

## INTRODUCTION

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Our new global economic order is so harsh on the global poor, then, because it is shaped in negotiations where our representatives ruthlessly exploit their vastly superior negotiating power and expertise, as well as any weakness, they may find in their counterpart negotiators, to shape each agreement for our greatest benefit. In such negotiations, the affluent states will make reciprocal concessions to one another, but rarely to the weak. The cumulative result of many such negotiations and agreements is a grossly skewed global economic order under which the lion's share of the benefits of global economic growth flows to those already better off.

— Thomas Pogge, 'Reframing Economic Security and Justice', in David Held and Anthony G. McGrew (eds) *Understanding Globalization* (2006)

If the misery of the poor be caused not by the laws of nature, but by our institutions, great is our sin.

— Charles Darwin, *The Voyage of the Beagle* (1839)

Poverty is the worst form of violence.

— Mahatma Gandhi

Anyone who watches or listens to world news is used to hearing about the problems of the poor. We are exposed to television reports about poverty at home and in other places and receive leaflets from other media sources including non-governmental organisations in their appeal campaigns. In many countries people are told about their own poverty by international campaigns or organisations trying to alleviate the poverty. Sometimes these discussions and interventions are associated with conflicts or natural disasters. Sometimes they are about the chronic poverty impacting people's lives. While the concern for poverty is part of national

political discussions in many countries, it has also become one of the main agenda items examined and tackled by the international organisations. Many of the issues, concerns and politics related to poverty have come to symbolise the global connectivity among people. An important example of this was the global campaign, Make Poverty History, in 2005 as a coalition of many civil society organisations and people across the globe.

Yet despite our awareness and even engagement in campaigns across the world, it is probably the case that one sixth of the world's population continue to live in extreme poverty – the 'bottom billion' as they are sometimes called (Collier 2007). Continued poverty has to be regarded as a failure of the world order. It is surely unacceptable that, in a world of greater affluence than ever experienced in history, so many die every year from poverty related causes.

This Yearbook asks the question: what is the role of global civil society in pressing for a fairer world order? In our first Yearbook, global civil society was defined as the 'sphere of ideas, values, institutions, organisations, networks, and individuals located *between* the family, the state, and the market and operating *beyond* the confines of national societies, polities, and economies' (Anheier, Glasius and Kaldor 2001: 17). Is this sphere in practice dominated by the ideas and values of rich countries purveyed by international NGOs and other institutions organised and funded in the global North? Are the prevailing conceptions of poverty shaped by those who have never experienced it? Worse still, is global civil society a mechanism for legitimating extremes of wealth and poverty, for 'naturalising' the continued existence of poverty? Is it an expression of the hegemony of rich states? Does it represent a form of 'governmentality', which manages inequality on behalf the rich? Or alternatively does it offer a potential platform for the voices of the poor?

In an effort to address these questions, this Yearbook takes the Indian context as the lens through which to investigate these issues. Roughly a quarter of the world's poor people live in India where they form the



**Table I.1: The global debate about globalisation and poverty**

Positions on globalisation	Supporters Favour all forms of globalisation – free flows of capital, goods and labour, extension of international law.	Regressives Favour globalisation when it benefits the rich or particular groups. Tend to support free flows of capital and goods but oppose the free movement of labour or the extension of international law.	Rejectionists Oppose all forms of globalisation.	Reformers Favour globalisation when it benefits the majority, including the poor. Support the extension of international law and global regulation. Same
Definition of poverty	Poverty as income, less than USD 1 a day	Same	Poverty as inequality	Poverty as a bundle of goods or as lack of capabilities
Poverty discourses	Globalisation helps pull millions out of poverty. Poverty is explained by local conditions –backwardness, poor governance, the poor themselves. The greater the access to all forms of global markets, the more that poverty will fall. If poverty persists, it is because there is not enough globalisation, there should be free movement of labour, for example, as well as trade and capital.	Similar to Supporters but do not necessarily favour more globalisation.	Globalisation has produced extremes of wealth and poverty. Poverty can only be reduced by strengthening the state and insulating local situations from the vagaries of the global market.	Globalisation pulls people out of poverty but also produces new inequalities and insecurities. Globalisation needs to be regulated so that its benefits can be preserved and its negative aspects adjusted, including reform of global institutions, global redistribution and global policies for sustainability.

bulk of the population belonging to Dalits (traditionally lower castes), and Tribes (*Adivasi*). Although poverty has progressively declined since Independence, India still harbours roughly speaking around 240 million people living below the infamous ‘poverty line’. In contrast to Western developed societies, the poverty line in India is defined in terms of absolute poverty (access to sufficient food energy for biological survival) that focuses on a ‘minimum level of living rather than “reasonable level of living”’ (Ramakrishna 2004:1). Also, chronic hunger is systemic and violence against poor people is pervasive in many parts of India. More importantly, rising inequality has exacerbated the conditions of the poor in India.

In order to encompass the global-local nexus, this Yearbook was produced collaboratively with the Tata Institute of Social Studies in Mumbai. Chapters that focus on India, and are written by Indian authors, alternate with chapters that deal with general global concerns. It is through the global-local interchange that some answers begin to take shape; and the hope that poverty may be ultimately eradicated begins to transcend national boundaries, cultural barriers, and

ethnic prejudices.

Perhaps the most important proposition that emerges from these pages is the idea, which seems obvious when it is explicitly articulated, that poverty is not an abstract concept. It is not a natural or passive state, resulting from backwardness or lack of engagement with modernity and globalisation. Poor people are not a single entity, categorised under the label ‘poor’ and defined in terms of bundles of goods or money. In these pages poor people are tribals (indigenous people), dalits, sex workers, homeless migrants, street vendors, squatters, bonded labourers, displaced people, eunuchs, construction workers, riot-affected people, excluded diasporic citizens, refugees, street children, and slum dwellers. They lack the resources, opportunities and participatory avenues in collective-decision making that would enable them to overcome their poverty. Their poverty is reproduced over and over again through obstacles actually constructed as a consequence of modernity; they are the victims not of a state of poverty but of an ongoing process of impoverishment.

Indeed this edition can be read as an unsolved





'whodunit'. In the standard global story, the accused are the victims rather than the perpetrators. The job of global civil society is often defined in terms of helping the victims rather than identifying the perpetrators. In the story that is written in World Bank reports, the Millennium Development Goals (MDGs) and even campaigns like Make Poverty History, the problem is identified largely in terms of charity – helping the poor to overcome the state in which they have been born rather than hunting down and analysing the deep rooted institutional impediments to overcoming poverty – identifying 'the criminals'.

In this Introduction, we start by reflecting on the conventional debates about poverty in the global arena and argue that these debates largely reflect the perspective of Western industrial countries. In the second section, we reconceptualise global civil society as global politics from below. We investigate the idea of poverty as agency – the importance of framing the challenge of poverty from the perspective of those who are poor. This contradicts a standard wisdom in democratic political theory that 'poor people make poor democracy'. It is true that democracy in the developing world has failed to eradicate poverty, but discourses and experiences from India prove convincingly that the poor neither lack associational skills nor democratic temperament (Varshney 1999). In fact, the poor use democracy not only to improve their life chances but also to acquire the status of 'free, equal and sovereign people' on their own terms. In the final section, we summarise some of the conclusions that are reached in the chapters of this edition.

### Debating poverty in a global context

A brief look at the international debates on poverty would cover among other issues Human Development Reports, MDGs, the World Bank's poverty reduction initiatives, many bilateral donor agencies' policies on social exclusion and poverty alleviation, and the work of many international NGOs on poverty-related problems, such as the lack of education, health, housing and water, and children's needs. Each intervention in these areas comes with a discussion on poverty that leads to appropriate policies. In these discussions one can observe several shared basic narratives. One of them is to consider income poverty as the most relevant way to frame the discussion. For instance the World Bank uses one dollar a day as the poverty line. People falling under this level of income are considered to be poor.

Another way of thinking about poverty can be seen in the annual Human Development Report based on the index with the same name. Here a list of reference points are used to measure whether people have access to a bundle of goods and services that will allow them not to be poor and to achieve their own ends. This is done at the national aggregate level to understand poverty in a given country. The approach is linked with Amartya Sen's work on capabilities (Alkire 2002). Many of these discussions relate to the various measures of poverty and are discussed by Sally Stares in chapter 2 of this volume. It is sufficient here to say that each measurement constructs poverty in a different manner. In doing so, they also frame the nature of the poor in different ways. That is to say they conceptualise what poverty is, from a particular perspective. These definitions label groups as the *poor* to be targeted by policies. Policies are then implemented and people who are targeted will engage with them.

The ways in which poverty is defined and measured also contain implicit assumptions about the causes of poverty. In previous editions of the Yearbook, we outlined different positions on globalisation that can be identified within a global civil society debate (Anheier, Glasius and Kaldor 2001: 7–10; Kaldor, Anheier and Glasius 2003: 5–7). If we define globalisation as interconnectedness, then the different positions are related to the degree and types of interconnectedness. Thus what we called 'Supporters' of globalisation favour all forms of interconnectedness – capital, trade, labour as well as the extension of an international rule of law and respect for human rights. What we called the 'Rejectionists' oppose all forms of globalisation. In practise, most positions fall between Supporters and Rejectionists. The 'Regressive Globalisers' tend to favour interconnectedness when it benefits the minority. Thus typically, neo-liberals or fundamentalists favour the free movement of trade and capital but oppose the movement of labour or the extension of international law. And the Reformists favour globalisation when it benefits the majority. They are more likely to support regulation of capital flows, freer migration, and the extension of international law.

These positions are reflected in the debate on poverty (see Table I.1). Typically, Supporters and also Regressives will emphasise the fact globalisation has pulled millions of people out of poverty and has the potential to do more (see Box I.1). Thus more free trade, more foreign investment and perhaps even more



## Box I.1: Globalisation and poverty

A fierce argument is taking place about the effects of globalisation. Critics have said that it has led to the rich becoming richer and the poor poorer. If one examines this argument further it may mean that the level and incidence of poverty have increased, either in terms of the number of countries with falling per capita income or the number of people with income below some agreed poverty line. It can also mean that the degree of income inequality has gone up, again either in terms of countries' per capita income levels or in terms of personal incomes.

I shall take globalisation to have begun in the late 1970s after the two oil shocks which forced rich countries to abandon capital controls and fixed exchange rates. It received a big boost in the 1990s with the demise of the USSR, which was an alternative to capitalism until then. I shall also concentrate on poverty rather than inequality. Poverty can be measured either in poverty levels specific to each country or as an overall measure such a dollar a day (with purchasing-power parity) as the World Bank does. (I confine myself to the headcount ratio and do not explore the larger set of Amartya Sen's measures, such as the Sen index.) There is a contrast between these two measures. As Martin Ravallion at the World Bank has shown in extensive research over a number of years, taking each country as a person, there has been a deterioration in terms of the number of countries whose per capita income has gone down both absolutely and relatively to the income of the growing countries. But in terms of population the number of people quitting poverty has gone up. Indeed the nearly three decades of globalisation since 1980 have seen the largest reduction of the number of people in poverty ever in human history.

