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insights from the outside

Scenarios for the Poorest
The View from 2030

On the Move

BRICs and Blocs

Simple as ABC

Moral Warming

An Outsights multi-stakeholder project 2004

Introduction to the project

Outsights was retained by the UK's Department for International Development to develop a number of scenarios for the future of the very poorest, to stimulate new thinking and to look for ways in which the future can be changed. An implicit assumption behind the focus on the very poorest is that even if the Millennium Development Goals are reached by 2015, many of the poorest will miss out entirely or remain in serious poverty.

A wide and varied group of 70 stakeholders from 10 countries participated in the workshops or as interviewees in the project. Development research input to the project was provided by the Chronic Poverty Research Centre.

Each scenario had a primary focus:

On the Move   on migration and informality
BRICs and Blocs   on the rise of emerging markets
Simple as ABC   on technology
Moral Warming   on global attitudes to poverty

Outsights welcome feedback on the scenarios and is currently running sessions with interested parties using the scenarios as the initial basis for discussion.

Outsights is a London-based consultancy helping clients to anticipate, interpret and act on external forces to achieve real change within their organisations. Outsights is a leading practitioner of scenario planning, working in both the public and private sectors and with non-governmental organisations.

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Introduction

More than 1 billion people are currently extremely poor and around half of these are likely to remain poor all of their lives and transfer their poverty status to their children. Unless development policy more effectively supports the poorest, not only will it be harder to reach some of the UN's Millennium Development Goals (MDGs) but it will be even harder to achieve post 2015 development goals as these people become even more excluded. There is evidence that this exclusion, increasing inequality and chronic poverty, is leading to a large group of the poor who are disconnected from society and have little to gain from growth and development processes.

To provide a greater focus on the needs of those who are least likely to benefit from any development gains Outsights has developed, with the help of an international multi-stakeholder group, a set of scenarios for the future of the world's very poorest. The project was sponsored by the UK's Department for International Development (DFID). Assisting in the project was the Chronic Poverty Research Centre, a consortium of North and South research institutions based at the University of Manchester. By the independent nature of the process, the views and scenarios expressed are of the individuals involved and do not necessarily reflect those of DFID.

Selecting the focus

To set priorities within the wide range of potential issues, one criterion was kept to the fore: what could really change the prospects for the very poorest. This was reinforced by the underlying recognition that their prospects for change are slim, being almost by definition those least likely to be helped by a general rise in their country's prospects - those who, despite all efforts, miss out. The emphasis was on the poorest people in developing countries, not necessarily the poorest countries.

Multi-stakeholder input

The project called on a wide range of expertise, including a set of commissioned research papers and 30 interviews from government, multilateral agencies, business, NGOs, the media, and academia. (A list of participants is included in the Appendices). These were followed by workshops which included 40 participants from 10 countries and from a variety of backgrounds. The process aimed to surface different perspectives, and not to be confined to the viewpoints of those whose primary responsibility is development.

As with all good scenario work, a great deal of the learning was gained during the process itself, in the selection of issues, consideration of different perspectives and surfacing the areas of greatest challenge and uncertainty.

Four scenarios

From the wide range of issues that arose in the interviews, workshops and research, four final scenarios emerged.[1]

1. *On the Move*: the underlying question was how the movement of people (within as well as across borders) changes opportunities and gives greater weight to the so-called informal economy. Of the four scenarios this was perhaps the one which aroused the greatest amount of passion whilst presenting the most difficult analytical challenges

2. *BRICs and Blocs*: the rising economic and political power of Brazil, Russia India and China is not only changing the outlook for the poorest in these countries but altering the global balance of power as these countries graduate to a status rivalling countries in the so-called First World

3. *Simple as ABC*: changing the prospects of the poorest by finding a more targeted and relevant approach to the use of technology

4. *Moral Warming*: the rise of a new attitude towards global poverty, driven by individuals, the private sector, NGOs and other civil society groupings

Each scenario takes the form of a retrospective, looking back from the year 2030.

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[1] Other scenarios were also explored with more obvious focuses on health, the environment, free trade, political governance or straightforward economic growth. These played a part in the above scenarios and came up strongly in the other parts of the process.

Scenario One: On The Move

Migration flows within and across borders create a more fluid and informal set of relationships and opportunities

Since the dawn of time people have moved, to find food, shelter, safety. Curiously, with such long experience of moving, every time it happens in significant waves some people feel threatened, whilst others celebrate the opportunities created.
So it has proven in the first three decades of the 21st century. Around 2000, all eyes were on movements of people - across the globe, from one neighbouring state or region to the next, within some of the large emerging economies, and from the land to the newest megalopoli. Although a considerable driving force was political flight from unsavoury regimes, the really big flows were driven by economics.

Whereas in 2000 only 3% of the global population were living and working outside their country of birth, in 2030 this number has risen to double figures. A huge number of people have moved away from their families to work in rich countries and send home their earnings, their remittances. Even in 2000, the amounts of money involved were gigantic - comparable to the flows of investment moving into their own countries and certainly dwarfing the official aid flows. Aid had, in this sense, been privatised and the poor had taken the solution into their own hands.
The migrant workers also invented their own conduits for sending the money back home, using their own communities, bypassing the official money transfer agencies which would have taken a percentage. This often placed them at the mercy of criminals, but the systems developed their own forms of security and often could look after themselves.

Migration has not, for the most part, been the result of deliberate policy action (e.g. expulsion of Ugandan Asians in the 1970s or Stalin's forced displacements). There have been some exceptions: promoting migration to increase remittances has long been used by some governments as a developmental strategy. Mexico, Turkey, Eritrea and Colombia have all fostered relationships with their diaspora communities, and legislated to encourage return investment as well as payments. Some policies to encourage immigration have been pursued by rich countries when they had a particular need, and some flows have been facilitated by the integration of regions such as the European Union. In the main, however, migration has been driven by the people themselves, reflecting the fluidity and flexibility of the "informal" economy.

