, by the time of the third march of indigenous peoples from the East in 2000, ferment was growing across the country. Privatisation of water services in the city of Cochabamba led to a fully fledged uprising, which chased the water company from the city and triggered a wave of protest nationwide.

At another march in 2003, the Chiquitanos put forth national demands and established national alliances. 'We met with one of the highlands leaders,' recalls Chiquitano leader, now Senator, Carlos Cuasase, 'and we said, "Look brother, you have the same problems that we do, the same needs." We agreed not only on [the law to nationalise] hydrocarbons but also to defend the rights of indigenous people of both highlands and lowlands.'

After protests toppled President Sánchez de Lozada in October 2003, identity documents became easier to obtain and candidates were allowed to run independently of traditional political parties, which led to major gains for indigenous peoples in the 2005 municipal elections. In December of that year, Bolivia elected Evo Morales as its president. People who had never before dreamed of serving in high-level posts became ministers. The new foreign affairs minister was an indigenous leader

without higher education, the justice minister had previously been a leader of the home workers' union, and the water minister was previously the leader of urban organisations in El Alto and worked as a carpenter. Other ministers came from unions and NGOs. The election marked a sea-change in the fortunes of Bolivia's indigenous peoples, including the Chiquitanos.

Three further factors help to explain why change happened in Bolivia. First, the discovery of large reserves of natural gas contributed to a general perception that the country was on the threshold of a historic opportunity. Second, the historical memory of the country's indigenous peoples allowed them to draw strength from deep traditions of identity and resistance. Third, vibrant social institutions such as trade unions, neighbourhood associations, and indigenous organisations were able to catalyse popular unrest.

Political strategy was also essential. Aware of Bolivia's history of military coups followed by violent repression, Chiquitano leaders sought to emphasise the country's equally strong tradition of negotiation. Their main intent was to pressure the national government to fulfil its role as the duty-bearer of rights, and they insisted on legal procedures despite the tricks of adversaries and delays of judges. The challenges now are to implement the indigenous rights framed in the new constitution, to manage indigenous territory sustainably, and to prepare a new generation of men and women leaders.

Sources: E. Caceres (2007) 'Territories and citizenship, the revolution of the Chiquitanos', background paper for Oxfam International; Diakonia, La Paz (2006) 'Género, etnicidad y participación política', García Linera. For a short chronology of the Original Community Territory legal process up to 2001, see Artículo Primero, *vol. V, no. 19, 2001.*

I BELIEVE, THEREFORE I AM

> One person with a belief is equal to a force of 99 who have only interests.
>
> JOHN STUART MILL, NINETEENTH-CENTURY ENGLISH ECONOMIST AND PHILOSOPHER

Maria da Penha Nascimento was an imposing figure; a big, confident woman who had risen to become president of the Alagoa Grande Rural Workers' Union in Brazil's drought-prone and poverty-ridden Northeast. She recounted her life story, the words half lost in the drumming of a sudden downpour. A broken home, starting work aged seven, a mother who died from TB when she was 12, early marriage, and the struggle to feed her six children: the story of countless poor women. Then came transformation when she joined the union, inspired by a charismatic woman leader named Margarida Maria Alves. When Margarida was assassinated, probably by local landowners, Penha (as she was universally known) took over.[18]

There are thousands of women like Penha across Latin America and in every other region of the world, inspirational grassroots activists breathing vigour into social and political life. What motivates them is belief, in themselves, in a better future, in the struggle for justice and rights, and in the dignity of women and men everywhere.

ATTITUDES AND BELIEFS

Development is often framed in dessicated terms such as interest groups, economic growth, institutional evolution, or technological change, while ignoring the central importance of attitudes and beliefs – people's views and the values that underpin them. Development is at least as much about passion as about calculation. In terms of their impact on development, attitudes and beliefs are deeply ambiguous: they can empower or disempower, mobilise or pacify. In the right circumstances, they can build a public ethos among the powerful, or open the door to the 'power within' that lies at the heart of active citizenship.

Attitudes and beliefs help to explain why people so often act in ways that contradict the idea of 'rational choice'. Even the simple act of casting a vote owes much more to belief in the importance of democracy, or of a citizen's duty, than to self-interest – only a negligible number of votes actually change the outcome of an election. Across the world, citizens and political leaders act out of conviction, not just out of self-interest. They set up or take part in organisations, work tirelessly to improve their own lives or those of other poor and excluded people. Often the work involves genuine sacrifice, of time, foregone opportunities, or physical safety. Meeting and talking with activists is one of the greatest honours of working for an organisation like Oxfam.

When it comes to attitudes, more grizzled activists – and parents – have always moaned about the lack of commitment of the young. In the eighth century BC, Hesiod observed: 'I see no hope for the future of our people if they are dependent on the frivolous youth of today, for certainly all youth are reckless beyond words'. The good news is that, in poor countries, surveys suggest that such grumbling is misplaced: in China, India, Nigeria, Viet Nam, and Zimbabwe, young people are at least as interested in politics as older people. In Indonesia and Iran, interest in politics is highest among the young, and steadily declines with age.[19] In rich countries, there has been a steady rise in the percentage of the population that has taken part in a demonstration, a strike, a consumer boycott, or a petition, even as conventional party activism has declined.[20] Such youth activism has a lasting impact. Participating early in life is a good predictor of ability and willingness to engage in the future.[21]

The attitudes and beliefs of elites are crucial to any effort to build the combination of active citizens and effective states. Do the wealthy believe that only fools pay taxes? Do they feel any personal responsibility for reducing poverty and inequality? With high walls, private schools, private medical care, and university education overseas, the rich in many countries can insulate themselves to a remarkable degree from the poverty and inequality that surround them.[22] However, individual members of the elite often 'defect' to become leaders of social movements and NGOs, bringing with them their skills and connections, and a crucial understanding of how those in power operate. Others who remain in elite circles can play a crucial role in developing a public ethos that emphasises human rights and the role of the state as servant, rather than master, of its citizens.

Some of the most deeply held beliefs in many countries relate to identity, such as gender or ethnicity. Such beliefs often rationalise and reinforce deep inequalities in treatment, whether at the hands of individuals or the law. Changing attitudes and beliefs is a crucial part of the struggle for development. In South Asia, the We Can campaign has achieved notable successes in changing attitudes to domestic violence, using a model of people-to-people contact, rather than the more standard strategy of targeting governments for funds or legislation (see page 276).

RELIGION AND ACTIVE CITIZENSHIP

Perhaps the most powerful force in shaping attitudes and beliefs is religion. In many communities, poor people trust their local church, mosque, or temple more than any other institution.[23] While secularisation has been a notable feature of European life over the past 50 years, in much of the rest of the world religious institutions remain at the centre of community life. Many countries have seen a rise in religious fervour, perhaps because faiths can bring solace and security, especially when livelihoods and cultures are challenged by globalisation or emigration from settled rural communities to the chaos of the shanty town.

Although public attention often focuses on conflicts and divisions between faiths, perhaps more remarkable is how much they have in common (see Box 2.1). When representatives of nine world faiths –

Bahá'ís, Buddhists, Christians, Hindus, Jains, Jews, Muslims, Sikhs, and Taoists – attended a World Faiths and Development Conference in 1998, they revealed a startling degree of consensus about some of life's deepest truths:

- Material gain alone cannot lead to true development: economic activities are inter-related with all other aspects of life.
- The whole world belongs to God. Human beings have no right to act in a harmful way to other living creatures.
- Everyone is of equal worth.
- People's well-being and their very identity are rooted in their spiritual, social, and cultural traditions.
- Social cohesion is essential for true development.
- Societies (and the world) must be run on the basis of equity and justice.[24]

This convergence can be seen in the co-operation between faiths across the developing world, where Oxfam, a secular agency, supports and works with partner organisations from a number of faiths, who share common goals of rights and social justice.

BOX 2.1

THE GOLDEN RULE

Brahmanism: 'This is the sum of duty: do naught unto others which would cause you pain if done to you.' (Mahabharata 5, 1517)

Buddhism: 'Hurt not others in ways that you yourself would find hurtful.' (Udana-Varga 5,18)

Christianity: 'Do unto others as you would have done unto you.' (Jesus, quoted in Luke 6:31)

Confucianism: 'Surely it is the maxim of loving-kindness: do not unto others that you would not have them do unto you.' (Analects 15, 23)

Islam: 'No man is a true believer unless he desireth for his brother that which he desireth for himself.' (Azizullah – Hadith 150)

Jain: 'A man should treat all creatures in the world as he himself would like to be treated.'
(Wisdom of the Living Religions, #69 – I:II:33)

Taoism: 'Regard your neighbour's gains as your own gain and your neighbour's loss as your own loss.'
(T'ai Shang Kan Ying P'ien)

Zoroastrianism: 'That nature alone is good which refrains from doing unto another whatsoever is not good for itself.'
(Dadistan-i-dinik 94-5)

Besides framing attitudes, beliefs, and personal behaviour, the impact of religion crosses over into the social world. Many faiths directly promote active citizenship. Jubilee 2000, the debt campaign across 40 countries that persuaded the rich creditor nations to cancel billions of dollars of debt owed by the world's poorest countries, was based on the biblical concept of the Jubilee – every fiftieth year – in which those enslaved because of debts are freed, lands lost because of debt are returned, and community torn by inequality is restored. Many of the 70,000 Jubilee 2000 protestors that ringed the G8 meeting in Birmingham, UK in 1998 and forced debt onto the agenda were conventional church-goers who saw a direct relationship between the debt issue and scriptural calls for social justice.

In Southern Africa, many of the powerful and charismatic women who typically run community projects helping those living with HIV or orphaned by AIDS are active church-goers and draw on their faith for inspiration and energy in what is often an exhausting and thankless task. Across Latin America, radical Catholics have made a 'preferential option for the poor', leading movements against oppressive governments. This prompted one notorious right-wing death squad in El Salvador to print bumper stickers urging its followers to 'be a patriot, kill a priest'. The killers went even further, assassinating San Salvador's Archbishop Romero in 1980 because of his public stand against military repression. In Iran, Muslim clerics led the popular insurrection against the Shah and his notorious secret police in 1979.

However, a profound ambiguity characterises the interaction between faith and politics. While Marx saw religion as 'the opium of the people', blinding them to the true nature of their oppression, and Gramsci saw it as a means through which elites could construct and maintain their domination, Durkheim portrayed it as a way of building collective identity that promotes social cohesion and stability.[25] In different places at different times, religion can encourage activism, conformity, or hatred.

Nowhere is this contradictory role more evident than in relation to women's rights. Fundamentalists of virtually all religions view the emancipation of women as profoundly disturbing, their influence giving rise, for example, to the curious alliance of the Vatican, the Iranian government, and the US government to block international progress on sexual and reproductive rights. At the same time, organised religion is undergoing change, often at the behest of women activists. In the cases of Islam and Catholicism, reinterpretation of scriptures has moved in parallel with changing attitudes and beliefs, with women's rights leading to a new popular approach to the faiths, despite the opposition of the religious hierarchies (see the case study on Morocco on page 67).

I READ, THEREFORE I AM

Daybreak in a shanty town brings ample evidence of the central importance of essential services in the lives of poor people. Children in miraculously pristine school uniforms emerge from the dingiest of shacks; women set off to the standpipe to collect the day's water, or drag off sick and coughing infants to wait in the inevitable queue at the local clinic. Unseen are those excluded from such services: girls kept home from school to carry out the domestic chores; disabled or elderly people who need particular assistance to take part in public life.

The provision of decent public services is one of the key roles of an effective state, both in terms of building a dynamic economy, and in securing its own legitimacy. Social investment in health, education, clean water, and sanitation is not a luxury for countries that have achieved growth, but is in fact a precursor of that growth, and also makes it much more likely that growth and its proceeds will be equitable.[26] Such services are the basic building blocks of a decent life, enshrined as universal rights by the United Nations.

Improvements are often cumulative: one study in Nigeria found that providing health facilities for illiterate mothers increased their children's life expectancy at birth by 20 per cent, while providing education without health facilities raised it by 33 per cent – but providing health care and education together led to a whopping 87 per cent increase in life expectancy.[27] According to poor women with whom Oxfam works in India, literacy enables them to 'be more intelligent,

fill in forms, read letters from our parents after we get married, be able to leave the village (we can't read the destination on the bus!), get a good match, find a government job'.[28]

Essential services improve the quality of life, enable poor communities to become active participants in society at large, and boost the economy. Properly funded, well-managed, quality public services are a crucial means of combating inequality, redistributing power and voice across the generations. In contrast, underfunded, poor-quality public services further marginalise the most excluded members of society, entrenching inequality.

Public services have a significant impact on gender inequality. An absence of good-quality essential services has a doubly negative impact on women and girls. First, when public services have to be paid for, men and boys consistently have greater access to them. Boys are the ones for whom families find school fees, and the cost of treatment for sick fathers comes before spending on sick mothers. Second, in the absence of essential public services, it is women and girls who all too often have to take up the slack. It is they who have to trudge for miles to get water, and it is an army of home-based women carers across the world who have to take up the burden of care for relatives in the absence of public provision. Free public services and the emancipation of women are two sides of the same coin.

Workers providing public services are often among the more active citizens, beyond their immediate roles as providers of education or health care. In rural communities, the teacher is often an important local figure, and the school one of the few visible manifestations of the state. Public sector trade unions are often highly active in broader politics, and in some countries have faced severe repression.

Nevertheless, despite the essential role of public services in development, millions of people are still dying, sick, or out of school because there are not enough teachers, nurses, or doctors in poor countries. Oxfam estimates that two million more teachers and 4.25 million more health workers must be recruited across the developing world to make health and education for all a reality. Aid donors are failing to plug the gap: only 8 cents in each aid dollar is channelled into government plans that include the training and salaries of teachers and health workers.[29]

Even where public services exist, they often fail to address the diverse needs of women, poor, elderly, and disabled people, people living with HIV or AIDS, or from particular ethnic or religious groups. This may be due in part to the fact that government officials are overwhelmingly male, relatively well-off, able-bodied, and from an ethnic majority – which highlights the importance of involving a representative range of citizens in shaping policies and in delivering services.