This contrast is explained by the fact that highly populated countries mainly in Asia have gained from liberalisation, which has been a feature of globalisation. The Asian Tigers – Hong Kong, Singapore, Taiwan and South Korea – were early movers in this high performance league; they were followed by Indonesia, Thailand, Malaysia and the Philippines. Later still in the 1990s China and India became the main big performers in this respect. Both by their country-specific poverty standard and by the World Bank dollar-a-day standard, poverty levels as headcount ratios have declined in the last 20 years, which can be said to have coincided with globalisation. For India the results have been dramatic. At the beginning of the 1990s, in terms of its own poverty measure consistently used since 1971, India's headcount ratio was 38 per cent. During the course of the 1990s it came down to 27 per cent and then in 2004 to 21 per cent. Since the measure is based on the National Sample Survey, which is the common agency throughout, and all the measurement methods are much debated, the result is a pretty robust one. It would amount to about 250 million people being removed from poverty. China's story is similar, though its reduction in poverty starts before globalisation and continues afterwards.

By contrast, the countries of sub-Saharan (SS) Africa have done much worse. A number of them has faced falling per capita incomes and state failure, famines and civil war. While the twenty-first century has seen some improvement, the negative image of globalisation has much to do with the falling real per capita incomes across SS Africa. Over the period 1975–94, SS Africa had a GDP growth rate of 0.13 per cent in 1975–84, and minus 0.23 per cent in 1985–94. It speeded up in the 1995–2005 decade to 1.88 per cent. Its overall growth rate in 1975–2005 was 0.70 per cent, low compared with Asia (Arbache and Page 2008).

### Why?

Why has Asia succeeded in lowering poverty levels while, broadly speaking, SS Africa has failed? What is it about globalisation that may have contrasting effects? Poverty levels are sensitive to employment opportunities, and wages earned are roughly proportional to labour productivity. Historically, poor countries of Asia have been labour abundant and capital poor. They also have land scarcity. Globalisation has increased capital availability in capital-scarce countries and provided manufacturing jobs for low-productivity rural labour. In agriculture, the availability of biological and chemical innovations (the Green Revolution) has enhanced productivity per acre and per worker. Fertilisers have become cheaper as a result of more open trade across the world. Also, markets have opened up in rich countries for the exports of poor countries thanks to GATT and then since 1994 the World Trade Organization (WTO). This has not happened as fast as it should, nor without a lot of give and take, but it has improved the export opportunities of the poor countries.

Availability of private capital was enhanced with globalisation, and flows of capital from the rich to the poor countries on private account reached previously unknown levels. In Asia, especially East Asia, there had been prior investment in education and health, and land reforms in South Korea and Taiwan which improved the savings capacity of poor farmers. Thus the agricultural sector could spare surplus labour, which migrated to urban manufacturing employment, thereby raising income levels in both rural and urban areas. This is

the classic Lewis model, but with greater availability of capital from outside. In the absence of globalisation, such capital has to be generated internally and can be done either by forced transfer, as in the Soviet Union's experiment in the 1930s, or from domestic savings extracted by fiscal and monetary devices. But capital transfer was not sufficient. There were additional forces released by globalisation which also helped. Globalisation had its origins in the revolution in communications (Communications Satellite Corporation, COMSAT), transport (container ships) and information technology (computer-aided design and management). These three elements made it possible for manufacturing to be relocated from the labour-scarce, capital-abundant North and West to the labour-rich and capital-scarce South and East. The IT techniques allowed fragmentation of the production process across many territories, and so the low value-added labour-intensive processes could be carried out in the poorer countries, while the R&D and capital-intensive, high value-added processes could be performed in the richer countries. Outsourcing is another example in the services sector which has become possible because of IT and cheap telephony thanks to COMSAT.

These transfers of industry from North to South have required an adequate level of education in the recipient country; and here East and South-East Asian countries have been exemplary, though South Asia has lagged behind with the well-known exception of Sri Lanka. There have to be policies which guarantee private property rights and a minimal infrastructure. All this requires domestic investment and good governance. Asian countries which have benefited from globalisation had these facilitating policies in place.

Sub-Saharan African countries, by contrast, are not labour-rich and land-poor compared with Asian countries. They have a favourable land-labour ratio and thus, paradoxical as it may sound, high real wages. They have been primary-commodity or natural-resource producing countries. These commodities have over the last three decades, except until very recently, suffered a negative price trend both absolutely and relatively to manufacturing. The natural-resource extractive activities are also not very labour-intensive. SS Africa has not enjoyed an infusion of capital, as Asia has done, because large-scale manufacturing is not profitable with relatively scarce labour and poor infrastructure.

The results are stark in terms of the headcount ratio as measured by the dollar-a-day criterion. In the Human Development Report 2004, for Asia, poverty levels are recorded as zero or below 2.5 per cent in Hong Kong, South Korea, Malaysia, Thailand; below 10 per cent in Indonesia, Sri Lanka; below 20 per cent in China, the Philippines, Viet Nam, Pakistan; and above 20 per cent in India, Laos. By contrast, in sub-Saharan Africa, South Africa is the only country under 10 per cent; Tanzania, Cameroon, and Côte d'Ivoire are the only three under 20 per cent; and Lesotho Zimbabwe, Kenya, Madagascar, Nigeria, Mauritania, Gambia, Senegal, Rwanda, Zambia, Ghana, Malawi, CAR, Ethiopia, Mozambique, Burundi, Mali, Burkina Faso, Niger and Sierra Leone are all above (UNDP 2004).

A counter-effect of the shift of low-tech manufacturing to Asia has been the erosion of employment and wage growth in rich countries. Here labour scarcity had redounded to the benefit of low-skill, manual workers for the three decades after 1945. With trade and freer capital movements, the labour scarcity was relatively relaxed, and cheaper labour in Asia replaced the labour in the North and West. This has seen a decline in manufacturing employment (and also a drop in unionisation) and a shift of employment to service industries which favour high literacy and numerical skills. Thus, the core manufacturing workers have suffered wage erosion or, worse, unemployability. This has led to some increase in poverty in the rich countries. Here the answer is to reskill the workers and to improve the welfare state incentives to work rather than to stay at home.

Thus, globalisation has enabled some labour-rich countries to take advantage of the freer capital movements, larger markets and the new opportunities opened by technological change, such as outsourcing. But the previously secure workers in rich countries have lost out, and the many labour-scarce poor countries in sub-Saharan Africa have suffered stagnation if not decline.

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labour migration will be the solution to the world's poor. The relative failure of Africa compared with China and India is explained by the fact that Africa has not been integrated into the global market.

The Supporters and the Regressives tend to assume that poverty is caused by local conditions, that it is a consequence of backwardness, poor governance or rigid institutions that are inimical to wealth-creating processes. Globalisation, so the argument goes, has the potential to allow these peripheral areas to 'catch up', to gain the benefits of global growth. The Globalisers, under the pressure of poverty campaigns, have taken on board the need to reduce or eradicate poverty. But their solution is pro-poor growth, which focuses on the obstacles to global integration in poor countries – better governance, ending corruption, supporting education.

On the other hand, Rejectionists will argue the opposite. The liberalisation of economies like India and China has greatly increased inequality and has not reduced poverty in absolute terms. Those that have left the countryside to work in cities live on the margins of poverty and face daily insecurity (physical, material and cultural). In contrast to the Supporters, the Rejectionists tend to blame poverty on the impact of globalisation. Implicit in their argument is a romantic view of the past – that things were somehow better when untainted by the impact of the global market and such phenomena as liberalisation or privatisation. The Rejectionists tend to assume that the state is benign and that a more protectionist world will lead to greater welfare for the poor.

These positions have assumed greater salience in the context of the financial crisis. The faith in markets has been severely shaken by the tremors of the American sub-prime mortgage crisis. Those very same people newly pulled out of poverty by the growth of global markets are the first to feel the impact of a global slowdown and the ones least able to withstand the loss of jobs or income.

The Reformist position has the greatest potential to combine global and local explanations of poverty. Reformists would tend to argue that globalisation cannot be reversed; the challenge is how to regulate globalisation in such a way as to maximise local potential. Like the Rejectionists, the Reformers are preoccupied with inequality that is associated with globalisation. Unlike the Reformers, however, they do not see the solution in terms of the state even though they share the

concern with good governance. One Reformist strand in recent years has been the discussions of the right to development (Uvin 2004; Hickey and Bracking 2005; Glasius 2006). These are broadly based on international human rights debates and also on a growing unease about the poverty approaches mentioned above. The main contribution of these discussions has been to support what can be considered as the 'participation turn' in development (Chambers 1993; 1997). In the last two decades participatory development has by and large been the established critique of conventional thinking on development interventions targeting poverty (Cooke and Kothari 2001). Many NGOs attempt to work with human rights approaches to development and make participation a central concern of their work. It is seen as imperative to bring people's views and voices to discussions.

Another Reformist strand focuses on the global level. In addition to inequality, the Reformers also emphasise the problem of sustainability. They argue that underlying the current financial crisis is a real structural crisis, which is a consequence of the under-consumption of the poor and the dependence of growth on carbons. This structural crisis has constrained the possibility for productive growth and allowed financial risk-tasking as a way of masking global economic troubles. The solution for these thinkers, since they are also optimists, is global cooperation on poverty and the environment, including the reform of global institutions to make them more accountable to the poor, better global regulation, and massive global redistribution.

### Methodological nationalism or explanatory nationalism

All sides of the argument tend to start from what, in these pages has been described as 'methodological nationalism' (Beck 2003) and what Thomas Pogge (2002) calls 'explanatory nationalism'. Methodological nationalism is associated with the general approach that defines poverty in terms of income or basic bundles of goods and their provision, and publishes estimates of poverty in national league tables. Thus poverty is a measurable, nationally comparable condition, understood as the absence of 'minimum, nutritionally adequate diet plus essential non-food requirements' (UNDP 1996: 222) or 'shortage of income'. Perhaps because international NGOs find themselves having to engage with international organisations of global reach, they are drawn into a shared discourse, which tends to conceptualise the poor in a homogenous manner across





different nationally defined societies and fail to see poverty as 'powerlessness and unfreedom of various sorts' at both global and local levels (Sen 2008).

