

DEMOCRACY AND POVERTY ERADICATION

Liisa Laakso

- Democracy correlates with eradication of poverty and famine.

Amartaya Sen (*Democracy as Freedom*):

- No famine has ever taken place in the history of the world in a functioning democracy
- democratic governments have to win elections and face public criticism, and have strong incentive to undertake measures to avert famines and other catastrophes

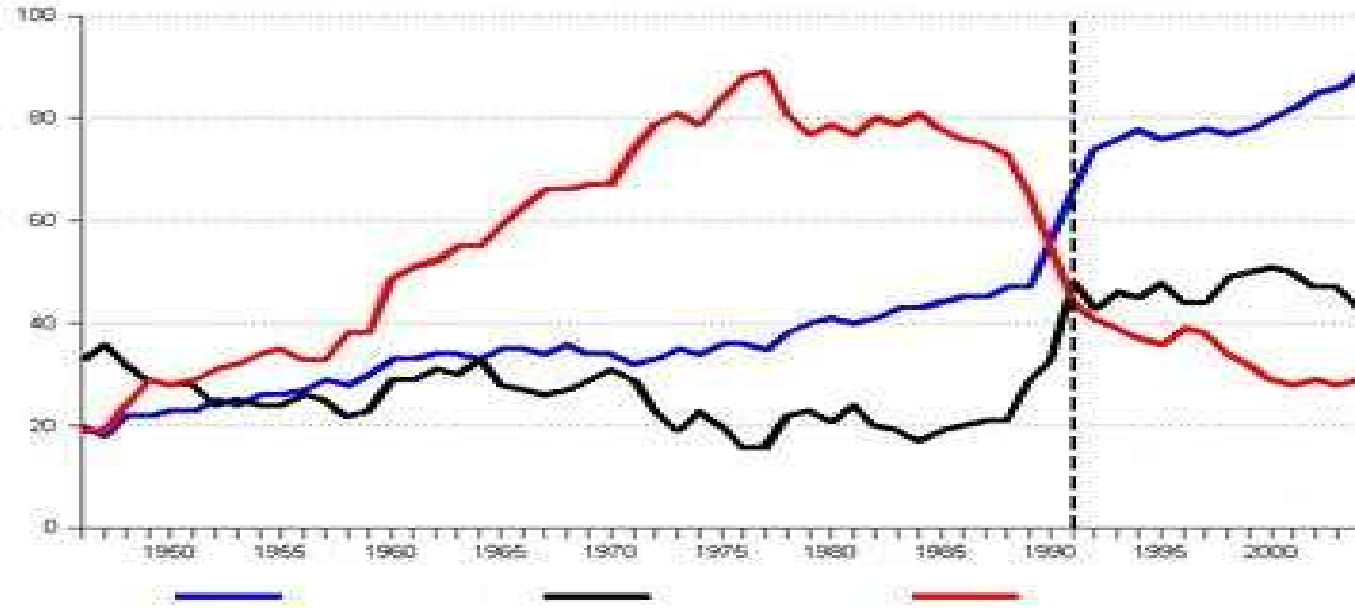
DEMOCRACY DOES NOT SOLVE THE PROBLEM OF HUNGER

- Dan Banik: India has huge food stocks, but also hunger, food crises (not actual famines) have led to many deaths
- a powerful farm lobby has pressed the government to buy grain at high prices, making bread and other staples expensive
- the national network of ration shops is undermined by corruption
- pressure from the World Bank to reduce food subsidies

AUTOCRACIES AND REDUCTION POVERTY

- Asian tigers (Hong Kong, Taiwan, Singapore, South Korea)
- land reform in Taiwan, South Korea, the insistence of the US after ww II, unlike in Latin America land reform was not against the US interests, the large landowners were Japanese, who had fled
- a new class of independent, family proprietors contributed to the middle class
- mass immigration to cities, that could have cases political instability, was contained

