

# Rethinking poverty: empowerment and citizen rights\*

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I have undertaken to write this essay with certain misgivings. Who needs yet another learned opinion on poverty? Despite a continuous stream of literature on the subject – and I have been writing on poverty for forty years – poverty remains with us as a steady companion. The academic mills keep on grinding, and the doctors of statistics are hard at work to show that the authorities have poverty under observation and control. After all, there are countries where poverty is virtually invisible: a Sweden or Switzerland, for instance. But the subject of poverty is elusive. Think of Bangladesh. Surely, here is a poor country. But how would I think about poverty if I were Bangladeshi (which I am not). Some Bangladeshis are very well off, even rich, and the tenant farmers upstream on the Brahmaputra hardly compare their lot to that of Swiss farmers. Do Bangladeshis think of themselves as poor, and in relation to what or to whom?

Or take the example of China which was among the poorest of the poor countries in 1949. When the Communists gained power, Mao Ze Dong promised everyone an 'iron rice bowl' of basic social securities and introduced the bicycle and the commune. Foreign observers in the 1950s and 1960s returned astonished to announce to a disbelieving West: poverty has disappeared in China! Life may be regimented

and shabby, but neither in the countryside nor in the cities is there evidence of massive poverty. Then came the post-Mao reforms, and it was once again acceptable that some should become prosperous. Gone was the greyness of life in China which many Westerners had found so unsettling. Markets returned triumphantly to Chinese cities. And poverty returned as well.

Western economists promise that if China keeps up her growth rate to well above the

increase in population, poverty is sure to disappear over the next generation. Labour markets will tighten, wages will rise, people will move to where the jobs are. We may call it the famous capitalist vanishing act. It underlies our deeply held belief that massive poverty is not an inevitable but an historical outcome. But if the economists are right, why is there still massive poverty in America which has done all that they

have said should be done: create a free market, allow the unhindered movement of labour, maintain an adequate growth rate? Despite this, one-fifth of the American people, some 50 million, are today living in poverty.<sup>1</sup>

Enter the philosophers. Their argument is about the contradiction between liberty and equality. We can make everyone equal, they say, but only at the price of liberty. Alternatively, we can enjoy liberty, but sacrifice equality. Given this formulation, most philosophers

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opt for liberty, though a few might hold out for the halfway-house of the welfare state which sacrifices a little liberty for a little more equality. Even so, the statisticians are already checking their numbers: the days of the welfare state are nearly over, they say. Advanced capitalist countries can no longer afford even the little equality they have achieved. Tax rebellion is rife. Those who have money want to spend it on themselves rather than turn it over to a bloated state bureaucracy. Poverty is likely to increase, but (and now enter the moralists) those who become poor have only themselves to blame. They prefer the easy life on the dole to the hard work of upright citizens. They are promiscuous and, preferring earthly pleasures now, fail to plan for the proverbial 'rainy day' ahead. It is all right to get rich, the moralists assure us, echoing official Chinese Communist Party doctrine. Getting rich is the just reward for taking risks, for applying yourself, for investing your money where it can be put to work.

But even moralists do not have hearts of stone. Besides, the rich are embarrassed to have the poor block their way to the stock exchange. They may also count up the growing percentage of their income that goes towards protecting their property: the police, the jails, the private security guards. And so they set some money aside to give the economy 'a human face'. The World Bank makes a small loan to the Mexican government 'to provide basic social services to the poor' along with a loan that is twice as big 'to support the banking system' (*Los Angeles Times*, 29 June 1995). And local charities are encouraged to do more for the homeless, while the budget for police is increased. (In the semi-official think tanks that advise the government, there are rumourings of triage, deciding who is worth saving and who must be abandoned.<sup>2</sup>)

Given this vast panorama – without even mentioning Malthusian 'overpopulation' which would be another chapter – one can begin to understand why some sociologists and planners have begun to talk about 'empowerment' solutions, involving the self-organization of the poor. If society and the state abandon the poor, what options do they have? Self-organization may be little more than a way of surviving. But it is also a way to preserve some dignity and self-respect. Moreover, society at large is likely to approve the efforts of the poor to solve the

problems of livelihood co-operatively and may even lend a helping hand. So long as self-organization does not become stridently political and clamour for a change in the existing order of things. Co-operatives, yes; insurgent peasant movements, no.

