



It's time for empowerment

Madeleine Albright, former US secretary of state, argues that not just aid but ideas—*in particular the idea of legal rights*—will be crucial for reducing poverty

Every year is crucial for the 3 billion people who are entrapped by poverty. The coming 12 months will not produce a miracle solution to a problem as old as history. We must work, however, to build momentum for a sustained and multi-faceted international effort. In recent times, the anti-poverty struggle has edged its way up the global policymaking agenda. Gains were made both in 2000 and in 2005 on debt relief for the poorest countries. The G8 countries have issued ambitious statements and pledged to increase aid dollars, euros and yen.

As we have learned in decades past, however, reducing poverty requires more than declarations of resolve and an incremental increase in resources; it also demands better ideas. Here, too, there is progress. Policymakers are increasingly open to newer concepts, designed not only to alleviate the symptoms of poverty, but also to attack root causes. One such idea is being explored by the Commission on Legal Empowerment of the Poor, a UN-affiliated initiative. I co-chair the commission in partnership with Hernando de Soto, a Peruvian economist who champions the idea that the poor remain poor in part because they do not have legal rights.

As Mr de Soto points out, the majority of the world's poor live outside the protections of law—in some countries, the percentage is as high as 80% of the population. These citizens do not own the houses or apartments in which they live, have no title to the land they till, cannot prove that the livestock they feed and care for are their own, do not qualify for credit and have no legal licence to sell what they produce. Many do not possess any legal documents, even a birth certificate or proof of identity. Constantly vulnerable, they may be exploited by all who wield power, including criminals, predatory government

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officials, unscrupulous employers and single-minded developers who may want to move the poor out of the way.

Many of the people without legal rights derive only temporary benefit from conventional anti-poverty efforts. Such programmes, which remain necessary, may help the poor to become less hungry, less ill or less desperate, but not more independent. Education is an indispensable part of this, but independence also requires the empowerment of individuals, families and groups within a legal system that is not skewed to benefit the rich at the expense of the poor. There is evidence to support this principle in Argentina, where a 20-year study recently demonstrated that squatters who were given legal rights to their property decreased the size of their households, improved their housing and increased schooling for their children.

Empowering the poor to improve their own lives is an ambitious undertaking, and there is no silver bullet

at hand. The commission has organised working groups around some of the critical areas: establishing secure rights to land, property and other assets; expanding access to credit and other financial services; strengthening the rule of law through independent and transparent institutions; simplifying government bureaucracy to create a better environment for business; and fostering participatory democracy through non-governmental organisations. Each provides a piece to the solution of the poverty puzzle. Taken together, they can surely help to solve it.

On the ground in 2007

Legal empowerment will only be recognised as a useful approach to poverty reduction if it offers political leaders a viable path for implementing large-scale reforms. By design, the commission is made up of policymakers with a first-hand understanding of how laws get made and how public policy is brokered. In addition to sharing their practical experience, they are well-positioned to advocate among their peers and, in some cases, to act as a catalyst for change in their own nations. A commission member and former president, Benjamin Mkapa, who is leading a campaign in support of legal reforms in Tanzania, points out that although the macroeconomic situation in Tanzania has improved dramatically over the past decade, there has been little impact on poverty. In a country where over 90% of all businesses operate outside the legal system, he describes a disconnect between government efforts and the vast majority of Tanzanians who are excluded from participating in a market economy.

Over the coming year, the commission will be organising activities in Tanzania as well as in Indonesia, Egypt, India and Brazil. In Mexico, where a new administration is taking office, there is interest across the political spectrum in property and legal reforms—the commission will be on the ground there too. The importance of legal empowerment now also figures prominently in the strategies of organisations that have become partners of the commission, including the World Bank, the UN Development Programme, the International Labour Organisation, UN Habitat and the Inter-American Development Bank.

The goal of ending extreme poverty is vital not solely as a matter of compassion. The world economy will benefit enormously from the contributions of those who are able to move from a state of dependency to full participation. Accordingly, the commission will devote 2007 to formulating specific recommendations for making progress toward this objective. We expect to meet resistance from those content with the status quo, and close questioning from those who are sceptical or who have other ideas about how best to fight poverty. Our plan is to overcome the obstacles, shake up the complacent and study thoroughly any legitimate questions that are raised. The commission's mandate is daunting but also vital, for legal empowerment can add much to the world's arsenal in its ongoing struggle to save and enrich human lives. ■