DEMOCRACY 1946-2004

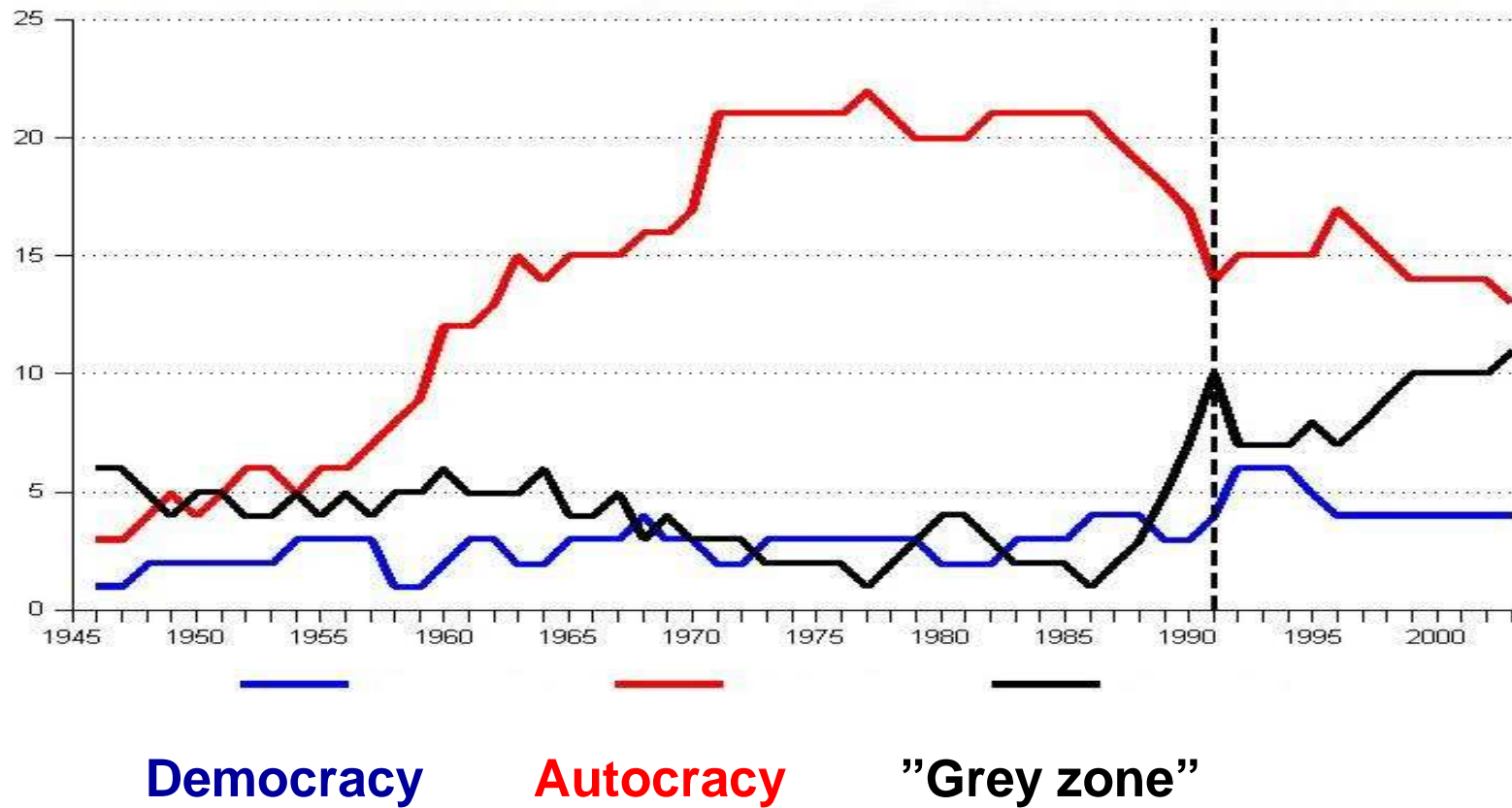


Democracy

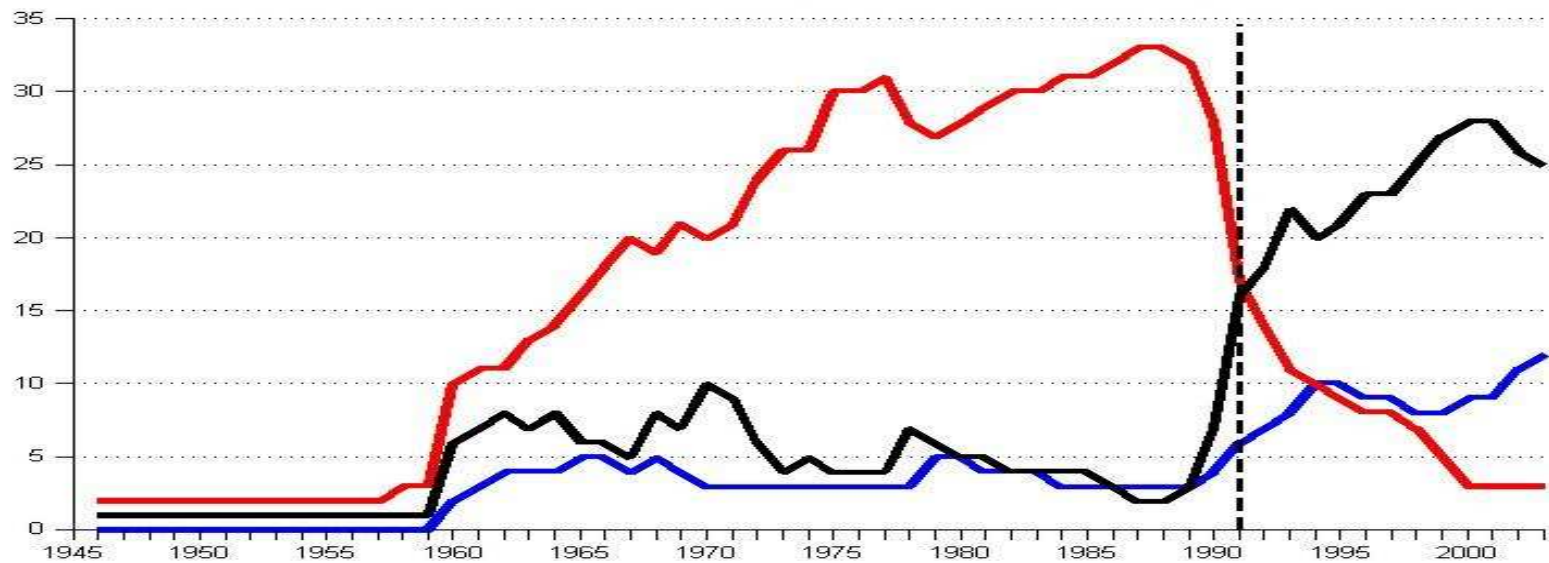
"Grey zone"

Autocracy

MIDDLE EAST 1946-2004



AFRICA 1946-2004



Democracy

Autocracy

"Grey zone"

GREY ZONE ^{A1} DOES NOT PROMOTE EQUALITY

- no strong party system, lack of pluralism
- political pluralism = people are free to choose political parties (instead own being born to certain religions or ethnic group that is politicized), space for compromise and tolerance
- political competition is a zero-sum game, the question of life or death, in elections everybody is prepared to win only
- state institution is “overdeveloped” but weak institutions: the importance of order (Huntington) stateness (Fukuyama)
- consolidated democracy as “organized uncertainty” (Adam Przeworski), parties might know how likely it is that they lose or win, but they never know whether they win or lose, are prepared to lose, opposition has an important role