In this essay I will talk about empowerment, a term that defies easy translation from English into other languages. Power is a threatening word. Every human relation has dimensions of power, and much of our behaviour is governed by the desire to use power, to enhance one's power, to alter the relations of power. Here, I will use power in a benign sense, not as the power to 'oppress others' or 'inflict pain', but in the sense of *capacity*, as in the ability to read and write, which is empowering. Clearly, there are other ways of talking about power: political practice and self-respect are two such ways. I will refer to them briefly, but my main focus will be on the power that enables people to help themselves. This is not a 'solution' to poverty or to the dilemmas of liberty/equality. Self-help is simply a way of surviving under conditions of triage.

In the next section, I will take up the semantics of poverty, the diverse ways we have of talking about poverty and what they tell us about the underlying ideologies and proposed ways of dealing with the condition that we all wish to escape. After that I will take a closer look at the empowerment model in an effort to give it some flesh and substance. Finally, I will conclude by suggesting the need for new forms of democratic governance if the empowerment model is to work. This is a speculative part, the 'wishing for a star' part of this essay.

## The semantics of poverty

There are at least four ways of talking about poverty in Anglo-American countries: the talk of bureaucracy, moralistic talk, the talk of academics, and strategic talk that comes directly out of the social activism of the poor themselves. These four ways are detailed below.

### 1. Bureaucratic talk

- low-income population
- absolute poverty
- relative poverty

The first three of these are the most common designations and employ 'objective' criteria, usually income, to decide who falls into each category. The criteria are applied variously to individuals or households. The very precision of the criteria, however, belies the fact that the selection of a *poverty line* by distinguishing those who are declared to be poor from those who are not is essentially a political act. Shifting the poverty line up or down by a few dollars can have major implications for the number of people included in each category and on their eligibility for certain kinds of public assistance.

The use of income as a criterion further suggests that what, in a bureaucratic perspective, is at issue is primarily poor people's ability to consume. In very poor countries, where income is perhaps less relevant, or statistics are not readily available, the number of calories consumed may be taken as a criterion of poverty. But this number can always be monetized and a fixed percentage applied for 'other expenses' to yield the official poverty line, so that income again appears as the decisive criterion.

*Low income* is the most general designation and contrasts with middle and high-income population groups. It is also sometimes used as a euphemism intended to remove the stigma of poverty from those who find themselves included in the category.

The poverty line is intended to separate those who fall below it – the *absolutely* poor – from the *relatively* poor who are measured in relation to the incomes of the rest of society (e.g. the lowest quintile). This second term also suggests the political relevance of income inequality in the economy and may suggest income redistribution policies rather than direct interventions, as in the case of the *absolutely* poor.

According to the dictionary, to be poor refers to a condition of little or no wealth, or of having few if any possessions. It is therefore notable that bureaucratic usage is more restrictive, referring to income flows rather than possessions or wealth. One might argue – using human capital theory – that the poor are also poorly endowed in terms of such assets as health and education, which would suggest a different set of solutions from, for example, income redistribution or social welfare programmes.

Finally, we may note that substantial populations of indigenous/tribal peoples may prefer to live largely or even entirely outside the capitalist system, pursuing their traditional ways of life. For these, poverty might have an entirely different meaning from 'ability to consume', and, indeed, may not be a term in use at all.

## 2. Moralistic Talk

- *blesséd* poor
- destitute
- indigent
- working poor
- deserving poor
- voluntary poor
- dangerous classes
- popular classes

Most, though not all, of these terms place the onus of poverty on the poor themselves. They imply a moral judgment which, in the appropriate context, may also have a religious or political significance.