Informal is normal

Developmentalists frequently debated whether the informal sector should be encouraged, as the real engine of growth, or whether less regulatory protection would raise the risk of exploitation. The informal economy has always been important, if sometimes hard to define. In many developing countries, "informal has been normal" for a long time, with economic and social life dominated by small scale enterprise, family employment, small workshops, casual labour and petty trading. This sector has made up more than 80% of non-agricultural employment in Sub-Saharan Africa, and over 50% in Latin America.

Does informal mean illegal? Yes, if it means the activities that the formal economy would like to tax. No, if it means the most efficient - or only - way to do things in an environment with scarce resources to run things like tax systems. It is true that some of it is still criminal, but the formal economy has its criminals too.

Overall, the nascent networks of 2000 have deepened, building their own governance processes and norms, and finding their bases in transnational associations rather than a geographically-defined state. When it works well it is because communities have made it work.

Driving forces

Five key forces have been driving these flows of people:

- Economic drivers *have both pushed poor people in search of income and opportunity, and pulled them to countries that have needed labour and skills*

- Demographic changes*, especially the ageing of populations in the rich countries. The latter has created job vacancies that offer immigrants the chance to gain a foothold on the ladder*

- Globalisation *has given people awareness of the opportunities elsewhere, whilst the shift in production patterns has distributed businesses across the world. Cultural globalisation has also shaped the world of people on the move: while the American culture has been spreading its homogenising influence across the world (e.g. through its films and fast food), other cultures spread through the migration itself and the growing global diasporas*

- Rural to urban shift *has continued across all the developing countries. The city is the place of opportunity - rural life is the environment to leave if you can*

- *The shocks: Global warming has forced millions at sea level to seek refuge in the hills. Desertification has pushed people into the cities. Political repression and local wars continue to make people into involuntary refugees*

Each of these drivers has forced through changes, encouraging receiving countries to make rules more flexible in the face of massive flows.

Two debates

In fact, poor people have become part of the global debate whether they moved or not. Under globalisation, more multinational companies are using their labour, driving down prices of manufactured goods around the world. The result has been two debates: one about ethics and one about raw economics.

The ethics of global employment

The ethics debate concerned the exploitation of cheap labour and poor working conditions - especially if children were involved. It is not easy to make regulation in this field water-tight. There are plenty of poor economies willing to host jobs and worry about the choices later once their income is higher. Unethical manufacturers can move on. However companies that operate with a global brand do find that the power of the internet-driven world makes it harder to get away with bad practice.

The economics of mobility

For decades, economic orthodoxy has supported the free movement of goods, services and capital. The free movement of people is just the fourth pillar of this mobility. More and more activities are mobile. For example, patients are travelling to get treatment abroad in the new wave of health tourism, and many of the wealthy countries' aged and infirm people now migrate to where cheap, labour-intensive care is available.

Free market advocates think this is fine, but others have to cope with the fallout when factories or call centres open and then close. Workers in rich countries have found that they can keep their jobs but only at very low wages. Minimum wage legislation has often been challenged or been allowed to wither on the vine of inflation. Frequently, loyalties are confused. Diaspora leaders have been called in to try to help mediate the conflicts when the diaspora workforce is undercut by low wages in their homelands.

The turn of the regulatory wheel

In many ways this is yet another modern story of regulation, de-regulation and re-regulation. It began with serious regulatory barriers to migration at the turn of the 21st century. The rich nations each had different rules. Regions, such as the EU, tried to harmonise their own rules but not with great success. Large flows of inward migrants caused great political and social debate, but the processes designed to manage the flow collapsed. The system had to face reality.

The amnesty granted illegal immigrants by George W. Bush in 2004 is now regarded as a great symbol of a practical shift (and good electoral tactics). Europe had to do likewise, and the argument that labour was desperately needed slowly won the debate. Deregulation followed and then, as in all such cases, new rules had to be slowly developed. The legitimisation of economic migration in almost all developed countries, overcoming nationalist protectionism, is perhaps the biggest shift in this story of change.

In fact, since national governments find it hard to avoid taking the domestic short term and often nationalistic line, they have been happy to see other forms of regulation emerge, governed by a triangle of civil society:

● *NGOs campaigning for fair conditions*

● *Intergovernmental agencies (ILO, WTO, etc) setting down guidelines*

● *Multinational corporations and major employers who have understood that the working conditions and practices identified with their brand must meet the ethical sensitivities of customers at home*

Rights without borders

The transferability of economic rights is now a key human rights issue. In the past, countries have tried to separate the right to live and work from the right to have full local citizenship and benefits. With greater recognition that the issue was not going to disappear before bankrupting most health and welfare services, government-issued ID cards with transferable benefits became commonplace. Such cards were issued first within regions or countries, but a degree of global transferability has now developed.

At the same time a set of non-territorial, membership-based associations have sprung up, formal and informal, within which migrants move and belong. Formal ones include major corporate employers, trade unions, or financial institutions (especially mutuals) offering migrants financial packages of loans and benefit insurance. Other arrangements have been developed more informally by faith groups, diaspora communities and even former people-smugglers who have become legitimised as regulated international labour brokers. Migrants commit a considerable proportion of their earnings to such entities to pay for their transport, job searching and to receive minimum benefits, especially in the early years. While sometimes seen as a new but more regulated form of indentured labour, the fact that such arrangements are legal has undercut the "people smuggling" business which threatened host communities as much as it exploited the migrant.

Mobility has also been facilitated by a greater degree of comfort with multiculturalism, especially in large cities. Reinforced by the increased local political power of diaspora communities, and the acceptance of multi-citizenship and multi-identities, moves to enable families to join migrant workers have hastened the trend.

The cost of non-membership

Economic rights systems, such as the card system, have surfaced concerns about who might share in this global fluid world. Membership is key to gaining access – but lack of membership is one of the things that defines the poorest and keeps them in the informal world.

