

FROM POVERTY TO POWER

HOW **ACTIVE** CITIZENS AND **EFFECTIVE** STATES CAN **CHANGE** THE WORLD

SUMMARY

From Poverty to Power, published by Oxfam International (2008), contributes to an urgent and fast-changing debate about development. Its analysis draws on the experience of Oxfam and the organisations it supports in more than 100 countries around the world, and on extensive discussions with numerous development professionals.

THE UNEQUAL WORLD

Ending the scourges of extreme poverty, inequality, and threatened environmental collapse is the greatest global challenge of the twenty-first century. One in six of the world's people lead lives blighted by poverty, hunger, disease, and anxiety over what tomorrow may bring. The income of the world's 500 richest billionaires exceeds that of its poorest 416 million people. Poor communities around the world are increasingly paying the price for climate change that is largely caused by the profligate carbon emissions of rich countries.

Even within countries, inequalities are grotesque. Children born into the poorest 20 per cent of households in Ghana or Senegal are two to three times more likely to die before the age of five than children born into the richest 20 per cent of households in these countries. Black Brazilians are twice as likely as white Brazilians to die a violent death, and are only one-third as likely to go to university. In the Indian states of Uttar Pradesh and Bihar, primary school enrolment for scheduled caste and scheduled tribe girls is 37 per cent, compared with 60 per cent for girls from non-scheduled castes. Among boys from non-scheduled castes, 77 per cent are enrolled. Such extremes are both morally repugnant and a criminal waste of talent and potential.

From Poverty to Power sets out a vision of women and men in communities everywhere who are equipped with education, enjoy good health, have rights, dignity, and voice – and are in charge of their own destinies. What is required to achieve that is nothing less than a global new deal – a redistribution of power, opportunities, and assets. The alternative – a world of ever-deepening gulfs between the 'haves' (in terms of wealth, technology, water, soil, carbon) and the 'have-nots', a dualistic world of insiders and outsiders – portends the needless suffering of continents, nations, and excluded groups within otherwise wealthy countries. Such a dystopia is both unstable and self-defeating, because the 'uppers' (in Robert Chambers' terminology) will spend much of their time fending off the legions of 'lowers' hammering at the gates of privilege.

ACTIVE CITIZENS AND EFFECTIVE STATES

Oxfam's experience in more than 100 countries around the world shows that the necessary redistribution can best be accomplished through a combination of active citizens and effective nation states.

Why active citizenship? Because if people are to live with dignity, and if states, firms, and others are to be held to account for their actions, it is critical that people are able to determine the course of their own lives, fighting for rights and justice in their own societies. Active citizens are an essential ingredient in making today's states work effectively to end poverty and inequality, in ways that are sustainable.

Each year, per person, the global economy churns out \$9,543 worth of goods and services – 25 times the \$365 per annum that defines the 'extreme poverty' of a billion human beings. There is more than enough to go round.

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. In Kerala, India, almost half of women who own no property report physical violence, compared with only 7 per cent who own property.

People living in the slums of Jakarta, Manila, and Nairobi pay five to ten times more per unit for water than those in high-income areas in their own cities – and more than consumers pay in London or New York.

Fifty years ago, Korea was poorer than Sudan. Today it is an industrial leader with a GDP per capita more than nine times that of Sudan.

The most equitable parliament in the world at present is Rwanda's lower house, where women hold nearly 49 per cent of the seats.

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Why effective states? Because history shows that no country has prospered without a state that can actively manage the process of development. The extraordinary transformations of countries such as China, Viet Nam, South Korea, Taiwan, Botswana, or Mauritius have been based on states that ensure health and education for all, and that actively manage the process of economic growth and transformation. 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.

AN ECONOMICS FOR THE TWENTY-FIRST CENTURY

At local, national, and global levels, poor people are intimately and increasingly connected to society via markets for the labour, goods, and services that they buy and sell. Markets can enable people to lift themselves out of poverty and transform their lives, but in too many cases the concentration of power within markets prevents the benefits of growth from ever reaching poor people. Redistributing power in markets at all levels is essential to making growth work for poor people.

Markets alone cannot meet the challenges of poverty, inequality, and environmental degradation. Effective states and active citizens must ensure the market delivers growth that benefits poor people. An economics for the twenty-first century is needed which provides tools to enable countries to achieve growth that is environmentally sustainable; which recognises the importance of unpaid work, predominantly by women; and which targets poverty and inequality. That requires a new approach to economics, which puts the rights and well-being of people and communities at its heart.