The Bible speaks of the *blesséd poor* who pass through the eye of the needle to enter the Kingdom of Heaven (while the rich will not): the poor are thus seen as being favoured by God. Hence, many religions encourage charity towards the poor, and some religious orders even choose *voluntary poverty* (begging monks, etc.). Both *destitute* and *indigent* are more encompassing, if also less precise, than corresponding bureaucratic terms and, in any case, much older in origin. Destitution refers to absolute impoverishment, while indigence is roughly equivalent to being 'needy'. The *working poor* are often said to be *deserving*, as they lead clean, industrious lives, while the corresponding undeserving poor (ripe for triage) are seen as parasitic on the body social. In nineteenth-century bourgeois rhetoric, they would have been counted among the *dangerous classes* who were seen as beset by vice, licentiousness, and a proclivity to rebellion. Regarded as a threat to bourgeois order and stability, they were best put to work in poor houses or removed from normal human intercourse altogether (in prisons, orphanages, etc.).

The *popular classes*, finally, is an expression preferred by some on the political left. It is an updated version of the political rhetoric of the Second International which used the term 'the masses'. Both include those whom contempor-

ary social science has come to call the *underclass* and whom Marxists of an older generation referred to as the *lumpen proletariat*. Most of the popular classes, one may infer, would fall into the bureaucratic category of low income.

### 3. Academic talk

- structural poverty
- exclusion
- marginalization
- exploitation

Typically, each of these terms and the theories associated with them imply that the poor are victims of forces beyond their control. And each implies a different set of solutions. My intention here is not to cite the voluminous literature relevant to each of them, and still less to enter into an academic debate. I will merely try, as accurately as possible, to characterize what each term represents in the discourse of the social sciences.

*Structural poverty* explanations argue that poverty is the result of so-called structural conditions in the socio-economic order that, for example, help to create system-wide redundancies in the labour market or produce the widespread displacement of small peasants from their land. In the wider sense, of course, it is the capitalist system which is said to be inherently inegalitarian and consequently responsible for widespread immiseration. In a narrower reading of structural conditions, the solutions proposed often include job creation and retraining programmes in the case of unemployment and agrarian land-to-the-tiller reforms in the case of landlessness.

*Exclusion* is a more polemical term that is meant to suggest the exclusion of certain groups from the circuits of capital accumulation and/or their 'fair share' in the benefits of economic growth. The term employs an implicit structural explanation of poverty. One question here is whether the currently hegemonic neo-liberal model of economic growth systematically excludes whole classes of people who, for all practical purposes, are treated as redundant for global capital accumulation. Exclusionist explanations often link up with proponents of *sustainable development*, where sustainability refers not only to ecological but also to socially sustainable conditions in an effort to rein in the

primitive accumulation model of contemporary capitalism.

*Marginalization* is a term from the Marxist vocabulary, where it is often theorized in terms of the labour theory of value. So long as there is a social class that is able to extract 'surplus labour' from workers (labour required above what is needed for the day-by-day reproduction of workers' labour power), morally unacceptable levels of poverty will prevail. The organized action of the working class, however, is able to modify the regime of exploitation and improve the conditions of life of the exploited.

### 4. The voices of the poor

- disempowerment

Disempowerment theory has grown out of poor people's own efforts to ensure the satisfaction of their basic needs for housing, food, security, etc., involving self-organization and political struggle. Accordingly, to be poor is defined as a form of disempowerment; conversely, solutions are sought in efforts at collective self-empowerment. Three dimensions of disempowerment are relevant: *social*, referring to poor people's relative lack of access to the resources essential for the self-production of their livelihood; *political*, referring to poor people's lack of a clear political agenda and voice; and *psychological*, referring to poor people's internalized sense of worthlessness and passive submission to authority. The three are interdependent but analytically separable.

Strategically, the underlying empowerment model builds on the self-organization of the poor for collective survival. The goal is to gain greater access to resources essential for livelihood. Although self-organization is fundamental to the achievement of this goal, outside help, especially by the state, is needed in order to obtain satisfactory results on a scale commensurate with the size of the problem. To address the problem of scale and to get the state to pay attention, political protest movements must be launched to put forward poor people's claims to livelihood as a fundamental human right. Psychological empowerment is seen as a consequence of participating in collective action and in gaining greater control over the means of one's livelihood.

In a climate of public opinion which appears to give its consent to the worldwide triage of poor people, the only viable response to poverty is by the poor themselves. I shall therefore set forth the empowerment model in greater detail below. In the final section, I will speculate about the political implications of this model for local governance and urban reform.

