



"I SEE MULTIPLE COLONIAL GOVERNORS."



DISCUSSION GUIDE

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INTRODUCTION

Poverty, Inc. is a 91 minute documentary inquiry into the nature of human flourishing and the effects of the multibillion dollar poverty industrial complex erected to promote it.

Directed by Michael Matheson Miller and drawing from over 200 interviews filmed in 20 countries, *Poverty, Inc.* explores the neocolonial power dynamics embedded paternalism underpinning the predominant modes of assistance, which often situate “the poor” (i.e. “the other”) as the objects of charity rather than as the active protagonists in their own stories.

The film has earned over 40 film festival honors including a “Best of Fests” selection at IDFA Amsterdam - the biggest documentary festival in the world. Student leaders are stepping up around the country with numerous screenings at Harvard, MIT, Yale, Stanford, Cornell, Penn, Notre Dame, Northwestern, and others.

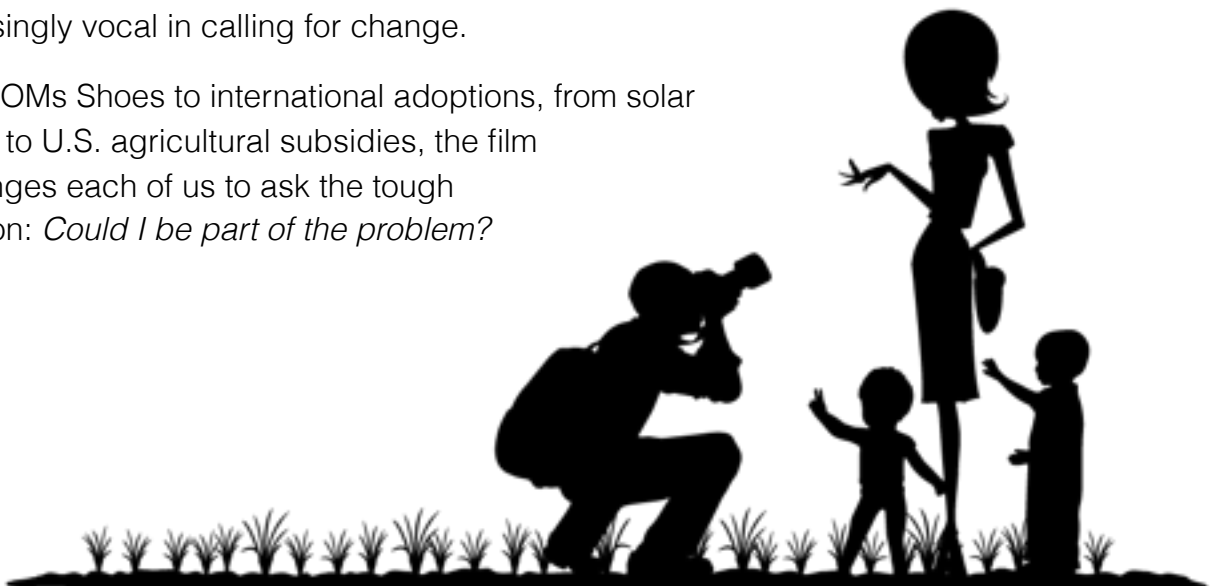
FILM SYNOPSIS

“I see multiple colonial governors,” says Ghanaian software entrepreneur Herman Chinery-Hesse of the international development establishment in Africa. “We are held captive by the donor community.”

The West has positioned itself as the protagonist of development, giving rise to a vast multi-billion dollar poverty industry — the business of doing good has never been better.

Yet the results have been mixed, in some cases even catastrophic, and leaders in the developing world are growing increasingly vocal in calling for change.

From TOMs Shoes to international adoptions, from solar panels to U.S. agricultural subsidies, the film challenges each of us to ask the tough question: *Could I be part of the problem?*