For the poorest, if the economy you live in is growing fast, then the rising level of income increases job opportunities. There may be opportunities within positions vacated as others join the global flows - even if those jobs are insecure. However, countries that merely see skills moving abroad and experience "brain drain" suffer economically. Those who have left don't always send money home.

In the receiving countries, diaspora communities are not uniform. The poorer and less skilled migrants have tended to form large concentrated communities in major cities, many dependent on informal, largely temporary employment - a modern form of subsistence living, but detached from the land.

Fluidity and informality

If fluidity describes the world "on the move", informality describes the net result for the labour markets and the communities of the poorer migrants. Compared to the past, the relationship between formal and informal is often altered in a number of ways:

- *Technology and connectivity have enhanced people's ability to organise small businesses, create informal co-operatives for food, housing, security, education, and gain a political voice*

- *Governments often get out of the way when regulation is not working. This can make the formation of small enterprises easier and creates forms of protection for those most dependent on informal employment*

- *There are now many more forms of organisation and ownership structure*

Under discussion is a "people" credit – a global migration trade-off (like carbon-trading) - which might provide new ways to alleviate global inequalities.

Implications for the poorest

In 2030's world of fluidity and informality, much more attention has to be paid to the widening gap between those able to move and exploit new opportunities, and the very poorest without the necessary resources or connections. Their choice is often between (a) take a step up, but then get knocked off (b) move to another country, but move down (epitomised by the stories of trained physicists working in McDonalds). On the plus side there are benefits for the poor:

● *While regulation has been relaxed, there is pressure for informal jobs to be done in ways that are more acceptable, and so making people less exploitable*

● *Where informality results in greater freedom to set up one's own enterprises, it offers hope and independence for women*

● *Some migrants return wealthier, more skilled, more experienced and able to make valuable contributions to their countries of origin*

However policymakers, aid donors, NGOs, diaspora communities and responsible companies also need to focus on the darker side:

● *Who is looking after the dependent poor left behind, including disabled people and marginalised ethnic groups who lack the resources to migrate and the kinship connections to benefit from others migrating? They remain the most vulnerable to forced migration through war, disaster or famine*

● *Stigma leaves those remaining even more vulnerable*

● *In completely deregulated environments outside of any regulatory or moral framework, there is a complete erosion of human rights*

● *Where informal economies are dominated by criminality and corruption, physical violence - largely a male activity – makes the rules. Women in such situations are still property of fathers, brothers, husbands or employers*

● *There is frequent conflict between different diaspora communities when those settled resent new waves from elsewhere*

The fate of the very poorest could depend crucially on how willing the global community is to provide a global safety net.

Scenario Two: BRICs and Blocs

The global power structure is changed by the rising power of the emerging economies

It wasn't inevitable but it was foreseeable.

● The United States *still reigns supreme as the single largest military powerhouse, and the world depends on its ability to intervene when things get really too hot, though it is unable to effect regime change at will*

● Europe *has sustained its drive for increasing cohesion despite repeated doubts along the way – and the world respects its "old Europe" values at times*

● The BRIC *economies are now really sizeable: China is the No 2 economy behind the USA; India is working its way up the rankings; Brazil has trebled in size. The fourth BRIC, Russia, has been finding it hard to rebuild itself but is clearly en route for a strong future. The BRICs are major players and have graduated from being members of the "South" to an intermediate status where the South looks to them for leadership, donor aid and protection*

Alongside this new world of stronger BRICs and varied blocs (NAFTA, Mercosur, the Asian blocs, EU, G20, G9, G5, etc) a multilateral architecture has returned. Regional blocs play a major role, both at a global level and in tackling more regional problems. Power is also exercised and shared across borders by businesses, civil society organisations and powerful diasporas.

We now have a more robust international legal regime, based on strong institutions (e.g. the International Criminal Court and the new World Environmental Organisation) to which all key players have signed up, including the USA. UN Security Council seats are distributed on a regional basis, with major players or a regional body representing them.

Overcoming uncertainties

Europe resurgent

In 2004, there were big questions as to whether the latest expansion and the UK's continued dance would break the EU's cohesion. Today in 2030, unity remains a function of tiering, a realistic arrangement that permits cooperation rather than confrontation on as many issues as possible. This pragmatism has allowed the EU to keep opening up rather than closing down. Next on the agenda is the accession of the Russian BRIC. After a hesitant start with the Euro, economic policy has led to stronger growth. The EU has thus become a strong global player, with a special two-vote seat at the UN Security Council replacing the individual seats formerly held by France and the UK.

The rise of the BRICs

All the BRICs are considerably richer in income per head than they were, though they are still poorer than the Western economies. China and India's inevitable rise - two billion plus people really do count – was always nuanced by the risk that their political and economic faultlines would open up. In the event, China has retained its political cohesion even though power is heavily distributed to the urban centres and the key regions. India has been able to keep its economic reform sufficiently strong to keep the economy advancing. Russia's income per head is getting closer to that of its European neighbours, and Brazil is steadily getting richer.

The US adjusts

Back in 2004 there was doubt as to whether the US could (a) retain its military dominance and (b) keep its economy going. In the event, the US economy did manage to correct its large deficits without imploding. This required support from creditors such as China (large US bond holders), permitting China to be brought into discussions on global economic policy coordination – all part of the wider distribution of power. The US military remained so far advanced that no one could mount a challenge – and with a worrying proliferation of nuclear and other weapons around the world, it was obvious that the world needed the US military to support global security.

Despite Iraq's messy legacy, the world accepts the need for intervention to deal with problem regimes. However the BRICs have been unwilling to give the US or anyone else *carte blanche* to intervene in any country, so each case has to be negotiated at a multilateral or regional level. There is still a demand to kick rogue states back into line, but rogues often look to the BRICs as possible supporters for their independence. We are not quite back to the Cold War global competition between patron states for clients, but alliances and deals do matter. One positive result has been a new anti-WMD/nuclear proliferation treaty signed even by the remaining rogue nations, which extends to the control of small arms sales.