For Supporters and Regressives, poverty, though a global phenomenon, is blamed on localised conditions, the poor themselves, or the country in which they live. According to Pogge 'explanations by reference solely to national factors and international differences leave important questions open. They leave open why national factors (institutions, officials, policies, culture, climate, and natural environment, level of technical and economic development) have these effects rather than others...' (2002: 140). The popularity of explanatory nationalism has indeed distorted our thinking and analysis of global poverty. Pogge convincingly argues that 'it makes us look at poverty as a problem whose root causes and solutions are domestic - it refuses to see any causal links between global factors and the incidence of poverty in local' (2002: 142). In other words, explanatory nationalism exonerates dominant global order and 'traces present human misery to bad national policies and institutions in the poor countries' (2002: 143). This dangerously seductive optical, analytical and methodological illusion that local factors alone are responsible for perpetuating or for overcoming poverty has not only resulted in legitimising poverty within the nation state but also absolved rich developed countries of any moral and political responsibility in creating the conditions for global poverty. In this framework of nationalist imagination, the violent history of colonialism and imperialism is completely erased as marker and maker of poverty.

On the other hand, Rejectionists also suffer from methodological nationalism since they regard the solution as only possible within the framework of the nation state. They represent the other side of the coin. For Supporters and Regressives, national conditions are the cause and the solution is global, while the Rejectionists see globalisation as the cause and the solution as national.

Only the Reformist strand has the potential to overcome methodological nationalism. Normatively inspired by 'moral institutional cosmopolitanism' and politically galvanised by emerging global civil society activism in the sphere of human rights, Thomas Pogge shares the Rejectionist view that poverty is not caused by particular national history and culture but by the existence of a deeply iniquitous, exploitative and violent global order in which national governments partner with

international and supranational institutions like the UN, WTO, World Bank, IMF etc. in perpetuating poverty and the 'uncompensated exclusion' of the poor from the gains of shared institutional and natural resources (Pogge 2002: 199–203). But, at the same time, he refuses the national solution. Globalisation of the state, civil society and market has made human lives so interconnected and also deterritorialised that we must now aspire for a universal criterion of justice in which the poor are seen global citizens transcending the barriers of nation states - any anti-poverty measures can no longer be confined to particularistic notions of history, culture, geo-political context, or development stage. Critical of so-called 'embedded liberalism' in the global order and 'free market evangelicals', Pogge comes down heavily on the rich, developed Western countries for pursuing self-interested economic and foreign policies that have resulted in the current 'global order' in which those nations pursue protectionist economic policies at home, ruthlessly exploit overseas unprotected free markets, and inflict untold misery on the poor in the developing countries.

The origins of explanatory nationalism lie in the way the story of the rise of the West is told. It recapitulates how poverty has been portrayed and how this portrayal affects our perception of poverty today.

### A brief history of poverty

The concept of poverty and the designation of people as *the poor* are social constructs. They are relative and comparative terms. The idea of the poverty is an attempt to capture the state of lack that people or groups experience in a society. Considering this 'lack' requires reflection on what matters as resources for everyday life. Furthermore, the designation of people or groups as *the poor* because of this lack is also a representation of those who do not experience the absence of these resources. Such discussions about poverty and the poor take place within the existing power dynamics of a given society, and give momentum to the regulation of social relations. By looking at the construction of the concept of poverty as a part of a social process it is possible to contextualise and historicise how the idea of poverty has been defined. This is not just abstract thinking. How poverty is articulated and the poor are defined and confined has direct implications for those designated as such because the concept becomes a categorical ground for distributing resources. There is no doubt that the relationships described here are political: the ways





in which poverty is defined, who participates in those processes, and whether those who are designated as poor have a voice in these, all matter.

There are many reference points for understanding what poverty was and who the poor were in the past. To understand how we now think about these issues in modern Western societies this section describes three periods in which perceptions of poverty shifted significantly. These discourses on poverty have also influenced current concerns about poverty in the global context, a matter that will be returned to.

As far back as the ancient Greek and Platonic discussions about the role of various professions in the ideal society, it is possible to find that the designation of certain groups with limited capacity, for instance in the case of Plato the shoemaker, functioned as a modality to think about social relations and order in society (Rancière 2004). However, a very important change took place in Europe during the sixteenth and seventeenth centuries that has considerable relevance for contemporary understandings of poverty. According to Michel Foucault's analysis, two interrelated changes gradually took place over a few centuries. European societies were experiencing religious change, the Reformation, and political change, the Westphalian peace, which established the primacy of political sovereignty, authority and the interests of a ruler within a territorially bounded polity. Foucault argues that the new approach did not consider poverty as the 'glorification of pain nor of salvation proper both to charity and to Poverty, but concerned rather the idea of civic duty, and showed the poor and destitute to be both a consequence of disorder and an obstacle to order. The aim therefore was no longer to glorify poverty in the act of relieving it but quite simply to dispose of it altogether' (2006: 57).

The change observed here is that of the move from the religious construction of poverty as experience, to a morality linking concern for poor people with the socio-political order within the newly constructed territorial political spheres. Foucault considers the development of confinement in particular institutions, such as workhouses, where the poor were obliged to live, as a reflection of this change. While they functioned to secularise poverty he points out that these spaces were for 'the moral punishment of poverty' (2006: 57). He further links changes in the social organisation of societies and attitudes towards the poor with the early seeds of industrialisation where labour becomes an

important consideration. The process of secularisation and interlinked confinement established an associated moral segregation, which allowed the labour from these institutions to be used for the larger good, while distancing the poor from the rest of society. In this way poverty gradually became associated with idleness and unemployment that if left uncontrolled, could challenge the political order. Thus, tapping into the labour of those confined in institutions emerged as a way of dealing with poverty.

Foucault argues that towards mid-seventeenth century confinement was no longer merely about removing the unemployed to contain possible disorder, but it was also about 'giving them work which serve[d] the interests and prosperity of all' (2006: 66; also see 72). He observes that in the initial focus labour was considered as a 'general remedy[,] an infallible panacea that solves all forms of poverty' and from the positions of the rich it was considered within the moral idiom of the 'enchantment of participating' in the work. In other words the rich considered the poor's work to be its own reward.

The idea of labour as a productive force and the position of workers in shaping the nature of social relations became an important issue in challenges to the social order with the industrial revolution and emergence of the working class in the eighteenth and nineteenth centuries. Jacques Rancière argues that in this social struggle, it is possible to see that organisational forms of representation, in this case the party, become the voice of the workers. Here two important steps are observed: the construction of the being-a-worker as a group identity and then its representation as a multitude by an organisational agency in which the position of people who are seen as workers is ambiguous. In this ambiguity, the voices of the workers, their actual experiences and needs, seem to disappear. Working conditions are perceived as limiting the worker's time to reflect and space to act. Rancière argues that 'what would speak in the worker whom one could always question would be only the absence of the worker. But they do not speak in any case. They do not have time. They are too tired' (2004: 137). Thus, the party assumes this role on behalf of the workers.

In this analysis the changing locus of the authority framing the discussion of poverty is important. In the European case it shows how the negotiations between two political poles, the church and the state, influenced the ways in which poverty were considered. Increasingly





poverty was considered in the context of state interests, and the interests of the poor were subsumed by concerns for order. In this process the poor are increasingly defined from the outside as a group. In the end, various political actors including those who could be considered within civil society, for instance the church and later the trade unions, not only claim rights to define poverty but the right to speak for the poor.

John Kenneth Galbraith's *The Affluent Society* offers another important reference point for looking at the way we think about poverty. He is concerned about the state of poverty when the overall wealth of society has increased. He argues that with increased economic output society managed 'to reduce poverty from the problem of a majority to that of a minority' (1998: 235). Galbraith's concerns about poverty refer to a lack of food, clothing, shelter and health, a basket of goods which is taken to be basic by the majority. He argues that 'people are poverty-stricken when their income, even if adequate to survive, falls radically behind that of the community. Then they cannot have what the larger community regards as the minimum necessary for decency' (1998: 235). This provides us with several important points, not only that basic needs may differ between communities, but also that the amount required for a decent life can differ. Furthermore, the distinction between decent life and income to have access to basic needs is important. It points to the fact there are other determinants of poverty than limited income, and that even with income people can still be poor. Galbraith's argument, which first appeared in 1958, is very interesting in its analysis of poverty as an outcome of dynamic social alienation depending on an individual's environment - what today might be called *social exclusion*. His focus on the political alienation of the poor once they are in the minority points to a central problem. He argues that 'the modern liberal politician regularly aligns himself not with the poverty-ridden members of the community but with the far more numerous people who enjoy the far more affluent income of (say) the modern trade union member or the intellectual' (1998: 238). He adds that 'Reform now concerns itself with the needs of people who are relatively well-to-do' (1998: 239). The argument has important implications for the analysis of civil society activism that emerged in relation to work and other issues. If we consider that civil society activism has had the capacity to negotiate its claims with the political authority in a given context, we need to consider whose

voices are heard within civil society processes and within the relations between political authority and civil society. This relies on audibility by the majority, or at least by opinion leaders. It is not clear that all voices can be heard.

These different perspectives illustrate how changing Western societies rearticulated poverty from various angles. Foucault shows how political space began to form in a particular way, within which poverty was marked by both economic and moral concerns. In this period's redefinition of the poor, their role and characteristics, socio-political negotiation among various political actors was taking place – today we might call these actors the private sector, the state and civil society. Galbraith's thinking offers reflections on the reach of these negotiations and their outcome in the twentieth century. His narrative highlights another instance of the earlier process, that is, the fact that poverty is considered as the problem of the people who are seen as the poor (see also Green and Hulme 2005). This observation is of course linked with the transformations discussed by Foucault. Once poverty is located as the problem of the poor due to their own nature, it presents itself as a technical problem to be tackled rather than as a political problem which would involve the entire society. This is a politicisation of the poor's conditions from the position of the powerful in society (Bebbington 2007: 794). Furthermore, once the behaviour of the poor is positioned according to its implications for overall social order, a moral responsibility is put on the poor to *correct* their situation. However, the position of society overall in relation to the poor remains ambiguous.

### Poverty as a global concern

The construction of poverty with a global scope can be viewed as a metaphor for the way poverty is seen from the cognitive domain of the industrialised countries (Seckinelgin 2002). Poverty becomes a problem that can be dealt with by technical interventions rather than being considered as a question of socio-political negotiation both in a given context and at the level of global power/resource relations, and this assumption tends to be accepted by all those who engage in the global debate. Even among the Reformists, the homogenisation of the poor constitutes a form of instrumentalisation, transforming the poor into passive recipients to be 'cured' or 'healed'. Some argue that the good governance agenda, which has been part of international policy

## Box I.2: Alter-globalisation in the post-Washington Consensus era Three perspectives in the struggle against poverty

### The end of the neo-liberal consensus

The current global financial and economical crisis has offered a *theatricalisation* of a global ideological shift that had started well before the end of three decades of the hegemony of neo-liberal ideas (Held and McGrew 2007; Stiglitz 2008). Many of the international institutions that supervised international trade liberalisation and encouraged Southern countries to adopt neo-liberal policies now face being discredited. The trade liberalisation process has stopped and the WTO has experienced a series of setbacks. South American governments even buried the Free Trade Area of the Americas project at the 2005 summit. Some of them have repaid their IMF debts to escape the institution's policy dictates.