Health is discussed in Part 4, while this section explores education, water and sanitation, and fertility control, as well as the roles of citizens and states in providing essential services.

EDUCATION

Education is crucial in breaking the cycle of poverty. It is a right in itself, and it equips individuals to lead full lives, understand the world, and ultimately gain the self-confidence to make themselves heard. Good-quality education is emancipatory, a path to greater freedom and choice, and opens the door to improved health, earning opportunities, and material well-being. On average, each additional year of formal schooling increases a worker's wages by 5–10 per cent, and the skills gained can transform the quality of life for generations to come.[30]

Over the past ten years, Brazil has managed to reduce its historically extreme inequality to its lowest level in 30 years, in large part by providing education to poor people, along with social protection schemes.[31] Schooling is the single most powerful way to break the transmission of deprivation from one generation to the next. When such services are paid for by progressive taxation, the impact in reducing inequality is all the greater.

Conversely, the absence of education perpetuates inequalities. Children are less likely to receive an education if they are girls, live in rural areas, or are poor. When all three sources of exclusion coincide, the results can be startling. In Guinea, a boy living in an urban area, with an educated mother and belonging to the wealthiest quintile, is 126 times more likely to attend school than a rural girl from the poorest quintile with an uneducated mother.[32]

Educating women and girls is particularly important because it enables them to challenge inequality with men, within the family and in wider society. Educated women tend to have healthier children and smaller families, suggesting that education is linked to greater bargaining power in marriage. Education makes it more likely that a woman can earn money of her own, which means she is more likely to be able to remain single if she chooses, or to leave an abusive or unhappy relationship. Education can also break down the stereotypes of women's and men's roles in society which restrict the horizons of both girls and boys, and girls in particular can gain the self-confidence to challenge discrimination.

Globally, significant progress is being made in reducing the number of children of primary-school age who are not enrolled in school. Between 1999 and 2006 the number fell by around 21 million to 72 million.[33] The spread of primary education has halved levels of illiteracy since 1970, greatly improving the quality of life of millions of poor people. Still, some 780 million adults (one in five worldwide) lack basic literacy, and two-thirds of them are women.[34] The Millennium Development Goal of achieving gender parity in primary enrolment by 2005 (the only MDG to specifically target inequality) was missed by a wide margin.

The glass is half full in other areas: enrolment in secondary school is increasing rapidly, although there is still a long way to go, especially in sub-Saharan Africa and South Asia. Perhaps the most extraordinary progress has been in university and other higher education, where worldwide the number of students enrolled rose 43 per cent between 1999 and 2004 to 132 million. Three-quarters of this growth took place in developing countries, with China alone accounting for 60 per cent.[35]

Key reasons behind the increases in school enrolment achieved over the past decade, particularly for girls, include the removal of school fees, economic growth, and urbanisation (which reduces the cost to the state of providing schools). Public pressure has also played a role: national grassroots campaigns in 120 countries, co-ordinated by the Global Campaign for Education, obliged governments to spend significantly more on primary education.[36] Education budgets increased in two-thirds of countries for which data are available. In Kenya the national coalition of education groups, Elimu Yetu (Our Education),

played a pivotal role in making free primary education a central election issue, ensuring it was introduced in 2002; the result was that 1.2 million children went to school for the first time.[37]

Quality is also crucial. Class size, the quality and availability of textbooks, curriculum content, and teacher motivation all determine whether and what a child learns in school. There is a world of difference between a dispiriting 'chalk and talk' session with an underpaid, demotivated, and poorly trained teacher in an overcrowded classroom and an exciting, empowering class geared to the culture, experiences, and interests of the children involved. A quality education is a transformative process that respects children's rights, encourages active citizenship, and contributes to building a just and democratic society.

Studies show that employing and training more teachers is *the* critical issue in delivering quality education. Smaller class sizes and the quality and morale of the teacher are critical elements in improving educational outcomes. A classroom without a teacher is useless, but a teacher without a classroom can start to educate children. Uganda's near-doubling of net enrolments, from 54 per cent to over 90 per cent by 2000, was preceded by an increase in teachers' salaries from $8 to $72 per month from 1997. Governments also ensured that rural facilities were well staffed, often by requiring publicly trained workers to work in rural areas.

In Sri Lanka, all teachers are expected to work for three to four years in 'difficult schools'. In the Gambia the government is building new housing in remote areas and establishing a 'teacher housing loan scheme' to help female teachers with the costs of decent accommodation. In Nicaragua, thousands of volunteers helped in a hugely successful national literacy campaign.[38]

WATER AND SANITATION

> Of course I wish I was in school. I want to learn to read and write…
> But how can I? My mother needs me to get water.
>
> YENI BAZAN, AGE 10, EL ALTO, BOLIVIA

'By means of water', says the Koran, 'we give life to everything.' Access to clean water and sanitation is a basic right, and is essential in allowing people to live decent, dignified lives. The proportion of people using drinking water from improved sources has risen in the developing

world, reaching 80 per cent in 2000, up from 71 per cent in 1990, while 1.2 billion more people gained access to sanitation.[39] As a result, the reduced threat of infectious disease has contributed to there being two million fewer child deaths per year today than in 1990. But this still leaves many people paying a terrible toll. Nearly 5,000 children die every day due to dirty water, 1.1 billion people have inadequate access to water, and 2.6 billion lack basic sanitation.

Inequality in access to water and sanitation is extreme. Most of the 1.1 billion people lacking access to clean water use much less than the minimum threshold of 20 litres a day, often as little as five litres, while in high-income areas of cities in Asia, Latin America, and Africa, people use several hundred litres a day. Paradoxically, piped water supplied to middle- or high-income households is often cheaper than water bought by the bucket from private tankers. People living in the slums of Jakarta, Manila, and Nairobi pay five to ten times more per unit than those in high-income areas in their own cities – and more than consumers pay in London or New York. Other inequalities compound the problem of unequal access: women tend to attach more importance to sanitation than do men, but female priorities carry less weight in household budgeting.

Beyond the obvious direct link to health, access to clean drinking water can save hours of back-breaking toil for women, particularly in rural areas. These are hours that could be spent learning a skill, earning money, enjoying the company of friends or family, or simply sleeping at the end of an exhausting day. Until they escape the drudgery of water collection, women cannot hope to live better lives than their mothers, or to save their own daughters from the same fate.

The case for action on water and sanitation is unanswerable. Economically, every $1 spent in the sector generates another $8 in costs averted and productivity gained. A major UN study put the economic losses in sub-Saharan Africa at about 5 per cent of GDP ($28bn a year) and concluded: 'No act of terrorism generates economic devastation on the scale of the crisis in water and sanitation.'[40] In human terms, access to safe water and flush toilets significantly reduces child death rates. Yet as with other public services, action has been held back by bad advice, Northern arm-twisting and self-interest, and in some cases by public attitudes and beliefs.

Despite some positive results, the dogmatic insistence of aid donors that only privatisation will improve water provision (discussed in Part 5) has led to sharp price rises, excluding poor people and triggering at least one 'water war' of protest, in Bolivia. The polarised debate over privatisation has sidelined the more necessary discussion of how to ensure access for poor people and communities. Public providers, who still deliver over 90 per cent of water in developing countries, include both dismal failures and outstanding success stories. Learning the lessons of good public sector reform is a vital part of delivering water to poor people.

Sanitation is often given little attention in national debates, due to a taboo on public discussion of the topic, leading to less spending. In Malawi, for example, while government spending on health and education has grown as a share of GDP, spending on water and sanitation has declined.[41]

Like education and health care, water and sanitation services are a focus of grassroots activism, via self-help initiatives and efforts to convince authorities to act. Some of the greatest progress has come in India and Pakistan, where slum dweller associations have helped to bring sanitation to millions of people. Success on water and sanitation in countries such as China, India, Lesotho, and Brazil show that one of the keys is developing demand for sanitation, rather than pursuing 'top down' engineering solutions. Progress lies in the interaction between citizens' movements and effective states.

CONTROL OVER FERTILITY

One essential service is rarely considered vital by government planners or economists, and is therefore most often overlooked: reproductive and sexual health care. If women are to realise their full human rights, and nations are to ensure broader health and well-being, women must be able to decide what happens to their own bodies in terms of sexuality and child-bearing. Failure to provide reproductive and sexual health care, and to uphold women's access to these services, accounts for nearly one-fifth of illness and premature death, and one-third of the illness and death of women of reproductive age.[42] Control over fertility, along with economic opportunity, women's education, and changes in attitudes and beliefs, is central to ending discrimination against women.

Currently public and private spending in the developing world meets the needs of more than 500 million women for a modern contraceptive method. These family planning services and supplies prevent 187 million unintended pregnancies each year, avoiding 60 million unplanned births and 105 million abortions. This has measurable health benefits, including 2.7 million fewer infant deaths and 215,000 fewer pregnancy-related deaths, and has reduced maternal mortality worldwide by 30 per cent.[43]

Beyond their medical impact, family planning programmes also have far-reaching social, economic, and psychological benefits for women. Being able to control fertility enables poor women to make life choices that are simply unavailable if they have to undergo frequent, unplanned pregnancies and then provide and care for children. If a woman can control the number of children she has, and the timing of their births, she can make choices to balance her role as a mother with other roles, spending time in paid work or community life, rather than relying on men to earn money and represent her.

Before modern contraceptive methods became available, women in many societies found ways to space births, such as taboos on sex while breast-feeding. However, even such 'weapons of the weak' depend on women's relative power. Based on research in India and China, Amartya Sen established a link between women's power and control over fertility. In India, women's education and economic independence turn out to be the 'best contraceptive', leading to smaller family sizes, while real income per capita shows almost no impact on family size. Comparing India's record with China's notorious 'one child' policy, Sen finds that 'coercion of the type used in China has not been used either in Tamil Nadu or Kerala and both have achieved much faster declines in fertility than China….The solution of the population problem calls for *more* freedom, not less.'[44]

STATE VERSUS PRIVATE

In guaranteeing access to decent health care, education, drinking water, and sanitation, there is no substitute for the state.[45] This has been as true historically as it is today. In the late nineteenth century, London was awash with infectious diseases, including dysentery and typhoid. Child death rates were as high then as they are now in much

of sub-Saharan Africa. Faced with the inefficiencies, costs, and corruption of private sector water provision, the British state stepped in to create public water and sanitation systems.[46] In the nineteenth century in Germany the national health system unified multiple insurance schemes under one equitable system. Compulsory public education was extended across Europe, North America, and Japan in the early part of the twentieth century, and these welfare states expanded further after the Second World War.

The state does not have to be the end provider of every school, clinic, or water pipe. In practice, these are often delivered by NGOs, religious groups, and private companies. Community-based workers, both paid and voluntary, in areas such as health and veterinary services have proved an effective way to rapidly improve coverage in Lesotho and South Africa.[47] But the state must ensure that civil society providers are part of a single coherent system. Governments sometimes achieve this by funding the running costs and regularly monitoring them to maintain standards. Successful examples have combined regulation and incorporation of other providers with a significant scaling up of state provision.[48]

In Armenia, NGOs stepped into the breach when the state health system effectively collapsed after the fall of the communist government in 1991. Support to Communities (STC), a local NGO, set up a simple health financing scheme, asking people to contribute small amounts to fund local clinics, a nurse, and a functioning water system. The intention was to create a model that the state could eventually take up and replicate. STC rapidly won the trust of communities and spread the scheme across dozens of villages in remote areas before moving on to lobby the Armenian government to expand it across the country.

In contrast, when China phased out free public health care in favour of profit-making hospitals and health insurance schemes, household health costs rose forty-fold, and progress on tackling infant mortality slowed. Services that were once free are now paid for through health insurance, which covers only one in five people in rural China.[49]

The good news is that advances both in technology and in our understanding of how to provide services mean that success is now

within reach of even the poorest countries. Sri Lanka, Malaysia, and Kerala state in India, for example, have within a generation made advances in health and education that took industrialised countries 200 years to achieve.

POLICIES THAT WORK

Sri Lanka is classed as a 'lower-middle income country', yet its maternal mortality rates are among the lowest in the world. When a Sri Lankan woman gives birth, there is a 96 per cent chance that she will be attended by a qualified midwife. If she or her family need medical treatment, it is available free of charge from a public clinic within walking distance of her home, staffed by a qualified nurse. Her children can go to primary school free, and education for girls is free up to university level.

Compare that with oil-rich Kazakhstan, where investment in public services has lagged far behind increases in per capita income. Even though Sri Lanka has 60 per cent less income per capita, a child in Kazakhstan is nearly five times more likely to die in its first five years and is far less likely to go to school, drink clean water, or have the use of a latrine.

Oxfam's experience around the world suggests that successful governments get results by ensuring that essential services work for women and girls, abolishing user fees for primary health care and education, and subsidising water and sanitation services. Other policies that have been shown to work include building long-term public capacity to deliver services, expanding services into rural areas, investing in teachers and nurses, and strengthening the social status and autonomy of women as users and providers of services.

Any type of fee charged at a primary health care or education facility has such an injurious impact on poor people that such fees should be abolished. The World Bank, which advocated the imposition of user fees in the 1980s and early 1990s, has since revised its position, at least in terms of its public messaging. It no longer supports user fees in education, although its position on user fees in health is more ambiguous. A growing number of governments receiving debt relief are using the proceeds to abolish fees, such as Zambia, which announced the end of user fees for its rural population in 2006.

In water services, user fees can encourage sustainable use of a finite resource. It is crucial, however, that the structure and affordability of water tariffs are managed in order to achieve equitable access for poor people. In Porto Alegre, Brazil, water consumption is subsidised, with the first 10,000 litres discounted to the price of 4,000 litres. In Uganda, the water utility NWSC provides community water points that are managed by private individuals, where the price of water is publicised at the tap and is much lower than that of water provided by private vendors.[50]

Too often, economists focus on the efficiencies of production and allocation under existing structures and constraints, and ignore deeply embedded discrimination against poor people, and poor women in particular. Overcoming the exclusion of women first of all requires the acknowledgement of their rights. Measures such as promoting women as health and education workers, at the front line of delivering services, will also encourage other women and girls to use those services. In Mali, *animatrices*, local women who work with parents to convince them of the importance of sending girls to school, have achieved some notable successes. In Palestine, where the vast majority of teachers are women, net primary enrolment rates are among the highest in the Middle East and 97 per cent of girls go on to secondary school.