## The empowerment model

The question is, how do the poor themselves produce their livelihood when they are largely shut out from the circuits of capital accumulation? In this section, I will present a model of empowerment<sup>3</sup> (together with a discussion of possible strategies of implementation) that I believe to be an adequate response.

### The production of livelihood

1. A model is needed that will shift the perspective from the commonly held assumption, reinforced by neo-classical economics, that household activities are primarily concerned with consumption, while 'production' (that is, production for profit) takes place primarily outside the household, in factories and offices.<sup>4</sup> The empowerment model accomplishes this shift by regarding the household, and more specifically the household economy, as a *centre for the production of livelihood*. Although households still engage in some forms of 'consumption', such as eating, watching TV, etc., these activities should be subsumed under and integrated with the necessary production of livelihood, e.g. growing and preparing food, obtaining water, cleaning up after the meal, and earning enough money to buy whatever may be necessary for food preparation including basic capital equipment, such as a stove, pots and pans, a table and chairs, as well as fuel, sugar, salt, soap, etc. In this view, a 'meal' results from the mixing of household labour with resources and equipment, some of which may be produced at home while other resources are bought in the market economy.

2. Because the concept of livelihood is self-limiting, it falls outside the logic of capitalist accumulation. In the short run, at least, the livelihood of a household reduces to its 'basic

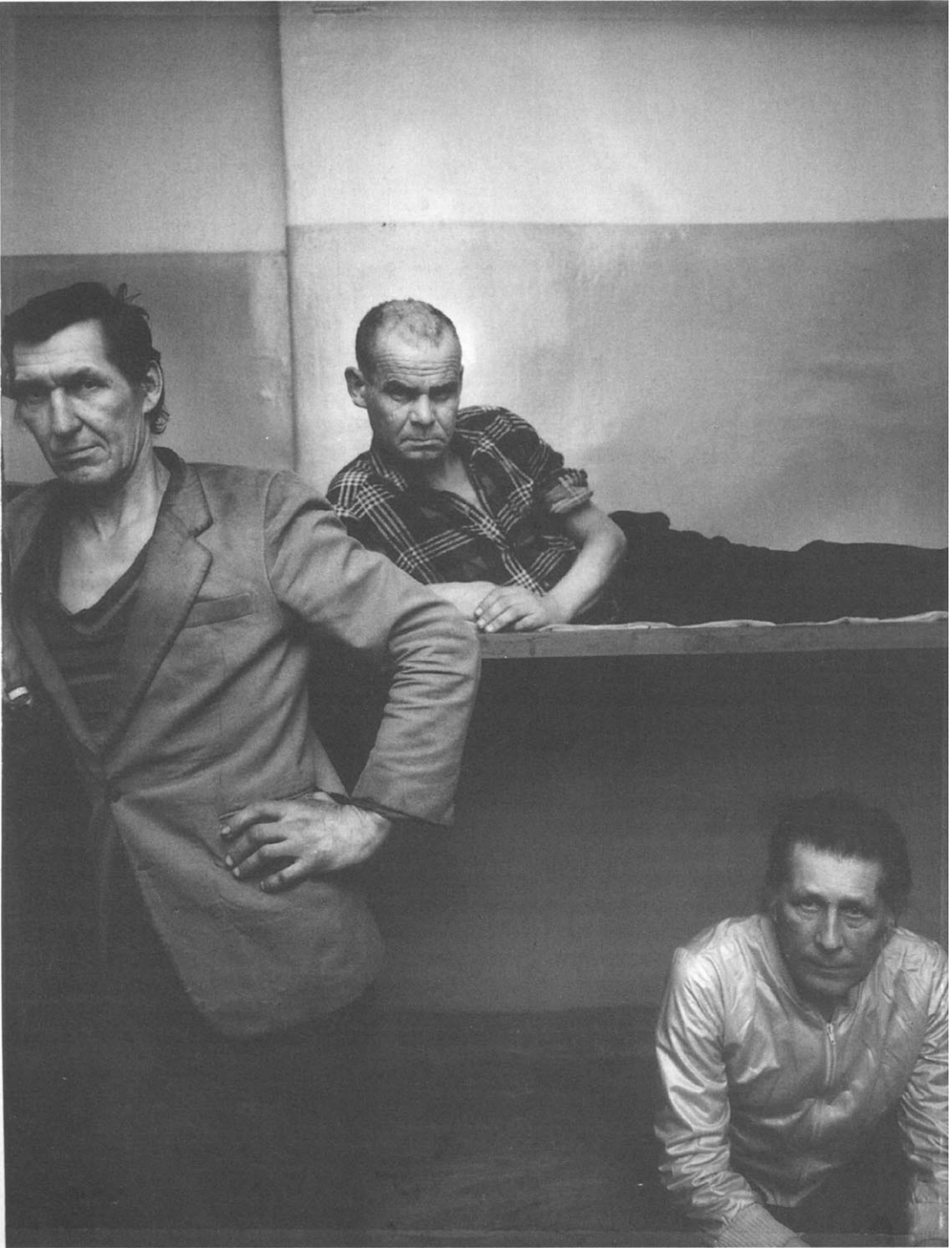
needs'. Over the longer term, as 'basic needs' are satisfied, new needs may arise that may become 'basic' in turn. But there is nothing in the concept of livelihood equivalent to the relentless profit-seeking under competitive conditions that force the capitalist system into its obsessive accumulative drive.