RISK AND VULNERABILITY

Living in poverty is characterised as much by anxiety as by low income. Poor people are more vulnerable than richer people, whether to personal disasters such as sickness or job loss, or at a community level, to weather events, earthquakes, or outbreaks of conflict.

Reducing vulnerability means rethinking what we mean by 'security', and how to achieve it. Instead of an approach that is primarily military, a holistic effort to reduce vulnerability should be based on supporting and strengthening the self-organisation of poor people, and providing protection, whether at state or international levels – what we term 'human security'. Effective human security includes social-protection schemes, such as pensions and basic income guarantees that act as 'shock absorbers' for poor people; broadening access to the financial system; and equipping poor families and communities to deal with natural disasters, conflicts, and other shocks. The urgency is increased by the growing impact of climate change, especially on the poorest communities.

THE INTERNATIONAL SYSTEM

The history of development success shows that the crucible of change is primarily national and local, but rich countries, societies, and corporations carry a huge responsibility. The deeply inequitable forms of global governance must be overhauled so that global phenomena such as climate change, capital flows, migration, conflict, or trade and investment are managed in ways that reduce poverty, inequality, and suffering. In other areas, powerful governments and international institutions should do *less*, recognising that effective states and active citizens are the main actors in the drama of development, and must be allowed to experiment, fail, learn, and succeed.

Rich-country governments should concentrate on putting their own houses in order, cracking down on their current harmful activities, such as the arms trade, restrictions on the free flow of people, knowledge and technology, corporate malpractice, the forced liberalisation of trade and capital markets, and grotesque levels of planet-destroying

In 1900, New Zealand was the only country with a government elected by all its adult citizens. By the end of the century, there were ostensibly 120 electoral democracies in place.

Botswana has been Africa's most enduring success story. Its GDP per capita has risen a hundredfold since independence, making it the world's fastest-growing economy for three decades.

Below a GDP of about \$20,000 per capita, people's estimates of their own life satisfaction rise steadily with income. Above that amount, the graph flatlines: higher national income does not make people feel any happier.

For every one person who dies as a result of terrorist attacks, approximately 25 women die in childbirth, 60 die in traffic accidents, and 175 children die from hunger.

Thirty years ago, almost 400 people died every day as a result of a disaster, but that number has now halved, thanks to a combination of more effective early-warning systems and better disaster preparedness at the community level.

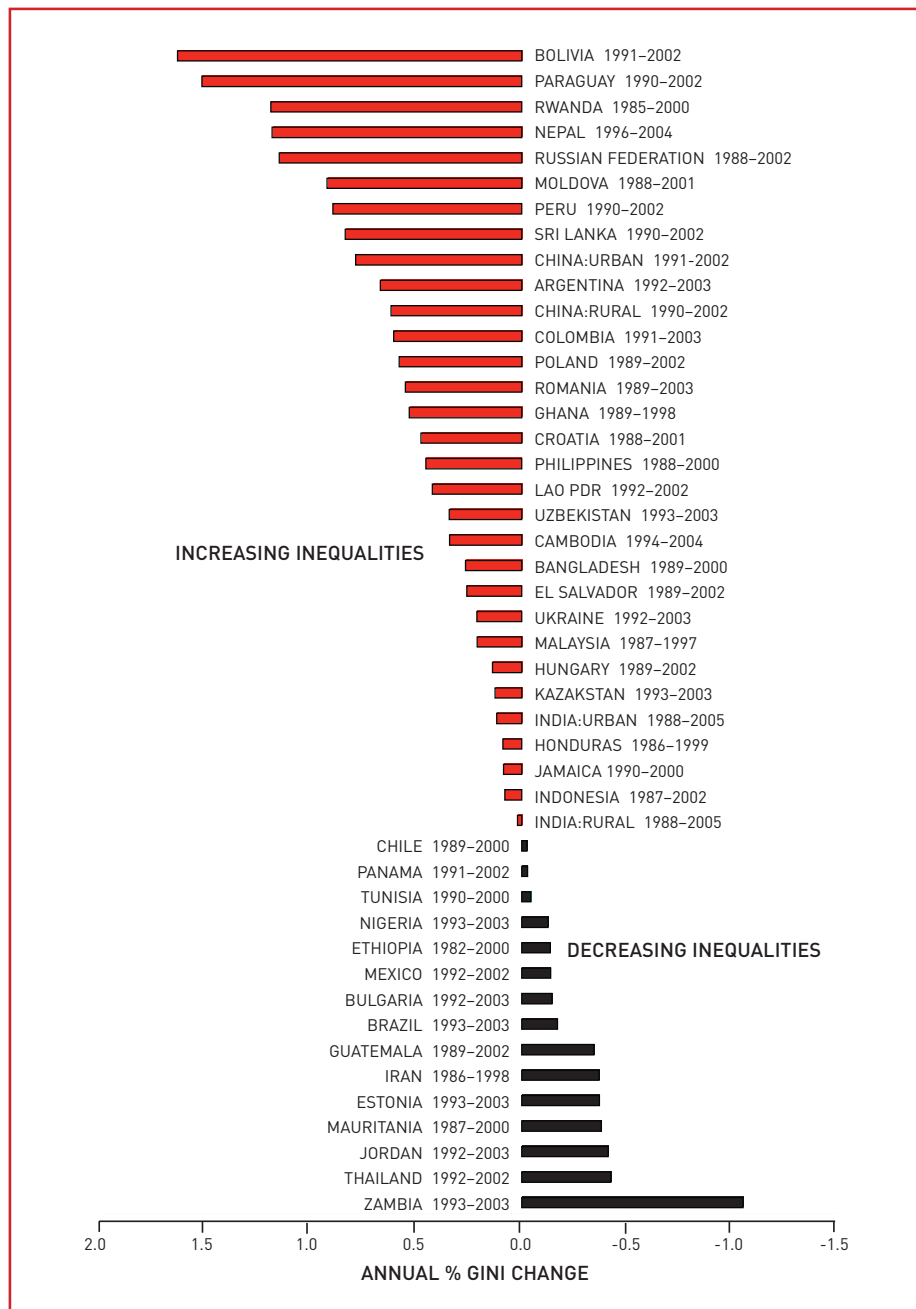
Without action now, there could be more than 150 million environmental refugees by 2050, due to the likely effects of global warming.