Women's access to services can also be boosted by ensuring that social protection payments put cash in their hands (see Part 4). Mexico's PROGRESA programme reaches over 2.6 million rural households and links cash benefits and nutritional supplements to mandatory participation in health and education programmes. Several design features directly target women. Mothers are designated as beneficiaries and receive the cash transfers. The entire family – primarily pregnant and lactating mothers and children under five years – is required to follow a schedule of clinic visits, and women attend monthly health education lectures. Children must achieve an 80 per cent rate of school attendance, and financial incentives are slightly higher for girls' attendance. PROGRESA has had a positive impact on child and adult health, has increased household food expenditure, and has increased women's control over their additional income.[51]

There are several reasons for optimism that the kinds of investment and changes in policy needed to provide all citizens with the building blocks for a decent life will be forthcoming. In virtually every country where Oxfam works, it has seen a seemingly irreversible spread of literacy, activism, and elected government, and with them a growing voice from citizens pressing for improved essential services. Urbanisation may generate environmental and social problems such as overcrowding, but it makes providing toilets and taps, clinics and classrooms much easier. Surveys show that elites in developing countries grasp the role of decent education systems in creating the basis for national development, although, interestingly, they do not appear to draw the same conclusions with regard to health.[52]

I SURF, THEREFORE I AM

> Knowledge is power.
>
> FRANCIS BACON

For two decades the people of Sunder Nagri, a slum on the north-eastern edge of the Indian capital, Delhi, had to make do without sewers, as local officials kept promising to clean things up. In 2005, making use of the country's new Right to Information law, local businessman Noshe Ali was able to discover what everyone in Sunder Nagri had already guessed – that there were no plans to dig any sewers. Armed with that knowledge, Ali convinced the city's chief minister to authorise a budget. Work started within a year.

Not long after, a local woman followed Ali's example. Asked to hand over 800 rupees ($20) for birth certificates for her two daughters, she refused, and instead used the Right to Information law to find out what was delaying her application, and which official was responsible. Rather than face public shaming, the local government quickly gave her the birth certificates.[53]

ACCESS TO KNOWLEDGE AND INFORMATION

Access to information is no abstract debate; it is an essential tool of citizenship. Knowledge expands horizons, allows people to make informed choices, and strengthens their ability to demand their rights. Ensuring access to knowledge and information is integral to enabling

poor people to tackle the deep inequalities of power and voice that entrench inequality across the world. At a national level, the ability to absorb, adapt, and generate knowledge and turn it into technology increasingly determines an economy's prospects.

Poor people's access to information has increased greatly in recent decades, driven by rising literacy levels and the spread of radio, television, mobile telephony, and the Internet. By 2007, there were twice as many mobile phone owners in developing countries as in industrialised countries, and subscriber growth rates in Africa were running at 50 per cent per year. Mobile phones have transformed poor people's access to finance, market information, and each other.[54]

To some extent, legislation has also progressed: just over a decade ago, freedom of information was guaranteed in only a handful of countries. Now more than 50 countries have freedom of information laws, and 15–20 more are considering them.[55] In the words of Internet pioneer Stewart Brand, it appears that 'information wants to be free'.

Mobile phones, email, and the Internet have also transformed the way that civil society organisations and NGOs operate, especially at an international level. Global networks can spring up almost overnight, sharing information on particular issues, while blogs and websites can reach new audiences without passing through the filter of traditional media. This massive increase in connectivity has drastically reduced the costs of networking and coalition building (albeit at the cost of over-stuffed inboxes).

Free and responsive media can raise public awareness on issues of rights, but can also provoke reprisals. Iraq, Algeria, Russia, and Colombia are currently the most deadly countries for journalists.[56] In many African countries the media have effectively tackled stigma and discrimination on HIV and AIDS, through popular drama series such as South Africa's *Soul City*, and promoted debate on social issues, such as rape and domestic violence.[57] In Armenia, *My Rights*, a television series that uses mock trials to depict real-life disputes in the courts, became a surprise number-one show, increasing public awareness and scrutiny of the legal system. When the electricity went off in one village a few minutes before *My Rights* was due on air, townspeople marched on the mayor's office and accused local officials of trying to keep them (literally and figuratively) in the dark.[58]

Despite the hype surrounding the Internet, as of late 2007 Africa and South Asia still had only five Internet users per 100 people.[59] Beyond personal face-to-face and telephonic communication, poor people remain largely reliant on government- or corporate-dominated broadcast media for access to information. As many as 45 countries block content in a manner that reduces transparency and responsiveness.[60] Governments use bribery to control the media. One revealing study found that Peru's notorious Fujimori government in the 1990s paid television channel owners bribes about 100 times larger than those it paid to judges and politicians. The strongest potential check on the government's power, warranting the largest bribe, were the news media.[61]

In radio, often the main source of information for poor people, the low cost of entry for new stations has diluted state or corporate control. Community broadcasters are now well established across most of Latin America, reaching otherwise excluded groups, and are spreading rapidly across Africa. Radio provides one of the few sources of information in unofficial languages – a major issue when it comes to empowering poor communities, given that most people living on $1 a day do not speak their country's official language.[62] Quechua, a language spoken by some ten million people in Bolivia, Ecuador, and Peru, is rarely heard on television and is completely absent from the Internet. By contrast, 180 radio stations offer programmes in Quechua.

The forces driving greater access to information are strong, thanks to a combination of demand (improved literacy, more assertive citizens, the spread of elected government) and supply (technologies that make knowledge more widely and cheaply available). Despite the concentration of media ownership in the hands of a few global titans, the coming years should see poor people gain greater access to knowledge and information, through an increasingly diverse set of traditional and new channels.

Access to information can help poor people influence decisions that affect their lives. In the Pacific, the Solomon Islands Natural Resources and Rights Coalition helps local communities gain access to logging agreements and other government documents so that they can fight for their rights over forests. Public access to information can also prompt the state to become more effective, as evidenced in the Indian example cited above.

THE PROMISE OF TECHNOLOGY

When oral rehydration therapy (ORT) was developed at Bangladesh's International Centre for Diarrhoeal Disease Research in the late 1960s, the *Lancet*, a leading medical journal, hailed it as possibly the most important medical discovery of the twentieth century. Until then the only effective remedy for dehydration caused by diarrhoea was providing sterilised liquid through an intravenous drip, which cost about $50 per child, far beyond the budgets and facilities of most developing-country health centres. In comparison, ORT sachets sell at less than 10 cents apiece. Scientists found that ORT led to a 25-fold increase in a child's ability to absorb the solution, compared with water alone, saving hundreds of thousands of lives.[63]

Technology is knowledge embodied in machines or processes, and holds out the allure of a fast and apparently painless track to development. The capacity of countries to create knowledge and turn it into technology increasingly determines their economic prospects. However, despite the gee-whizz enthusiasm of optimists, technology is dogged by issues of power and politics that severely hamper its ability to help poor people build their capabilities. Nor is technology always benign. After working on the Manhattan Project to develop nuclear weapons during the Second World War, Albert Einstein observed, 'Technological progress is like an axe in the hands of a pathological criminal.'

Technological progress often exacerbates inequality. At least initially, those with power and a voice are often better placed to acquire and adapt new technologies, which helps skew global research and development (R&D) priorities towards the needs of the wealthy, both in terms of issues and funding. Only 1 per cent of the new medicines brought to market between 1975 and 1996 were for the treatment of tropical diseases. Ten years later, and despite some philanthropic efforts, that disparity remains: only 10 per cent of the overall world health research budget of $50bn–$60bn is spent on the diseases that affect 90 per cent of the world's population.[64]

The failure to develop an effective microbicide against HIV is one example of the distortion in global research priorities. In part because pharmaceutical companies cater to rich-country markets, where for many years the pandemic affected primarily male homosexuals, their

research efforts have centred on male-controlled prevention methods. In sub-Saharan Africa, where the target population is primarily heterosexual and women's bargaining power over sex is limited, a prevention method that could be controlled by women and would not block procreation is an urgent need. Recent initiatives have sought to fill the gap, but a breakthrough is still years away. Likewise, an affordable female condom that could protect millions of women from HIV infection has still not been developed.

The Bill & Melinda Gates Foundation, among others, hopes to help correct this bias by offering grants to fund R&D for neglected diseases. The UK, Canada, and other governments are offering what they call 'advance market commitments': a guarantee to buy bulk supplies of new vaccines in order to encourage research. The basic idea is not new. In 1714 the British government offered £20,000 – a fortune at the time – to whoever could invent a way of measuring longitude at sea. The offer worked: by 1735 the clockmaker and inventor John Harrison had produced an accurate maritime chronometer.[65]

Research is increasingly dominated by the private sector. In agriculture, five large multinational companies – Bayer, Dow Agro, DuPont, Monsanto, and Syngenta – spend $7.3bn per year on agricultural research. This is more than 18 times the budget of the publicly funded Consultative Group on International Agricultural Research.[66] Left to its own devices, private sector research will respond to future opportunities for profit, not public need (although the two may coincide), so tropical diseases or improved varieties of the staple foods of poor communities, such as cassava and sorghum, are likely to be overlooked in favour of high-value, high-profit products.

R&D may benefit people living in poverty, even when it is dominated by the wealthy and run by the private sector. But it is less likely to improve their prospects than R&D geared more closely to their needs, and may run greater risks. Biotechnology, for example, may well produce drought-resistant strains of seeds that become an essential tool for adapting to climate change. However, it could also erode the genetic diversity on which developing-country farmers rely, and place excessive power in the hands of transnational corporations through their control of seed strains.

Unless regulated by governments, private sector-driven R&D is likely to widen the technological divide between 'haves' and 'have-nots'. An effective state, motivated and supported by other actors, could reorient the focus of technological development towards the needs of poor people by regulating research and funding of higher education and R&D. Active citizens, in both North and South, could contribute to this outcome by pressuring private companies and states to include poor people in the benefits of new technology.

Above all, the emphasis must be on the development of 'appropriate technologies', which address the needs of the poorest and most excluded people, and respect the sustainability of the ecosystem upon which they depend. India's M.S. Swaminathan, winner of the 1987 World Food Prize, applied Mahatma Gandhi's words to this point: 'Recall the face of the poorest and the weakest person you have seen, and ask yourself, if the steps you contemplate are going to be of any use to him.' [67]

Besides reorienting the focus of global R&D, developing countries face the challenge of developing their own capacities to create knowledge, which are stymied today by the flight of qualified professionals, lured away by better pay and working conditions in wealthy countries. Unless this global problem is addressed, the higher-education systems of developing countries will continue running up a down escalator in order to build their science base. The issue of migration is taken up in detail in Part 5.

More worrying even than the brain drain is an emerging pattern of global governance of knowledge that is biased against poor people and poor countries. Enshrined in 'intellectual property rights' (IPR) legislation at both national and global levels, increasingly aggressive IP rules drastically reduce the flow of technology to poor countries, while requiring them to waste scarce funds and personnel on administering a regime that only benefits foreign companies. By inflating the price of all technology-rich products, the IP regime constitutes a harmful tax on economic development. Like migration, this problem is addressed in Part 5.

WE ORGANISE, THEREFORE WE ARE

> Never doubt that a group of concerned citizens can change the world – indeed, it is the only thing that ever has.
>
> MARGARET MEAD, ANTHROPOLOGIST

The first sign of the squatters is a huge red flag flapping above a depression in the hills a few hundred yards away. Across two barbed wire fences and an arid, sandy hillside lies the cluster of huts thrown up a number of weeks ago by 40 landless families. They have called the encampment 'Hope' (Esperança). Already the inhabitants are making the first improvements: tiles are starting to replace plastic sheets on the roofs of the huts, whose walls are made from branches tied together with twine. To provide safety in numbers, 500 people originally occupied the site. When ten armed policemen promptly arrived to evict them, the children stood in front with stones; behind them came the women and adolescents, followed by the men armed with their primitive farming tools. The policemen backed off without a fight, allowing the squatters to get on with planting their first crops of yams and fennel.[68]

The red flag belongs to Brazil's Landless Workers Movement, the MST. The MST leads landless peasants in well-organised invasions of wasteland or uncultivated farmland. Standing amidst newly ploughed furrows thirsty for rain, one of the squatters explains: 'People came here for land. We weren't interested in riches – land created people and

people must live from it. The owner says the land is his, but if he doesn't even farm it, how can that be?'

The MST is a social movement that is one of thousands of civil society organisations (CSOs) across the developing world, whose political activity takes place outside the channels of formal politics. CSOs include highly institutionalised groups, such as religious organisations, trade unions, or business associations; local organisations such as community associations, farmers' organisations, or cultural groups; and looser networks such as social movements.[69] They form a vital part of the interaction between active citizens and effective states, which can redistribute power, voice, and opportunity. They also exemplify a tradition of creating moral, political, and economic foundations for communities. A history of social change would show that much of what we think of now as the role of the state was first incubated in such experiments in Utopia, away from bureaucracies and politicians.[70]

In seeking change, citizens have always come together, either to achieve strength in numbers or to reduce the likelihood of repression. CSOs include groups focused purely on self-help at a local level, charities simply trying to help excluded groups in society, and others with a more transformatory agenda working for social and political change: for example, by taking direct action, as in the case of the MST, or representing their members' interests, as in the case of trade unions. Others (like Oxfam) lobby and campaign, conduct research, or act as watchdogs on those in power. Today, vibrant social movements are seen by many as a vital part of any real democracy and 'an arena where the possibilities and hope for change reside'.[71] According to the UN, it is estimated that one person in five participates in some form of CSO.[72]

The rise of civil society has been driven by both long-term and short-term factors. In the long term, the spread of literacy, democracy, and notions of rights have prompted a rise in active citizenship. CSOs, which function beyond the individual or household level but below the state, can play a role in complementing more traditional links of clan, caste, or religion that have been eroded by the onset of modernity. In the long run, coming together in CSOs helps citizens rebuild the stock of trust and co-operation on which all societies depend.[73] It should be remembered, however, that some citizens' groups seek to

reinforce discrimination, fear, and mistrust; called 'uncivil society' by some, their activities can sometimes spill over into violence, as in the case of religious or racist pogroms or paramilitary organisations.