3. The model makes explicit use of, and therefore validates, a so-called moral economy of social relations that are based on trust, a sense of social obligations towards select others, and reciprocity (Ekeh, 1974; Lomnitz, 1977; Scott, 1976; Hyden, 1980). The moral economy is treated as a necessary complement of the exchange economy of the market so that one could not exist without the other. Among other characteristics, it is distinguished by voluntary work. Although it is true that, with advancing capitalist relations, voluntary work tends to be displaced by market exchange, even the most thoroughly capitalized economies continue to rely on voluntarism to make the system work efficiently. And among disempowered households, the need for the social relations of the moral economy is absolutely vital, being directly linked to survival.

4. Disempowered households do not, as a rule, rely exclusively on themselves for the production of their livelihood. They are merely the centre for social relations that contribute in various ways to their survival:

- relations with members of their extended family, including for income-sharing and remittances;
- relations with friends and neighbours for day-to-day help and support in small informal ways;
- relations with community-based organizations for collective action and moral support;
- relations, often conflictive, internal to the household itself.

Both the quality and density of a household's social relations are important variables in the production of household livelihood over time. Households that are at war internally, or that have broken with family and friends, or that are shunned by neighbours, or that fail to take part in community organizations, are poorly equipped for self-empowerment. To be fully part of the moral economy requires household members to fulfil certain social obligations, give evidence of



Men in a centre for the homeless, Moscow Joly/Editing

reciprocal affections, and make time commitments for socializing and community work. Failure to make these 'investments' will leave a household economy increasingly vulnerable.

5. Despite its embeddedness in the moral economy, no household can subsist for long without also entering the market economy. In a capitalist world, people need income-producing work. Because most disempowered people lack job security, they often end up working in small, informally organized businesses or, failing in what they do and without steady employment, become dependent on charity and welfare, their lives controlled by social workers and bureaucrats. From here, it is only a small step before households slip into the underground economy of crime.

### **The bases of social power: resources for the household production of livelihood**

The human resources of the household economy are the available time, aptitudes, talents, and skills of its members. In addition, households need access to certain socially produced resources, or *bases of social power*. Some of these I have already mentioned, such as the need for income and the quality and 'density' of the household's social relations. We now need a more systematic accounting.

The empowerment model identifies eight 'bases of social power'. Every household will have a characteristic 'profile' of access with respect to these bases, the combination of which determines the overall quality of the livelihood resources at its disposal. The problem that confronts any household economy, therefore, is how to allocate its human resources in order to maintain its livelihood under changing political and economic conditions and, if possible, also to improve its level of living. Changes internal to the household itself (departures, additions, illnesses, social obligations) must also be considered. The eight bases of social power are the following.

1. A safe and secure life space. This refers to an enclosed domestic space as well as to the surrounding community of neighbours and basic community equipment (transport, school, stores, telephone, laundry, sport facilities, churches, mosques, temples, public meeting hall, etc.).

