

Wanted – A few good businesspeople

By: Craig Doescher

Any decent person can resonate with Bono's stated desire to "Make poverty history". In recent decades it has been said that this is a real possibility in our lifetime. The logic is usually along these lines: a small financial contribution by a few million Western households, say a few billion dollars, can be channeled as aid into low-income countries, resulting in the abolition of poverty. It seems so simple and trillions have been rallied to the cause. Unfortunately the results have been dreadful. The economic situation for most of Africa, the aid community's great post-War test bed, is worse today than it was fifty years ago. Half a century of stagnation should be enough time to realize the fruitlessness of this approach.

Yet in the midst of this appalling record calls for yet more aid continue. How can this be? Unfortunately we think the culprit is the combination of "wealth guilt" and a failure to personally engage with poverty, ultimately resulting in a lack of moral imagination. Wealth disparity gives rise to guilt in many. We feel pity for those who are less fortunate and desire to do something about it. Most often we deal with these feelings by giving away some portion of our wealth directly through personal donations or indirectly through government. This makes us feel better and requires limited effort. Rarely, if ever, will we take the time to see if our money has made a dime of difference in the lives of those it was supposed to help. But if we merely want to assuage our own guilt, why would we care about the results? This lack of moral imagination has led us to accept charity as the only possible solution for poverty, be it in Detroit or the Rift Valley.

What if, however, we took a minute to observe that it was not charity that made the United States the world's wealthiest country? What if we realized that our country has undergone the painful process of entrepreneurial "creative destruction" for more than two centuries? What if we realized that it is free enterprise that enables us to live modern lives? Businesses efficiently provide nearly all of the much needed services a society needs. Businesses provide livelihoods for families and pay taxes to fund governments. Businesses financially support charitable organizations and business people fund churches and other charities. Without a vibrant private sector, no society has a chance of attaining any reasonable and sustainable level of prosperity.

So this brings about the question, how can we as business people play a role in helping the private sector take root in places where it has traditionally struggled? The answer lies in engagement. If your personal wealth came through sweat and tears, and indeed the wealth of our society was similarly accumulated, let us believe that it can be the same in Pontiac and

Cape Town. Let us be the role models to aspiring entrepreneurs in areas where role models are lacking.

It is time to realize that business acumen has been largely unused by the Church for too long. Yes, people need medical care, education, and of course they need Jesus. But they also need the chance to live in dignity, to become skilled in a trade, and to have the ability to provide for the needs of their family. You are critical in this process. Your knowledge, your mentorship, your encouragement to take risks, your stories of failure and how you dealt with it, and your love, these are all needed to help an aspiring individual in an under resourced community build an enterprise.

It is not easy. It is not a panacea. But it is the only way on this earth that has worked based upon the historical record. Let us leave behind disempowerment through well-intentioned charity and move toward empowerment through active engagement with the challenge of poverty. The best part is that all we ask is that you as a business leader be yourself, in a slightly different context.

About the author: Craig Doescher holds an MBA from the MIT Sloan School of Management in Cambridge, MA where he was a Fellow at the Legatum Center for Development and Entrepreneurship. He has six years business experience working in and with entrepreneurial companies in Africa, Asia, Latin America, and North America.

Recommended reading:

The White Man's Burden, William Easterly
Banker to the Poor, Muhammad Yunus
The Fortune at the Bottom of the Pyramid, CK Prahalad
Capitalism at the Crossroads, Stuart Hart
The Fate of Africa, Martin Meredith
Africa Rising, Vijay Mahajan
In the River they Swim, Michael Fairbanks

Recommended links:

<http://legatum.mit.edu/>
http://www.huffingtonpost.com/iqbal-z-quadir/rockets-to-markets_b_423194.html
<http://www.sevenfund.org/>
<http://www.nextbillion.net/>
<http://aidwatchers.com/>
<http://cfe.umich.edu/>
<http://www.xprize.org/>
<http://www.mit100k.org>
<http://pioneersofprosperity.org/>
<http://www.li.com/>
<http://www.legatum.com/ladder.aspx>
<http://www.ignia.com.mx/>
<http://www.icic.org>
<http://www.nytimes.com/2010/01/15/opinion/15brooks.html?hp=&pagewanted=print>