CIVIL SOCIETY AND CHANGE

Many CSOs see themselves as 'change agents'. Often their work is painstaking and almost invisible, supporting poor people as they organise to demand their rights, pushing the authorities for grassroots improvements such as street lighting, paved roads, schools, or clinics, or providing such services themselves, along with public education programmes on everything from hand washing to labour rights. However, in recent years, civil society's most prominent role, at least as reflected in the global media, has been in helping to install elected governments in place of authoritarian regimes. Since the 1980s, successive waves of civil society protest have contributed to the overthrow of military governments across Latin America, the downfall of communist and authoritarian regimes in Eastern Europe and Central Asia, the removal of dictators in the Philippines and Indonesia, and the end of apartheid in South Africa.

According to Freedom House, a US government-funded foundation, civic resistance has been a key factor driving 50 out of 67 transitions from repressive or dictatorial to relatively 'free' regimes in the past 33 years; the majority of these countries managed to effect a lasting transition from dictatorial regimes to elected governments.[74] Tactics have included boycotts, mass protests, blockades, strikes, and civil disobedience. While many other pressures contribute to political transitions (involvement of the opposition or the military, foreign intervention, and so on), the presence of strong and cohesive non-violent civic coalitions has proven vital.

One example is the Georgia Young Lawyers Association (GYLA), a network of some 1,000 lawyers, established in 1992. The GYLA provides free legal advice to poor people, but also targets government malpractice. As a founding member of the movement known as 'Kamra' ('Enough'), it played a crucial role in triggering the protests that toppled the corrupt regime of President Eduard Shevardnadze in 2003 by winning a court case against the government over election irregularities, based on evidence provided by its own 200 election monitors.

Compared with the steady hum of the state's machinery, civil society activity waxes and wanes, coming into its own in moments of protest and crisis, and often falling away after a victory – such as winning a change in the law, or the election of a more progressive government that promptly recruits key civil society leaders. In such circumstances, many CSOs find it difficult to move from a strategy of opposition to one of engagement. Other CSOs, notably those sponsored by religious institutions, are much more stable, outlasting all but a handful of governments, but even they experience cycles of activism and silence.

Less dramatic than mass protest, but equally important, civil society can demonstrate broad public support for policy changes, thus making it easier for political leaders to act and resist pressure from those who would rather maintain the status quo. In the late 1990s, for example, the Maria Elena Cuadra Women's Movement in Nicaragua collected 50,000 signatures calling for better working conditions in the country's export-processing zones, prompting the minister of labour to enforce the law and convincing factory owners to adopt a voluntary code of conduct.

Civil society also plays an important, if less visible, role in more closed political systems, such as one-party states. A study in Viet Nam revealed a virtuous circle of state and NGO investment in training and education, improved communications (for example, an upgraded road, funded by the World Bank, which allowed easier contact between villages and the district authorities), and pressure from the central government for local authorities to encourage popular participation in poverty reduction efforts. As a result, both villagers and local authorities gained confidence and began to exchange opinions and ideas more openly. Women in particular became much more vocal after receiving training in agricultural methods and making more regular trips away from the village.[75]

Much of the long-term impact of CSOs is based on the slow building of people's skills and capabilities, fostering changes in attitudes and beliefs. In Serbia, for example, a network of groups is seeking to strengthen the negotiating and lobbying skills of the Roma population, the poorest community in Europe, in part by ensuring that more women and young people join and assume leadership positions.

The bedrock of civil society is formed of local groups concerned primarily with the welfare of their fellow citizens, like the General Assistance and Volunteer Organization (GAVO). This organisation was founded in 1992 by a dozen young men from different sub-clans in Berbera, their hometown in the arid region of the Horn of Africa known as Somaliland. Their childhoods had been shattered by civil war, and they hoped that through volunteer action they might begin to address some of the town's pressing social problems.

Acting on the advice of their Koranic teacher to help the most destitute of their fellow citizens, they started with patients at the local psychiatric hospital suffering from war trauma: trimming their hair and nails, taking them out to a cool plateau on Fridays, washing their clothes. Shunned by many who associated mental illness with sorcery, the hospital received no government or private funding. GAVO's volunteers used popular theatre to educate the community, and reached beyond the boundaries of family and clan to raise money, breaking social taboos in the process.

Within four years, GAVO had managed to set up an out-patient clinic, help demystify mental illness, and garner steady donations from local merchants and municipal authorities. Then, aware of their own limited scope, they began to lobby for changes in government policy regarding children's rights.

Paradoxically, organisations like GAVO are often viewed by funders as being of little significance to development. They are local, usually 'traditional' rather than 'progressive', and distant from grand challenges on the national level. Yet such groups provide opportunities for communities and ordinary citizens to discuss and act on some of the difficulties they face. Though small-scale, they can be instrumental in the development of a democratic culture and of skills needed for addressing national challenges. GAVO travelled on just such a trajectory – from charity to service provision to public outreach to outright advocacy.

Civil society is often at its most active in the burgeoning shanty towns and suburbs of cities. With better access to schooling, and with exchanges of opinions and information on every street corner, urbanites are more likely to get involved in CSOs. Cities are vividly

political places, dense with social movements demanding housing, schools, clinics, or decent water and sanitation. Protest and conflict abound, between workers and employers or service providers and users.

ALLIANCES AND PARTICIPATION

In practice, civil society is a complex political and social ecosystem, including grassroots social movements, established organisations such as churches and trade unions, and NGOs made up of more middle-class activists. Alliances between such dissimilar organisations are both fruitful and fraught, with 'turf wars' and frequent accusations of co-option or of NGOs 'speaking on behalf of' (and claiming funds for) groups they do not represent.

One regular source of tension is over whether to pursue the tactics of 'outsider' confrontation, for example mass street protests, or less visible 'insider' engagement, such as lobbying. An outsider strategy based on mass mobilisation often needs stark, unchanging messages, but these can alienate officials and political leaders, and limit the insiders' access to decision-makers. Conversely, an insider strategy muddies the waters with compromises, undermining mobilisation and raising fears of betrayal and co-option. Yet both are necessary and a joint 'insider–outsider' strategy can be highly effective.

CSOs are not immune from the wider inequalities in society. Men often dominate, as do powerful groups based on ethnicity or caste. CSOs of hitherto marginalised groups have often emerged as splinters from CSOs serving the general population, when women, or indigenous or HIV-positive people, found that their specific concerns continually evaporated from the agendas of mixed organisations.

Active participation has intrinsic merits, creating strong bonds of belonging and common purpose. As one woman told researchers in Pakistan, 'Before the organisation was formed, we knew nothing and were completely ignorant. The organisation has instilled a new soul in us.'[76] Participation can build a sense of self-confidence and involvement, enabling excluded groups and individuals to challenge their confinement to the margins of society.

However, participation is not without costs. CSO activism can involve exhausting rounds of meetings, voluntary toil, and confrontations

with impervious or insulting authorities. People keep going out of commitment and belief, be it political, religious, or simply a sense of duty. In Latin America, women activists talk of the exhaustion of their 'triple day' of paid work, running a home, and then spending any remaining time engaged in community work.

Moreover, participation in civil society organisation brings risks of repression or worse. Across the developing world, activists who challenge existing power structures face attacks by police, hired thugs, and paramilitaries – or from irate husbands and fathers. In many countries, women activists can face a violent backlash at home, as their activism leads them to challenge traditional inequalities, or simply means they cannot have dinner on the table at the expected hour.

Beyond the personal benefits (and costs) of participation, a strong civil society obliges political parties to compete for the public's support, and to offer social progress, rather than co-option. In Ghana, political leadership, independent media, and a strong network of civil society organisations have helped build up a politics of interest groups, including urban youth, cocoa farmers, native authority elites, professional and business elites, and unionised workers. The shift to a more stable state was demonstrated when the incumbent party lost the 2000 presidential election and an orderly transition ensued. The ruling party retained power in 2004, but elections were seriously contested. Steady improvements in literacy, access to information, and levels of social organisation may help other countries to follow suit.

Civil society can play a crucial role in 'keeping the demos in democracy'.[77] Even the cleanest and most transparent electoral systems can be undermined by undemocratic institutions – corporate lobbyists, clientilist political networks, and the like. For these practices, sunlight is the best antiseptic, in the form of civil society scrutiny and activism. In recent years, civil society organisations have tried to ensure that government spending tackles inequality and poverty. Such 'budget monitoring' work involves painstaking analysis of both what is promised and what is delivered, and advocacy to influence the way that budgets are allocated. In Israel, the Adva Centre, an NGO founded by activists from different social movements working on equal rights for Mizrahi Jews, women, and Arab citizens, uses a combination of analysis, parliamentary lobbying, popular education, and media campaigns.

In Guatemala, the Social Spending Observatory was established in 2004 to challenge the secrecy surrounding the budget process, publishing quarterly analyses of government spending. The Observatory's work has highlighted the lack of spending among the country's impoverished indigenous majority. In South Africa and elsewhere, 'gender budget monitoring' projects specifically highlight the impact of budget decisions on women, while monitoring programmes such as those in Uganda have identified and publicised episodes of corruption.

The rapid spread of cheap communications technology has enabled CSOs to 'go global'. A good example is the Via Campesina, which links together peasant and landless movements around the world.[78] Another is Social Watch, an international NGO watchdog, made up of national citizens' groups from 50 countries. Based in Uruguay, Social Watch monitors progress on governments' international commitments on poverty eradication and equality.[79] Other groups link up through the World Social Forum, a regular event, which at its fourth such meeting in Mumbai in 2004 brought together over 130,000 civil society activists from around the world.

In recent years, North–South alliances of CSOs have successfully pushed issues to the top of the political agenda at meetings of the G8, the World Bank, and the WTO. Landmark initiatives, such as the International Criminal Court and International Landmines Treaty, were spearheaded by joint efforts of concerned citizens and NGOs, while sustained campaigns have sought to improve the respect of transnational corporations for labour rights and reduce the damage they cause to local communities and environments. Over the next few years, international campaigning of this nature will be crucial in pressuring governments to make and keep the commitments needed to reduce carbon emissions, as well as cover the rising costs of adaptation to climate change in poor countries. As Amnesty International's 'prisoners of conscience' work has also shown, Northern campaigners can be invaluable allies for activists in the South who face repression and torture at the hands of the authorities.

The great attention attracted by CSOs is viewed by some with concern, as a 'reification' that downplays the historically much more significant contribution of trade unions and political parties. Western

governments and private philanthropists have poured money into CSOs, especially the kinds of organisations they recognise: urban, middle class-led, and modern, such as credit associations, women's groups, law societies, business associations, or local development NGOs. They have sometimes given succour to CSOs that are little more than vehicles for relatively educated people to access funds when other jobs are scarce. In the process, they have ignored kin, ethnic, religious, or age-based groups, even though these often have deeper roots among much larger numbers of people, especially in the poorest communities.

Being ignored by funders may be no bad thing. Some donor governments deliberately use funding to defuse radical social movements that threaten vested interests. Other donors undermine the potential of CSOs by making them administrators, rather than irritants. According to two authorities on the subject, 'Donor civil society strengthening programmes, with their blueprints, technical solutions, and indicators of achievement, run the risk of inhibiting and ultimately destroying that most important of purposes of civil society, namely the freedom to imagine that the world could be different.'[80]

Active participation contrasts sharply with the idea that people should express themselves simply through what they consume ('I shop, therefore I am') or how they vote, and with a more technocratic vision of citizens as passive consumers of state services delivered by wise and well-trained administrators.

At its best, an active and progressive civil society can be profoundly transformatory, enhancing the lives of both participants and society as a whole, empowering poor people to demand change and to hold their rulers accountable. Over time, active citizenship can make states more effective. When states are absent, civil society organisations can step into the breach to keep at least some level of services operating. But CSOs are not a magic path to development, nor are they a substitute for responsive, effective states capable of delivering tangible and sustained improvements in people's lives. In practice, development requires both.

HOW CHANGE HAPPENS CASE STUDY
WINNING WOMEN'S RIGHTS IN MOROCCO

In 2004 women's organisations in Morocco won a remarkable victory when Parliament unanimously approved a new Islamic Family Code that radically strengthened the rights of women. The reforms included the right to decide legal matters without the guardianship of a male, equal responsibility over the household and children, and the need for consent from both husband and wife to dissolve a marriage.

Activists had sought reforms since the early 1960s, but in 1992 the Union de l'Action Feminine (UAF) launched a grassroots campaign to change the set of family laws known as the *Moudawana*. They collected more than a million signatures on a petition and won the first legislative amendments the following year. Though major issues such as polygamy and divorce were left virtually untouched, a father could now no longer compel his daughter to marry. Activists saw these early reforms as a critical success, ensuring that the *Moudawana* could no longer be portrayed as sacred and unalterable.

Women's rights groups continued to mobilise, opting to work within the framework of Islam, arguing that the conservative interpretation enshrined in family law ran counter to the true spirit of the Koran. Activist Rabéa Naciri recalls: 'We chose not to separate the universal human rights framework from the religious framework. We maintained that Islam is not opposed to women's equality and dignity and should not be presented as such… Islamic law is a human and historical production, and consequently is able to evolve, to fulfil the current needs of Muslim men and women.'

A key moment in the campaign was the victory of the socialist opposition in the 1997 election. The political opportunity for women's voices to be heard further increased when the liberal King Mohamed VI assumed the throne in 1999. In an address to Parliament, the King publicly supported women's quest for equality. Seizing the moment, women's rights activists came together to create a Plan of Action for the Integration of Women in Development (PANIFD in the French acronym), which included the key tenets of the UN's Beijing Platform

and won the endorsement of Prime Minister Abderrhamane el-Youssoufi.

Conservatives and political Islamists quickly formed an opposition grouping, the National Group for the Protection of the Moroccan Family (Organisme national pour la protection de la famille Marocaine), and launched their own campaign through mosques and in the popular media. Religious conservatives argued that any revision of the law would go against Islam, while political Islamists blamed attempts at reform on Western influence. Soon thereafter, the government withdrew its support for PANIFD.