Economic progress

While the US corrected its deficits, world demand was driven by the emerging economies (especially China and India) and the more buoyant Europe. The boom in the BRICs has been sustained by their huge competitive labour supply, and by fast implementation of new technologies. US and European agricultural subsidies were removed as the finally completed Doha Round succeeded in pursuing its developmental objectives. "Old Europe" woke up to the need to import labour (partly coming from Eastern Europe), to invest in emerging markets to generate future income, and to make strong alliances with the emergent economies.

China's economy is now the second largest in the world, larger than the combination of Germany, France, the UK, Italy and Russia, and two-thirds the size of the US economy (compared to a little over one-tenth in 2000). India's economy is now twice the size of the largest European economy and is closing on Japan. Brazil has overtaken Italy. China is close to $10,000 in per capita income (up from less than $1,000 in 2000), and India is at $3,500 (up from under $500 thirty years ago). Brazil is also close to $10,000, doubling its per capita income, while Russia is getting richer again at over $20,000 - albeit still only two thirds of Italy.

The sub-regional and regional trade groups (Mercosur, ASEAN, NAFTA) pivot around the strongest powers in the regions (Brazil/USA, China/India) with NAFTA and the EU the most coherent single blocs. Multiple alliances have emerged: supranational, cross-national, sub-national, and between cities.

More to come

In the next decade China looks set to overtake the USA, and India to become No 3 in the world. Europe, as it becomes the smallest of the three economic regions, has understood it needs to present a common front on the global stage and emphasise its moral weight.

Analysts see the period as continuing the long decline in US relative power since its golden period following the Second World War (for example, the US share of world GDP fell from 50% in 1950 to 21% in 2002, and its share of world manufactures declined from 60% to 25%). Today, however, after the difficult down-cycle and adjustment period between 2004 and 2010, the US has recovered and now drives world demand again rather than slowing it down. The dollar is still the most significant currency, though less dominant than before.

Governance beyond government

Parallel to the realpolitik and negotiation between regions and states, transnational players have an increasing role in governance, economics and security:

● Interest groups *connect across borders to tackle inherently transnational issues such as climate change, resource management and health*

● Businesses *work through associations such as the International Chamber of Commerce and the World Economic Forum, and (led by the investing community) through new groupings governing corporate social responsibility*

● Social groups *work through the World Social Forum and its regional groups*

● *Where the* nation state *is the constituent actor in alliances, it is groupings of emerging economies that have a major say in policy setting*

For many years it was fashionable to criticise NGOs as mere single-interest groups that ignored the realities of making choices between issues. However, in a world of multiple identities and complex networks, a global structure of governance based on a multiplicity of single issues has become the norm. This has permitted a breakdown of the traditional triangle (business versus government versus society) into more issue-focused cooperation based on trust between the different players. Governance is thus able to be performed closer to the issue or activity in question.

Helping to blur the triangular divide has been the shift towards more public/private partnerships. By 2030, this was no longer interpreted as the corporate takeover of the state; rather, it is accepted as a greater dispersion of ownership and governance beyond the traditional public-private division.

Implications for the poorest

The emergence of the BRICs has, however, highlighted real differences between regions. Although the world's dominant ideology is still "liberal capitalism", it is not the sole ideology. China and Russia are authoritarian capitalists, while India and Brazil are more social-democratic. This influences their policies regarding the poor within their own countries and more globally.

Thus, the impact of the power shift on the poorest depends on where they happen to live:

● Within the BRICs*, the poorest face two possibilities. On the more hopeful side, the rise in economic wealth has raised the possibilities of finding jobs and benefiting from a mix of "trickle down" and "rising tide". However, there is a downside too: resources donated by the BRICs to other developing countries (the BRICs' client states) are therefore not invested in the poorest at home. For the more authoritarian BRICs, looking after their own poor is less important than increasing their regional clout*

● In other developing countries*, greater prosperity is possible if they become client states of either the BRICs or traditional donors. However, BRIC generosity depends on having something to "trade". Landlocked resource poor-countries such as Chad and Mali are even more marginalised*

The world of trade also reflects how benefiting from global changes is a function of the ability to exploit opportunities. Freer trade only helps those able to invest in new production capacity. Again, the poorest economies are still those least likely and least able to take advantage.

On the security side, intervention against the worst regimes has been of some benefit to the poorest, who would otherwise be living in war-torn societies with destroyed infrastructure.

Regional implications

The distribution of income is a critical issue in this world of growth. The future of the poorest rests more and more on facilitating access to this greater wealth.
China's massive progress has offered little hope for the poorest. The Han have received some benefits from "trickle down" but the ethnic minorities remain poor. Inequality has soared and the Western and Central regions have not shared in the benefits - a gap which is posing challenges for internal stability and governance. A number of smaller states on the periphery have taken on "Central Asian" trajectories, and, depending on fertility, have 75-125 million in poverty.

In relative terms, India has fallen further behind China. However the rising wealth of India in absolute terms has offered some hope for its poorest regions and mitigated somewhat the arc of deep poverty across Northern India (Uttar Pradesh, Orissa, Bihar, Jhakand and much of Madya Pradesh). The generally more democratic India has seen some spillover of income into the poverty arc.
In Africa, a fairer global trade regime offers some hope for the poorest, but the big question is whether Nigeria and South Africa can follow in the footsteps of the BRICs. All depends on sound domestic governance. For the poorest countries the basic lack of wealth continues to limit their ability to exploit fairer trade conditions.

