Can Sweden learn from its own history in setting development policy?

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Sweden's own successful development strategy of a century ago provides a good guide to shaping its assistance to poor countries today. Sweden realised that social protection was not simply "welfare", charity or unproductive spending; rather it was an essential investment in Swedish industrialisation. A universal non-contributory pension, universal primary education, and broadly based health care caused a social transformation that made rapid industrialisation possible. Now, governments in the global south are looking to European history, and challenging donors to rethink aid policies.

Aid and development policies have changed radically over the past three decades. The model, in Sweden and elsewhere, of the 1970s and 1980s was to promote economic development through direct investment in the productive sector. By the 1990s there was a sharp shift to the "Washington Consensus" or "neo-liberal model", which involved free markets and the belief that economic development and an end to poverty would come from the private sector, acting on its own. Developing countries were forced to sharply cut expenditure so as not to "crowd out" the private sector, and there were even major cuts in health and education spending. The argument was that poor countries could only afford social spending after their economies grew.

In the late 1990s, there was a partial swing back. It was realised that donors and governments needed to provide infrastructure such as roads, but social and other government expenditure was still to be kept low and there was to be no government involvement in the economy. The Washington Consensus model was also challenged with the Millennium Development Goals (MDG). But the international community bypassed that challenge by being selective – it concentrated on MDGs 2-6 which concerned health and education. OECD figures show that Swedish aid largely followed the pattern. In 1996, 27% of Swedish aid went to economic infrastructure and productive sectors, but this had fallen to 9% in 2004 and rose only to 13% in 2008.

The international community has largely ignored MDG 1, which calls for halving the proportion of people whose income is less than $1 a day and achieving full and productive employment and decent work for all. No country will meet all of those targets. Poverty is not falling in Africa, and jobs are not being created. Between 1980 and 2005, the number of people in poverty in Africa rose from 214 million to 391 million; even the percentage living in poverty fell only slightly, from 54% to 51%.[2] The reason is that the Washington Consensus model largely promoted foreign investment, and investments by the big international corporations have been capital intensive and did not create many jobs. One might expect domestic small and medium size enterprises, in the domestic private sector, to create jobs in the developing countries, but this did not happen – in part because the neo-liberal model does not allow support of domestic capital.

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[2] World Bank estimate of people living below $1.25 per day. Shaohua Chen and Martin Ravallion, 2008, "The Developing World Is Poorer Than We Thought, But No Less Successful in the Fight against Poverty", World Bank Policy Research Working Paper 4703 (Tables 6 & 7, pp 42,44)
http://wwwwds.worldbank.org/external/default/WDSContentServer/IW3P/IB/
2010/01/21/000158349_20100121133109/Rendered/PDF/WPS4703.pdf

Donor funding in support of the MDGs has led to a rapid expansion of health and education in the past decade, but one unintended consequence of the Washington Consensus policies has been little expansion, so there has been little increase the tax base to pay for these facilities. Thus aid is increasing dependence, because donors will have to pay for the maintenance and the salaries of the new teachers and nurses.

Increasingly, governments in the Global South are saying that the naked free market is not the best or only way to develop, and they point to the very different histories of European countries. They all supported the development of cooperatives and the domestic private sector through incentives, subsidies and protection. But the really fundamental challenge to the World Bank and donor wisdom of the 1990s was the realisation that there is not a sharp division between the social and the economic; spending on pensions and child benefit is not unaffordable social spending that "crowds out" private investment, but rather essential investment spending to boost the development of small business and the domestic private sector. And they call on Sweden and other European donors to look back at their own development histories, where social protection spending came before economic growth, not after.

The Swedish alternative from the Global South

In the late 1990s the Global South began to question market fundamentalism. The 1997 Asian financial crisis hit the Global South harder than the industrial north, which caused leading southern governments to make changes which cushioned them against the 2008 northern financial crisis. Those countries which were not aid dependent gave governments a bigger role in the economy and there was more control over the market.

And, increasingly, the Global South has concluded that Sweden had been right the first time, and that social protection and cash transfers are key investments, which come before "development" rather than after. In the late 1990s three countries led the way. Mexico developed a family grant, which now averages $38 per month and goes to 22% of the population. Brazil expanded its non-contributory pension programme to cover farmers and people in the informal sector and also created a family grant; 39% of the population now benefits from cash transfers. And South Africa established a non-contributory pension that goes to everyone over 63 years old not receiving another pension – 85% of older people – and a child benefit that goes to the poorest 55% of children under 15 years old. The success of these programmes meant their rapid adoption by other governments. More than 45 countries in the Global South have introduced broadly based cash transfer programmes – social pensions, child benefits, family grants, and guaranteed work – which now reach more than 110 million families.