Women's groups, however, redoubled their efforts, culminating in a demonstration in 2000 that brought tens of thousands of women and men onto the streets of Rabat. A counter-march held in Casablanca at the same time brought out similar numbers of opponents.

Following the demonstrations, King Mohamed VI asked 40 important female leaders from women's organisations and political and social movements to meet and make recommendations. He then created a Royal Commission responsible for the reform of the *Moudawana*, composed of religious scientists, lawyers, sociologists, and doctors. Significantly, three members of the Commission were women from highly respected professions. The King's guidelines were that their proposals should be coherent with the founding principles and spirit of Islam, follow any Islamic legal tradition as long as it was in favour of the family and of harmony, and fulfil Morocco's international human rights obligations.

After two years of delays, the Commission held nine months of open hearings in 2004, meeting to analyse the old *Moudawana* and discuss proposals put forth by different constituencies and, finally, to prepare recommendations to the King. All the while, the PANIFD campaign continued lobbying the Commission and reaching out to the public. Activists made use of real cases of women who had experienced domestic violence, repudiation, or early marriage under the old laws, asking men if they wanted their daughters protected from such injustices.

On 3 February 2004, the legislation to reform the *Moudawana*, the new Family Code, was passed unanimously by Parliament. Women

gained important legal autonomy and were afforded more equality in the areas of divorce, legal custody, marriage, and family relations. The reinterpretation of the *Moudawana* challenged dominant modes of thinking about women's rights and their relations within the family.

In the campaign for *Moudawana* reform, activists employed an astute 'insider–outsider' strategy, combining mass demonstrations and public awareness campaigns with lobbying of the Commission. The campaign not only contributed to a better quality of life at home for Moroccan women, but also paved the way for further progressive reforms.

Source: A. Pittman and R. Naciri (2007) 'Cultural Adaptations: The Moroccan Women's Campaign to Change the Moudawana', Institute for Development Studies, available at: www.ids.ac.uk/ids/Part/proj/pnp.html

I OWN, THEREFORE I AM

For millions of Indians, the Ganges is a holy river, but to the people of the riverside slum of Sanjay Nagar in the pilgrim city of Allahabad, this means the annual threat of eviction, as their shacks are bulldozed to make way for celebrants coming to bathe. The shacks are mud-walled, with plastic roofs held down by ropes; the mud path is carpeted with discarded sandals, and pigs root among piles of rubbish; the air is rank. But at least Sanjay Nagar offers shelter; the fear of eviction is a nagging insecurity in the hearts of the residents. 'When we're evicted,' says one, 'we have to lie low, sleep rough, and then come back, but we never know if we'll be able to rebuild.' Now the area is slated for 'beautification', and this time the eviction may be final.

One of the most agonising aspects of living in poverty is not having secure rights to your own house or land, something often taken for granted in the North. In India, Ghana, Cambodia, and Bolivia, more than 50 per cent of all urban residents live in informal settlements, and the United Nations expects the number of people living in urban areas without secure property rights to reach 1.5 billion by 2020.[81] More than 6.7 million people worldwide were evicted from their homes in 2001–02, according to the Centre for Housing Rights and Evictions, most of them in urban areas.[82]

Eviction comes at the hands of powerful landlords or the authorities and is often brutal. In Zimbabwe in 2005, Operation Murambatsvina, literally meaning 'drive out the rubbish', forced an estimated 700,000

urban residents from their homes in the capital city of Harare, affecting up to 2.4 million people overall. Bulldozers and demolition squads run by youth militia demolished self-help housing, while street vendors and others operating in the informal economy were arrested and their businesses destroyed.[83]

PROPERTY RIGHTS AND DEVELOPMENT

The notion of a 'right' to property is controversial. Property rights are not included in human rights treaties, but the right is acknowledged in Article 17 of the Universal Declaration of Human Rights: 'Everyone has the right to own property alone as well as in association with others. No one shall be arbitrarily deprived of his property.'

Property rights are perhaps best seen as a means to an end – a way to reduce the vulnerability of the poor. Rich people have other ways to defend their property, as the razor wire and 'armed response' warning signs outside the more opulent residences in South Africa suggest, but poor people need legal protection from depredation. The absence of property rights can stymie efforts to tackle inequality and exclusion.

Many economists argue that secure property rights hold the key to broader development, encouraging investment in land or construction. The link between property rights and growth, however, is weak,[84] and history is full of counter-examples: most recently China has successfully experimented with a complex mixture of private, public, and hybrid ownership patterns, often with relatively unclear property rights. Furthermore, the dispossession of some landholders (violating certain existing property rights) has in many cases been beneficial for economic development. For example, in rapid and far-reaching land reforms in South Korea and Taiwan beginning in 1949, all agricultural land above a very low ceiling was compulsorily acquired by the state at below-market prices and sold to tenants at an artificially low price. By any account, such enforced transfers were not consistent with well-defined property rights, but they set the stage for a broad expansion of the economy.[85]

Most recently, Peruvian economist Hernando de Soto has become something of a *cause célèbre* for his beguiling argument that property rights offer an escape route from poverty, enabling poor people to

'breathe life into dead assets' by using their houses or land as collateral to obtain credit and kickstart a business. He even puts some rather dubious numbers on such assets, extrapolating from studies in five large cities to arrive at an eye-popping global estimate of $9.3 trillion in 'dead capital' owned by the poor – a figure on a par with the combined value of the world's 20 largest stock markets.[86]

De Soto's thinking has been taken up with enthusiasm by politicians across the spectrum. A 2005 housing policy document from the South African government, 'Breaking New Ground', complains that the 1.6 million new houses funded by the state since 1994 have not become 'valuable assets' for poorer people, and emphasises the need for improved access to title deeds so that poor people can participate in residential property markets.[87]

What many of De Soto's followers fail to appreciate is his insistence that effective property-rights systems grow out of customary law or other initially non-statutory systems, such as those developed by squatters and settlers. His more zealous acolytes too often ignore the subtle and complex forms of land use and implied property rights already in operation among poor people and impose legalistic 'off-the-shelf' regimes.

In Papua New Guinea (PNG) over 97 per cent of land is under such traditional 'customary' title, and there is a significant push, including from the Australian government and the World Bank, to reform land-ownership systems on the premise that customary title is an impediment to development. However, research from the Australian National University shows that in recent decades agricultural production in PNG – both domestically marketed food and export crops – has expanded steadily under customary tenures, while mostly declining under registered titles. Individual land titles have not helped producers with the problems and shocks they faced (including declining world prices, inability to switch from one commodity to another as the market changed, poor transport infrastructure, and security issues), whereas smallholders under customary tenure systems have been able to adapt more readily to changing circumstances and constraints.[88]

Customary laws did not develop in a political or social vacuum, however. They often reflect the interests of the more powerful groups in society, and are determined by many of the same structures that

generate poverty and exclusion, usually at the cost of women, marginalised ethnic groups, and the poorest communities and castes.

Moreover, the claim that distributing formal land titles will open the floodgates to credit has proved false. Commercial banks do not like lending to poor people, and poor people are often reluctant to risk putting up their precious new titles as collateral. Recent comparative studies in slum areas in Buenos Aires and de Soto's home city of Lima compared families with and without titles to their homes and found that land-owning families had no better access to credit.[89] A study of a community in Western Kenya seven years after land titles had been handed out there found that only 3 per cent of the 896 titles had been used to secure loans.

Distributing land titles that can be bought and sold can deter those who would steal land at gunpoint and can provide poor people with options, but it can also lead to rising inequality, as large landlords or farmers buy out their poorer neighbours. The replacement of communally owned lands by individual farm plots in Mexico in the 1990s led to a rapid process of land concentration.[90] Similarly, dismantling regimes based on common property often serves as a legal vehicle for removing people in order to gain access to logging, mining, or other resources, as has occurred in Laos.

The simplistic approach of privatising and handing out land titles to individuals is clearly inadequate, even though it is often funded by donors and fits the electoral ambitions of populist politicians. An effective state needs to ensure that property rights are secure, are equitable, and recognise multiple claims – for example, so that both husbands and wives enjoy equal rights via joint titling. Property therefore should be registered at individual, family, or community levels. Under pressure from organised slum dwellers, municipal governments are increasingly recognising the need to strengthen property rights as a means of formalising the urban economy and ensuring better provision of water and sanitation. Neighbourhood associations and federations of urban poor people are playing a major role in some cities, surveying urban land and negotiating their rights to occupy it.[91]

LAND REFORM

'Land and Liberty!' ran the battle cry of Emiliano Zapata that inspired Mexico's peasantry to rise up in the Mexican revolution of 1910–17. And the resulting reforms help to explain Mexico's relative prosperity in the decades that followed. Land reform was a central feature of revolutions in China, Russia, Cuba, and Viet Nam, and the first step on the path of economic transformation in several East Asian 'tiger' economies. Especially in predominantly peasant societies, land reform can transform power relations and get at the root of social and economic inequality (see Table 2.1).

Skewed land ownership is a core driver of inequality – women grow between 60–80 per cent of the food produced in most developing countries, yet own less than 2 per cent of the land.[92] Land empowers: research in Kerala, India, found that almost half of women who owned no property reported physical violence compared with only 7 per cent who did own property. Other studies have shown that women who do not own land are statistically more likely also to be infected with HIV.[93] Indigenous groups like Bolivia's Chiquitanos (see the case study on page 31) see control over traditional territories as a core part of their identity. Redistributing land can also boost the economy. Farmers who are secure on their land are more likely to invest in upgrading production, and may find it easier to borrow money.

Struggles over land can be particularly acute following a disaster. Earthquakes, droughts, or wars drive people off their land and, in the aftermath, powerful local elites and businesses often look to seize land whose ownership is poorly defined. Women left widowed are frequently dispossessed, sometimes by their own family members. Resisting such pressures and ensuring a fair distribution of land is a vital role for the state and others after such shocks.

The rise of powerful indigenous and landless movements in countries such as Bolivia, Brazil, India, and the Philippines has brought land reform back onto the agenda in recent years after it disappeared in the 1980s, when development orthodoxy saw it as intolerably interventionist for the state to be involved in redistribution.

The results can be spectacular. In Cambodia from 1998–2001, unprecedented co-operation between government and civil society

Table 2.1: Great land reforms of the twentieth century

Countries (in descending order of scale of beneficiaries)	Years of reform acts	Beneficiary households as percentage of total agricultural households (%)	Redistributed land as percentage of total agricultural land (%)
China	1949–56	c. 90	80
South Korea	1945, 1950	75–77	65
Cuba	1959–65	60	60
Ethiopia	1975, 1979	57	76
Iraq	1958, 1971	56	60
Mexico	1915, 1934, 1940, 1971	c. 55	42
Tunisia	1956, 1957, 1958, 1964	49	57
Iran	1962, 1967, 1989	45	34
Peru	1969, 1970	40	38
Algeria	1962, 1971	37	50
Yemen, South	1969, 1970	25	47
Nicaragua	1979, 1984, 1986	23	28
Sri Lanka	1972, 1973	23	12
El Salvador	1980	23	22
Syria	1958, 1963, 1980	16	10
Egypt	1952, 1961	14	10
Libya	1970–75	12	13
Chile	1967–73	12	13
Philippines	1972, 1988, 1994	8	10
India	1953–79	4	3
Pakistan	1959, 1972	3	4
Morocco	1956, 1963, 1973	2	4

Source: M. Riad El-Ghonemy (1999) 'The Political Economy of Market-Based Land Reform', UNRISD Discussion Paper 104. See source for details of the types of land holdings included in individual country totals.

led to the country's first national land policy, which tried to reconcile the needs of peasants, squatters, indigenous peoples, and commercial investors. Over a million land titles have been handed out, and the land rights of many women have been secured for the first time ever.[94] In the Philippines, land reform in public and some private land took off in the mid 1990s during the presidency of Fidel Ramos, a former general and defence minister. An analysis by two Filipino academics points to a powerful combination of active citizenship and an effective state: 'a high degree of social pressures from below and a high degree of independent state reform initiatives from above, and then the high degree of interaction between the two'. In the Philippines this is known as the '*bibingka* strategy', after a traditional delicacy, a rice cake that is cooked by fire lit both above and below it.

Elsewhere, land reform has had a chequered record. In Zimbabwe, productive white-owned farms have been handed over as rewards to government supporters who had little farming experience, with devastating effects on agricultural output. Elsewhere, land reform has failed because it has not guaranteed access to vital services such as credit, infrastructure, or extension services. In many countries land reforms have run out of steam in the face of dogged and often violent resistance from local elites, lack of state commitment, and the sheer bureaucratic and legal complexities of enforcing land titles and redistribution across hundreds of thousands of small farms. Even in the Philippines, these have remained constant challenges. In such situations, the slow pace of reform breeds a simmering resentment, which occasionally explodes into protests and land occupations.

Where land reform has successfully transformed economies and societies, it has required strong, independent states that are able to face down local elites. Success also requires mobilised organisations of landless workers or peasant farmers, able to channel demands and ensure that the reform process meets their needs.

Donors and many governments have responded to the recent resurgence in interest in land reform by introducing so-called 'market-led' policies. These seek to avoid forced redistribution by the state in favour of 'willing buyer, willing seller' approaches, whereby large farmers agree to sell their land to peasants and landless workers, often with the state stepping in to facilitate the sale, for example by

advancing funds to small farmers to buy the land. The alternatives, either compulsory purchase or seizing land without compensation, arouse ferocious opposition from landowners and their allies, and can greatly increase opposition to reform.

Market-led approaches have been widely criticised for ignoring issues of social justice: the beneficiaries are often not 'the poorest of the poor', they enter their new lands saddled with debt, and the approach often recognises only individual titles, ignoring other, often more widespread, customary land tenure systems. In practice, governments often square the circle by handing out publicly owned land at low or no cost.

WOMEN'S PROPERTY RIGHTS

In wealthy countries, property rights were one of the first goals fought for by first-wave feminists in the nineteenth century, and today they remain central to many organisations of poor women across the world.[95] In many countries, a combination of attitudes and beliefs and legal discrimination in both 'modern' and 'customary' law excludes women from owning land. Women rarely possess full rights over land, instead being forced to negotiate as secondary claimants through male relatives – fathers, brothers, husbands, or sons. Women usually cannot inherit the matrimonial home on the death of their husband. Formalisation of customary law often means that a piece of land with multiple users becomes the property of a single owner, usually male. For example, the Kenyan Court of Appeal ruled in 1988 that a wife's interests under customary law cease to exist once her husband becomes the formally registered owner.[96] The unpalatable option for many women is often between being a second-class citizen under customary law or being completely invisible under formal systems.