Finally, there are two areas in which BRICs have been able to advance the prospects of a large number of their citizens, with the help of innovation and global cooperation:

- Health*: the rising income of the BRICs has allowed them to invest massively in infrastructure such as clean water and strong public health systems. This infrastructure has made it possible to tackle emerging health crises*

- Environment*: the BRICs are now moving to counter the rise in carbon emissions and other environmental hazards, after years of leaving it to the richer countries. Good governance has been crucial to sharing the burden, and technological innovation has also helped. Nonetheless, this remains one of the toughest challenges in this fast growing world*

Scenario Three: Simple as ABC

The potential of technology for improving the prospects of the poor is achieved by a more targeted and relevant approach

The most popular and surprising winner at the 2030 Nobel Prize ceremony was the woman who won the Technology Award. The surprise was double: Anna wasn't a scientist, and she had not been presented the accolade that she had been expected to win, the Development Award (but doubtless would have if two prizes were permitted).

Her breakthrough had been to get both technologists and developmentalists (the latter a host of disciplines from anthropology to zoology) to realise that the key to making technology actually support development was in understanding that the technology was only step one; steps two and beyond were all about application. Anna's first step was to start a simple but controversial list of technologies, grading them from A to C:

- *The A-list included genomics, genetic modification (GM), nanotechnology, advances in materials, the DNA cure for AIDS, and fuel cells. These were the cutting edge, often still in the lab… and as far as the world's poor (and certainly the poorest) were concerned, all way in the future*

- *B-list technologies included anti-retrovirals, tools to breed and/or replicate crops quickly, personal computers, micro-hydro power, and mobile phones. These were tried and tested, available, and with ingenuity and effort could be made more widely available*

- *The C-list included the book, the bicycle, the abacus, the combustion engine, water pumps and filters, drip irrigation, malarial nets impregnated with insecticide. These technologies had been around for often hundreds of years (or longer). Not having access to them is one definition of being poor, and increasing access could have a massive beneficial impact*

The publication of Anna's list of course spawned many rival lists with very different rankings, but eventually people realised that it was about getting the world to prioritise where it should put its effort in using technology to assist the poorest. The first criterion was the simplicity or complexity of the technology itself, but after that came all the issues surrounding the context in which the technology might be used. As Anna put it in her 2004 article:

> *Progress depends on combining social, business and technological innovation, and political will. There should be no excuse in not creating access to the C-list. Opening up the B-list should be the next big priority. Don't get distracted by the A list. Success includes creating the delivery systems (e.g. health systems for distributing drugs), innovating the business models (e.g. changing intellectual property rights), and providing the resources (e.g. investments in sanitation infrastructure to provide clean water). The burden of proof has to be shifted. JFK shifted the burden of proof for an A-list technology ambition when he asked: "Some say why go to the Moon and I ask why not?"….The point of the ABCs is to focus us on the "Why not?" for the Bs and Cs.*

The first innovation: rethinking the business model

An early breakthrough emerged from the 2001-2003 battle over HIV/AIDS drugs in Africa. Being fundamentally about intellectual property rights (IPR) and the business model built on these rights, the debate surfaced a number of important issues:

- *The willingness of the drug companies to lower prices*

- *The need for good health infrastructures to deliver the drugs to patients*

- *The challenge of combining a number of proprietary drugs into a single treatment when the patents were held by different companies*

- *The need for political leaders in rich and poor countries alike to lead change*

Everyone could relate to the threat to health. With Big Pharma beginning to think the unthinkable about their business model in the face of equally unthinkable health crises, corporates and governments alike received a massive wake up call. It pushed difficult debates forward when international cooperation was at new lows, with spectacular failures of global trade meetings from Seattle to Cancun.

The IPR shift wouldn't have happened just on the back of the AIDS issue. The "genie was clearly out of the bottle" in a variety of areas, from music file-sharing to free and open access to science journals through the Web. A new model had to be invented by R&D based firms or it would be imposed. Even if they won their legal cases, copying ability and cheap production in the emerging markets, in particular the BRICs, were fast destroying their control. A new co-operative approach was needed to undermine the economic incentive for illegal production.

The result was internationally agreed rules on IPR, greatly reducing the timescales and margins of protection. These were reluctantly accepted by the private sector on the assurance that rules would be rigorously policed by the international community, especially in the BRICs. It also helped the concept of Corporate Social Responsibility (CSR) move out of the PR department into action. Supporting the companies' efforts were the burgeoning global foundations, especially those founded by the successful businesses. Greater public-private partnerships arose in countries where the public sector needed the support to administer and execute projects successfully. Further impetus and drive was provided by the BRICs' successful generics companies (fast becoming global enterprises in their own rights), and NGO activists.

The poor were also active, as mass media and internet access allowed sufficient numbers to realise how excluded they had become from the benefits being enjoyed elsewhere. Major protests and, in some places, revolutions, brought home the fact that technological exclusion of the poorest, either through price or inappropriate design, would not be tolerated for much longer.

All this created the context in which technologies could move forward at different speeds. Not everything had the same ingredients as the HIV/AIDS issue. Not everything depended on a change in property rights. Some things just needed money. Others needed an emphasis on the social context. Others needed the right delivery systems.

The Super Six technologies

As the focus grew on making technologies work for the poor and the poorest, attention was given to the "Super Six" - broad categories that really matter to the future of the poorest: Information and Communications Technology (ICT), Health Technologies, Food, Energy, Transport ,and Security (or arms). All six contained their own A-list, B-list and C-list.

Information and Communications Technology (ICT)

The technologies that excited the rich countries - instant virtual communications, advances in Artificial Intelligence, etc. - were definitely A-list. In contrast, the C-list included the book and the education to read it. Campaigns to educate and provide printed information to the poorest were still Step One in the development curve.

The B-list contained many possibilities. The mobile phone provided the classic example of the illiterate Bangladeshi woman who used a mobile phone to get weather forecasts to assist her fisherman husband. The woman became empowered, both spouses' businesses prospered, and all the local public-private telephony partnerships had to do was to set up the network and hand out the simplest of handsets.

Although probably apocryphal, the story powered the idea that progress could be made on several key dimensions of poverty. Mobile telephony also exemplified "technology leapfrogging", removing landlines as a barrier to development. In many respects "leapfrogging" is about moving A-list technology onto the B-list, and B onto C. In 2030 the number of people who have used a mobile phone has risen to 75% and usage is universal in the cities. Similarly, "information literacy" was boosted by the increasingly multilingual scope of the internet. But it was not until the BRICs took on lead roles in their respective regions that this really took place, aided greatly by the low price and wide availability of micro-computers.