Poor countries are missing out on an estimated \$385bn a year (four times the volume of global aid) due to the evasion and avoidance of existing taxes.

carbon emissions. This ‘stop doing harm’ agenda should be complemented by active solidarity with the struggles of poor people and their communities within developing countries, which should include increases in both the quantity and quality of aid.

It is hard to imagine a more worthwhile cause. The fight against the scourges of poverty, inequality, and the threat of environmental collapse will define the twenty-first century, as the fight against slavery or for universal suffrage defined earlier eras. Fail, and future generations will not forgive us. Succeed, and they will wonder how the world could have tolerated such needless injustice and suffering for so long.

How inequality levels have changed in selected developing countries



Source: R. Manning (2008) ‘Reflections on “Pro-Poor Growth”’, presentation at ‘Growth and poverty reduction: Pro-poor growth or trade-off?’, 8 February 2008, Overseas Development Institute, London.

CASE STUDIES

Winning women's rights in Morocco

In 2004 the Moroccan parliament passed legislation to reform the *Moudawana* – an Islamic family code once portrayed as sacred and unalterable – to protect women from domestic injustices. As a result, women gained legal autonomy as well as greater rights in issues of marriage, divorce, custody, and family relations.

After decades of activism, the turning point came when women's groups redoubled their efforts in 2000, bringing tens of thousands of people to the streets for demonstrations in Rabat and Casablanca. The liberal King Mohammed VI responded by asking 40 female leaders of civil-society groups to meet and make recommendations, and appointing three prominent professional women to a new Royal Commission for *Moudawana* reform.

For the next few years, activists combined effective lobbying of the Commission with mass demonstrations and public-awareness campaigns. Victory not only won a better quality of life for Moroccan women, but also paved the way for further reform.

India's campaign for a National Rural Employment Guarantee

Citizens of rural India are now guaranteed a job, thanks to the National Rural Employment Guarantee Act (NREGA) of 2005. The legislation was a response to drought and rural distress in Rajasthan, where civil-society networks condemned the failure of public food-distribution and employment programmes to prevent starvation.

The success of activists in rallying civil society behind their 'Right to Food' campaign reflected the growth of rights-based approaches in India and motivated leaders of the opposition Congress Party to include an employment guarantee in their 2004 manifesto. The party's surprise victory in that year's general election resulted in a draft act, but it met with strong opposition from the Ministry of Finance.

A determined campaign by NREGA activists won substantial media coverage, and politicians supporting the Ministry were accused of being 'anti-poor'. Although compromise was inevitable, civil society's mix of political lobbying and public campaigning meant that the final text retained great potential.