Sweden's experience as compared to Chile's

And southern scholars began to look more closely at the history of the industrial development of the north. And they realised that as the English writer John Selden had noted 350 years earlier, "Do as I say, not as I do" is the common refrain of hypocrite.[3]

The South Korean born Cambridge economist Ha-Joon Chang[4] points out that "Contrary to the conventional wisdom, the historical fact is that the rich countries did not develop on the basis of the policies and the institutions that they now recommend to, and often force upon, the developing countries. Unfortunately, this fact is little known these days because the 'official historians' of capitalism have been very successful in rewriting its history." Chang asks: "how did the rich countries *really* become rich?" And he replies: "The short answer to this question is that the developed countries did not get where they are now through the policies and the institutions that

[3] *Table Talk*, in which this appears, was not published until 1689, after his death, and was edited by Richard Milward.

[4] Ha-Joon Chang, 'Kicking Away the Ladder: Neoliberals Rewrite History', Monthly Review, 54(8), p 10-16, 2003. Ja-Hoon Chang, *Kicking Away the Ladder: Development Strategy in Historical Perspective,* London: Anthem Press, 2002, ISBN 1-84331-027-9.

they recommend to developing countries today." He cites the 19th century German economist Friedrich List, who noted that "it is a very common clever device that when anyone has attained the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others of the means of climbing up after him." Chang named his 2003 book *Kicking Away the Ladder,* and the book won the 2003 Gunnar Myrdal Prize of the European Association for Evolutionary Political Economy.

And the Chilean-born professor at the University of Notre Dame, J. Samuel Valenzuela, compares the history of his own country to that of Sweden.[5] He notes that the two countries "were remarkably similar at the beginning of the 20th century but then became more and more different as Chile lagged behind in its development." With small populations of about three million in Chile and four million in Sweden, the economies of both countries concentrated on the exploitation of natural resources; both were nations of miners, lumberjacks, farmers, and fishermen. They had similar per capita GDPs, with Sweden only 16% higher. At the start of the 20th century, both had about one-third of the population living in poverty and high levels of infant mortality.

But in the early 20th century they followed very different courses. Valenzuela points to a key difference. Both started the century with a birth rate equivalent to women having four or five children. In Sweden this dropped to only two children by the 1930s, while this only occurred in Chile in the 1960s. This, in turn, had a dramatic impact on the economic structures of the countries. Total GDP growth was similar, but Chile had a much lower growth of GDP per capita.

Higher fertility levels are disproportionately concentrated among poor families, so a country with high population growth continues to have a large proportion of its households in poverty, and pass on poverty from one generation to the next. These families are too poor to invest in the education of their children, which means a large labour force with low qualifications, he argues. Investors put their money mainly into areas of production that require minimal qualifications from workers, leading to a low wage economy. Informality levels are high with many people seeking to scratch a living as "penny capitalists", as Valenzuela labels them. "The end result will be national economies with high levels of inequality, large numbers of people living in poverty, and deficient levels of productivity," as happened in Chile – and is continuing to happen across the Global South today.

Sweden, with smaller families, could educate its children, and primary school for all children became mandatory in 1842. Wages rose due to the smaller numbers of labour force entrants and strong labour unions, but the higher qualifications of workers allowed investors to create new and more sophisticated products and production techniques, enhancing productivity, and paying higher wages. And with fewer new entrants into the labour force, fewer people would also have to seek a living in the informal economy, while those that did engage in self-employment, given their higher qualifications, often create successful businesses. Taken together, this means nations "with lower inequalities, higher wages, more similar consumption patterns across households, [and] higher levels of innovation and productivity," as happened in Sweden.

For Valenzuela, the most important difference was having universal access to old age pensions. Sweden in 1913 started a system that gave all men and women above the age of 67 a pension that was supported with general state funds; payments began immediately. Chile followed Otto von Bismarck's social insurance model in Germany, which was largely dependent on formally employed workers paying into a fund and which only paid a pension when a worker retired; Valenzuela notes that virtually no one received an old age pension in Chile before the 1950s.[6]

The other key factor was Sweden's introduction, from 1917, of health care institutions with universal access and with a stress on children, which brought a sharp decline in infant mortality. By

[5] J. Samuel Valenzuela, 'The Missing Links: Families, Welfare Institutions and Economic Development in Latin America, paper presented at the Annual Meetings of the Society for the Advancement of Socio-Economics, Copenhagen, July 2007. Forthcoming as a Kellogg Institute Working paper, University of Notre Dame.