Once the ability of ICT to facilitate other advances was recognised (such as in health education) so pro-poor policies focused on closing the big gaps in IT access (as measured in 2004 when developing countries had only 4% of world's computers). While not the only answer, it was an area where aid agencies and others made a lot of progress quite quickly.

Health Technologies

In the health field, bioscience and advances in genetics were definitely A-list. A classic B-list item is the treatment for diabetes, a disease which kills more people than HIV/AIDS but can be dealt with cheaply and effectively by basic medical services. The C-list included mass distribution of malaria nets, preferably impregnated with insecticide and coloured to discourage people from washing their white nets (thereby washing out the insecticides).

The technologies of health are not just about medical supplies. ICT helped to inform and educate, improving all preventative efforts. The big advances also required big investments in the essential institutions of health systems and their staffing.

Major health gains were also made by investing in water infrastructure for the two-thirds of the world who had insufficient access to clean water to drink, wash and cook with. And of course, pro-poor investments in health have been fundamental to making improvements in all other areas of development, creating a virtuous circle of progress and enabling the poor (and sometimes the poorest) to help themselves.

Food

Food has been a hugely controversial area for technology, with the best-known A-list item, GM, capturing the headlines in 2000-2005. In Europe, consumer boycotts resulted in a rare case of a scientific advance being rejected by society. However, production went ahead elsewhere, so consumer rejection turned out to be a short term issue. Led by the BRICs, manufacturers and R&D teams developed GM crops appropriate to their own conditions. While they outlawed the terminator gene technology to protect farmers as far as possible, GM did reduce the demand for agricultural labour, a serious threat to the poorest. To compensate, policies had to be put into place to shift labour from the land to food processing.

The food story has not just been about GM. B- and C-list improvements included irrigation and water management, in part through access to cheaper energy for pumping and local recycling. Better education and B-list ICT also assisted the farmer, with the biggest improvements in agriculture coming through better dissemination of well-established good practice on crop care, animal husbandry, fertiliser and feedstock inputs, drought mitigation, market prices, etc.

In some cases, advances caused further marginalisation of those on the edge. Economies of scale and reduced diversity of crops made the subsistence and small multi-crop farmer very vulnerable. The combined sense of responsibility of companies, governments and NGOs continue to be put to the test here.

Energy

The world of energy has been the most disappointing arena for change, both for environmental and welfare reasons. In 2030 (as in 2000), advanced fuel cells, photovoltaics, and the hydrogen economy remain on the A-list. B-list candidates were small-scale hydro, wind, and biomass energy, as alternatives for cooking, commerce and water pumping. There was great debate as to whether Bs and Cs could provide low cost, non-fossil fuel energy in volumes sufficient to make a difference, or whether there would be continued growth in big grid systems and fossil fuel exploitation.

Little happened for some time. The rapidly developing BRICs needed energy, and the environment took second place until their own populaces reacted against the degradation. However, both India and China had the inventive ability to make many of the necessary breakthroughs, especially in creating small-scale biomass energy conversion systems. As the Indian and Chinese corporations demanded a return on their intellectual property, the UN eventually brokered a licensing deal to ensure that the technologies could be implemented in the poorest regions of the world. The new approach also encouraged multinational energy companies to work jointly with companies in emerging markets to deliver the appropriate solution, in line with the new approach to IPR.

Transport

The transport story was more positive. While it was expected that billions of people in China would get off their C-list bikes and drive an A- or B-list car, an unexpected breakthrough occurred when they instead moved over to B-list public transport. Pushed by environmental concerns, the rich countries also made this shift. It has been dramatic how a simple change in attitude, powered by massive investment in efficient public infrastructure, has changed transport consumption patterns. In 2030, you can easily date a film from the transport system used.

Security (arms)

The great advances in technology have always been driven by the military. The A-list continued to grow: the bionic soldier, smart weaponry, automatically piloted planes, etc. The B- and C-lists ranged from the tank to the spear. Anna herself caused great controversy when she ironically cited the AK-47 as an example of how a low-end B-list technology could have a huge impact on the poorest:

> *This extremely basic rifle doesn't break down in the heat, sandy or wet conditions (unlike more sophisticated weapons) and requires very little training. It shows how technology can spread incredibly quickly. All that is needed is some manufacturers and financiers willing to make supply easy and a lot of individuals willing to deliver and use the technology. Forget the A-bomb. Nuclear arms treaties get a lot of publicity but unless the nuclear bomb goes off, the poorest hardly feel the effect (aside from the sheer diversion of resources into such expensive technology).*

As it happened, the greatest advance was in *reducing* the manufacture and distribution of the B- and C-list weapons. This did wonders for restoring security in the failed states of Africa and helping national governments to regain their powers of governance. Progress in this domain had to be led by the State, unlike the other technology worlds where the private sector has often been able to take a lead.

Implications for the poorest

Anna's list helped to achieve better focus on what needed to be done to turn the hope of technology into progress for the poor. Indeed, as one wit put it, before investing money in a new technology, get a "reality cheque". It required strong political will in rich and poor countries alike to ensure that funds were concentrated on B and C-list investments. Aid agencies had to keep asking, who will be best placed to make the technology available - the state? NGOs? a local entrepreneur? a local community? - and target their efforts accordingly. The BRICs often took the lead in such debates, and attracted inward investment to make things happen. China, for one, showed that a targeted aid-for-ABC technology programme can do a great deal to win friends and influence neighbours.

Has the ABC approach helped the poorest of the poor? The short answer is: in general, no, but some communities have become healthier and safer - the much-derided "trickle down" effect has a better chance under better conditions of life. Impact has been differentiated in rural and urban areas. Anything that changes the world of agriculture has always risked the livelihood of the poorest if care is not taken. Equally, the urban poor have been growing in number, and programmes to reach them have to be accelerated if they are to be effective.