The impact of the denial of property rights affects all women. Making a living depends on having a place to live, and – depending on what you do to survive – on having some land to farm, a room to run a business from, money to pay for materials and equipment, and someone to look after the children. Yet without legal rights to own property, regardless of marital status, most women living in poverty in developing countries depend on their relationships with men to deliver

these things. Hence their livelihoods are precarious. If the relationship sours, or if the man falls ill and dies, how are they and their children to survive?

The worst affected are women in charge of households, whose numbers are rising through a combination of widowhood (due to conflict or HIV and AIDS) and family breakdown. The plight of the burgeoning number of widows is illustrated by the case of Mrs Chilala, a 78-year-old Zambian widow. Upon the death of her husband in 1990, her brother-in-law began to bury dead bodies on her land to scare her away from the area, so that he could seize her land.[97]

Conflicts over land are likely to intensify in coming decades. In the cities, booming populations will force the poorest and most marginalised into ever more unsafe and precarious places, exacerbating the gulf between the 'have homes' and the homeless. In the countryside, climate change and environmental degradation are likely to reduce the amount of fertile land available, while the advent of biofuels and other new crops will increase land prices and squeeze poor people off their farms. Ever more assertive movements of peasants, landless workers, and indigenous peoples are unlikely to back down from their demands. How states and citizens' movements deal with the pressure cooker of land conflict will play an important role in the future development of many of the world's poorest countries.

I VOTE, THEREFORE I AM

Whether in Florida, Lagos, or Nairobi, elections can be chaotic events. Over the course of a day, a single common act unites the citizens of a country, unleashing hopes and fears, unity and division, fair play and foul. Stolen or fraudulent elections can trigger instability and violence. But stand back, and perhaps the most astonishing aspect of the spread of elections, however flawed, is that they happen at all.

Governments elected by universal suffrage were perhaps the most notable political innovation of the twentieth century. In 1900, New Zealand was the only country with a government elected by all its adult citizens. By the end of the century, despite a number of severe reversals (including fascism and communism and succeeding waves of military coups against elected governments), there were ostensibly 120 electoral democracies in place (out of 192 existing countries), of which some 85 were thought to be 'full' democracies, in the sense that they provided respect for the rule of law and civil and political rights.[98]

The pace of democratisation has accelerated in recent decades. After Portugal in 1974, democracy spread first to Greece and Spain and subsequently to Latin America, where elected civilian governments replaced military rulers in nine countries between 1979 and 1985. The mid 1980s and early 1990s saw democratisation in the Philippines, South Korea, Taiwan, Bangladesh, and Nepal. The fall of the Berlin Wall in 1989 and the collapse of the Soviet Union in 1991 prompted competitive elections in most of the former Soviet bloc,

while Benin and South Africa opened the floodgates to a further wave of regime change in Africa in 1990. More than two-thirds of Africans now live in countries with democratic, multi-party election systems – and African governments took the lead in opposing an anti-democratic coup in Togo in 2005.[99]

However, much of what passes for democracy is a pale reflection of the term's etymological origins in 'people power'. In many countries, democracy exists as a thin veneer of Western concepts, a set of formal institutions that do not translate into real democratic practice or culture on the ground. Multi-party elections can provide a smoke-screen that obscures overbearing executive power, limitations on press freedom, and human rights abuses that strip democracy of its meaning.

These so-called 'exclusionary democracies' are deeply unpopular: only 10 per cent of 50,000 people polled worldwide in 1999 thought that their governments 'responded to the people's will'.[100] The indignity of political exclusion was memorably summed up by a peasant farmer in Baluchistan, Pakistan, who told researchers, 'During elections, they [the politicians] visit us individually to pocket maximum votes, but afterwards they avoid us and we feel evil-smelling. First they hug us, and later our sweat and grime repels them'.[101]

Yet poor people persist in their support for elected government over any alternative, echoing Winston Churchill's aphorism that 'democracy is the worst form of Government … except all those others that have been tried'.

DEMOCRACY AND DEVELOPMENT

Democracy is desirable in itself. An international survey in 2005 found that eight out of ten citizens in a cross-section of countries believed that democracy was the best system of government.[102] Other regional surveys found that 69 per cent of Africans and an increasing proportion of Latin Americans believe that democracy is 'always preferable' to other political systems.[103]

Such preferences are reflected in international law. Article 21 of the Universal Declaration of Human Rights grants every individual 'the right to take part in the government of his [sic] country, directly or through freely chosen representatives….The will of the people shall

be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.'

More than any other political system, democracy has a track record of promoting and protecting individual political rights and civil liberties, such as freedom of speech and association, and these in turn help to entrench democratic values and foster democratic politics, paving the way for the enjoyment of economic, social, and cultural rights. Democracy is not necessarily benign: emerging democracies in the USA, Argentina, and Australia committed something close to genocide against indigenous groups. Without a wider range of state institutions being in place (see Part 4), elections (which can seriously challenge existing power structures) can trigger violence, as in recent attempts at democratic transitions in Lebanon, Afghanistan, Kenya, and the Palestinian Authority, while elections in Algeria, Burundi, and Yugoslavia in the 1990s led directly to major civil wars.[104]

More than periodic elections, democracy is best understood as a cluster of devices and institutions, some of which point in contradictory directions, and all of which are continuing to evolve. It is the checks and balances that these different institutions –legislature, judiciary, executive, media, and civil society – exert on each other that determine the degree to which democratic regimes respect the rights of all their citizens.[105] When competitive elections are introduced in a situation of weak or non-existent institutions, as in the Democratic Republic of the Congo, it can trigger an outbreak of 'spoils politics' and political meltdown, undermining efforts to build the state.

Democracy is made possible by greater equality, and in turn promotes equality and seems to encourage governments to focus on the prosaic needs of their citizens, rather than on glory or plunder. Studies find a clear link between democracy and the greater provision of primary education. Once income effects are excluded, democracies spend 25–50 per cent more than autocracies on public goods and services.[106] Democracy also has an equalising effect on power relations between men and women. Conversely, where democracies fail to address inequalities, civic involvement and voter turnout fall.[107]

Where flawed democracies allow a majority to dominate and exclude a minority, they can also aggravate inequality.

Amartya Sen famously established that no famine has ever occurred in a functioning democracy, but any deeper link between democracy and economic well-being is much more disputed. The decades of democratisation have not produced a growth rebound – quite the contrary. In many regions, new democracies proved unexpectedly willing to introduce harsh structural adjustment measures that hurt both growth and equity.[108] The economies of democracies in Latin America and Africa have stagnated, while China, Viet Nam, Indonesia, and South Korea have taken off economically under authoritarian governments.

Because democracies require an element of consent – defeated candidates must accept their defeat – it can be more difficult for democratic governments to pursue radical change, such as redistribution through land reform, even where it is required to trigger economic take-off (as in Taiwan and South Korea). By the same token, a democratic regime is less likely to get away with the sort of radically anti-poor reforms that were implemented by the Pinochet dictatorship in Chile, when opponents such as trade unionists were killed, jailed, or exiled as part of its free market overhaul of the economy. That very inertia can be a blessing: one study found that although democracies have grown more slowly in economic terms than some non-democratic countries, they have grown more steadily over long periods, avoiding the booms and busts that invariably hit the poor hardest and ratchet up inequality.[109]

Economist Ha-Joon Chang believes that 'market and democracy clash at a fundamental level. Democracy runs on the principle of "one man (one person), one vote". The market runs on the principle of "one dollar, one vote"'. Chang points out that 'most nineteenth century liberals opposed democracy because they thought it was *not* compatible with a free market.[110] They argued that democracy would allow the poor majority to introduce policies that would exploit the rich minority (e.g. a progressive income tax, nationalisation of private property), thus destroying the incentive for wealth creation'. [111]

Perhaps he exaggerates (many liberals believe that the independence and security given by a market and property are needed to make

democracy work), but the relationship between market and democracy does more closely resemble a difficult and stormy marriage than the blissful partnership portrayed by many Northern governments.

Overall, the most plausible hypothesis is that economic growth more often prompts democracy than vice versa. For example, in South Korea, economic growth gave rise to a new, educated business elite who resented the heavy-handed involvement of the state in their affairs, a process many observers expect to be repeated in China as its middle class grows. The hypothesis, however, raises uncomfortable questions: does fighting for democracy in poor countries bring more freedom, but at the cost of less growth? And in terms of a broad understanding of development, is that acceptable? Does the search for growth justify autocratic government and the denial of rights? Since democracy appears earlier or later in different countries' development and has different impacts on poverty, inequality, and growth, the real challenge is to understand how institutions, events, geography, and politics interact to determine these outcomes.

PARLIAMENTS AND POLITICAL PARTIES

The workings of elected legislatures are often overlooked, but are essential in the construction of effective, accountable states. Historically weak 'rubber stamp' affairs in many countries, parliaments, or congresses are often unrepresentative and frequently beholden to powerful political leaders for their jobs – a surefire way to curb over-troublesome opposition. Women are notoriously under-represented, occupying only 17.1 per cent of parliamentary seats worldwide in 2007. The most equitable parliament in the world at present is Rwanda's lower house, where women hold nearly 49 per cent of the seats.[112] Legislative bodies are often starved of funds and the basic skills needed to carry out their functions, and often isolated from the civil society organisations, media, private sector, and trade unions that could help them carry out their jobs.

Parliaments have in some cases started to assert themselves, for example by providing oversight of budget processes in Tanzania, or restraining presidents from overturning the constitution to seek a third term in Nigeria. Elsewhere they have demanded the right to scrutinise loan agreements with international institutions and have

started to attract the attention of donors (among Northern government organisations, USAID has the most established track record of funding the strengthening of legislatures). Over 40 countries have also adopted quota laws to regulate the selection or election of women to political office, and the average proportion of women in national parliaments has doubled since 1995.[113]

Opinion polls show that they are almost universally despised by the public, and they are often close to invisible in the literature on development, but political parties play a vital role in linking citizens and state. Development is not only about individual freedom of choice, but also about making difficult choices at the collective level. Parties bring together and sift the constellation of public needs and desires, reconciling conflicts as they endeavour to win support from a wide selection of groups. Following an election victory, the winning party seeks to translate public desires into policy. In office, the party becomes a focus of accountability and a channel for influencing government. Social movements and poor communities lobby parties, as well as civil servants and political leaders. Indeed, parties such as Brazil's PT (Partido dos Trabalhadores, the Workers' Party) grew largely out of the country's vibrant social movements and trade unions and still retain strong links with both.

However, many political parties fail to live up to this ideal, and are mere vehicles for individuals or elites to enrich themselves or to gain power. Party politics often seems to belong in the gossip columns, with a focus on personalities – who's in, who's out, who's rifling the state's coffers – rather than on policies. Patronage politics easily fragments parties along ethnic, tribal, regional, or religious lines, as local 'big men' use state resources to buy support and power. In Malawi and Tanzania, for instance, the proliferation of parties has merely fragmented patronage politics, leading to serious political instability as rival parties vie for power.[114] New parties appear overnight, and wax or wane with the fortunes of their leaders. In other countries, dominant presidents make the increasing number of parties in parliament largely irrelevant.

Most political parties fall somewhere between these extremes, and often reflect the state of civil society and its capacity to oblige parties to offer collective rather than individual benefits. Their willingness

and ability to perform a useful democratic function rise or fall with time, as weak party systems grow stronger and strong ones crumble. Given their key role in democracy, strengthening political parties is an important step in linking citizens and states. Crucial issues include internal party democracy, transparency (for example, in the use of funds and election of leaders), and party and campaign financing – issues that are at least as pressing in the North as in the South.

No political system is fixed: state and party systems are constantly evolving, some becoming stronger and more accountable, others falling under the sway of autocrats or the spell of riches. Strengthening democracy by demanding progress in political systems (and preventing backsliding) is an essential task in the effort to build effective states, both for national citizens, and for those outsiders seeking to promote development and justice.

I STEAL, THEREFORE I AM

Poor people hate corruption. When asked what defines poverty, they frequently cite not lack of income, but their helplessness to resist demands for bribes from the police and civil servants. Such corruption generates a profound sense of powerlessness and exclusion, undermining efforts to build active citizenship.

Economically, corruption has the biggest relative impact on the poorest people. In Romania, a World Bank study showed that the poorest third of families pay 11 per cent of their income in bribes, while the richest third pay just 2 per cent.[115] Corruption is widespread in rich and poor countries alike. The US Attorney General has declared health-care fraud to be the country's 'number two crime problem' after violent crime, costing billions of dollars each year.[116] In many countries, private companies pay substantial bribes to obtain government contracts. Across the developing world, informal 'fees' are charged for water, education, and health services.[117]

Corruption is the abuse of entrusted power for private gain. Corruption for need (sometimes known as petty corruption) contrasts with corruption for greed (grand corruption). They have different impacts on poor people and on countries at large, and require different remedies.

Petty corruption includes the charging of illegal, often small, fees by service providers, and state employees failing to turn up for work. This is poor people's most direct experience of corruption in the developing world. Poverty fuels corruption, as starving people find it

difficult not to sell their votes for a bag of flour, and under-paid civil servants often fail to resist the temptation of a bribe. But attitudes and beliefs also play a role. Oxfam staff in East Africa, Indonesia, and Central America report a widespread belief in these regions that people in positions of influence should help their families and home community, a mindset that often leads to public tolerance of what elsewhere would be seen as unacceptable graft.

Poverty encourages petty corruption and, conversely, development diminishes the threat it poses. Development increases the capacity of the government to collect taxes, pay decent wages, and spend more on detecting and punishing malfeasance among officials – all of which help to make corruption less corrosive of the system. In Cambodia and the Czech Republic, salary top-ups for health workers, combined with commitments to codes of ethical good practice, led to a decline in informal bribe payments and greater access to health services for poor people.[118] Unions and professional associations play an important role as partners in developing professional standards and in engaging workers in improving services.

