



Commission on
Legal Empowerment
of the Poor

Making the Law Work for Everyone

Presentation to the United Nations
Committee of Experts and Public Administration
Seventh Session, New York, 14 - April

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Legal Empowerment Genesis and Mandate

- **Creation:** the Commission was launched in 2005 by Canada, Denmark, Egypt, Finland, Guatemala, Iceland, India, Norway, Sweden, South Africa, Tanzania and the United Kingdom
- **Mission:** to make legal protection and economic opportunity not the privilege of the few but the right of all
- **Mandate:** to establish an international political commitment and create new directions for policy reforms after building consensus among governmental, non-governmental and grassroots organizations. The Commission's mandate will end in March, 2008 and result in a final report that will be presented to:
 - UN Secretary-General and the 2008 General Assembly
 - Permanent Representatives of the U.N., foreign ministers and heads of state
 - Multilateral Institutions, Global private sector and Civil society organizations

Legal Empowerment Commissioners

- **Co-Chair Madeleine K. Albright** *Fmr. Secretary of State for the United States*
- **Co-Chair Hernando de Soto** *President, Institute for Liberty and Democracy*

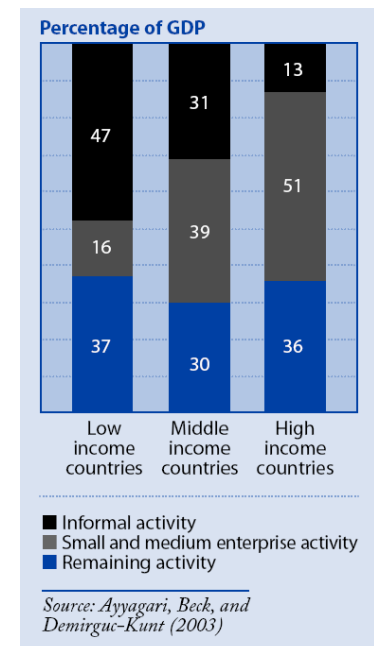
- **Fazle Hasan Abed** *Founder and Co-Chairperson, BRAC*
- **Lloyd Axworthy** *Fmr. Minister of Foreign Affairs for Canada*
- **Gordon Brown** *Chancellor of the Exchequer, United Kingdom*
- **Fernando Cardoso** *Fmr. President of Brazil*
- **Shirin Ebadi** *Nobel Peace Prize Laureate, Iran*
- **Ashraf Ghani** *Dean of Kabul University and fmr. Minister of Finance for Afghanistan*
- **Prince El-Hassan bin Talal** *President of the Club of Rome*
- **Muhammad Medhat Hassanein** *Fmr. Minister of Finance for Egypt*
- **Hilde Frafjord Johnson** *Fmr. Minister of International Development for Norway*
- **Anthony Kennedy** *Associate Justice, US Supreme Court of Justice*
- **Allan Larsson** *Fmr. Minister of Finance for Sweden*
- **Clotilde Aniouvi Medegan Nougbo** *President of the High Court of Benin*
- **Benjamin Mkapa** *Fmr. President of the United Republic of Tanzania*
- **Milinda Moragoda** *Fmr. Minister for Economic Reform, Sri Lanka*
- **Mike Moore** *Fmr. Prime Minister of New Zealand*
- **Syed Tanwir H. Naqvi** *Fmr. Chairman of the Reconstruction Bureau of Pakistan*
- **Mary Robinson** *Fmr. President of Ireland and former High Commissioner of Human Rights*
- **Arjun Sengupta** *Chairman, National Commission Unorganized Sector India*
- **Lindiwe Sisulu** *Minister of Housing, Republic of South Africa*
- **Lawrence Summers** *Fmr. Secretary of the Treasury for the United States*
- **Erna Witeolar** *UN Special Ambassador for MDG's in Asia and the Pacific*
- **Ernesto Zedillo** *Fmr. President of Mexico*

Wealth is Being Created Now Faster than Ever, but Many are Excluded

- Rapid economic growth in China and India
- Steady growth over the last decade in most countries of Sub Saharan Africa
- Inequality is becoming more important than extreme poverty in Latin American Countries
- Despite this phenomenon, 80 percent of the world's wealth remains in the hands of 20 percent of the people
- The question is therefore, how to get the 80 percent who remain excluded, to participate in the creation of wealth

The Excluded

- 1 billion people in extreme poverty > 1 USD per day
- An additional 1.6 billion > 2 USD a day
- A further 1.4 billion < 2 USD a day, unable to use the law to improve their lives
- Total number of people experiencing the effects of exclusion: 4 billion
- But one size will not fit all



The Legal Empowerment Process

The Human Rights Framework, market and non-market institutions provide the rules through which Legal Empowerment can be realized. These rules in the domains of property, labour and business are changed through contestation between states and their people. The initial conditions for change are Voice, Identity, Information and Organization. The change process depends on and is facilitated by an access to justice and rule of law system that works for all. The outcomes of the change process are enhanced protection and opportunity which are the basic elements of the goal of legal empowerment. As people begin to be able to use the law to improve their livelihoods, they are likely to become more aware of their rights and to demand change from the state, thus strengthening the drivers of Legal Empowerment.