Scenario Four: Moral Warming

Individuals, companies, NGOs and other civil society groups are driving a new attitude to global poverty

No-one can quite remember when the phrase was coined though there are plenty of claimants to parentage. The power of "moral warming" clearly came from its sympathy with the campaign against its namesake, global warming. And like its namesake, it brought together a number of different debates and players:

- Strong communitarian, socially-minded advocates and faith groups *reflected a steady rise in the moral underpinning of the civil society movements, including conscientious consumers. The rising power of religious groups added a further impetus, along with the rising consciousness that religion is linked to power*

- The debate over individual versus collective or social responsibility *was rekindled in a renewed multilateralism. In developing countries it was manifest in social activism supported by the rich world's NGO movements – the venerable Greenpeace now has more offices in the South than the North. New social theory gained adherents, following the leads of Etzioni's communitarianism, Putnam's social capital, Pooge and others' attention to rights, etc. All helped to shift the debate and the choices people make*

- Companies began to sign up to the UN Declaration of Human Rights. *Today, in 2030, the corporate world is as vocal as the NGOs in promoting the right to a job, the right to critical natural resources (such as water), the right to health, and even the right to access to capital*

It got worse before it got better

Despite these developments, the early years of the 21st century saw increasing distance - physical, social and psychological - between the rich and poor. Too few cared about these gaps, and many just turned a blind eye. In both the developed and developing countries, paranoia caused the rich to seek security through private security companies and physical separation in gated communities.

Eventually however the gaps became more apparent. Although gated communities became extremely self-reliant, these "islands of security" were no longer havens of peace and comfort. The rich could not be isolated from extreme environmental degradation, however much suburban lawns were manicured; travel between the "islands" became ever more hazardous; local insecurity became far more worrying than global terrorism threats. Consciousness of the gaps was enhanced by the Internet, encouraging activism as well as selling the idea of the need for moral ingredients to products and services.

At international level, continued ferment in the hot spots of the world – defying all sense of reason and increasingly disturbing the consciences of the rich - undermined the acceptability of the inward-looking approach.

Mind the GAPs

Three metaphors captured important dimensions of the story: the Ghetto, the Accident and the Pendulum, sometimes referred to as the GAP.

The new ghettos

Liberal democratic economics had always emphasised the free movement of goods, services, money and people, but as poverty-driven migration flows increased, so concern rose about the security of local jobs in host countries. The outsourcing of jobs to the "third world" gained momentum based on a political calculation that it was better to export jobs and keep migrants in their countries of origin than to confront the fears of cultural change at home.

The Accident

In 2000, the Corporate Social Responsibility (CSR) movement was at an important juncture. Criticised from outside as a PR exercise, it was also criticised from inside as creating a massive burden of box-ticking that failed to benefit shareholders – or anyone else. Yet somehow, without planning or coercion – hence its being termed "the accident" - CSR metamorphosed into mainstream business logic strengthened by tough business charters. Just as a product had to pass health and safety tests, products and services also had to pass ethical tests. Fair trade products were no longer marginal. For those who like the "gap" acronym, the signing up in 2004 by the clothing company GAP to the UK-based Ethical Trading Initiative - the 3rd US company to join - marked a symbolic milestone.

The Pendulum

In the historical context, moral warming can be seen as one of a series of long term fluctuations. It followed the selfish individualism that had closed the 20th century, which had followed the socialist era, itself born of the conflicts of 2 world wars.

Each country and region had its own pendulum forces, and there were multiple "moral universes". In the rich economies of Europe, with its historical effort to find a "third way," moral warming became a cause for global social democracy, with a high respect for global public goods. The US felt it was time to give global moral causes another try, in the tradition of the New Deal, the Marshall Plan, and the Peace Corps (it would be good to save the world without having to use troops). The BRICs have cautiously endorsed the intent while playing the card of "we'll come on board when we are richer". So far, no one in the conscience-stricken rich world has voiced serious objection, at least in public.

Action on multiple fronts

Today, in the 2030s, almost everyone is in on the act.

- Corporate level*: shareholders themselves police the codes of conduct for ethical business. Sharp business practices, while still abundant, are severely punished by the market*
- Individual consumer level*: there is strong demand for brands with an ethical flavour, from "fair trade" products to green/ethical portfolio funds*

- The super-rich: *a host of foundations provide a philanthropic outlet for the billions made from IPOs, share options, and golden handshakes*

- Civil society*: religious and issue-focused groups have become a power both in the provision of charity and in politics, campaigning for a new morality and driving a high degree of political activism*

- Politicians*: in response to pressures from all of the above, laws are passed to support the new codes and disciplines, to encourage the new philanthropists, and to create the warmer moral environment at the governance level. There remain intense debates with those who wish to push back the pendulum, believing it has swung too far*

- Internationally*: commitment to global multilateralism is strong, with some countries leading, some following. As the pendulum is in different positions in different places, it is at the multilateral level that the pressure is kept up to encourage the pendulum to shift where it lags and in driving richer countries to raise their levels of generosity in balancing compensation*

What has surprised many activists is that, for the most part, it has been the corporate world - private individuals acting collectively driven by a mix of economic and moral codes - that has triggered the sea change. Ethics is quite simply, good business. However, before capitalists get too self-congratulatory, it is also clear that moral warming was a change waiting for a trigger, given the increasing concerns of civil society around the world. Sustained non-development was just not on.

Implications for the poorest

In 2030, it is still grim on the wrong side of the gap. Working in an outsourced ghetto has its benefits but the opportunity to move would also be welcomed. You don't see the direct benefits of any form of ethical trading. Health still depends on having functional infrastructure as well as nearby health services. Access to a job depends on overall prosperity. Safety nets remain critical to survival for many. You can only hope that the new ethical business models will make a difference, that governments will be pressured into combating the worst inequalities and that the rich understand that widening the gap is a hopeless cause in self-protection.

