



From Poverty to Power Q&As

What's the big idea?

Ending the scourges of extreme poverty, inequality, and threatened environmental collapse is the greatest global challenge of the twenty-first century. The best way to tackle these things is through a combination of active citizens and effective nation states. That means:

- the crucible of development is located within nations, not in DFID or Oxfam offices;
- to understand development we need to think much more about politics and the role of the state;
- tackling inequality requires more attention to redistribution (of power, opportunities, *and* assets).

What's the unique selling point of this book?

- It is a once-per-decade 'step back and refresh' exercise, questioning our assumptions and reflecting the whole development debate, including both humanitarian relief and long-term development. We last attempted that in 1995.
- It doesn't pretend to have all the answers – it asks questions and admits dilemmas.
- It is rooted in programme experience, with numerous real-life examples.
- It focuses on change, with eight in-depth case studies analysing positive examples of 'how change happens', ranging from an Indian fishing community to the global ban on landmines.

Is there anything new in the book?

Most of the book's contribution lies in its effort to synthesise a vast literature and Oxfam's on-the-ground experience into coherent narrative across a range of development issues, but it does cover some original ground as well. For example:

- It develops a 'how change happens' methodology and applies that to analyse a number of real-life change episodes. This includes a particular emphasis on the role of shocks (e.g. economic crises and wars) in driving change, and the implications for development.
- It argues that climate change risks dropping a 'carbon curtain' between haves and have-nots, in which access to carbon, and thus to development, is denied to poor states and communities.
- It sketches out the broad principles of a new economics that brings together orthodox, sustainability, and feminist economic schools into an approach that is better suited to real development challenges.

Are you optimistic or pessimistic?

We are optimistic: the book builds on the lessons of history and Oxfam's experience to show how active citizens and effective states have transformed millions of lives in numerous situations.

Why do you think the task is urgent?

The level of inequality and suffering is both morally unjust and a terrible economic and social waste. It can be tackled, and the world has the wealth to do it. But climate change means that we need to move the world onto a path of 'clean development' before the cost of carbon becomes prohibitive and poor countries lose out.

Why do you think fighting inequality is important?

Because extreme inequality is both wrong in itself (i.e. a form of injustice), and because inequality squanders talent and holds back economic progress. Inequality also makes growth less effective at reducing poverty – a smaller slice of the pie goes to the people who need more.

What does the focus on inequality alter in the way you see development?

An inequality 'lens' means shifting from absolute to relative indicators of well-being and progress, and a greater focus on relationships between individuals and social groups, including power and politics.

What do you mean by active citizenship? Are there any examples?

By active citizenship, we mean that combination of rights and obligations that link individuals to the state, including paying taxes, obeying laws, and exercising the full range of political, civil, and social rights. Active citizens use these rights to improve the quality of political or civic life, often through the sort of collective action that historically has allowed poor and excluded groups to make their voices heard.

Examples: The book is full of them, from Bolivia's Chiquitano Indians, who through organisation and courage moved from being semi-feudal serfs to winning the rights to a million hectares of land within a single generation, to the We Can campaign in India, which is transforming attitudes to domestic violence.

What do freedom and rights have to do with development?

The book argues strongly that poverty is about much more than income – it's about a sense of dignity and the empowerment of poor people, and that requires freedoms (political, cultural, economic) and a 'rights-based approach' to development. 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.

Don't poor people have enough to do with feeding their families, instead of getting involved in politics?

Active citizenship is a crucial part of feeding families, both in the short and long term, but it is true that such involvement carries a significant cost in time, effort and in some cases risk. The book does not see activism as a panacea, or a substitute for government action, but as a crucial way to ensure that states and markets work for development.

What do you mean by effective states? Are there any examples?

Effective states guarantee security and the rule of law, and can design and implement an effective strategy to ensure inclusive economic growth. Effective states are often known as 'developmental states'.

Examples: 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.

Aren't effective states actually more important than active citizenship, for example in East Asia?

If you think of development purely in terms of income per capita, the answer is probably yes. Effective but autocratic states have some of the most impressive records in reducing income poverty. But development is about much more than this – poverty is as much about powerlessness as lack of income, and active citizenship is a crucial way to empower and confer dignity on individuals and communities.

Caveats:

- Most autocracies do *not* achieve take off.
- As notions of democracy and human rights become more deeply rooted, the old 'benevolent dictatorship' argument is becoming less tenable – people won't accept it, so pursuing it becomes destabilising.
- Cross-country studies show that democracies tend to produce growth that is sustained for longer and less prone to the booms and bust that really hurt poor people.

Where has a combination of active citizens and effective states been successful?

Many of the most successful national 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. Overall, 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.

How would you describe China?

Despite its record on human rights, China has undeniably proved itself a remarkably effective state, lifting hundreds of millions out of income poverty over the last 30 years.

Why don't you talk about the private sector?

We do: the book stresses the importance of markets, the private sector, and trade, and underlines the role of small and medium enterprises in generating jobs and growth. But the book rejects the idea that governments should 'leave it to the market'. Where countries have successfully developed, states have always had to work overtime to ensure the market has delivered jobs and growth. Laissez faire is usually a recipe for stagnation and theft.

Doesn't the future lie with regional blocs, as the EU has shown?

The death of the state has been very exaggerated. Regional integration can play an important role, but in practice, both in the EU and more widely, it is built on effective states. Moreover, accountability to the public, a crucial part of the role of the state, is much easier to achieve at the national than the regional level (again, look at the EU!).

Isn't it global players like the World Bank or IMF (rather than nation states) that actually determine who wins and loses?

No. Although global institutions are important, the driver of development is national. But reforming global governance is important because global actors can either help or hinder development – successful take-off states such as China and Viet Nam have often had to ignore misconceived advice (and pressure) from such organisations, for example to liberalise their economies before they are ready.

Does this represent a change of direction/U-turn for Oxfam?

This book represents evolution not revolution, reflecting some of the thinking within Oxfam in recent years, for example in emphasising the importance of national politics and national change.

Shouldn't Oxfam concentrate on getting its own aid in order, instead of playing global politics?

The book is not primarily about Oxfam, but it does contain some serious self-critical discussion on the role, strengths, and weaknesses of international NGOs.

Most of our work continues to be in grassroots development and humanitarian relief, but we have decided as an organisation to invest a significant amount of effort in policy and advocacy. Experience has taught us that we need to think about overall development issues, including political, economic, and social changes, which often determine the success or otherwise of our work on the ground – to paraphrase John Donne, 'no NGO is an island, entire of itself...'.

What's more, even grassroots work requires serious reflection on the nature of development, in order to choose what to support, and how to support it.