2. 'Surplus' time over and above the time needed for the daily production of livelihood. Surplus time must be counted separately for each member of the household economy, graded by gender and age. To a considerable extent it is a socially produced resource, that will vary with the time spent in travelling to work, the availability of water, the distance to markets and health clinics, as well as the levels of remuneration at work. Work earning a low income will force more household members into the labour force, thus reducing the time available for other household activities in the moral economy.

3. Social networks (extended family, friends, neighbours) were briefly discussed in the preceding section.

4. Civil associations, from churches and sports groups to neighbourhood improvement associations. The density of such organizations can be taken as a measure of civil society. The more such organizations exist, the stronger will be the community in its collective struggles for livelihood, while household participation in these organizations will support its own struggles for livelihood.

5. Knowledge and skills. This refers not just to levels of formal education attained by each household member but, more importantly, to the *useful* knowledge and skills available to the household economy. One does not learn bricklaying in school; yet it is a useful skill valued in the moral no less than the exchange economy. Successfully raising chickens or rabbits in an urban environment is a skill of a different sort that may raise both household income and nutritional levels.

6. Relevant information. This refers to information that renders knowledge and skills useful. It includes information about opportunities, new technologies, new legislation that may be pertinent to householders, and information about the larger world within which households seek to produce their livelihood.

7. Instruments of production. This base of social power has multiple meanings but is intended to include *good health* (the body being the primary instrument of production), *crop land* for farmers, and *capital equipment* for use in both the moral and exchange economies (truck, sewing-machine, cooking-stove, etc.).

8. Financial resources, including income and financial credit (small business loans, housing improvement loans, etc.).

Although the model treats the bases of social power as resources for the production of livelihood by the household taken as a unit, it is not intended to suggest that access to resources is necessarily equal for all household members. The household model does assume a sharing of resources: this is the basis of its moral economy. Nevertheless, patriarchal norms tend to give the males of the household a distinct advantage in access to and use of resources. And there may be other, more subtle differences in access with regard to children, relatives, and older and perhaps incapacitated household members. Households should be seen as tiny political communities, with a political regime, entitlements, and even resistance struggles.

### Strategies

Each and every day, households make choices to allocate their resources among these bases of social power. The unique circumstances of each household will determine the relative priority assigned to each. A general pattern may nevertheless be observed:

- First priority: the struggle for a safe and secure life space (and for peasant farmers, the struggle for land).
- Second priority: financial resources. Here, the sources will vary according to circumstances and influence other decisions: intra-family transfers, migrant remittances, sending women and children into the labour force, welfare payments, informal income-producing activities, etc.
- Third priority: investing in the development of knowledge and skills, especially of the male members of the household.
- Fourth priority: participating in community-based organizations. How much time is allocated to this activity will depend on the available surplus time of householders.

Given this general scheme of household priorities, from which significant departures are, of course, possible, three comments may be made. First, successful household production of livelihood, particularly to increase living levels,

requires the co-operation of outside organizations, such as voluntary agencies, church-based groups, and the like. Under conditions of triage, households generally cannot manage by themselves. Small loan programmes do not materialize by themselves. Housing construction may involve a long struggle mediated by co-operatives. Resistance to dispossession (land, self-built housing) may need the intervention of church-based groups, among others.

Second, the voluntary (NGO) sector is by itself insufficient to cope with mass disempowerment. Although specific figures are lacking, it is doubtful that more than 10 per cent of disempowered populations in most countries are somehow touched by NGOs, and the figure may well be considerably less. Voluntary agency reports are filled with stories that touch one's heart. But it is clear that more than voluntarism is needed, even in the United States, the country with perhaps the most extensive network of voluntary organizations anywhere in the world. Without direct involvement by the state there can be no escape from massive poverty and disempowerment.

Third, not all livelihood problems of households can be effectively addressed at the community level; the 'new localism' is not enough. Regional, national, and international levels are also involved and call for approaches that are very different from household or community empowerment. The North American Free Trade Agreement is likely to destroy the livelihood of marginal corn-producing peasants in Mexico. Rural industrialization in China has less to do with 'empowerment' than with central planning decisions. Experiments with participatory municipal capital budgeting in some Brazilian cities, such as Porto Alegre, have had to exclude investments in city-wide infrastructure from the participatory process. What these interlocking spatial dimensions of economic planning are telling us, and this is an important caveat, is that the household- and community-based empowerment model cannot be totalized. Important as the strategies linked to this model are, other and very different spatial strategies are needed for a complete and coherent response to poverty.