Benevolent capitalism is a move in the right direction. Rich countries that have taken steps to combat nimbyism and allow freer movements of people have started to show the benefits to themselves, revealing that it is abundantly possible to work to close the gaps. So, while the warming has opened up opportunities to reach the very poorest, it will take persistent actions to exploit the opportunity.

Appendix 1: Interviewees

Masood Ahmed	Director of Policy and International Division, DFID
Steve Bass	Chief Environment Advisor, DFID
Andrew Bennett	Executive Director, Syngenta Foundation for Sustainable Agriculture
Sir John Bond	Chairman, HSBC
Donal Brown	Team Leader, Reaching the Very Poorest Team, DFID
Stephen Browne	Practice Leader ICT-D, UNDP
Julia Cleves	Associate Director, AIDS in Africa, UNAIDS
Prof Tim Dyson	Professor, Population & Development, LSE
David Gordon	Director, Office of Transnational Issues, Directorate of Intelligence, CIA
David Hampshire	Managing Director, Diageo Africa
Ravi Kanbur	Professor of World Affairs and Professor of Economics, Cornell University
Shozo Kitta	Resident Executive Director for Africa, Japan Bank for International Cooperation
Dr Alan Larson	Undersecretary of State for Economic, Business and Agricultural Affairs, US Department of State
Julian Lob-Levyt	Chief Human Development Advisor, DFID
Vijay Mahajan	Chairman of the Board of Directors, Intervention (India) Pvt. Ltd
Alan McFarlane	Professor in the Centre of South Asian Studies, University of Cambridge
Claire Melamed	Trade Policy Manager, Christian Aid
Sir Mark Moody Stuart	Chairman, Anglo American
Mick Moore	Institute of Development Studies, University of Sussex
Andrew Norton	Chief Social Development Adviser, DFID
Jon Pender	Director of External Relations, GlaxoSmithKline
Stephen Pickford	Macro-economic Policy International Finance, HM Treasury
Tony Ruys	CEO, Heineken
Prof Jeffrey Sachs	Director, The Earth Institute
Salil Shetty	Director, MDG Campaign, UNDP
Rt Hon Clare Short	Member of UK Parliament, formerly Secretary of State for International Development, UK Government
Prof MS Swaminathan	Chairman, M. S. Swaminathan Research Foundation
Stijn van der Krogt	Programme Manager, International Institute for Communications and Development, The Netherlands
Prof Jeff Waage	Head of Agricultural Department, Imperial College
Adrian Wood	Chief Economist, DFID

Appendix 2: Workshop Participants

Tamsyn Barton	Team Leader, Trade & Development, DFID
Tony Bebbington	Professor of Geography, University of Colorado, USA
Kate Bird	Research Fellow, ODI Poverty and Public Policy Group
Richard Black	Director, Migration DRC, Sussex University
Tim Bolderson	Partner, Outsights
Donal Brown	Leader, Reaching the Very Poorest Team, DFID
Joanna Chataway	Senior Lecturer in Development Management, Open University
Tamsin Chipperfield	Practice Associate, Outsights
Julia Cleves	Associate Director, AIDS in Africa, UNAIDS
Richard Dowden	Director, The Royal Africa Society
Max Everest-Phillips	Senior Governance Adviser, Poverty Reduction in Difficult Environments Team, DFID
Dr Jean Paul Faguet	Lecturer in Political Economy of Development, London School of Economics & Political Science
Xavier Godinot	Director, ATD Fourth World, France
Ursula Grant	Research Officer, Chronic Poverty Research Centre, University of Manchester
Maia Green	Senior Lecturer, Department of Social Anthropology, University of Manchester
Wardah Hafidz	Coordinator, Urban Poor Consortium, Jakarta
Barbara Hendrie	Team Leader, Drivers of Change Team, DFID
Deborah Hermer	Head of Communications, Policy Division, DFID
Antonio Hill	Policy Advisor (Environment, Markets & Sustainable Livelihoods), Oxfam, Colombia
Pat Holden	Senior Gender and Human Rights Advisor, Reaching the Very Poorest Team, DFID
Prof David Hulme	Director, Chronic Poverty Research Centre, University of Manchester
Liz Jones	Infrastructure and Urban Development Advisor, Anti-Corruption Team and Migration Team, DFID
Bonnie Khan	Project Administrator, Outsights
Paul Ladd	Head of Poverty Reduction Strategies Branch, International Poverty Reduction Team, H M Treasury
Peter Lawler	Director of Graduate Affairs Graduate Centre in Government, International Politics & Philosophy and Senior Lecturer in International Relations Department of Government, University of Manchester

Francie Lund	Associate Professor, School of Development Studies, University of Natal, South Africa
Arun Mehta	Computer Programmer & Leader, Society for Telecommunications Empowerment, India
Rehana Merali	Policy Support Officer, DFID
Clare Mercer	Lecturer in Geography, University of Leicester
Magui Moreno-Torres	Governance Adviser, DFID
Jamie Morrison	Lecturer, Department of Agricultural Sciences and Advisor to DFID Natural Resources and Agriculture Team, Imperial College of Science and DFID
Richard O'Brien	Partner, Outsights
Robert Park	Associate, Outsights
Gillian Paterson	Consultant, Communications Strategies for Development Organisations
Jon Pender	Head of External Relations, GlaxoSmithKline
Dan Rees	Director, Ethical Trading Initiative
Prof Shaoguang Wang	Professor of Political Science, Chinese University of Hong Kong
Guy Standing	Director of the InFocus Programme on Socio-Economic Security, International Labour Organisation
Philippe Vandenbroeck	Consultant, WS Network
Stijn van der Krogt	Team Leader, Country Programmes, IICD, The Netherlands
Peter Warshall	Editor, Whole Earth Magazine
Roger Wilson	Head, Government Institutions Department, DFID, Malawi
Dereje Wordofa	Head of Regional Policy, Oxfam