[6] Based in part on Valenzuela's recommendations, Chile introduced a universal, non-contributory pension in 2008. It had been a campaign pledge of Michelle Bachelet, who was elected President in 2005.

contrast, Chile adopted a complex health insurance system which only covered formal sector workers, and infant mortality remained high into the 1960s.

The key point about pensions and health care is that people depend on their children to take care of them in their old age and in the event of sickness; children are insurance. If infant mortality is high, then it is important to have many children. And in a poor family that does not waste time sending children to school, children quickly become an economic asset, working in the fields or selling on the street.

Thus social pensions mean that people are sure they can depend on the state in their old age, so they need fewer children. This is reinforced by lower infant mortality. And it becomes sensible to invest more in the education of those children.

Social pensions also create workforce mobility, another key to the Swedish development model. Peasants depend on the land, and even those who move to the city to work often keep a land as a form of insurance – they can always go back to the farm when they are too old to work. Again, social pensions allow them to break that link, and become urban workers.

Simon Szreter, Cambridge University Reader in History and Public Policy, points out that in England, the 17th century poor laws encouraged labour mobility; farmers and landowners could more easily hire and lay off short term labour.[7] Social security for workers combined with provision for the aged meant that peasants were less dependent on the land and family for social security and could move to towns in search of work. This, in turn, spurred economic growth. Szreter argues that England "moved from a position as a small, average economy on the European periphery to that of world leader, primarily because of the increased efficiency of its agrarian economy." From the mid-17th century, England became the first country not to experience national famine-related deaths.

Szreter argues that English history has direct implications for developing countries today. Without a social security system, it is highly rational to try to accumulate wealth and to cultivate patrons who will protect you. He says that "the self-righteous (and hypocritical) western rhetoric denouncing 'corruption' in government and throughout society in the world's poorest countries is in part a deep mis-reading and mis-understanding."

It is often claimed that less developed countries cannot afford social security, but Szreter argues that the lesson of history is that poorer countries cannot afford *not* to develop social security systems which are an essential precursor to economic growth and which encourage market growth and labour and capital mobility.

Valenzuela argues that it is a mistake to see social pensions as a burden with detrimental effects for development. Instead, social pensions are part of a package that is necessary to "trigger the changes that generate the social fundamentals that are most conducive to developmental success with 20th Century technologies and markets."

In southern Africa seven countries now have non-contributory pensions covering more than 80% of the population, and these pensions are having a similar impact. A study by Göran Holmqvist of the Nordic Africa Institute concluded that "having a high-coverage pension system in sub-Saharan Africa is associated with a reduction of the fertility rate in the range of 0.5 and 1.5 children per woman."[8]

Blame the poor for their poverty?

[7] Simon Szreter 2007, "A Right to Registration: Development, Identity Registration, and Social Security – A Historical Perspective", *World Development* 35(1) pp 67-86.
[8] Göran Holmqvist, 2010, "Fertility impact of social transfers in Sub-Saharan Africa – What about pensions?", BWPI Working Paper 119, University of Manchester Brooks World Poverty Institute.

Non-contributory, social pensions were the starting point for cash transfers in Europe in the early 20th century and in Brazil and southern Africa in the 1990s. In many ways they are the most politically popular form of social protection, because we all hope to become old and be able to receive such a social pension, and many of us have parents or grandparents who need assistance and the social pension reduces the burden on us. Thus, social pensions are politically popular because they are seen as being for everyone – they are not charity or just for the destitute poor. They are also popular because the overcome two of the common middle class objections – dependency and waste. Cash transfers are sometimes dismissed by the better off as creating a permanent dependence culture, and thus there is a demand for an exit strategy – which exists with a pension, because it ends when the old person dies. And the rich often claim that the poor will waste money, but this pejorative attitude generally is not applied to old people, who have worked all their lives and can waste money if they want to.

In practice, money is not wasted and is shared within the family, so the type of grant makes little difference. For example, pensions, family grants and child grants all benefit children. But the move to more general cash transfers is often difficult. The better off tend to assume they deserve their status, and thus, if only by implication, blame the poor for their poverty. If the poor were only poor because they did not have money, then that would question the position of the better off (such as the writers of this book). But attitudes do differ, especially on the two sides of the Atlantic Ocean.

