



Legally blind: In slums like Kibera, people often lack birth certificates and titles to their land

THE POWER OF ONE

Out from the Underground. How giving the world's poor their basic legal rights can help break the cycle of despair

BY MADELEINE ALBRIGHT AND HERNANDO DE SOTO

MARGARET ATIENO OKOTH, 49, SELLS CABBAGE six days a week from a cramped stall in the teeming Toi market of Nairobi, alongside vendors hawking everything from second-hand shoes to bicycle parts. The \$2 a day she takes home allows her to send three of her 12 children to school, while her husband John seeks out odd domestic jobs in the middle-class estates within walking distance of their home. Thanks to her enterprising spirit and a community savings scheme, she can obtain small loans to keep her business going or cover the costs of a family emergency. But Margaret knows that no matter how hard she works, her family will live out their lives in a one-room tin shack with no electricity, water or sewage. They are trapped in Kibera, a squalid slum where 1 million Kenyans struggle to survive, passing poverty on from one generation to the next.

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In Kibera, and in thousands of other urban settlements around the world, poor citizens like Margaret have no legal identity: no birth certificates, legal addresses, or deeds to their shacks and market stalls. Without legal documents, they live in constant fear of being evicted by local officials or landlords. Joseph Muturi, 33, who runs a small clothing business in Toi market says, "We live with the thought that bulldozers can flatten our stalls anytime. I know that in a matter of hours all this can disappear."

We are well into the 21st century; yet roughly half the world's people live in makeshift homes in squatter settlements and work in shadow economies. In many countries, more than 80% of all homes and businesses are unregistered - in the Philippines the figure is 65%, in Tanzania, 90%. More than one-third of the developing world's GDP is generated in the underground economy, a figure that has increased steadily over the last decade.

Powerlessness and poverty go hand in hand, yet neither is inevitable. As co-chairs of the Commission on Legal Empowerment of the Poor, we believe there is a better way. The Commission, a UN-affiliated initiative made up of some two dozen world leaders, is exploring ideas to extend enforceable and fungible legal rights to impoverished people in societies across the globe. Our goal is to

bring about a consensus on what needs to be done, and to find incentives for national and local leaders to do it.

The problem is two-fold. Illiteracy is one major reason why poor people often choose not to seek the protection of local courts, since in many countries laws established under colonial rule have never been translated into local languages. When would-be entrepreneurs do set out to legally register a business, they are easily discouraged by the mass of bureaucratic red tape and costly fees. In Egypt, for example, starting a bakery takes 500 days, compliance with 315 laws, visits to 29 agencies, and the financial equivalent of 27 times the monthly minimum wage. A recent study by the Inter-American Development Bank in 12 Latin American countries found that only 8% of all enterprises are registered legally, and that close to 23 million businesses operate in the shadow economy. The proprietors of these businesses cannot get loans, enforce contracts, or expand beyond a personal network of familiar customers and partners.

As a result, the poor have no choice but to accept insecurity and instability as a way of life. But when governments grant people legal means to control their assets, they empower them to invest and plan for the future. In San Francisco Solano, a barrio outside Buenos Aires, Argentine economists studied the experience of two communities - one which received title to their land in the early 1980s, another which did not. The group of neighbors who had received legal title to their land surpassed those without them in a range of social indicators, including quality of house construction, education levels, and rates of teen pregnancy.

Our organization is visiting settlements around the world to map out practical paths for change. We are also working with partners such as Sheela Patel of Slum Dwellers International, who has helped relocate more than 23,000 households in Mumbai by organizing communities to present their demands directly to state and municipal governments. The challenge is to replicate that experience around the world - to give the poor a platform for demanding legal rights, and to hold political leaders accountable for responding. The Commission is also partnering with CIVICUS, an international alliance dedicated to strengthening citizen action throughout the world to put this vital issue on the agenda in the global fight on poverty. You can get involved by registering at www.undp.org/legalempowerment, where you can also vote on a CIVICUS poll. ■

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