In the 1990s, opening up a country to international trade was seen as the only path to greater economic growth. By 2008 many state leaders, among them Nicolas Sarkozy, President of France, which was assuming the European Union presidency, and Indian Prime Minister M. Singh, openly declared that they would 'refuse to sacrifice hundreds of thousands of agricultural jobs on the altar of neoliberalism' (*Le Monde*, 22 July 2008). US President Barack Obama has since joined the band and has been very critical towards tax havens; his administration has taken concrete steps against international banks, including UBS, which offered US citizens opportunities to evade tax through the use of tax havens. Some of the arguments of the alter-globalisation (or the 'Global Social Justice') movement have indeed reached far beyond the movement's supporters. With the global financial and economical crisis, even Britain's Prime Minister, Gordon Brown, has become the main promoter of the G20, a gathering of heads of state in April 2009 to promote a better regulated world economy and even a new Bretton Woods agreement.

In the last decade, the alter-globalisation movement has taken an active role in undermining the legitimacy of the Washington Consensus, notably by opening debates on trade and economic policies that were hitherto restricted to international experts, and by demanding clear examination of Washington Consensus policies whose outcomes remain questionable in terms of poverty reduction and have proven counterproductive in terms of economic stability. The financial crises in Asia (1997–98), Argentina (2001), the US (2007) and now the globe (2008) have strengthened these demands. Alter-globalisation experts and activists have also emphasised the legitimacy of state intervention in the economy while neo-liberal thinkers (for example, Barro 1986) considered the market as more rational and long-term oriented. In 2008 even the former Brazilian President F. H. Cardoso, once a major target of activists, said that 'There are very few countries that have adopted the neoliberal recipes and that have not completely collapsed, like Argentina. Countries that managed to get successfully into globalization did so by maintaining state decision capacity in economical matters' (lecture at the Institute for Political Studies, Paris, 12 June 2008; see also Cardoso, 2008).

### A movement on the move

The unprecedented combination of crises in the global economy, environment, and governance makes many arguments of the alter-globalisation movement seem more relevant than ever. However, at a time when some of its core ideas are shared by prominent policy makers, and while targeted international institutions are widely delegitimised and have lost much of their influence, the future of the organisations and events that have symbolised alter-globalisation seems uncertain.

In western Europe major activists' networks have disappeared or declined, including the Movimiento de Resistencia Global in Barcelona (Juris 2008), Association for the Taxation of Financial Transactions for the Aid of Citizens (ATTAC) in France, and most local social forums. Recent continental forums in Malmö, Sweden (17–21 September 2008) and Guatemala City (7–12 October 2008) attracted far fewer people (respectively 12,000 and 7,500 activists) than previously. Instead of celebrating the 'end of neo-liberalism', as proclaimed by Joseph Stiglitz (2008), European activists worried about the movement's declining dynamic. Two weeks later the Americas Social Forums looked rather like a political show than a lively debate among innovative movements. Moreover, the movement is much less visible in the mass media than it was between 1998 and 2005.

However, rather than the end of the movement that has been proclaimed by several commentators (Brooks 2008; Fougier 2008), significant empirical evidence suggests that alter-globalisation has undergone a deep change in its geography and in its core tendencies. While it has experienced a decline in some of its west European strongholds, the movement has met with new success in strategic and highly symbolic regions. Social

forums have been highly successful in North America. Several meetings have been held in Canada since 2001, and the first US Social Forum in Atlanta gathered over 10,000 activists from a range of civil society and minority activists. The 2008 Mexican Social Forum initiated a new convergence in a highly divided local civil society. Alter-globalisation has often been criticised for having failed to take root in Africa, a continent it considers 'the worst victim of neo-liberal globalisation'. Yet over 60 national or regional social forums have been held across Africa since 2005. Bamako, the Malian capital, hosted one of the three World Social Forum (WSF) meetings in 2006; the 2007 WSF in Nairobi was attended by 50,000 people. The dynamic social forums process in the Maghreb area also gives the movement an opportunity to raise and discuss certain Arabic and Muslim issues that until then had been but superficially tackled.

Should the movement gain a major impetus from the global financial and economical crisis that has validated many alter-globalisation positions, it would definitely look very different from the highly mediated movement around huge demonstrations and the World Social Forums that journalists and the public remember. The movement remains deeply rooted in certain Latin American countries, but has become more connected to political leadership on this continent. It has developed considerably in Africa and has held its first national social forum in the US, but it remains out of the media spotlight and is more oriented towards the local level in its former European bastions. Indeed, besides this geographical change the alter-globalisation movement has undergone a much deeper transformation that has led to its reconfiguration around new tendencies.

The quarrels about the objectives of the Social Forums (Whitaker, de Sousa Santos and Cassen 2006; Sen and Kumar 2007; Cassen and Ventura 2008) have been a symptom of this reconfiguration. Its deeper roots lie in the clear statement now shared by all the activists: while the alter-globalisation movement has contributed to blocking the trade liberalisation process, concrete alternative outcomes remain limited and the new economic world order remains to be built.

We are reminded daily of the importance of global regulations and global challenges that require international cooperation (Held 2007). The food crisis and the consequences of the economic crisis have underlined the fact that poverty and economic inequalities must be considered as major issues (Wade 2007). Mass demonstrations and social forums may have lost their purpose as some core alter-globalisation arguments have become widespread. After successfully struggling against the ideas of the Washington Consensus, alter-globalisation activists believe that the time has come to focus on implementing concrete alternatives. However, while the mass demonstrations and clear opposition to the Washington Consensus of the social forums provided both media coverage and a united image of the movement, alter-globalisation activists are far more divergent when it comes to implementing alternative policies. The movement is currently fragmented around three distinct tendencies.

## New tendencies

### 1. Citizens' and experts' advocacy networks

Rather than through massive assemblies and demonstrations, one tendency in the movement believes that concrete outcomes may be achieved through efficient single-issue networks able to develop coherent arguments and efficient advocacy aimed towards citizens, policy makers and international institutions. Issues like food sovereignty, Third World debt and financial transactions are considered both as major issues promoting global poverty reduction and as introductions to broader questions about a new world order and the imposition of limits on the financial sector. Through the protection of water, for instance, activists raise the issue of global public goods (Dicke and Holland 2007), oppose global corporations and promote the idea of 'the long-term efficiency of the public sector' ('Water network assembly', European Social Forum 2008). After several years of intense exchanges among citizens and experts focusing on the same issue, the quality of the arguments has considerably increased. In recent years they have become the core of social forums' dynamic. Although they receive little media attention, these networks have proved efficient in many cases. During the autumn of 2008, the European Water Network contributed to the decision by the City of Paris to re-municipalise its water distribution, which had been managed previously by private corporations. Debt cancellation arguments have been adopted by Ecuadorian political commissions, and some alter-globalisation experts have joined national delegations to major international meetings, including the 2008 WTO negotiations in Geneva.

### 2. A focus on the local level

Rather than becoming involved in a global movement and international forums, a wide 'cultural trend' within the alter-globalisation movement considers that social change may occur only by implementing horizontal, partici-

patory, convivial and sustainable values in daily practices, personal life and local spaces. The Zapatistas and other Latin American indigenous movements now focus on developing communities' local autonomy by implementing participatory self-government, alternative education systems and improving the quality of life (Ornelas 2007). Many urban activists appreciate also the convivial aspect of local initiatives and the fact that it allows the implementation of small but concrete alternatives to corporate globalisation and mass consumption. In many Italian social centres, 'critical consumption' movements have often taken the space previously occupied by the alter-globalisation movement (Rebughini and Famiglietti 2008). Local 'collective purchase groups' have grown and multiplied in western Europe and North America. Most of them comprise a dozen activists who organise collective purchases from local and often organic food producers. Their goal is to make quality food affordable, to offer an alternative to the 'anonymous supermarket' and to promote local social relations. The movement for a *convivial degrowth* belongs to a similar tendency and aims to implement a lifestyle that imposes less strain on natural resources and reduces waste. Other convivial urban movements include critical masses to promote the use of bicycles or local initiatives to promote strengthened social relations in neighbourhoods.

### 3. Supporting progressive regimes

A third component of the movement believes that broad social change will occur through progressive policies implemented by state leaders and institutions. National policy makers and governments are thus key actors of the poverty reduction process. Alter-globalisation activists have struggled to strengthen state agency in social, environmental and economic matters. Now that state intervention has regained legitimacy, this more 'political' component of the movement believes that the time has come to support progressive political leaders' efforts. This has notably been the case with President Hugo Chavez of Venezuela as well as President Evo Morales in Bolivia. Alternative policies and projects are implemented both through national social and economic policies and through international alliances between progressive regimes. New regional projects and institutions have been launched on this basis, like the Bank of the South, which has assumed the main tasks of the IMF in the region. For reasons of history and political culture, Latin American and Indian activists are used to proximity with political parties and leaders. Similar processes have also occurred recently in Western countries. For example, in the United States the impetus produced by the first national social forum in 2007 was largely redirected towards the extensive presidential campaign of Senator Obama.

These three tendencies in the alter-globalisation movement are based upon distinct conceptions of social change. Their divergent political options have animated countless debates among activists in the last few years. However, when it comes to poverty reduction, they appear as complementary strategies. Taken together, they offer concrete guidelines for a global and multidimensional approach to poverty reduction that acknowledges at the same time the key role of local communities and grassroots social actors, global citizens' activism, international institutions and national political leaders. Indeed, an efficient strategy to reduce poverty requires them to favour together local social agency; more active citizenship and global measures to oppose current imbalances (such as by cancelling Third World debt or implementing fairer trade agreements), to impose new rules for global governance and the conservation of public goods; and social policies implemented by state rulers. The three approaches – local, advocacy and state – may thus be complementary rather than competing in their search for solutions to the problems of poverty, inequality, food insecurity and ecological crisis.

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makers' agenda for a decade, aims to overcome this problem. However, it still presents a technical outlook that produces generic policies to be applied in different countries; it emphasises capacity building on a Western model rather than the construction of legitimacy through a process of negotiation, struggle and debate. These top-down technical interventions often conceal the interests of the donor organisations even where intentions are very different. By presenting the policies, including good governance measures, as technical and non-political interventions, the international community discounts its own position and political responsibility in relation to the state of poverty in many contexts. This approach negates the importance of socio-political change in terms of the poor. As Barbara Harriss-White argues, 'society actively allows oppressive practices and the state is often complicit in this process' (2005: 884). She insists that 'destitute people have been socially expelled, they have had economic assets and livelihoods, social status and support and political entitlements shorn from them' (2005: 885). In many contexts civil society interventions have also become part of this process. Harriss-White points out that 'organized civil society colludes in the social neglect of people brought to destitution' (2005: 888).