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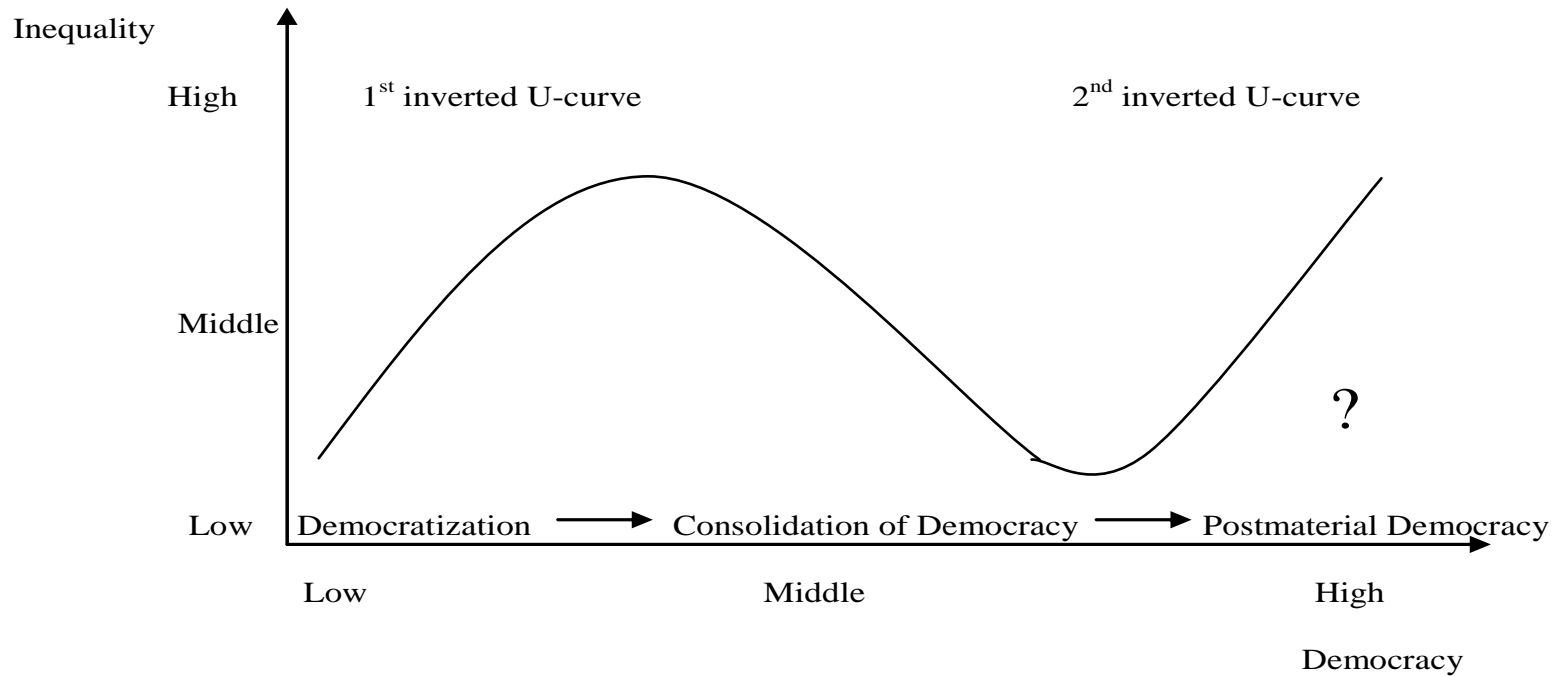
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INEQUALITY HAS GROWN ALSO IN EASTERN EUROPE

- parties do not represent important socio-economic groups
- old social policy structures have collapsed due to the economic reform
- labor markets have been instable due to economic changes
- privatization has created a new group of super rich, corruption

INCOME INEQUALITY AND DEMOCRACY



GROWING INEQUALITY?

- poverty has been reduced, not in Africa
- inequality has grown within societies and between regions
- inequality has grown in mature democracies
- redistribution is less important?
- Ronald Inglehart : postmaterial values (environmet, human rights, global social justice) instead of material values (redistribution)

WHO ARE THE RICH PEOPLE IN THE WORLD TODAY

- the group of super rich has grown all over the world
- economic globalization explains a lot
- unlike in early 20th century not only capital income but also salaries have become important for the super rich (Kemal Dervis)!
- difficult to explain in terms of the economic theories (in the developed countries those who are powerful are making services to each other)
- super rich are investing in eradication of poverty (Bill Gates, George Soros, Bono), the question is about huge sums, which have an effect to global agenda

DEMOCRACY AS A STRATEGY TO REDUCE PROVERTY

- today important is not to promote democracy but to identify ways of making it work for the poor and vulnerable groups
- political parties
- education
- organizational capacity to informal sector
- labour unions