Implications for Governance and Public Administration Reforms

- The Legal Empowerment agenda demands fundamental reforms in governance and public administration.
- These reforms must enable people living in poverty to take greater control over their lives and livelihoods through the use of the law.
- The reforms must result in enhanced protection and expanded opportunity.
- Protection in terms of physical security, security of tenure, realization of human rights.
- Expanded opportunity in small businesses, employment, access to and ownership of assets, enhanced collateral lending, etc.

Implications for Governance and Public Administration (Cont.)

- Increased government accountability in the delivery of public goods and social services.
- Build a model of civic engagement focused on shared responsibilities for common goals
- Citizens are not mere consumers of government services, nor just stakeholders in society but become as well, real shareholders in the economy
- Re-conceptualize power as a positive sum game
- Give special attention to women and indigenous peoples.

Access to Justice and Rule of Law

- Increased attention must be given to the way law is made vis-à-vis people and their interests
- Governments can work toward equal protection of rich and poor citizens by repealing laws which are biased against the rights of the poor
- Improve accessibility to the judicial system and formulate coalitions between the state and civil society
- Foster access to the judicial system and legal services
- Support empowerment for minorities, refugees and indigenous people.

Property Rights

Property rights:

- allow people to create and capture capital
- require the legally enforced protection of assets and the promotion of fair access to a broadened asset base
- permit the poor to pool their assets and increase economic leverage
- increase social stability and generate environments for business and investment



Property Rights (Cont.)

- Governments must institutionalize property rights and make the system inclusive of both men and women
- Customary forms of property rights must be acknowledged and be made legally enforceable
- Property rights must be reinforced through social policy such as improved access to housing, low interest loans, and the distribution of state land.

Labor Rights

- 70 percent of the world's employees work in the informal sector
- Without legitimacy, the economy of informal employment is characterized by low productivity, low earnings and high risks
- Under existing conditions, millions will not be able to work their way out of poverty without the adaptation of a strict agenda to enforce labor rights

To foster labor rights, governments should:

- Respect, promote and realize freedom of association so that representation of the working poor can be strengthened in the dialogue about reform and its design (cont.)



Labor Rights (cont.)

- Improve the quality of labor regulation and the functioning of labor market institutions
- Ensure effective enforcement of minimum package of labor rights for the enterprises of the poor that upholds and goes beyond the *Declaration of Fundamental Principles and Rights at Work*
- Strengthen access to employment
- Support social protection for poor workers in the event of economic shocks and changes as well as measures that guarantee access to medical care, insurance and pensions
- Ensure that legal empowerment drives gender equality and meets ILO commitments to promote elimination of discrimination against women

Business Rights

Business rights are critically important as they allow entrepreneurs to:

- form management hierarchies
- contract to make deals, issue shares or bonds to raise investment capital
- to transmit ownership from one generation to the next
- to separate business and personal assets

Business Rights (cont.)

To empower entrepreneurs, governments can:

- Guarantee basic business rights to vend and to have a workspace and related infrastructure (shelter, electricity, water, sanitation)
- Strengthen effective economic governance that makes it easy and affordable to set up and operate a business
- Expand the definition of “legal person” to include legal liability companies that allow owners to separate their business and personal assets – and thus enable prudent risk-taking.
- Promote inclusive financial services that offer to all entrepreneurs in the developing world what their counterparts in Europe, the United States and Japan take for granted: savings, credit, insurance, pensions, and other tools for risk management.
- Expand access to new business opportunities through specialized programs to familiarize entrepreneurs with new markets, that help them comply with regulations and requirements, and that support backward and forward linkages between larger and smaller firms.

What are the Implications of Legal Empowerment ?

- Legal empowerment will serve as a compliment to other important national initiatives –such as investment in education, public services and infrastructure– and will serve to create vital conditions for major international efforts to help the poor succeed
- Legal empowerment requires believing in ordinary people and taking on the poor as partners in their own development, enabling them to realize and enforce their rights, to obtain new ones, and to use them for reducing poverty and increasing stability



How do we Proceed?

- Launch of the report in New York June 2008
- Regional Launches and promotion of regional compacts
- Development of partnerships and networks by multilateral institutions with governments, civil society, academia, etc.
- Academic networking has already been initiated and needs to be expanded
- Debated by GA, September 2008
- Pilot countries projects implementation, early 2009

Conclusions

- Legal empowerment is essentially a political endeavor and therefore new forms of leadership will be required from both the top and bottom
- In the long run, legal empowerment is about the change in power relations
- Power is never freely given, self-empowerment is required
- Legal reform is necessary, but not sufficient for legal empowerment

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