International polling companies sometimes agree to ask the same question in many countries, and between 1995 and 2000 they asked "Why, in your opinion, are there people in this country who live in need." In Sweden, only 22% said that it was because the poor were lazy or lacked will power; 78% said people were poor in Sweden because of an unfair society. Other European countries and southern countries such as Brazil and South Africa gave answers similar to Sweden. But in the United States, by contrast, 61% blamed the poor and only 39% blamed an unfair society.

And that is reflected in the way cash transfers are much more common in Europe, while the US depends on charity and methods that stigmatise the poor, such as food stamps. The OECD estimated that in 2005, Sweden gave 14% of GDP as cash transfers and this reduced poverty by 80%, while the United States gave only 8% which reduced poverty by only 35%. (Sweden, by the way, is not most generous – France, Austria, and Germany all provide 16% to 18% of GDP as cash transfers.)

Neo-liberalism and the Chicago school of free market economics which grew up in the 1970s were very much rooted in the US attitude of blaming the poor for their poverty. It was the era of "greed is good"; not only did the rich deserve their wealth, but there was also the beguiling message that it was good to get rich because some of the crumbs from the table would "trickle down" to help the poor. And the international financial institutions (IFIs), the World Bank and the International Monetary Fund, are based in Washington DC and are very influenced by US attitudes, so they adopted the neo-liberal faith and began pushing it very hard. With the end of the Cold War, many donors accepted the IFI line and made aid conditional on having IMF and World Bank programmes. The IFIs imposed harsh conditionalities on recipients, forcing them to cut health and education and social programmes, end agricultural subsidies, and privatise. Governments had to withdraw from any involvement in the economy, and instead encourage foreign investment. Although the opinion survey showed that Sweden blamed an unfair society rather than the poor for their poverty, it nonetheless threw its support behind a policy that effectively blamed the poor and withdrew support from them.

Peter Townsend, one of the foremost experts on child poverty, wrote in 2009 just before his death[9]: "The World Bank monolith has helped to implant neo-liberal ideology among governments, corporations and consumers, weaken the state, and reinforce economic inequality and destitution. ... The bank advocates disastrous policies, like its meagre and superficial anti-poverty policies, lends with antisocial discriminatory conditions, and has little experience or resources to invest

[9] Peter Townsend: "We must address the World Bank's disastrous neo-liberal policies", *Guardian* (London) *Comment is free*, guardian.co.uk, 19 February 2009.

grants directly in jobs, services and people." And he called on the World Bank "to adopt a different social development strategy. This would include job creation, new tax systems, staged international planning, accountable leadership, social security and other public services."

Even in the early 1990s, there was growing evidence that the model was not working, and it was increasingly presented as something to be taken on faith – that it would work eventually. But by the end of the 1990s, it was already clear this was a false faith. Donors continued to believe the high priests and Pharisees in Washington, and most poor countries had no choice. But a group of larger countries in the Global South which were not dependent on aid, led by Mexico, Brazil and South Africa, were able to challenge the new religion.

A core assumption of southern governments introducing cash transfer programmes was that the poor could be trusted and would use the money wisely. This was such a challenge to the new faith of greed and neo-liberalism that the international community demanded detailed studies. And each time a study showed that cash transfers worked, the international community demanded another study. The result was that when we started to write a book on cash transfers, *Just Give Money to the Poor*[10]*,* there was a mountain of studies done by eminent research institutes and universities. And they tell the same story.

Sharing within the family

In general, studies of cash transfers paint a similar picture. Whatever the official nature of the transfer – pension, child grant or family grant – the money is shared within the family, and children are the main beneficiaries. Typically half the grant is spent on food – not just more food, but more varied and nutritious food. The next biggest amount is spent directly on children, notably shoes and clothing, and costs relating to school. Finally, an amount is invested in trying to increase income – fertilizer and better seed, more things to try to sell, or travelling to look for work.

Lack of money and thus lack of food is the main cause of malnutrition. Therefore declines in infant mortality and malnutrition are important markers of the success of cash transfers. Studies in Brazil, Mexico, Nicaragua and South Africa all show dramatic reductions in chronic child malnutrition. This is measured by stunting, and children in benefit households are taller. Key mental and physical development takes place in the first two years of life, and losses that occur then are irreversible. Children in cash transfer households have improved mental and physical development. Educational outcomes are better, both because children start school with better mental development, and because they do not go to school hungry and fall asleep in class. Children in cash transfer houses lose fewer days from school – both due to less sickness, and because their parents do not need to keep them home to work. And this is as true in households with pensions as in those with a formal child benefit.