In global processes the attempt is to manage poverty reduction to create efficient market economies where people work and change their status while also participating in the global order. Thus, the tension observed by Foucault between perceived idleness, work, labour and poverty still underpins the way poverty is conceptualised. The perceived idleness or, in this case, the unproductiveness of certain communities, is seen as a problem for the interests of the global economic order. However, people's own needs and claims are subsumed in this solution. This has important implications when considering the agency of the poor, since it is clear that the poor become agents by building their capacity according to the policies that try to help them.

These considerations relate to thinking on poverty and its development within the particular historical context of Western industrialised countries. They are located within a particular set of power dynamics among various social actors such as the state, the church, the private sector and civil society, which have been the central players in the socio-political negotiations in that context. There is no doubt that these negotiations have had implications for people outside of their geography due to colonialism, imperialism and, in the post-colonial

period, through the international organisational fora. The concern here is that in this overall construction of poverty, the poor become a group that is weak, de-politicised and at times beyond the social frameworks reproduced by the powerful. In this process their poverty is considered in terms of the characteristics of being poor. The poor are thought to lack agency. By engaging with poverty as something which happens to people out there who are unable to participate in society, the responsibility of society and the global system in creating and to a degree maintaining the state of the poor is conveniently ignored.

The appearance of the poor without resources seems to be a function and the fiction of this meta-framing. Harriss-White argues that 'in surviving people can and do exert a fully human initiative and agency. They may also construct new social relations' (2005: 885). Examples of such survival mechanisms developed by different groups are observed in many contexts in relation to different life experiences which include street children (Conticini 2007), sex workers (Agustin 2007), and as documented by James Staples, people who are suffering from leprosy in India (2007). All these examples demonstrate that people have their perceptions of themselves, what they lack, and they also attempt to deal with their own circumstances. John M. Chernoff points out that 'poor people in general ...do not like to have someone's idea of poverty interfere with their idea of themselves as human beings. They know what is not there but they also deal with what's there' (2003: 50).

There are also the processes and spaces in which people engage, challenge and at times subvert the overarching discourses of poverty within their own contexts at the level of everyday life. The contentious issue here is the relationship between these processes and the organisational form of civil society that is more visible than the people and more audible than their voices. The dynamics discussed above in relation to workers and the party/trade unions can be observed within the global process of civil society activism too. While no doubt local process and everyday lives are creating dynamic civil society activism it is not clear how people from these movements are able to maintain their voices within civil society processes once they are globalised. For instance these questions are raised in the internationalisation of the Dalits' movement (Bob 2007; Lerche 2008) as well as the participation of indigenous movements in the internal organisational

### Box I.3: Jai Ho Shanghai\*: the invisible poor in Slumdog Millionaire\*\*

There is a new road in the making – a road from Mumbai to Shanghai. This new road is adorned with glass and Alucobond, vinyl and chrome. It is lined with shiny malls, multiplexes and towering apartment blocks. This façade hides half the population of Mumbai – the people who live in ‘slums’.

The multiplexes play a new film: *Slumdog Millionaire (SM)*. It takes you to a placeless place – the slums of Dharavi, Jarimari, Versova... And strangely lands up on the same road to Shanghai.

Peeping through the banisters of the bar graphs that proclaim 8 per cent growth (or is it now 5 per cent?), the upper-class imagination that inhabits the high-rises along the new road is at once elated and shocked by this new film. Elated by the Oscars, dismayed by the blot on the towering cut-outs of shining ‘India Inc.’ (a pet phrase used often by the press to describe India the superpower in the waiting). Jai ho!

What do the inhabitants of the new road see from their living rooms? Slums as places of anomie. They see vice. They see crime. They see filth. They see migrants, ethnic violence, ignorance, illiteracy and unemployment. They see the slum as a speed-breaker on their new road to Shanghai. A speck of dust on the windshields of their shiny new automobiles. Slums need elimination, or rehabilitation perhaps? They stink. They take up too much floor space. They obliterate the view from sanitised rectangular rooms. The slums are irrational spaces where terrorism and caste and gender violence are endemic.

What does *SM* show? The camera is a predator from the skies that steadycams down the unlit alleys, precariously treading on fragile pathways across dank gutters choked with plastic bags and excreta. The sun rarely shines on the slums of *SM*. It is an endless nightmare that completely excises the everyday. People in the slums appear only to defecate, mob film stars, commit crime and kill each other in inexplicable riots. The slum is a space populated by venal adults who gouge out children’s eyes, traffic young girls and manage begging rackets. That is almost 50 per cent of the city’s population in gainful employment. Jai ho! The only good, caring person, Jamal’s mother, is already dead – killed in ethnic riots. After the riots, the three main protagonists are cast adrift in the Dickensian space of the slum. There are no traces of any community or familial structures to care for these orphaned children. Dharavi alone has 800,000 inhabitants. Where have they all gone?

Within this callous, tortured space, the three children stand out in sharp relief as the only luminous, innocent presence. The audience is drawn into the narrative of their heroic efforts to transcend the brutality of the criminal underworld that sucks them in. While one bites the dust, two are able to escape, united in eternal love. Slums are bad, inhuman and exploitative, but it is always possible for the extraordinary individual with talent and courage to escape from these spaces. How does Jamal fly over the cuckoo’s nest? He makes it through the madness of a call centre that attends to the quotidian turmoil of the developed world. Through a game show hosted by a transnational television empire for India Inc. A great, feel-good, narrative closure. Hope at hand for the marginalised millions of Mumbai. Jai ho!

What does the upper class refuse to see that *SM* refuses to show? A ‘slum’ like Dharavi has a history of over a hundred years. Unlike many upper-class settlements, it is not a new blip on the *nouveau riche* horizon of Mumbai, with its ‘L’Oreal sunsets ...botoxed with vanity’ (Subramaniam 2005). It is a beacon of hope for people displaced by the large dams that supply water and electricity to the city. It is home to many disenfranchised by caste violence, dysfunctional agriculture, special economic zones, failed monsoons...

Slums are spaces of extreme industry that play a key role in the political economy of the city. Eighty per cent of Dharavi is brimming with commercial activity. It produces goods worth over 50 million dollars a year. It produces tonnes of *idlis* (savoury cakes) a day and most of the *papads* (*pappadoms*) in the city. It has very large communities of potters and leather workers. It produces designer labels for apparel and leather goods that end up in the glittering malls that line the new road to Shanghai, travelling down to New York, London, Paris...

Dharavi has perhaps among the strongest networks of communities in the city, a far cry from the fragmented anonymity of many upper-class neighbourhoods of Mumbai. It has seen no riots since 1992–93. Its chaotic calm and purposive energy is legendary. It is relatively safe. It has a very successful *Mohalla* (neighbourhood) committee movement for conflict resolution that ensures dialogue across the myriad communities and ethnic groups that live in this compacted fractal of India.

Ethnic violence broke out all over India after the demolition of the Babari mosque in December 1992 by Hindu fundamentalists. What actually happened then?

*After the riots, we formed a committee to co-ordinate relief, to those who needed food and shelter and to*

*claim the deceased from the hospitals. We did all this in our area. It was well organised. It was a collective effort of both Hindus and Muslims...* (Waqar Khan, social activist and garment manufacturer from Dharavi in *Naata*, 2003<sup>\*\*\*</sup>)

The upper class, if they stepped down from the new road and took a guided tour that is popular with First World tourists these days, would be able to walk down from Kashmir to Kanyakumari – the northernmost and southernmost points of the subcontinent – in a matter of minutes. They would see the space that they despise without ever having experienced it.

*When the poor migrate to Mumbai from various states of India, they feel that in Dharavi, they will find shelter, some work and food to get by. This is why Dharavi is like a mini India.* (Bhau Korde, social activist from Dharavi, in *Naata*, 2003)

Are we romanticising Dharavi and other slums? Doesn't Dharavi have crime? Yes, it does, so does Malabar Hill, an upmarket residential area of Mumbai. Doesn't it have exploitation? Yes, so does London. Doesn't it have filth? Yes, so does... Should a critique of a film like *SM* hinge on the inauthenticity of its representation of slums? After all, is it not a work of fiction, with its right to poetic licence? Certainly, films cannot be judged from the standpoint of their faithfulness to 'reality'. The fantastic and the absurd, the bizarre and the imaginary all fuse together within most cinematic texts, offering us pleasure and engaging our affect. What makes *SM* problematic is its unspoken promise (which is eagerly seized upon by many audiences) to 'show' us the gritty 'reality' of slums in Mumbai, to grant us entry into the lives of the poor. It is thus the politics of representation within the film that is worrisome. The film's orientalist, colonial gaze renders invisible the contribution of such spaces to the city. It renders invisible the dignity of the poorest of the poor in Mumbai and in other parts of the world. It strengthens the hand of the upper-class imagination that would like to see these places erased. Dharavi was on the margins of the city decades ago, when the poor migrants reclaimed its marshes and built their modest homes; today it is in the centre of the city. The price of land there is astronomical; part of it has been gentrified. If it is completely razed, not only will the view from the upper-class homes improve, but this will also bring much more than Oscars to many city builders and politicians. 'Slum redevelopment' is a euphemism for the destruction of lives and livelihoods. *SM* writes the copy for this lethal game show: Who does not want to be a millionaire? It is written. *Jai ho!*

Dharavi's ecological footprint is minuscule and its carbon credits worth a thousand green Oscars. It takes too little and gives back a lot. If places like Dharavi were destroyed, almost all the plumbers of the city would disappear, so would many policemen, taxi drivers, domestic helps, vendors, garbage recyclers... The invisible political economy of the slum is a compassionate bulwark that shores up Mumbai. Without these vital spaces, Mumbai would collapse and rot in its waste. But for these spaces, 'India' would have missed eight Oscars and 15 x 8 seconds of fame. *Jai ho!*

*If you walk around Dharavi, you are bound to encounter at least 10 to 15 people with paper and pen in hand, doing research, collecting data. So much has been written about Dharavi, so much paper – more garbage than we in Dharavi could ever generate! Sometimes I feel that perhaps it is good for them if Dharavi remained as it is. If it remained the same, a lot of research could be done, films could be made. Many things can be done.* (Bhau Korde, social activist from Dharavi, in *Naata*, 2003)

<sup>\*</sup>'Jai ho' (May victory be yours!) is the theme song of the film *Slumdog Millionaire*. It is interesting that the Indian National Congress has bought the rights to this piece of music, to be used in its May 2009 election campaign. Considering that the media constantly refer to the coming general election as the 'dance of democracy', this choice does not appear to be ill-advised. Policy makers in Mumbai always wanted to transform the city into another 'world class' city by erasing all traces of the poor and the spaces they occupy. Some years ago, it was Singapore. The current favourite is Shanghai; the title alludes to this unfortunate pipe dream too. For more, see Sharma (2003) and [dharavi.org](http://dharavi.org) (URL).