The huge variations between countries at similar levels of development suggest that more can be done than merely waiting for growth to help make the problem manageable. Japan exhibits similar levels of corruption to much poorer Chile, according to Transparency International's 2007 Corruption Perception Index, while Uruguay ranks well ahead of Italy, despite having only one-seventh of its income per capita.[119]

Grand corruption is different. It not only affects national budgets, as in the case of presidents Mobutu (Zaire) and Suharto (Indonesia), each of whom stole billions, but also the private sector, where 'asset stripping' by executives and owners robs industry of its ability to invest, develop, and compete. More subtly, close ties between members of socio-economic elites can lead to politicians and officials setting policies that favour their friends and family members in the private sector, rather than the economy as a whole. In sectors such as oil and gas, arms, and construction, sizable bribes are routinely paid by large firms to state officials in exchange for contracts, while numerous privatisation programmes have provided the pretext for large-scale transfers of wealth from the state to well-connected members of the elite.

THE CURSE OF WEALTH

A fundamental factor contributing to grand corruption is a country's reliance on natural resources. The great Uruguayan writer Eduardo Galeano termed it the 'curse of wealth'. Abundant deposits of oil, gas, or minerals act as poison in the bloodstream of politics, creating incentives for get-rich-quick power-mongering, rather than the long-term investment and hard slog that has underlain the success of resource-poor countries such as South Korea or Taiwan whose only economic asset was their people. In Nigeria, by contrast, $300bn in oil revenues has 'disappeared' since the 1960s,[120] leaving little tangible impact on a nation virtually devoid of paved roads, in which over 70 per cent of the population live on less than $1 a day.[121]

Natural resources can sever the 'social contract' between state and citizen. When a government can rely on royalties from oil, it need not tax citizens to raise revenue, and so need not cultivate public legitimacy but instead retains power through bribery. In such circumstances, democracy can be a double-edged sword. A study by Paul Collier of Oxford University found that, where countries have both competitive elections and 'checks and balances' in the form of free media and an independent judiciary, natural resources generally benefit the economy, because governments are forced to be more accountable and effective. However, take away the institutional checks and balances, and competitive elections seem to unleash even worse corruption and chaos, as parties jostle to get their hands on the wealth. In such countries, economic growth is even lower than under authoritarian regimes. The implications for the future of Iraq are sombre.[122]

Natural resources are not a developmental death sentence, however. The way Botswana has managed its diamond wealth stands in stark contrast with the devastation wrought by 'blood diamonds' in Angola, Sierra Leone, and the DRC, while Malaysia has graduated from tin and rubber production to microwaves and mobile phones. What matters is having, or creating, sufficiently strong and accountable institutions to cope with the money coming out of the ground.

Effective states can resist the lure of spoils politics and build long-term development based on revenue from natural resource windfalls. Norway charges an estimated 75 per cent tax rate on its oil and has

used it to build up a 'Petroleum Fund' to provide long-term financing for its welfare state even after the oil runs out. In contrast, Bolivia, which has suffered from the 'curse of wealth' for 400 years,[123] was charging just 18 per cent tax on its oil and gas when in 2003 popular unrest prompted changes of government and a new tax level of 50 per cent. Bolivia's new leaders subsequently turned to Norway for advice, and the two governments signed a co-operation agreement in 2007 to strengthen public institutions in the energy sector.

Strong citizens' organisations too can play a fundamental role. The Extractive Industries Transparency Initiative – a global effort to require oil and gas companies to publish what they pay to governments, and for governments to disclose what they receive[124] – convinced Nigeria to sign on, leading to the country's first independent audits of oil and gas revenues, which recovered an extra $1bn in tax revenue.[125] Such transparency enables civil society watchdog organisations to track revenue trails, reducing the opportunity for corruption.

Some of the best results in anti-corruption efforts have come from active citizens holding their governments to account. In India, the Right to Information movement has scored some notable successes. In Chile, groups monitor party political funding; in Malawi, citizens' groups tour schools, making sure that textbooks paid for by foreign aid actually arrive. In Uganda, a public information campaign on education spending galvanised citizens' scrutiny of government finances and substantially increased the amount of money reaching schools,[126] and an anti-corruption group named and shamed a corrupt official who had pocketed £15,000 earmarked for a road upgrade. He was arrested and forced to hand back the money. On a larger scale, bilateral aid is being used to strengthen state institutions that can address corruption, such as the police and the judiciary.

Corruption is not the central issue in development: corrupt countries can still prosper, as the history of Northern countries shows. But corruption undoubtedly squanders resources and makes it harder to build trust and dialogue between citizens and states. Conversely, attacking corruption, whether by encouraging citizen watchdogs or improving the wages and conditions of state employees, or simply by enforcing the rule of law without favour, can strengthen the combination of active citizens and effective states that lies at the heart of development.

I RULE, THEREFORE I AM

In the early 1960s, the Democratic Republic of the Congo (formerly Zaire) had a national income per capita twice that of South Korea. Both countries had hungry, illiterate populations; both received substantial US aid; both were devastated by conflict. Since then, Korea has become one of the great development success stories of recent times, transforming the lives of its people, while the DRC has slid further into economic decline and civil war. In large part, this divergence can be put down to the presence or absence of an effective, development-oriented state.

Even though in historical terms the state is a comparatively recent creation, it is hard to imagine successful development without it. States ensure the provision of health, education, water, and sanitation; they guarantee rights, security, the rule of law, and social and economic stability; they regulate, develop, and upgrade the economy. A central challenge for development is to build states that are both effective and accountable.

The state is not the only source of authority. In many countries, traditional structures of chiefs, elders, clans, and churches sit alongside formal state systems of governors and mayors, while civil society and the private sector are additional sources of power. In some places, the state's writ barely extends beyond the capital city. Nor is the nature of the state static, which is perhaps just as well, as its origins are often bloody. In the words of social historian Charles Tilly, 'war made the state and the state made war'.[127]

Over time, some states have remained mired in this world of raw power and gangsterism, more master than servant, while others have evolved through bargains struck between classes or other interest groups – for example, the right to raise taxes in exchange for defending the national territory. Bodies of law and institutions have come to act somewhat independently of interest groups, bringing rules and disciplines to the running of society, and providing the services deemed essential for development. In all countries, the state remains a work in progress, a place of constant power battles and shifting alliances where reverses are as frequent as advances in terms of redistribution of power, voice, assets, and opportunities.

Overall, the tendency has been for the state to grow. As long ago as the twelfth century, Ch'en Liang, the influential Chinese political thinker, wrote that the human heart is 'mostly self-regarding, but laws and regulations can be used to make it public-minded. This is why the prevailing trend in the world is inevitably moving towards laws and institutions'.[128] As the state's role has expanded, it has accounted for an ever greater proportion of the economy. In 1870, states typically absorbed around 11 per cent of GDP in developed countries. This rose to 28 per cent in 1960 and 42 per cent in 2006.[129]

In his novel *Nineteen Eighty-four*, written at the onset of the Cold War, George Orwell pictured a bleak future of a 'big brother state', 'a boot stamping on a human face, forever'. In fact, in the twentieth century some 170 million people were killed by their own governments, four times the number killed in wars between states.[130] Today, however, the worst deprivation and suffering often coincide with states that are weak or almost non-existent: half of all children who are out of school, and half of those dying before the age of five live in states currently defined as 'fragile'.[131]

Public recognition of the central role of the state ebbs and flows. According to Thandika Mkandawire, an eminent Malawian academic, 'The African state is today the most demonized social institution in Africa, vilified for its weaknesses, its over-extension, its interference with the smooth functioning of the markets, its repressive character, its dependence on foreign powers, its ubiquity, its absence'.[132] In the 1980s and 1990s, followers of the Washington Consensus argued that the state was part of the problem, not the solution (see Part 5). Since

the turn of the twentieth century, such market fundamentalism has subsided and, to differing degrees, aid donors and the Washington institutions have turned their attention to how to ensure that states are effective and accountable, rather than absent.

How can states best deliver development? One thing is clear. The Nobel prize-winning scientist Linus Pauling once remarked, 'The best way to have good ideas is to have lots of ideas, and then to discard the bad ones'. The same holds true for states. Successful institutions evolve out of specific national realities, and successful states evolve by doing, failing, and learning, not by importing institutions or policies from elsewhere.

Despite the widespread assumption in the North that developing countries lag behind Europe and North America along a historical continuum, the political cultures of most poor countries are anything but young. Many are based on ancient religious and cultural traditions that are reflected in their political institutions. Geoff Mulgan, who was an adviser to British Prime Minister Tony Blair, observes that while the West emphasises the structures of good government – for example, institutional checks and balances on power – other traditions from China and India have richer insights into how moral principles can be internalised in the minds of rulers and officials. Witness East Asia's strong tradition of meritocratic civil service and the cultivation of learning, both based on Confucian ideals, in part to prevent the formation of permanent elites.[133]

Many lessons can be learned from studying the most successful developing countries in recent years, 'Asian tigers' such as Taiwan, South Korea, Singapore, Malaysia, Viet Nam, China, and others. Although these countries differ hugely in size, economy, and politics, they have several common features that suggest what an economically successful state needs to do:

Govern for the future: Governments and officials in these states were intent on transforming the country, rather than merely achieving short-term results or skimming off wealth for a few individuals. Civil servants were largely selected on merit rather than because of personal or party connections.

Promote growth: All these states actively intervened in the economy, building infrastructure and directing credit and support to those industries they deemed to be 'winners'. Crucially, they were also able to drop 'losers': if companies or sectors failed to perform, the state withdrew support and let them founder. By promoting domestic savings and investment, they were able to minimise their dependence on fickle sources of foreign capital.

Start with equity: South Korea and Taiwan began their take-offs after the Second World War with 'pre-distribution' in the shape of radical land reforms, Malaysia with an affirmative action programme in favour of the economically excluded ethnic Malay population.

Integrate with the global economy, but discriminate in so doing: The tigers used trade to generate wealth, but protected fledgling industries. Governments actively promoted national firms, engaging selectively with foreign investment rather than bowing to US and European demands that they accord foreign companies the same treatment as local ones. These economic development policies are discussed in greater detail in Part 3.

Guarantee health and education for all: Development is synonymous with healthy and educated populations, not least because an industrial economy requires a skilled and fit workforce. In recent decades, many developing countries (not just in East Asia) have made enormous advances in health and education.

A study of East Asia's successes also debunks some common myths: many economies grew despite high levels of corruption; countries such as China and Viet Nam have not guaranteed Western-style 'property rights' deemed essential by the World Bank and others; and Malaysia and Viet Nam overcame the 'resource curse' of abundant mineral and agricultural wealth that is often seen as a death sentence for developing countries.

BOX 2.2
ARE EFFECTIVE STATES COMPATIBLE WITH ACTIVE CITIZENS?

The rise of strong states over the past two centuries is littered with famous names such as Napoleon (France), Cavour (Italy), Bismarck (Germany), Atatürk (Turkey), Mao Tse Tung (China), Stalin (USSR), Chiang Kai-shek (Taiwan), Jawarhalal Nehru (India), Jomo Kenyatta (Kenya), and Sukarno (Indonesia), as well as some not so famous ones like Seretse Khama of Botswana and Lázaro Cárdenas of Mexico.

These leaders inspired a sense of national pride and identity, but their fame seldom stemmed from their commitment to democracy. The most notorious among them sought to establish total state control by crushing any independent action by citizens.

Effective states in East Asia and elsewhere have typically taken off with little initial recognition of human rights or democracy, although this has often improved later on; in Latin America, active social movements and political organisations have rarely been accompanied by effective states. Are the two mutually exclusive? Or is this a case of 'selection bias' – those countries that have had both have already ceased to be poor, and so disappear from the development radar? Many of the most successful transformations in the past century, such as those of Sweden and Finland, have been triggered by social pacts within a democracy, showing what the elusive combination of active citizens and effective states can achieve. Data are limited and beset with measurement problems, but seem to suggest a positive correlation between active citizenship and effective states. Although this does not prove which came first, it at least suggests that they are not mutually incompatible.[134]

In any case, backing authoritarianism in the hope that it could deliver economic growth was never a safe bet. For every Lee Kuan Yew in Singapore or Chinese Communist Party, there have been dozens of autocrats who ignored both citizens and business leaders and drove their economies into the ground. Moreover, the authoritarian road to development is getting harder. The spread of democracy makes it much harder for today's autocrats

to achieve legitimacy, either at home or in the eyes of the international community. Widespread awareness of rights means that economic growth alone, while necessary, will not guarantee legitimacy, much less bring about the deep transformations that constitute real development.

THE POLITICS OF EFFECTIVE STATES

States reflect the history and nature of the society in question. One of the hallmarks of effective states is that they possess economic and political elites willing to participate in building the nation by investing in people, infrastructure, and production. Such elites are sometimes corrupt but confine themselves to skimming off a percentage, aware that to be sustainable, even corruption requires a flourishing economy.[135] By contrast, building effective states becomes extraordinarily difficult when elites are dominated by get-rich-quick politicians and business leaders, or by those unwilling to risk investing at home and who instead park their wealth abroad. This so-called 'national bourgeoisie question' bedevils much of Latin America and Africa.

The glue that binds powerful elites into a national project can stem from history, fear, culture, ideology, leadership, or national pride. In East Asia, war, occupation, and defeat gave rise to nationalism in Japan and communism in China, while the uprooting of existing elites and the persistence of an external threat were important in South Korea, Taiwan, and Hong Kong. Cultural traditions of paternalism and commitment to education undoubtedly helped, although their importance is often exaggerated. Culture is an endlessly malleable concept: prior to South Korea's take-off, Confucianism's respect for authority and hierarchy was held up as one explanation for its *failure* to develop. And effective states have arisen in many cultures: 'African' or 'Latin American' values cannot explain why Botswana or Uruguay were able to build effective states while others around them did not.

Successful states manage a difficult balancing act. They must keep at arm's length groups seeking to 'capture' the state for their own short-term gain, yet must remain deeply integrated into society in order to understand the needs and possibilities of the economy. This

'embedded autonomy'[136] requires a skilled civil service, based on meritocratic appointments and able to experiment and learn from its mistakes as it seeks to build the institutions – economic, social, or political – needed for development.

