
FROM POVERTY TO POWER: HOW ACTIVE CITIZENS AND EFFECTIVE STATES CAN CHANGE THE WORLD

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Introduction

In line with the renewed perspective towards development – a move away from raising monetary revenue to focus on structural causes and lived experiences of poverty – aid donors, international financial institutions and civil society organizations are increasingly emphasizing basic rights and the ability to exercise them freely in the Global South. Due to their lack of attention on the autonomous growth and decision-making power of both politicians and citizens in the recipient countries, previous and ongoing development projects that prioritize capital accumulation are at a crossroads. In his book *From Poverty to Power: How Active Citizens and Effective States Can Change the World*, Duncan Green suggests that governments and citizens of developing countries – which he respectively refers to as “effective states” and “active citizenship” – are the main agents in dismantling poverty.

This article is a combination of a book review and a policy review that examines the Bolivian Water War in the Cochabamba region as a consequence of water privatization mandated by the World Bank’s conditionality. Green is critical towards the World Bank throughout *From Poverty to Power*. He argues that the Bank should not “feed global markets but ... step in where markets failed, in order to mitigate

the harsh effects of global capitalism.”¹ Yet he also acknowledges how the Bank has “indeed evolved, both in terms of content and process, working closely with civil society organizations on topics such as social inclusion and accountability.”² Whilst examining the case of the Water War, this article adapts Green’s dual emphasis on “active citizenship” and “effective state” as an analytical tool and elaborates on how the Bank’s conditionality both undermined the effectiveness of the Bolivian state, and gave rise to collective active citizenship amongst the citizen.

Analytical Tool: Combination of Effective State and Active Citizenship for Development

Green finds that “development, and in particular, efforts to tackle inequality is best achieved through a combination of active citizenship and effective states.”³ Citizens of aid recipient countries are often perceived as passive beneficiaries of development policies dominated by national governments and international donors. On the contrary, Green asserts that active populations in the Global South have always sought to enhance their civic rights and standards of living, either through sociopolitical means, or through collective action. Active citizenship is at play on the individual level when citizens prevent poverty from being internalized into a sense of powerlessness. Meanwhile, groups engage in democratic processes to change leadership and build an ‘effective state’ at a larger collective level.

Green defines effective states as “states that can guarantee security and the rule of law, design and implement an effective strategy to ensure inclusive economic growth, and are accountable to and able to guarantee the rights of their citizens.”⁴ The importance of state effectiveness has been proven throughout history, as, according to Green, no development initiative has been successful without the state’s ownership and overarching management of donor and NGO activities. He is not alone in emphasizing the role of the state. For instance, supporters of the developmental state thesis assert the importance of state management in? development finance and selective support for designated industries.⁵ States are also entrusted to prevent potential insecurity arising from renewed power balance and wealth distribution that development often requires for the sake of equality.⁶

1 Duncan Green, *From Poverty to Power: How Active Citizens and Effective States Can Change the World* (Oxford: Oxfam International, 2008), 245.

2 Ibid., 247.

3 Ibid., 10.

4 Ibid., 11.

5 Meredith Woo-Cummings, “Introduction: Chalmers Johnson and the Politics of Nationalism and Development”, in *The Developmental State*, ed. Meredith Woo-Cummings (Ithaca: Cornell University Press, 1999).

6 Astri Suhrke and Toruun Wimpelmann Chaudhary, “Conflict and Development” in *Introduction to International Development: Approaches, Actors and Issues*, eds. Paul A. Haslam, Jessica Schafer and Pierre Beaudet (Oxford, Oxford University Press, 2012).

Finally, in the face of rapid technological innovation and transnational agreements on intellectual property, states are expected to protect their industries from Western monopolies and invest in human capital, the largest resource of many Global South countries.⁷

Privatization in Bolivia and the Water War: Active Citizenship and Ineffective State

In the mid-1990s, the World Bank offered loans to the Bolivian government for enhanced water infrastructure and investment. As a conditionality, the Bank, together with the Inter-American Development Bank, requested the privatization of water systems in the Cochabamba region, which suffered from chronic water shortage. The two organizations endorsed Law 2029 on public hygiene and potable water,⁸ a law that mandated community-run irrigation systems, including the rainfall storage facilities, to be handed over to private companies without reimbursement. The approval of Law 2029 granted a contract the private company Aguas del Turani and the price of water increased twofold with little service improvements.⁹ This change disproportionately affected working class households, who were unable pay the extra \$30 that resulted from privatization¹⁰. This situation exacerbated their vulnerability, which Green defines as “the reduced ability of some communities or households to cope with the events and stresses to which they are exposed.”¹¹ Moreover, Aguas del Turani’s initiative to build water meters in rural irrigation facilities and private wells for extra profit bred criticism that the company, partly owned by the Bechtel transnational enterprise, was ignorant to the sacred meaning of water for the Andean aboriginal population.¹²

As a response, 50,000 Cochabamba residents launched a two-months long collective action and a new alliance was formed in the name of *La coordinadora en defensa del agua y de la vida* – the defensive coordination for water and life. The *Coordinadora* brought together a wide range of citizens, including environmental activists, educators, businessmen, and children. As a group, they reflected on

7 Peter B. Evans, *In Search of the 21st Century Developmental State, Working Paper No. 4* (Sussex: University of Sussex, Center of Global Political Economy, 2008).