<sup>\*\*</sup>*Slumdog Millionaire* (2009), a film directed by Danny Boyle, winner of eight Oscars and numerous other awards.

<sup>\*\*\*</sup> Co-directed by Anjali Monteiro and K P Jayasankar, *Naata* (2003) is a documentary film on Dharavi, produced by the Centre of Media and Cultural Studies, Tata Institute of Social Sciences.

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realm (Corntassel 2008). These tensions highlight the essentially contested nature of audibility and representation within civil society and the way civil society participates in both local and global public discussions.

### Poverty as agency

Though the poor are often depicted as 'passive recipient of welfare doles', the evidence from India and other parts of the world suggests that the so-called 'unwanted citizens'- those poor slum dwellers living in small congested clusters of temporary or *katcha* shelters (known as *Jhopad Patti* in Mumbai and *Jhuggi Jhopri* in Delhi) are relatively more 'active problem-solvers than other citizens' (Harriss 2006). It is general knowledge in India that poor disproportionately belong to historically disadvantaged lower castes and often suffer from the multiple forms of latent and manifest repression by government officials, who are commonly from higher castes and classes. Despite the so-called 'capability failures' and exclusion from elitist public spaces of 'civic engagement', these people routinely challenge the superior material and discursive power of hegemonic state power and assert their autonomy in shaping alternative sites of power and politics.

It is in this connection Partha Chatterjee's influential though idiosyncratic distinction between 'civil societies' and 'political society' makes sense. Reflecting on the location and content of the poor's agency, he says, 'Most of the inhabitants of India are only tenuously... rights-bearing citizens in the sense imagined by the constitution. They are not, therefore, proper members of civil society and are not regarded as such by the institutions of the state' (2004: 38). The poor, especially slum dwellers, street vendors, rural migrants, casual construction workers, etc. often become easy targets of state-centric social policy. This facilitates government strategies, which rob the poor of their agency and capacity to realise constitutionally guaranteed rights. On the other hand, those defined as poor people take actions that are quite often technically illegal or paralegal – such as squatting on public land or stealing electricity and water – seeing themselves as making claims upon the state for the realisation of what they believe to be their rights to welfare/development. Ironically, this is how Chatterjee's notion of 'political society' comes into being. In short, so-called destitutes and outsiders to civil society constitute 'political society' through their independent initiatives as a space of negotiation,

contestation, and mediation, lying between civil society and the state to realise the 'historical possibilities' of social justice.

In contrast to the popular portrayal of the poor as the 'disempowered-disembodied' passive population, it is possible to find many examples in which the poor have been engaged in making possible what political scientists call 'deep democracy' in the local and global contexts. The authors from India in this Yearbook report how the notoriously famous slum dwellers of Mumbai often build direct and indirect supranational solidarities, collaborations and exchanges among poor communities based on the 'will to federate,' and the 'spirit to resist'. They achieve a multi-class, caste alliance of everyday resistance through this horizontal movement. The collective action projects of the poor could be described as community centered techniques of social resistance and counter surveillance against the discriminatory policies of state power. Though they continue to remain 'invisible' to state planners and policy makers, they rely on their 'perpetual social visibility' to articulate their rights to poverty reduction and development. Calling the poor's innovative livelihood struggles in slums as 'governmentality from below', Appadurai writes, 'here, perpetual social visibility within the community (an invisibility in the eyes of the state) becomes an asset that enables the mechanisms of self-monitoring, self-enumerating, and self-regulation to operate at the nexus of family, land, and dwelling that is the central site of material negotiations in slum life' (2002: 36).

It is in this sense that the poor, especially hawkers, street vendors, sex workers, pavement dwellers, and street children, are perceived by the modernist developmental state as 'quintessentially vagrant' and a legally discomfiting population even though they perform crucial moral, political and economic functions in the realm of civil society (Rajagopal 2001: 91). The cases of the frequent police raids in India on the tenements and livelihood resources of the poor in the name of removing 'illegal encroachment' on public land symbolise the strategic and disciplinary techniques of the modern welfare state to stymie and erase the possibility of overt and subterranean 'infrapolitics' of the poor (Scott 1990).

The moral economy between the poor and state authorities such as the police, politicians and planners work on the circulation of patronage, protection and money. In fact, the techniques and strategies





of 'everyday governance' at the grassroots lead to disenfranchisement and impoverishment of the poor. It is quite well known in many poorer parts of the world that poor people pay a regular bribe, *hafta*, to local law enforcement agencies and in return the latter ignore or selectively enforce rule of law. For example, those living on the wrong side of law in India, such as squatters, street hawkers, rickshaw-wallahs and street vendors, negotiate 'paralegal' processes that bend, distort, and disrupt the formal bureaucratic doctrine of efficiency and the constitutional rule of law (Chatterjee 2004). This 'paralegal' or 'extra legal' site of power has a paradoxical relationship with the poor. On the one hand, the modern developmental state routinely represses them as 'pathologically perverse', but on the other hand, the poor not only innovate livelihood strategies but also free their minds and bodies from the gaze of disciplinary restrictions and prohibitions. In other words, the poor not only occasionally erupt in spontaneous 'food riots' but also continually re-write 'hidden transcripts' of dominance and resistance in democracies and dictatorships. Though they shift along caste, race, gender, language, ethnic, and regional cleavages, the poor form an intricate web of plural, mobile 'historic bloc' of non-state and trans-state actors that often blurs the formal distinctions between civil and 'political' society.

So, from the Narmada movement to the World Social Forum at Porto Alegre, from livelihood struggles of indigenous tribes in Jharkhand in India to squatters' movements in Latin America, the poor's struggle over welfare or distribution is also connected with the struggle for discursive power and regaining their agency. The poor belonging to various disadvantaged groups – women, lower-paid workers, blacks or various ethnic minorities - often organise themselves as collective subjects with the power to solve their own problems. It is in this sense that the politics of welfare and politics of recognition/identity are inextricably intertwined. It is true that poor speak in multi-vocal voices but they often make an unequivocal choice between poverty and prosperity, violence and peace. In short, the poor are neither passive nor docile; they are both 'intentional and non-subjective' sources of democracy and justice.

### Participation, the poor and democracy

Conventional liberal democratic theory has erroneously endorsed the idea that poor people either lack the necessary agency for 'making democracy' or

'poor people make poor democracy'...From Marx's (1852) interpretation of the *Eighteenth Brumaire of Louis Napoleon* to Lipset (1960), and more recently Przeworski (2008), political scientists and liberal democrats have scandalously argued that: 'poor people are unprepared for democracy or ill-disposed to obey democratic norms: the poor are more likely to succumb to appeals of irresponsible demagogues; they are rigid and intolerant, authoritarian; easily attracted to extremist movements. Political participation by the poor is thus a threat to democracy. And if the distribution of incomes does not become more unequal as average income increases, then in countries with lower per capita income there are relatively more poor people' (Przeworski 2008: XX).

Some scholars have also advanced the view of a 'culture of poverty' to argue that poor people are less supportive of democracy. This has led to a notion of the poor as 'a different kind of people' (Harrington 1962: 146). Different traditions of research on democracy reached the same conclusion: 'poorer people make less reliable democrats than richer ones' (Krishna 2008: 5). Democracy is therefore not expected to become firmly entrenched in a country where the poor are in great numbers even if they do not constitute a majority. In other words, the general pessimism about the abilities of poor people to support and take part in democracy springs from the ideological and political erasure of poor as active 'citizens' resisting and revolting against the layers of social exclusion and discrimination in the realm of civil society. In short, since poor people have very little money, time, skills and desire to participate in the public space, poor people won't be interested in sustaining democracy. This conventional view erroneously sees democracy as part of a basket of luxury goods and falsely restricts democracy within the confines of political economy, ignoring histories and experiences of poor participating in civil society struggles and social movements around the world.

Therefore, it is unsurprising that the great expert on liberal democracy, Lipset, long ago asserted, 'Only in a wealthy society in which relatively few citizens live at the level of real poverty could there be a situation in which the mass of the population intelligently participate in politics and develop the self-restraint necessary to avoid succumbing to the appeals of irresponsible demagogues' (1963: 31). Lipset notoriously claimed that, 'poverty, insecurity, and ignorance do not produce as 'decent' people as do wealth, security, and





knowledge' (Lipset 1960: 271). Likewise, Przeworski has also remarked that, 'We have learned that the bonds of poverty are difficult to break, that poverty breeds dictatorships' (Przeworski et al. 2000: 277). In this widespread view of democracy, the elimination of poor rather than the eradication of poverty becomes a much sought after political programme for the survival of a political regime. For instance, in the aftermath of so-called 'national emergency' in India between 1975-1977, the ruling regime embarked on an ambitious plan of 'removal of poverty' that ironically resulted in forced demolition of slums and the forced vasectomy of poor men in many parts of North India.

There is no doubt that the poor around the world have increasingly come to live in a paradoxical world of 'fasting and feasting', in which the super-rich and fractions of middle classes have joined the universal journey of global 'casino capitalism', and the poor continue to struggle for basic minimal social opportunities for survival. Though the evidence of increasing social distance raises the classic fears of the poor subverting democracy, the experience of poor people's participation in civil society movements around the world and especially in India demonstrates quite convincingly that poverty, and massive illiteracy on a sub-continental scale, are not arguments against democracy. In short, support for democracy is actually greater among the poor and less educated than among the affluent at least in places like India. In other words, the actual experiences of the poor challenge those streams of democratic theories that privilege development over democracy, order over empowerment and interests over identity.

Indeed, even though the middle class has been quite active behind the resurgence of global civil society activism, the poor have been the main driver of the deepening of democracy in many places including India. The view that the poor rely only on patronage or clientelistic networks in democracy is not only theoretically misleading but also empirically blind to the contributions poor people make to sustaining the robust links between civil society and democracy. Also, the popular Huntington thesis that 'political order precedes democracy' is dangerously flawed because it dismisses the subaltern energies and emancipatory moorings of the poor in shaping the institutional paths and outcomes of democracy (Huntington 1968). Democracy has created conditions in which the poor have often organised, mobilised and

exercised influence in the political–public sphere; but unfortunately, the poor still exercise less influence in the social-developmental sphere. Though the failure to eradicate poverty in democracy is highly regrettable, it is not an argument against the agency of the poor as active and sovereign people. In short, democracy in a political sense has triumphed beyond doubt but in a developmental sense, it still suffers from widespread democratic deficits. It is in this sense that democracy could indeed be said to be biased against the poor!