To my mind, the biggest problem in household empowerment is the inability of the voluntary sector to fill the gap between disempowered



groups and a national state obsessed with maximizing economic growth. Whether in the United States, Brazil, Mexico, or China, the state must be forced to back off from its commitment to a policy of triage. And for this to happen, a *new social contract* is needed. As a prescriptive model, the Keynesian model of the welfare state is gone for good. Increasingly, the resources for it are not there, and the popular will to re-establish it is lacking. In the next and final section, I will engage in some speculations about the possibilities of a new social contract and how it might be achieved.

## Towards a new social contract

To go beyond the empowerment model with its localist bias to a society-wide strategy for combatting structural poverty and, at the same time, avoid the multiple contradictions of the Keynesian welfare state, calls for a new way of thinking about the relationship between citizens and the state. I will attempt to sketch this relationship in a series of four interrelated steps: (1) defining the purpose; (2) strengthening civil society; (3) new forms of state–society relations; and (4) political strategies.

### Defining the purpose

I have defined poverty as a form of disempowerment along three dimensions: social, political, and psychological. The empowerment model turns this definition into its opposite, yielding a strategy for improving household access to the basic resources for livelihood. Although it holds each household responsible for producing its own livelihood, the model regards livelihood resources as being socially rather than individually produced. Empowerment strategies thus implicitly call for a strengthening of civil society through its social networks and civil associations as well as for new forms of relations between state and organized society in the provision of these resources.

But before this can happen, each person's right to livelihood must first be solidly established. I shall argue that the right to livelihood must form the basis of a *new social contract*

between a government and its citizens. To give substance to the meaning of this concept, I shall depart from the language of the empowerment model to propose a *Decalogue of Citizen Rights*.

### Decalogue of citizen rights

1. Professionally assisted birth
2. A safe and secure life space
3. An adequate diet
4. Affordable health care
5. A good, practical education
6. Political participation
7. An economically productive life
8. Protection against unemployment
9. A dignified old age
10. A decent burial.

The practical implication of this Decalogue, which forms the basis of the new social contract, is that the state would commit itself to honouring these rights *before* addressing other claims. In this perspective, then, economic growth is no longer regarded as the blind pursuit of growth for its own sake, but as an expansion of the productive forces of society for the purpose of achieving full citizen rights by the entire population.<sup>5</sup> Economic growth thus becomes linked to a specific social goal and requires state intervention into the anarchic play of market forces. The new social contract endows economic theory with a moral purpose, turning it from a utilitarian and excessively individualistic science into a deontological one. Following Amitai Etzioni, 'deontology uses as a criterion for judging the morality of an act, not the end it aspires to achieve, nor the consequences, but the moral duty it discharges or disregards' (1988, p. 13). In this way, as in the household, the moral economy of social obligation, trust, and reciprocity is integrated with the utilitarian calculus of the market at the level of the national economy.

### Strengthening civil society

The empowerment model places primary responsibility for its livelihood on the household economy. But the new social contract between the state and its citizens amends this model by adding 'within the context of citizen rights to livelihood'. The new social contract thus intends

to honour the claims of citizens on the resources held in trust by the state for support and assistance in their own struggles for livelihood. Although the Decalogue is merely a moral declaration, it does offer a framework for each household to work out its basic livelihood strategies. Producing a livelihood is here understood as an inherently social process that, if its embrace is to be society-wide, must draw extensively on the powers and resources of the state.

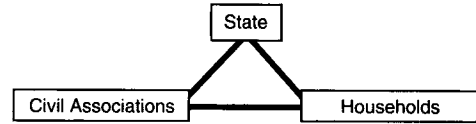
Nor can household responsibility for its livelihood be met in isolation from other households. For this reason, the empowerment model specifically includes social networks and organizations among its bases of social power. Both, but especially the latter, are critically important for improving access to other bases and for citizen rights.