South Africa's Treatment Action Campaign (TAC)

The Treatment Action Campaign (TAC) is an organisation of more than 15,000 HIV-positive people that has achieved extraordinary success in improving access to treatment in South Africa – where nearly 20 per cent of the population carries the virus.

When international pharmaceutical corporations threatened legal action to stop cheap generic drugs being imported to South Africa in 2001, TAC co-ordinated an upsurge of activism that forced them to climb down and drastically cut the prices of antiretroviral (ARV) medicines. TAC then took on the ANC government over its ARV policies, building broad alliances both within and outside government and winning a series of significant court victories.

By late 2006, TAC activism had helped generate sufficient international public condemnation to render the ANC's policies untenable, but it was above all a willingness to engage with the instruments of constitutional democracy that set TAC apart from other campaigns in its ability to win change.

A revolution for Bolivia's Chiquitano people

Twenty-five years ago, the Chiquitano people of Bolivia were living in near-feudal conditions: prevented from owning land, and working without pay for local landowners. In 2007, after years of struggle, they won legal title to the indigenous territory of Monteverde.

Change began in the 1980s when the Chiquitanos began to develop their indigenous identity. They presented their first legal demand for territory in 1995 and, over the next few years, a series of marches won the concept parliamentary recognition, helped build key national alliances, and contributed to the wave of nationwide protest that toppled the president in 2003.

Major gains for indigenous peoples followed in the municipal elections of 2005, marking a sea change in the fortunes of the Chiquitanos. In 2007 their political strategy – with its emphasis on the government's role as duty-bearer of rights and its insistence on negotiation and legal procedures – finally won victory.

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'In telling us what can be achieved by ordinary people through organized action, this book generates hope even as it enhances understanding of what is involved in the removal of poverty. The world does need hope as well as the know-how, and we have reason to be grateful for what we get from this important study of a rich collection of collaborative social action.'

Amartya Sen, Honorary Adviser, Oxfam

'Oxfam's great strength is that it channels the moral outrage that global poverty evokes into effective action based on solid research. Green's...book is a comprehensive look at development in this tradition.'

Dani Rodrik, Professor of International Political Economy,
John F. Kennedy School of Government, Harvard University

'This book is a must-have for all those interested in the provision of human security as opposed to military security. More than 1 billion people live in poverty around the world, and a great majority of them are women. This book...contributes to a better understanding of what to do to reduce global poverty.'

Bineta Diop, Executive Director, Femmes Africa Solidarité

'Green has masterfully put in one place the tools we have all been waiting for: a strong analysis of how the forces of globalization and power are affecting the world's poor, inspirational examples of how effective states and enlightened citizens are shaping a more sustainable society...and a roadmap showing...the path to a better world. This is not Green telling us what to do, it's him showing us what the best of us are doing and letting us know they lead by example, and we can join.'

Kevin P. Gallagher, Boston University and editor of *Putting Development First: The Importance of Policy Space in the WTO and IFIs*

'From Poverty to Power offers a panoramic and sophisticated view on how the world changes and how we can change it, based on a unique blend of solid academic understanding, serious activist experience, and political acumen. It deserves to be a standard reference for social activists and policy-makers as well as required reading for students in economics, politics, sociology, and development studies.'

Ha-Joon Chang, Faculty of Economics, University of Cambridge, and author of *Kicking Away the Ladder and Bad Samaritans*

'... a tour de force ... It takes us outside our comfort zones to confront inequality, injustice, discrimination, vulnerability and powerlessness, and puts redistribution back on the agenda.'

Robert Chambers, Institute of Development Studies, and author of *Whose Reality Counts? Putting the Last First*.

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FROM POVERTY TO POWER ONLINE

www.fp2p.org

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Debate: reviews, commentary, and blogs.

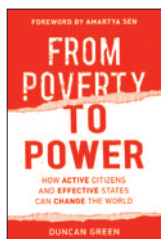
Resources for journalists: press releases, events, endorsements, commentary, and author profile.

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FROM POVERTY TO POWER:
How Active Citizens and Effective States Can Change the World
is published by
Oxfam International in 2008.

Author: Duncan Green,
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540pp • 234mm x 156mm paperback
ISBN 978-0-85598-593-6



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For further information, email publish@oxfam.org.uk



Published by Oxfam International,
Oxfam International Secretariat, Suite 20,
266 Banbury Road, Oxford OX2 7DL,
United Kingdom

Printed on 100% recycled paper