### Models of regime type and the participation of the poor in democracy

There are four common theories or models on comparative democracies that inform how the poor participate in democracy of their own volition, and why democracy raises the living standards of the poor and disadvantaged. Two are associated with Amartya Sen (1981; 1999), whose work on the causes of famine is often extended to cover the causes of poverty more generally and also to justify the significance of democracy in ameliorating the conditions of poor people. His first argument revolves around what we may call the 'electoral-instrumental model'. In this model, democracies, through the electoral process, allow the poor to penalise governments that allow famines or extreme deprivations to occur; and political leaders, acting strategically, therefore try to save poor people from economically harsh situations. In Sen's words, 'Famines kill millions of people in different countries in the world, but they don't kill the rulers...if there are no elections, no opposition parties, no scope for uncensored public criticism, then those in authority don't have to suffer the political consequences of their failure to prevent famines. Democracy, on the other hand, would spread the penalty of famines to the ruling groups and political leaders as well (1999: 180). Though the 'electoral-instrumental' model of democracy often succeeds in protecting poor people from spectacular cases of famine, it fails to eradicate systemic hunger and malnutrition among the poor and disadvantaged groups.

The second theory revolves around Sen's 'informational–argumentative model'. He contends that democracies are better than non-democracies at transmitting information from poor and remote areas to the central government, courtesy of the constitutionally guaranteed freedom of the press and right to association. This means a boisterous political debate follows in the parliament and state assemblies





forcing the central government to take immediate steps towards helping the poor. One of the fascinating aspects of the 'informational-argumentative model' is that poor people themselves organise and agitate against the exclusionary practices that cause and perpetuate severe poverty. The success of poor people in organising, and leading a right to information movement under the auspices of MKSS (Mazdoor Kisan Shakti Sangathan - Workers and Farmers Solidarity Group URL) in the state of Rajasthan, clearly demonstrates that democracies are better at listening and hearing poor people – even if they are not so caring always! More importantly, it was poor people in Rajasthan who actively organised 'public hearings' (Jan Sunwai), against the nexus of local government officials and corrupt development contractors. This clearly contradicts the conventional social science thesis that poor people lack voice and agency for change.

The third theory revolves around the 'participatory or associational model'. In this model, civil society plays an active role in mobilising the poor to mount vigorous popular public pressures on the state/government for ameliorating the conditions of the poor and empowering the downtrodden. In other words, these popular pressures result in state intervention to provide better social opportunities and public goods for poor people. In India, this experience has been captured in terms of the popular 'Kerala Model'. In spite of low economic development, popular pressures from subordinate classes and oppressed castes for social development results in empowerment of the poor in democracies (Heller 1999). This theory challenges the widely-held Lipset-Przeworski thesis that a certain amount of economic development is significant predictor of the success of democracy.

The fourth theory is built around 'redistributive effects of democracy'. This suggests that democracies tend to help the poor by producing more public goods, and more income redistribution, than non-democracies. According to some scholars, democracies produce more public goods because they are forced by the electoral process, in which poor people play a significant role, to spend their revenues on government services, while autocratic governments face no such constraint (Deacon 2003; Lake and Baum 2001; McGuire and Olson 1996; Niskanen 1997). In other words, it is evident from these explanations that the poor sustain democracy for both instrumental and constitutive reasons. It is interesting to note that though

regime types matter in ameliorating the conditions of poverty, they do not place any faith in the activism of poor people to resist impoverishment and exploitation. For instance, the failure of democracy in eradicating poverty in India has often been blamed on the 'fractious nature of interest group politics' (Bardhan 1984), 'the feeble capacity' of the democratic state (Kohli 1987; Drèze and Sen 1995), or 'ideologically motivated state intervention in the economy' (Bhagwati 1993). Curiously, poor people escaped the attention of analysts worrying about the future prospects of democracy in India. With the proliferation of civil society based social movements in the recent times, the latest assessments of the achievements of democracy have cast their analytical and theoretical gaze on 'the poor' as the mainstay of democracy in India.

Reflecting on the agency and participation of poor people in sustaining democracy in a variety of countries in Asia, Africa and Latin America, Anirudh Krishna writes, 'poor people do not value democracy any less than their richer counterparts. Their faith in democracy is as high as that of other citizens, and they participate in democratic activities as much as their richer counterparts. Democracy is not likely to be unstable or unwelcome simply because poverty is widespread (Krishna 2008: i). In developing societies, support for democracy is actually greater among the poor and less educated than among the affluent. On the occasion of India's 50th anniversary in 1997, the New Delhi-based Centre for the Study of Developing Societies (CSDS) conducted a national survey assessing popular attitudes toward Indian democracy and its political institutions. The results contradicted the conventional social science view and rejected popular belief that the Indian people, especially the poor, had lost faith in the country's democratic system. and decreasing numbers were participating in the democratic mode of governance. In a stunning indictment of fashionable middle class perceptions of the relationship between poor and democracy Ashish Nandy, then director of the CSDS, wrote, 'The democratic system enjoys greater legitimacy today than in the past. The poor and deprived defend democracy more vigorously than the elite.' Democracy's appeal, he explained, owed a great deal to the Indians' belief that its inclusiveness offered the best way to deal with the country's staggering ethnic, religious, linguistic, and regional diversities. The poor especially value democracy, he contended, because they are convinced that 'their votes matter,' and they seem to relish exercising



## Box 1.4: How social business can transform our lives

Everything that we do is almost the opposite of what conventional banks do. Sometimes people think that micro-credit means giving tiny loans, which is true, but they don't see how the whole system works. The basic principle of banking is, the more you have the more you can get. If you have less, you get nothing. We reverse that principle: the less you have, the more attention you get from us. We started from that basic premise and built the system from there. Our idea is very simple. We said: this is a loan, you have to pay it back whenever you can, but there is no interest on it so it will never grow, and there is no time limit, so you will never become a defaulter, in banking terms. We don't have collateral in Grameen Bank or in the micro-credit programme - no collateral, no guarantee, and no lawyers - basically it is trust-based banking. And the funny thing is – it works.

One thing you hear frequently about micro-credit is the very high repayment rate - 90-98 per cent, despite the fact you are doing business with the poorest people. Yet conventional banks want you to have loads of experience in the business for which you are borrowing money. We go to women to tell them what the Grameen Bank does and to encourage them to take a loan and get into some income-generating activity. Her answer is often, 'Oh please, don't give me money. I have never touched money in my life. Give it to my husband.' But we don't walk away. As I explained to my students who were working with me, that is not their voice, it is the voice of history, which has generated fear in them and made them believe that they have no capacity to do anything except to take care of children and the family. Our job is to peel off this fear, layer by layer so that we can build enough courage in them so that they will say, let me try. We have worked for six years to balance the level of lending between women and men, to meet our original aim of having 50 per cent of women borrowers.

Today, there are many beggars who have taken a second and third loan. If a beggar can figure out how to run business and change his or her life, how can we say they are to blame for their poverty? The conclusion that you come to is that poverty is not in the person, it is created by the system. So, if you want to address the issue, it's not about rushing to her (a woman in need); it is considering what we (the system and institutions) did wrong. A third of the world's population are not eligible for loans in the eyes of conventional banks, so why don't you fix those institutions? Thirty-one years ago, when Grameen Bank began, conventional banks could say the people we lent money to were not credit-worthy. Today, they cannot say that, because the recent economic crisis has proved again that they are more credit-worthy than the borrowers of conventional banks.

There is a lot of criticism about micro-credit, including that one has to be an entrepreneurial person to benefit from it. I firmly believe all human beings are entrepreneurs, without exception. Some people may have discovered it and some may not, but they have it inside them; it is just that society never allowed them to find the wonderful gift of creativity, energy and innovativeness, which each human being is born with.

The concept of business that we have learned in our theory and economics books is to maximize profit. Those who build these theories assume human beings are money-making machines. But real human beings are not the single-dimensional robots of economic theory. A human being wants to make money and at the same time to be helpful to others. Why cannot we bring the whole human being into economics? If you want to justify the totality of a human being, you need at least two kinds of business: one that we already have, making money; the other, to do good to people and the planet. I call it social business: a non-loss, non-dividend company, with a social objective. If you can create a social business, it can be much more powerful than philanthropy and charity. Because the charity dollar has only one life. You can use it once; if you want to repeat it you need fresh money to do it again. But if you can transform this whole thing into a social business, a social-business-dollar has endless life.

One example of a social business is Danone-Grameen, a collaboration with the yoghurt-making company. Both sides agreed that would be a social business for a social purpose. With millions of malnourished children in Bangladesh we decided to put the micronutrients missing from their diet into yoghurt, and sell this yoghurt at a very cheap price to children and poor families. The company recovers its costs, not based on subsidies or charity. Neither partner takes any dividend, only the respective investment money because the profit stays with the company to achieve the goal you have set. So here, the bottom line is how much impact you have made on people's lives rather than how much money you have made for the business. Thus if you can fix the concept and the institutions, nobody would remain poor, and we would be able to put, once and for all, poverty into museums.

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**Muhammad Yunus, extracted from an LSE Public Lecture and based on the book, *Creating a World Without Poverty: How Social Business Can Transform Our Lives* (PublicAffairs 2008)**

## Box I.5: Two cheers for social business

Muhammad Yunus is an inspirational figure in world affairs, and no one can fail to be inspired by the achievements of the Grameen Bank. Yet his claim that 'social business' will eradicate global poverty is severely overstretched. Social business is much better than anti-social business, that's for sure, and no one would argue with the need to reshape the costs and benefits of capitalism along the lines that Yunus describes. However, seeing his prescriptions as a cure for global poverty risks deflecting attention away from remedies that are less fashionable and seductive but much more strongly rooted in economic history and the realities of international markets.

Many societies have achieved broad-based reductions in poverty since 1945 (think of the East Asian Tigers, Botswana, Chile, China and Vietnam today), but none of them has done so through micro-finance, social enterprise, and the rest of the current paraphernalia of 'philanthrocapitalism' – the term Mathew Bishop coined in 2008 (Bishop and Green 2008) to describe the growing trend to seek solutions to social problems through business and the market. Of course, Bangladesh may prove me wrong, but all these countries used the power of the state to redistribute productive assets throughout the population, guide markets in line with long-term public interests, find a judicious balance between protectionism and engagement with the world economy, and consolidate a basic social contract between civil society, government and business – 'you scratch my back and I'll scratch yours'. Business was crucial in creating jobs, building up labour-intensive industry, and diversifying exports into higher value-added products, and all these things have potentially important social and environmental effects, but they don't generate social *transformation* in and of themselves.