Thus cash transfers make a major contribution toward reducing intergenerational poverty in the Global South, as they did in Sweden. Children in poor households become healthier and better educated adults, who are less likely to be poor.

Promoting growth

By definition, giving people money reduces their immediate poverty, and as we have seen, also reduces intergenerational poverty. But the main reason for southern enthusiasm for cash transfers is that they stimulate growth and are thus explicitly developmental. It is here that southern governments are challenging the predominant paradigm behind aid from the rich north. And the challenge is four-fold. First, that the poor are poor because of lack of money, and not because of stupidity or misconduct. Second, that it is better to give money directly to the poor, rather than give it to the rich and hope some will trickle down to the poor. Third, the main problem in poor countries

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[10] Joseph Hanlon, Armando Barrientos, and David Hulme, 2010, *Just Give Money to the Poor – the Development Revolution from the Global South*, Sterling (Va, USA): Kumarian.

is demand, not supply. And fourth, that governments have a central role in stimulating economies and economic growth.

Cash transfers stimulate growth in two ways. First, they promote the local economy. Second, they reduce risk and allow poor people to invest.

Domestic demand makes the largest single contribution to economic growth in developing countries, but generalised and persistent poverty means that demand is small and this inhibits growth, according to the UN Conference on Trade and Development (UNCTAD) *Least Developed Countries Report 2006*. Neoliberal development models stress the supply side, making it easier for private businesses to operate. But UNCTAD finds that this is not the priority – businesses are not successful in poor countries not because of red tape and regulation, but because people are too poor to buy their products. That triggers a chain in which new firms largely serve a wealthier elite, foreign investors, or the aid industry, while poor and rural areas stagnate. Cash transfers shift the balance, because they give money to poorer people, who tend to spend locally. For example, they buy food from their neighbours and local shops, clothing often comes from local tailors, and building materials for houses are often locally made. Thus the money circulates locally, often two or three times, in what is known as a multiplier effect. Also, poorer people tend to buy locally produced goods, while richer people buy more imports, so cash transfers do more to boost local production.

But perhaps the biggest surprise – and the one that has been hardest for sceptics from the wealthier industrialised countries to accept – is that cash transfers promote investment and employment. Far from making people lazy, they actually encourage people to work harder. The key factor appears to be risk. "Living under the constant threat of a sudden drop in income – and hence consumption – probably makes poor families, on average, more risk averse than non-poor families," writes Santiago Levy[11], the main architect of the Mexican family grant programme (Oportunidades). Poor families cling to "traditional farming methods that generate lower but safe returns, limiting the benefit they may be able to obtain from rural development or urban training programmes. For those reasons, reducing poor households' uncertainty regarding food consumption could allow them to engage in riskier productive projects or investments with longer planning horizons."

For the poorest people, every penny counts. For a small farmer, spending money on fertiliser today in the hope of a larger crop is six months is a high risk – should their children go hungry today in the hope of more food in six months. What happens if the rains fail, or there are insect pests, or the price falls and the value of the crop is less than the cost of fertiliser? This makes poor people necessarily very conservative, doing what they know is most likely to be successful, and not taking risks on new crops or searching for better jobs. A key aspect of the neo-liberal development model has been to shift more risks to the poorest people – part of deregulation and reducing restrictions on business has been to make it easier and cheaper for firms to dismiss workers, and the demand to reduce the role of government has meant a cut in social protection such as unemployment insurance and a reduction in support for peasant farmers, for example by ending marketing boards which guaranteed to buy crops. (This is, of course, the reverse of the model followed by Sweden, where generous government social insurance encouraged labour market flexibility[12], and government promotion of agricultural cooperatives provided guaranteed markets.) Microcredit, much promoted by donors in recent years, fits this model. If a peasant borrows money to buy fertiliser and the crop fails, not only is no money earned from the farm, but the loan must still be repaid. What southern governments see is that cash transfers provide a form of insurance, and thus reduce risk. The key to cash transfers such as pensions, child benefits, and family grants is that they are regular and predictable – they can be planned on and included in the family budget. And all the studies show that part of the cash transfer is invested – buying fertiliser or goods to sell,

