

The law poor

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A new report says that legal empowerment can help end poverty

TWO in every three people on the planet—some 4 billion in total—are “excluded from the rule of law.” In many cases, this begins with the lack of official recognition of their birth: around 40% of the developing world's five-year-old children are not registered as even existing.

Later, people will find that the home they live in, the land they farm, or the business that they start, is not protected by legally enforceable property rights. Even in the rare cases when they can afford to go to court, the service is poor. India, for example, has only 11 judges for every 1m people.

These alarming statistics are contained in a report from a commission on the legal empowerment of the poor, released on June 3rd at the United Nations. It argues that not only are such statistics evidence of grave injustice, they also reflect one of the main reasons why so much of humanity remains mired in poverty. Because they are outside the rule of law, the vast majority of poor people are obliged to work (if they work at all) in the informal economy, which is less productive than the formal, legal part of the economy.

The commission was born out of the theories of Hernando de Soto, a Peruvian economist whose books, “The Other Path” and “The Mystery of Capital”, proved unexpected best-sellers—albeit controversial ones. For a long time there was such disagreement among the commission's members—ranging from Ernesto Zedillo, a former Mexican president; and Lawrence Summers, a former American treasury secretary; to Shirin Ebadi, an Iranian human-rights activist and winner of the Nobel Peace prize; and Anthony Kennedy, a justice on America's Supreme Court—that it seemed they would be incapable of producing an agreement.

Perhaps reflecting the need for compromise, the report takes a much broader view of legal empowerment than Mr de Soto's focus on property rights. These are just one of four “pillars of legal empowerment”—the others are access to justice and the rule of law, labour rights and business rights (which make it easier for poor people to start, own and pass on businesses).

Unfortunately, the report does not attempt to rank its recommendations—again, the desire for consensus may have got in the way. Nor does it suggest how to measure the progress

towards legal empowerment. However, both Kemal Dervis, the head of the UN Development Programme, and Robert Zoellick, president of the World Bank, are enthusiastic about legal empowerment, so the report is likely to be taken further. Madeleine Albright, a former American Secretary of State, who chaired the commission with Mr de Soto, says she hopes that legal empowerment will now become part of policymaking jargon, much as “sustainable development” did after it first appeared in a similar report three decades ago.

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