Perhaps influenced by the dysfunctional nature of government and politics in his home country of Bangladesh, Yunus underestimates these lessons and looks instead to a new solution that relies on a revolution in individual values and behaviour – much-needed, that's for sure, but noticeably absent from 99 per cent of real business decision making, especially in emerging economies. Is philanthrocapitalism anything more than the newest example of the tendency to look for a new 'magic bullet' when we get frustrated by the slow and messy processes of developmental politics and state-building? Conversely, do we have to be limited by past experience in economic development, or are boundary-breaking solutions more possible at a time when the global financial crisis has led to a new round of fundamental questioning of the future trajectories of capitalism? Are the East Asian tigers, China and Vietnam the best models to which we can aspire?

Of course not, and it is here that Yunus does the world a second great favour by building on his earlier and tireless advocacy of micro-finance. It is always important to keep pushing the boundaries of what is possible, and to see whether any of the resulting experiments in economics and politics can really be taken to scale. Social business is one of these experiments, but it is one of many, and it has yet to be rigorously scrutinised. Philanthrocapitalism offers one way of increasing the social value of the market, but there are other routes that could offer equal or better results in changing the way the economic surplus is produced, distributed and used: the traditional route that uses external pressure, taxation and regulation; the philanthrocapitalist route that changes internal incentives and gives more back through various forms of corporate social responsibility; and more radical innovations in ownership and governance that change the basis on which capitalism currently works. We don't know which of these routes carries the greatest potential for long-term transformation, though I suspect it is the latter. Yunus's ideas on social business seem to straddle the line between reformist and revolutionary solutions, and I think that is where the debate will be located over the next 10 or 20 years.

In this debate we need hard-headed realism as well as hope and aspiration. After all, there is plenty that businesses could do to increase their social impact in the here and now, without waiting for the revolution: pay your taxes, don't produce goods and services that kill or maim, provide decent wages and benefits to your workers, obey the regulations that make markets work in the public interest, stop subverting politics in pursuit of corporate greed, and attack monopolies and other market manipulations. The social benefit of measures like these would be huge (corporate tax evasion costs developing countries over USD 385 billion a year), and they could all be implemented given sufficient political will (Edwards 2008).

As Yunus points out, micro-finance (at least in his Grameen Bank model), nutritionally enriched yoghurt and other similar innovations add an important new dimension to this list of avenues for action. They show that the market *can* be used to extend access to socially and environmentally useful goods and services at lower levels of income (though not for the poorest of the poor), and these innovations – if scaled up and multiplied – surely form part of the agenda for attacking global poverty over the next many years. But, as the experience of the industrialised world shows quite clearly, poverty eradication requires much more than an effective and accessible banking system, or adding micro-nutrients to our food, or manufacturing solar-rechargeable light bulbs and the like.

Social business will only ever be part of the solution to the problems we face, still more so if our goal is the transformation of society and the abolition of all forms of violence, oppression and discrimination. Redistributive politics, state transformation, social movements, civil society activism, vibrant public spheres and deep personal change will continue to be crucial ingredients of any successful agenda for reform, and none of these things can be safely left to business and the market. Three cheers for Muhammad Yunus, two for the idea of social business, and none at all for the wilder claims of philanthrocapitalism.

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**Michael Edwards, Senior Visiting Fellow at the Brooks World Poverty Institute at Manchester University, and author of *Just Another Emperor: The Myths and Realities of Philanthrocapitalism* (Demos 2008).**



their franchise in defiance of their professional well-wishers among the more affluent classes who have their own ideas about what the poor need' (Nandy quoted in Gershman 2005: 22). In other words, Nandy's reinterpretation of the poor's agency effectively buried the era of elitist democracy and demystified the popular perception of poor as 'depoliticized citizenry' in India. It is through re-inventing parallel counter discursive public spaces and redefining their identities that the poor have not only captured the popular imagination but also have challenged exclusionary practices in civil society in India and elsewhere.

In fact, in a significant analysis of voting behaviour of poor people in India in the 1990s, or what he evocatively called 'democratic upsurge', political scientist Yogendra Yadav not only justified Nandy's optimism in the ability of poor to make free choices but also concluded that the 'textbook rule about political participation is that the higher you are in the social hierarchy, the greater the chance of your participating in political activity, including voting...India is perhaps the only exception to this rule...The continuous influx of people increasingly from the lower orders of society in the arena of democratic contestation provides the setting, the stimuli, and the limits to how the election system unfolds' (Yadav 1999: 2397). This debunking of the myth that the poor do not support democracy reveals that poor are not passive creatures; they have actually become 'public' and 'political' on their own terms!

It is perhaps not the lack of engagement in democracy that explains the persistence of poverty but the relationship of nationally defined democracy to the global level of decision making. Even if the poor participate at national levels, are they heard at global levels? How can the poor act not only as members of 'political society' within the framework of the nation state but beyond? How can they become rights-bearing global citizens? That is the challenge that we set out to address in this Yearbook.

### Who is to end poverty – and how?

At the World Economic Forum in 2005, Gordon Brown, then British Chancellor, triumphantly announced that 'I now sense that in 2005, hundreds, then thousands, then millions in every continent are coming together with such a set of insistent demands [to fight poverty] that no politician, no government, no leader can ignore them' (quoted in Pogue 2002: 5).

In this Yearbook, we argue that the poor are not

always resource deficient and do not lack agency and autonomy in matters of devising livelihood strategies, social resistance and protest. In contrast to the traditional view of poor people as passive, weak, meek creatures, they have often forced governments, ruling classes and public officials to address the issue of poverty and social exclusion. Since the end of the Cold War, the world has witnessed numerous popular revolts around matters of livelihood and severe poverty. In Asia, Africa and Latin America, these protests have not only led to the fall of governments but also generated a powerful campaign against the ill effects of global institutional order powered by economic globalisation and 'casino capitalism'. In other words, poverty is caused and sustained by deficiencies in the demand and supply side of power relations at the global level.

This asymmetrical nature of power is often maintained and legitimised by the hegemonic discourses of 'methodological nationalism' or 'explanatory nationalism' that we have explained and critiqued in the preceding sections. In this edition, we fervently object to treating the poor within the confines of 'chronological nationalism', especially in the times of rapid globalisation of poverty and prosperity. It is necessary to recall here that the Yearbook does make an explicit reference to the continuing plight of the poor in the developing world, especially India; however it does not shy away from forging a global alliance of poor people with those in the affluent developed world who suffer numerous forms of social exclusion and discrimination on account of race, class, gender and religion etc. In other words, moving away from the shell of national histories of poverty, global civil society radicalises the development of transnational consciousness about the rights of the global poor .

The chapters, case studies, text boxes and statistics presented in this Yearbook attempt to provide a political, moral and activist analysis of severe poverty and, at the same time, to outline the efforts and initiatives of global civil society in eradicating global poverty. Though a key focus of the Yearbook has been on the 'slumdog millionaires' from India, we have tried to encompass all those who lack voice and representation in collective decision making, and also those living in extreme forms of absolute poverty.

This Yearbook affords an opportunity to revisit and also rekindle the debate on global civil society from newer perspectives, locations, and experiences. Global civil society's inchoate, polymorphous and so-called neutral





character has been recognised and debated by many observers of civil society (Comaroff and Comaroff 1999; Chandhoke 2002). However, we have taken enough care to guard ourselves against a facile and flawed understanding of global civil society as a set of western NGOs, as a non-political group of transnational service providers. Most civil society scholars today recognize that 'civil society is inherently a political project' that essentially means resisting dominant structures of power, enhancing the hold of popular sovereignty in decision making and also, importantly, re-conceptualising the rights of poor and disadvantaged people, locally and globally. Therefore, the reduction or abolition of poverty will definitely require establishing and acknowledging a robust framework of 'human rights-based development' that simultaneously affirms the associative obligations of various stakeholders in global civil society (Jeffery Alexander 1997). It must also articulate the issue of governance and an ecologically sensitive concept of sustainable development as part of poverty reduction programmes. In other words, poverty alleviation efforts must first raise marginalised groups and socially excluded classes/castes to a position of 'collective equality' before civil society begins the process of what Habermas calls 'rational communication' between free and equal citizens (Calhoun 1993). Rather than just noting the 'neutral' character of civil society, the authors of this Yearbook treat the 'poverty reduction project' as an open-ended process whereby inegalitarian structures of power, discrimination and exclusion are interrogated, criticised, challenged, and ultimately reversed. Therefore, there is a distinct possibility that questions asked about how global civil society will affect poverty may differ according to specific trajectories of politics, policy regimes, social-cultural circumstances, and path-dependency forces in complex forms of local and global contexts.

The contributors to this Yearbook do not accept the prevailing misconception that poverty is produced by a strange combination of divine luck and the fault of the poor. The opposite is true. The authors concur with Thomas Pogge in arguing that the eradication of global poverty is a 'politically feasible' project because even after 'egalitarian redistribution of wealth' there will still be more than enough for the rich and the developed world to flourish. Today, most civil society activists and scholars agree that a decent standard of living must include what Pogge calls a notion of 'human flourishing' in which the poor enjoy not only unhindered rights to food and freedom but also capabilities to translate those rights into a globally acknowledged,

respected and protected charter of human welfare and excellence. The rise of the so-called 'wretched of the earth who are still with us' in stirring global civil society is a welcome sign of changing times.

The chapters in this edition argue quite persuasively that the most resourceful, entrepreneurial people in the world are those 'slumdog millionaires' who must scratch out their survival every day in the bleakest, most degrading of circumstances and ultimately overcome all forms of adversity. Their poverty, we now know, is caused not by them or their 'past karmas' but by the inequitable distribution of global capital, exploitation of cheap labour and manipulation of global institutions of governance. We also underline the role of distributional justice and democracy in realising the potential of civil society. Though we insist on rights to social, political and economic conditions and opportunities that allow poor people to thrive and flourish, we focus on the popular stirrings in civil society. In short, we refuse to accept the popular but fallacious view that the primary duty of eradicating poverty falls on the state, democratic or otherwise. We believe and contend that poor people have an inalienable right to protest and disobey laws, rules that systematically confine them to lead impoverished lives under sub-human conditions. Additionally, we also highlight how continuing exclusionary social and political practices result in segregating diasporic citizens from mainstream citizens in metropolitan and mother countries. The contributors to this edition of the Yearbook have agreed to disagree on ways of exploring and analysing the nature, causes, and forms of poverty; but none have disagreed on treating severe poverty as the most urgent political, social and economic challenge of the twentieth-first century.

Thus, the LSE-TISS collaboration in this Yearbook marks the beginning of a creative and critical and activist dialogue over normative and procedural aspects of cosmopolitan democracy and justice. In other words, if contemporary society truly aspires to respond to post-modernist fanciful imaginations of 'the traditions of endings' it has to fight a hard battle to end the scourge of lingering poverty in the world. Such efforts must be ultimately rooted in popular stirrings in global civil society. And to achieve this, as Cesar Vallejo, the Peruvian poet says, 'Unfortunately, human beings and brothers, there is a lot to be done (quoted in Mannathukaren 2006:90).



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