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[11] Santiago Levy 2006, *Progress against poverty: Sustaining Mexico's Progresa-Oportunidades Program*, Washington DC, Brookings Institute.
[12] Gabriella Sjögren Lindquist & Eskil Wadensjö, 2007. "Social and Occupational Security and Labour Market Flexibility in Sweden: The Case of Unemployment Compensation," IZA Discussion Papers 2943, Institute for the Study of Labor (IZA).

experimenting with new crops or markets, and searching for work – because the small extra money means that the investment is not at the cost of taking food from the mouths of the children, and because if the crop fails the family is sure of at least some income from the grant.

Studies in Mexico show that grants do encourage investment, and that those investments are profitable. Indeed, the World Bank was shocked to find that the investments made by people using the family grant generated an 18% rate of return, far above the average for Mexico.[13] Poor people do not need advice from IFIs, non-government organisations or donors, they already know how to invest profitably – what they need is cash, not advice. In Mexico, India and Ethiopia, studies found that recipients of cash transfers are more likely to buy more fertiliser and use higher-yielding seeds. In Bolivia, meat production has increased because pension money is being used to buy animals; Bolivian farmers had never been able to make full use of the land they gained in an earlier land reform, and the pension is providing money to invest in the land. In South African urban areas, informal sellers use cash transfers to buy more stock. Pensioner households are often labour constrained, and pension money is sometimes used to hire farm labour.

In Brazil and South Africa, research shows that households with grants have more people in the labour force. In part, this is because the cash transfer provide the money for bus fares and food for household members going out to look for work. In South Africa, it has allowed mothers to take jobs because the money from a child grant allows the grandmother to look after the child.

So, far from making people lazy, grants encourage people to work harder. “Opponents said that if you give people money, and especially poor people, they will sit down and become lazy. If you receive manna from heaven, why should people work?” notes Namibian Bishop Dr. Zephania Kameeta[14] . But his experience in Namibia refutes this. “Moreover, if you look in depth at Exodus 16, the people of Israel in the long journey out of slavery, they received manna from heaven. But it did not make them lazy; instead it enabled them to be on the move to travel through the desert. ... In this context nobody would say, the manna made the Israelites dependent. To the contrary, it enabled them to move.”

Conclusion: remember history

Two decades ago, Sweden was a world leader in aid policy, drawing on its own successful development history. Since then, Sweden has been swayed by a new paradigm and a new faith, which called on it to ignore its history and its own remarkable development. But governments and scholars from the Global South say to Sweden: remember your history and draw on it. Remember how pensions, health care and support for rural cooperatives a century ago promoted your industrial development. And remember the key lesson from your own history: cash transfers such as social pensions are not charity or wasted money, they are essential investments in development.

Sweden could take the global lead in three ways. First, there are now debates within the IFIs themselves, and quite sharp disagreements, with some staff in both the IMF and World Bank seeing that cash transfers do, in fact, support private sector development. The Nordic-Baltic group has executive directors in both the World Bank and IMF, and Sweden could use its influence with other Nordic states and within the group to build support for those who see social protection as promoting development. It could also give more support to the ILO, the UN’s International Labour Organization, which has been campaigning in support of cash transfers for a number of years.

Second, Sweden is a major and influential donor. It is part of budget support donor groups in several countries, and its long history means that it is respected by other donors and by

[13] Paul Gertler, Sebastian Martinez, and Marta Rubio-Codina, 2006, “Investing cash transfers to raise long term living standards”, Washington DC, World Bank.
[14] Claudia Haarmann et al, *Making the difference! The BIG in Namibia,* Basic Income Grant Pilot Project Assessment Report, (Windhoek, Namibia: Namibian BIG Coalition, 2009), available at www.bignam.org.

government ministers. Simply by talking about its own history, it would show aid dependent countries (and remind itself) that there is more than one successful development model.

Third, Sweden could build on its own history by supporting global rights. Before he died, Peter Townsend was promoting a global child benefit, which would go to every child in the world and would be paid from a global tax. Such a tax could be the Tobin tax on currency exchanges, or a carbon tax, or the tax on air travel. A campaign for a global child benefit, or a global pension for everyone over 70 years old, needs a powerful champion with both moral and political weight. Sweden could be such a champion.

Sweden could use its own aid, and its position on the global stage, to encourage cash transfers – and it can use its own experience to point to their success in promoting economic development.

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