Our everyday struggles for livelihood take place in particular localities or 'communities' whose vitality is a function of the density and depth of their civil associations, especially among the poor: political associations, tenant associations, housing co-operatives, small merchant associations, trade unions, sport clubs, youth organizations, women's groups, religious communities, neighbourhood associations, and the like. Far from being divisive, civil associations embody the moral economy of a community and are a measure of its strength.

The new social contract, therefore, places the weight of responsibility for the production of livelihood squarely on households and the civil associations in which they participate, within a framework of citizen rights. We may therefore think of it also as a means for strengthening civil society by providing incentives that will increase both the density and depth of civil associations in the thousands of localities that comprise a national society.

### **New forms of state-society relations**

The new social contract envisions organized civil society as an active partner with the state in ensuring to each citizen the rights enumerated in the Decalogue. Thus understood, democratic participation demands of citizens a far more active role than their individual vote. They must involve themselves directly in the provision of the goods and services that are central to the



production of livelihood by the member households of civil associations. The state, for its part, channels resources to individual citizens and households via civil associations. We may think of this arrangement as a triangular relationship among state, civil associations, and households.

In this model, civil associations are organized according to the criteria of inclusive membership, democratic governance, and not-for-profit operations. Not only do they receive resources from the state for disbursement, they also contribute to the realization of their projects with resources obtained on their own, including direct labour contributions, technical skills, and money. Within the limits of available resources, projects are funded by the state on a competitive basis and according to local and/or national standards (depending on whether the local or national state is the principal funding agency). Households, in turn, are active as participants in this process as well as its direct beneficiaries. And through the democratic vote of their adult citizen members, they can hold the state accountable.<sup>6</sup>

That, in brief, is the general set-up. Its design allows for infinite variations of detail, including collaborative undertakings by two or more associations and private enterprise. It assigns a central role to organized civil society – the 'intermediate organizations' much praised by conservative philosophers such as Peter Berger and Richard John Neuhaus (1977). But it does so within a politically progressive framework that sees disempowered households as their principal beneficiaries. Its centrepiece is the Decalogue of Citizen Rights.

### **Political strategies**

None of this will happen of its own accord, nor can a system of citizen rights be imposed by

administrative fiat. The disempowered must seize the initiative themselves, bringing political pressure to bear on the state to recognize their claims. Given the nature of the hegemonic system that is in place worldwide, this poses an enormous challenge that may take one or two generations before beginning to show visible results. The task is nothing less than to redress the balance of power between state and civil society, the latter being understood to include even those whom the corporate economy, dominated by finance capital and mega-corporations, has cast aside as useless for its purposes.

The task is to transform the claims of these discarded citizens into rights and to give the multiple voices of the poor a chance to be heard in democratic deliberations through powerful organizations of their own. Civil society today is no longer the 'bourgeois' society of Hegel and Marx. Two centuries of democratic struggle must now be extended to a social and economic agenda that acknowledges the failures of a moribund welfare state even as it puts forward the political demand for a new social contract.

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## Notes

\*The author wishes to thank Peter Morris for critical comments on a draft.

1. For a family of four, the official poverty line in 1992 was \$14,335. The near-poverty line, defined at 125 per cent of the poverty line, was \$17,919. The figure of 20 per cent relates to the latter (*Statistical Abstract of the United States, 1994*, section 14).

2. The French word 'trriage' refers to a system used to allocate a scarce commodity, such as food, only to those capable of deriving the greatest benefit from it.

3. This section is based on Chapters 3 and 4 of Friedmann, 1992. A very similar model, under the name of *economía popular*, is described in Coraggio, 1994. Both models owe a great deal to the economic anthropology of Karl Polanyi, especially Polanyi, 1977.

4. Exceptions to this assumption include 'out-work' under contract with a capitalist employer, telecommuting in advanced industrial societies, and family farming where the spatial separation of production and consumption is difficult to substantiate.

5. Citizen rights may not, of course, be the only mandate informing economic policy. Other social purposes will undoubtedly include considerations of income and wealth distribution, and ecological sustainability.

6. Some of the most interesting experiments in this direction are found at the level of local government in Brazil (Fedozzi, 1994). For a case study of popular housing movements in São Paulo, see Blair, 1995.

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