8 Oscar Olivera, Tom Lewis and Vandana Shiva, *¡Cochabamba! Water War in Bolivia!* (Cambridge, Massachusetts: South End Press, 2004).

9 Karen Bakker, “The Ambiguity of Community: Debating Alternatives to Private-Sector of Urban Water Supply”, *Water Alternatives* 1, no. 2 (2008): 236-252.

10 Olivera, Lewis and Shiva, *¡Cochabamba! Water War in Bolivia!*.

11 Green, *From Poverty to Power: How Active Citizens and Effective States Can Change the World*, 167.

12 Karen Bakker, “The Commons versus the Commodity: Alter-Globalization, Alter-Privatization and the Human Right to Water in the Global South”, *Antipode* 1, no. 1 (2007): 430-455.

their demands, including the ejection of Aguas del Turani from Bolivia.¹³ The citizens' demands soon extended beyond the immediate Water War issue, and the *Coordinadora* called for a Constituent Assembly to unite urban and rural laborers, peasants and indigenous associations and seek self-governance, autonomous from both the Bolivian government and the demands of international development partners.¹⁴ At its peak, more than 100,000 citizens were participating in the collective action, which led to the benchmark withdrawal of Aguas del Turani from the country, as well as a comprehensive reform of Law 2029.¹⁵

The case of the Bolivian Water War highlights both the importance of active citizenship and the pitfalls of aid conditionality, which can undermine the recipient government's potential to become an effective state. In Cochabamba, the solidarity expressed between the citizens and the *Coordinadora* brought them power, which Green categorizes into four types: power *over*, power *to*, power *with* and power *within*. In Cochabamba, active citizens exercised power over Aguas del Turani's monopoly, power to protect traditional values, power over diverse population groups, and power within, which would later translate into a feeling of empowerment. The installation of ballot boxes for a referendum, a unique means to exercise active citizenship, also favored this acquisition of power.¹⁶

The condition imposed by the World Bank on the Bolivian government to privatize the Bolivian water sector undermined the recipient's potential to develop into an effective state. Green voices his opinion against such practice and argues that "conditionality obliges poor countries to implement policies based on dogma and ideology, rather than on evidence – for example, privatization and liberalization which ... have a poor track record in triggering growth or reducing poverty."¹⁷ Green's opinion is shared by critics who question the idea that the rule of law and anti-corruption are taken-for-granted preconditions for aid effectiveness, as well as the compatibility of aid conditionality with mutual accountability and ownership.¹⁸ In fact, instead of making the state effective, the World Bank's conditionality in Bolivia exacerbated the vulnerability of the Cochabamba residents and compromised the municipal township's decision-making power to locate water wells.

Conclusion

In 2000, World Bank published a report, *Voices of the Poor*, which contained

13 Oliviera, Lewis and Shiva, *¡Cochabamba! Water War in Bolivia!*.

14 Jeffery Webber, "Red October: Left Indigenous Struggle in Bolivia" (Unpublished PhD diss., University of Toronto, 2009).

15 Oliviera, Lewis and Shiva, *¡Cochabamba! Water War in Bolivia!*.

16 Manuela Nilsson and Jan Gustafsson, *Latin American Responses to Globalization in the 21st Century* (London: Palgrave MacMillan, 2012).

17 Green, *From Poverty to Power*, 298.

18 Taekyoon Kim, *Oppositional Coexistence: The Asiatic Reproduction of Global Accountability* (Seoul: Seoul National University Press, 2018).

interviews with 64,000 people from the Global South countries. The goal was to identify the fundamental causes of inequality and poverty. It reflected people's personal experiences of poverty, which were often immaterial: "The need to look good and feel loved, the importance of being able to give one's children a good start in life, or the mental anguish that all too often accompanies poverty."¹⁹ This multi-dimensional experience of poverty encourages development partners to re-orient their donor-led economic strategy and incorporate the participation and experiences of local communities and governments.

However, no one-size-fits-all strategy exists through which active citizenship and effective state of all aid recipient countries can be fostered. Considering that the social movement in Cochabamba was partially triggered by the jeopardization of traditional values, citizenship and state effectiveness are likely to have varying meanings across recipient nations. However, what Green emphasizes is that communities and governments in the Global South possess significant political agency. Therefore, fair distribution of development benefits, reflection of local demands, and maximization of government ownership could perhaps be a promising step to improve the effectiveness of future development initiatives.

19 Green, *From Poverty to Power*, 7.