Where would-be developmental states have failed, it is often because such autonomy could not be maintained. In Latin America, many of the businesses that initially flourished behind tariff barriers failed to invest and increase productivity, but proved adept at lobbying governments for subsidies and continued protection. Latin American governments turned out to be ineffectual at picking winners, but the losers proved masters at picking governments.

States need *legitimacy* in the eyes of most citizens, who accept the state's right to rule in exchange for their ability to seek protection and claim rights. In this, states often resemble banks, which cocoon themselves in pompous buildings and rituals to create an illusion of solidity and to win public confidence, since without that they are remarkably fragile. In the political equivalent of a run on a bank, the astonishing collapse of communist states in Eastern Europe in the early 1990s shows what happens when such legitimacy is lost. In order to manage conflicts within society peacefully, states also need the active support of the most powerful citizens, such as business, ethnic, and religious leaders, or of regional power brokers.

Legitimacy is based on an underlying 'social contract' between state and citizen – a deal, whether explicit or not, that builds confidence and trust between citizens, businesses, and the state by establishing the rights and responsibilities of each. The state's responsibility to protect gives it the right to conscript or to impose martial law. Its responsibility for public welfare gives it the right to raise taxes. Its responsibility for justice bestows the right to arrest and imprison.

Even non-democratic regimes need to achieve a degree of legitimacy to survive over time. In Indonesia, the Suharto regime (1967–98) achieved significant legitimacy for many years, despite its military origins and authoritarian character, by ensuring the basic delivery of education and health services and paying attention to rural development.

Three revealing tests of a state's effectiveness and legitimacy are its ability to manage an impartial system of justice, raise taxes fairly, and spend revenue wisely. In recent years, state spending has been transformed by the trend towards decentralisation, which is aimed at bringing it closer to its citizens.

ACCESS TO JUSTICE

The relationship between development and institutions such as the law is double-edged. Laws are agreed by leaders and parliaments dominated by elites; Rousseau believed that 'laws are always useful to those who possess and injurious to those who have nothing'.[137] Discrimination, for example against 'non-citizens' such as migrants, or women, can be enshrined in law. In Pakistan, the evidence in court of a Muslim woman is worth half that of a man.[138]

Nevertheless, Oxfam's experience in numerous countries is that access to justice, in the shape of the law and the courts, can be a vital tool for protecting and empowering poor people. For example, enforcing legal guarantees of ownership of land or housing is a crucial issue in ensuring that poor people do not suffer arbitrary expropriation or eviction.

Across the developing world, a gulf exists between laws and practice, since poor people face difficulties in getting the judicial system to take up their cause. Information is unobtainable, the police are hostile or unhelpful (particularly to women and ethnic minorities), and judges are more likely to find in favour of their rich friends and neighbours than of 'upstart' social activists. Labyrinthine legal systems are particularly impenetrable for illiterate people, or indigenous groups without a good command of the official language. And justice costs money: 'If we look for justice in the courts, we make ourselves even poorer – we have to sell a piece of land or some of our things', explains one Guatemalan villager.

Although justice claims to be rules-based and 'blind', in practice activism is often essential to force the judicial system to respond. In South Africa, women's organisations trying to use the legal system to confront domestic violence have found that demonstrators singing and dancing outside the courthouse greatly improve their chances of success.[139]

In the face of such a systemic failure, numerous NGOs and legal aid organisations around the world fight to obtain access to justice for poor people and their organisations. Sometimes they win. In Yemen, the volunteer lawyers of the Yemeni Women's Union (YWU) provide free legal support to poor women in prisons, courts, and police stations, and in 2004–05 won the release of 450 female prisoners. An advocacy campaign mounted by the YWU also led to changes in the law, which had previously forbidden women to leave prison unless collected by a male guardian, and to the opening in 2005 of Yemen's first ever female-staffed detention centre, where women report feeling much less at risk.

TAXATION

The eighteenth-century philosopher Edmund Burke once observed that 'Revenue is the chief preoccupation of the state. Nay more it is the state.'[140] Taxation not only raises revenue for public spending to fight poverty, it can redistribute wealth and opportunities in order to diminish inequality. Taxation is also central to public accountability. As noted elsewhere in this book, until governments depend on their publics for their wages, it will always be an uphill struggle to force them to listen.

Curiously, taxation is an all but invisible issue in many poor countries, for whom tax represents a 'chicken and egg' problem. Without tax revenue, states struggle to pay civil servants, while a competent civil service is needed to collect tax. There are only about 700 taxpayers in the whole of the DRC (population 59 million), and they provide 90 per cent of domestic revenue.[141] Poorer African and Latin American countries have traditionally depended on resource revenues and taxes on imports, but the latter has declined precipitously due to trade liberalisation.

The nature of taxation is crucial if it is to effectively address inequality. Poor people spend a larger slice of their income on food, clothing, and other essentials, so taxes on income, profits, or property tend to favour redistribution more than taxes on consumption. Recent tax reforms in Latin America, prompted by World Bank advice, have increased value-added tax (VAT) and reduced more progressive taxes, while East Asia has done precisely the opposite.[142] The Bank's

logic that VAT is easier to collect, especially when many workers and properties are in the informal economy, has led to poor people paying more than their fair share. Such regressive taxation may help explain the persistence of Latin America's stark inequality – or perhaps, conversely, it points to an ongoing lack of political consensus in deeply divided societies. The shift to VAT at the behest of aid donors is likely to make taxation more visible as a political issue over the coming years, as is the growth of civil society scrutiny of government spending.

South Africa, remarkably, has maintained both a high tax take and a high proportion of socially progressive income and corporate taxation through the transition from apartheid to majority rule. The country collects over three times as much income tax as Brazil – a sign of an underlying 'culture of compliance' by business and white elites, despite the political turbulence of the past 20 years.

Chile's progressive tax system resulted from a unique pact negotiated during the transition from military to civilian rule in 1990. The civilian government held intensive discussions with a wide range of players regarding the 'social debt' owed to the many people impoverished by the economic transformations imposed under the dictatorship. The result was an agreement to increase personal and corporate income tax and VAT, with the extra revenue earmarked for greater social spending.[143]

DECENTRALISATION

In recent decades, many of the more innovative changes to state structures have occurred through a process with a deeply unenticing name: decentralisation. Under way in some 80 per cent of countries by the end of the 1990s,[144] decentralisation pushes power and decisions down from national to local levels and has become the vogue for both good and bad reasons. On the positive side, proponents argue that it brings power closer to the people, ensuring that local decisions match local needs. Less positively, some governments see decentralisation as a politically acceptable way to evade the demands of national CSOs, especially trade unions, and to reduce the size of the state.

In Southern Peru, Quique Quilla, the mayor of the rural town of Sandia, reckons that the municipality can build schools for half the

cost incurred by central government, and says that the population's new involvement and understanding of local administration has changed the nature of local politics: 'Candidates for mayor no longer come along and promise impossible marvels like in the old days – people know what is possible,' he says. Mr Quilla also worries about resources being spent on status symbols such as the impressive but largely empty sports stadia that dot Peru's hinterland rather than the less glamorous business of water, sanitation, or street lighting.

In a limited number of cases – most notably in parts of Bolivia, Brazil, and India – decentralisation has had a remarkable impact, setting in motion a process of citizen demand and government response that has resulted in more effective and accountable states. Bolivia's 1994 Popular Participation Law devolved funds and responsibilities to municipalities and set up local oversight committees of representatives from local groups. The simple decision to allocate public spending on a per capita basis led to the share of funds being channelled to the country's three largest and politically best-connected cities falling from 86 per cent to 27 per cent, and allowed indigenous organisations and others to acquire a far greater say in the workings of the state.[145]

Perhaps the best-known case of decentralised citizen participation is the Participatory Budget process in Brazil, which was developed initially in the city of Porto Alegre but then spread to some 140 Brazilian municipalities by 2000. Meetings that are open to everyone rank spending priorities and elect delegates. The results are impressive: after local communities across Porto Alegre gave top priority to water and sanitation, the number of households with access to water services increased from 80 per cent in 1989 to 98 per cent in 1996, while the proportion of the population served by the sewerage system increased from 46 per cent to 85 per cent.[146]

In India, decentralisation combined with affirmative action has led to an upsurge in women's leadership. A 1992 constitutional amendment required that at least one-third of seats in local councils (*panchayat*) be allocated to women. Around 40 per cent of the women elected have come from families below the poverty line, triggering shifts in public spending on water, community toilets, the promotion of school attendance for girls, and other essential services.[147]

However, in many other cases, decentralisation has made little difference to poor people, and in some cases may have made matters worse. Powerful local elites can hijack the process and devolve graft, rather than power. Local governments, particularly in poor areas, often have neither the money nor the technical expertise to provide quality services. Decentralisation that assigns responsibilities without matching them with resources undermines the redistributive role of national public spending and may increase inequality, as rich areas find it far easier than poor ones to raise revenue from their inhabitants.

Like other tools of development policy, decentralisation requires well-organised, confident social movements that can press for accountability and avoid co-optation by local elites, as well as government commitment and capacity to move funding and technical resources to the local level: in other words, an active citizenry and an effective state.

TRANSFORMING WEAK STATES

In many parts of the developing world, states bear little resemblance to the effective models described above. With a few notable exceptions, in sub-Saharan Africa, Central America, and Central Asia states have failed to deliver more than brief bursts of development before sliding back.

Bad governance is not a life sentence: numerous states that once would have been branded 'failing' have turned things around. Malaysia went from a post-independence meltdown of ethnic rioting to being an industrial giant. Economist Ha-Joon Chang points to his own country, South Korea, where in the 1960s government officials were sent by the World Bank to Pakistan and the Philippines to 'learn about good governance'.[148]

In Africa, Botswana showed that decolonisation and the 'curse' of massive deposits of diamonds could be turned into development success, while Mauritius has successfully diversified out of sugar dependence into textiles, finance, and tourism (see the case study on page 192). More recently, Ghana and Tanzania have strengthened their public institutions, while Rwanda, Mozambique, and Viet Nam have successfully rebuilt their economies after devastating conflicts.

In the Horn of Africa, Somaliland has demonstrated that change is possible in even the most unpromising of circumstances. After declaring independence from the conflict-ridden and collapsing state of Somalia in 1991, Somaliland has achieved remarkable internal stability based on a combination of presidential and parliamentary elections and traditional councils of elders. It has developed an innovative, community-based approach to peace-building and has harnessed interest and resources from its large international diaspora.

A recent study of efforts to rebuild African states after conflicts concluded that the prospects for stability depend fundamentally on the nature of the political coalition in power.[149] Whether or not the political settlement resolves the differences that led to war, either through real compromise or by the clear victory of one group over others, appears to be crucial. Thus clear victories in civil wars in Uganda, Ethiopia, and Rwanda ushered in periods of stability and state-building, while a negotiated settlement that excluded key parties in the Congo left a weak government. This could also apply to the cases of real compromise in the settlement of El Salvador's civil war, or to the exclusion of parties from the more recent peace agreement in Afghanistan. If this is true, it offers a lesson about how to resolve conflicts: an incomplete negotiated settlement may temporarily reduce human suffering but condemn a country to prolonged instability.

Success in state-building often depends on seizing a moment of political and social consensus after a war, an economic crisis, or a return to democracy to strengthen state institutions, through means such as galvanising the economy (Viet Nam, Mozambique), tax reform (Chile), or rewriting the national constitution (Brazil). Countries' ability to seize that moment invariably depends on domestic politics and institutions. These manage tensions, guarantee (or undermine) stability, and create (or destroy) an 'enabling environment' for businesses. Above all, they respect (or deny) rights, and reduce (or exacerbate) inequality and poverty.

None of this is easy. The German philosopher Georg Hegel described the state as a 'work of art'. As works of conscious design, the greatest constitutions and states stand comparison with the finest achievements of civilisation in visual arts, music, philosophy, or poetry.

They are the collective manifestation of the human imagination, and often surpass individual achievements in the extent to which they have transformed people's lives.[150]

The inter-relationships between active citizenship, effective states, and democracy are complex and constantly evolving. Citizen capacities are often built through state action – providing access to education, health, and information, for example. And state institutions are built, shaped, and then re-shaped through the actions of citizens thus empowered. Formal democracy may enhance the voice and power of citizens, but this depends on the nature of the democratic process: it can also exclude poor and marginal communities, and produce a sense of resignation, rather than empowerment.

FROM POVERTY TO POWER

Development is about transforming the lives and expectations of a nation's inhabitants, an ambition that goes far beyond simply increasing monetary income. Although the past 60 years have seen enormous progress, huge and urgent challenges remain in tackling injustice, inequality, and needless suffering. The starting point for this effort must be guaranteeing that all people enjoy their basic rights and the ability to exercise them (capabilities). People living in poverty must take or create power over their own lives and destinies. To develop, countries need educated, informed, and healthy citizens and a state both willing and able to provide the essential services on which their well-being depends. The state must also ensure that both the quality and quantity of economic growth meets developmental needs.

Globalisation has complex implications for the politics of building effective states. Most tangible are the increasing constraints it imposes on the economic policies that states can use, which are discussed in Part 5.

However, its political impact is more insidious. The most globally integrated segment in almost every developing country is the political and economic elite. People in this group consume more imported goods, travel more widely, and read the *Financial Times* or the *Herald Tribune*. Their children absorb international culture from MTV and the Internet, and often leave to study at European or North American universities, before returning to lead their countries. To what extent

does such integration weaken the sense of national identity and purpose that historically has played a crucial role in building effective states?

On one level this is nothing new: developing-country elites have often been bag carriers for the colonial powers, weakening their own role in building national identities. But global integration raises this to a new level. The danger is that elites across the developing world are becoming most at home shopping in Miami or mixing with the powerful in Washington, New York, or London, and less willing or able to help build development in their own countries.

If this is true, the authoritarian road to state-building is likely to prove even less effective in the future. Elites will use power to extract wealth, rather than invest it. Autocracies will look more like Myanmar than South Korea. A politics of development based on active citizens and political and economic inclusion will become more essential than ever in building the effective, accountable states that remain the key to development.

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