VOICES FROM THE FILM

Interviewee	Work	Country of Origin	Country of Residence
Ayittey, George	Economist, Author	Ghana	USA
Chinery Hesse, Herman	Software Entrepreneur, SoftTribe	Ghana	Ghana
Clay, Corrigan	Artisanal Entrepreneur Co-Founder, The Apparent Project	USA	Haiti
Clay, Shelley	Artisanal Entrepreneur Co-Founder, The Apparent Project	USA	Haiti
Collier, Paul	Economist, Author	U.K.	U.K.
Dalrymple, Theodore	Physician, Author	U.K.	U.K.
Donatien, Jacob	Rice Grower	Haiti	Haiti
Dressier, Frantz	Lighting Technician, ENERSA	Haiti	Haiti
Escobari, Marcela	Executive Director, Harvard Center for International Development	Bolivia	USA
Estéphane, Exulien	Rice Grower	Haiti	Haiti
Fairbanks, Michael	Policy advisor to heads of state in emerging markets	USA	USA
Georges, Alex	Energy Entrepreneur Co-Founder, ENERSA	Haiti	Haiti
Greer, Peter	CEO, HOPE International	USA	USA
Jean-Louis, Daniel	Professor, Entrepreneur	Haiti	Haiti
Kagame, Paul	President, Rwanda	Rwanda	Rwanda
Mends, Charles	Juice Entrepreneur	Ghana	Ghana
Michel, Kenneth	Investor, Agriculture	Haiti	Haiti
Muraya, Eva	Fashion and Branding Entrepreneur	Kenya	Kenya
Noel, Jean Ronel	Energy Entrepreneur Co-Founder, ENERSA	Haiti	Haiti
Omoga, Joshua	Kiera Shop Owner, Informal Microentrepreneur	Kenya	Kenya
Rucyahana, John	Anglican Cleric	Rwanda	Rwanda
Salatin, Joel	Farmer, Author	USA	USA
Schwartz, Timothy	Anthropologist, Author	USA	Haiti
Velnis, Makilene	Artisan	Haiti	Haiti

Interviewee	Work	Country of Origin	Country of Residence
Wade, Magatte	Entrepreneur, Women's Products	Senegal	USA
Widmer, Andreas	Tech Entrepreneur, Author	Switzerland	USA
Yunus, Muhammad	Nobel Laureate, Microfinance Pioneer	Bangladesh	-

These voices were selected from over 200 interviews. Though we could not include every interview in the film, each and every person we encountered influenced us and the presentation.

ORGANIZE A SCREENING

Poverty, Inc. has won over 40 film festival honors, traversing the political spectrum with an endorsement from Michael Moore to match a \$100,000 award from the libertarian Atlas Network. But you don't make documentaries to win awards; you make them to change culture. That's where you come in.

Changing culture involves bringing people together. By organizing a screening and discussion of *Poverty, Inc.*, you are amplifying the voices in the film and contributing to a culture focused on the dignity and creativity of the person.

This effort is fast gaining traction, especially among our friends from developing countries who have long been calling out for more thoughtful forms of assistance, more inclusive market systems, and stronger institutions of justice.

HOW TO ORGANIZE A SCREENING

Organizing a public screening involves securing the appropriate public performance rights (PPR). The Educational Edition of the film comes with unlimited PPR for on-campus screenings and course integration. For other screenings rights, please visit www.povertyinc.org/screenings or email screenings@povertyinc.org.

Step-by-Step:

1. **Email screenings@povertyinc.org** with the date, time, and venue to get started.
 - a. We will walk you through the process and create Facebook and EventBrite pages created for you.
2. (Optional) **Book a Filmmaker Q&A** through our speaking agent Kristin Cooney - kristin@rocofilms.com. We also do Skype Q&A's.
3. Review our [Digital Screening Kit](#) with pictures and posters.
4. **Spread the word!** Click the "Invite" tab on the Facebook event page, select your city from the left-hand column, then click "select all" to invite all your nearby friends. Tweet about the film @PovertyINC #PovertyINC. Also be sure to send out newsletters about the event, posterize your campus, and reach out to professors across departments about attending and publicizing the event.
5. **Pay it forward.** Following a screening, there are often others who want to organize additional screenings. Help them out by sharing what you learned organizing yours!

BEST PRACTICES: HARVARD UNIVERSITY

At seven student-led screenings and counting, no single institution has organized more screenings of *Poverty, Inc.* than Harvard. Here are a few things we've learned from the Harvard screenings:

1. **The film resonates across disciplines.** The following Harvard schools have organized screenings: Harvard College, Harvard Business School, the Harvard Kennedy School of Public Policy, the Harvard Graduate School of Education, the Harvard School of Public Health.
2. **The Filmmaker Q&A is valuable.** The results of our Impact Surveys tell us that for most viewers, the post-screening discussion is as important as the film itself.
3. **The 91 minute film of the film is best,** not the 55 minute version. One professor organizing a screening said to us, "We need the 55 minute. Students are busy and don't have the attention span for 91 minutes plus discussion." On the contrary, our student-led screenings have all used the 91 minute film and on average, the post-screening discussions run 45-60 minutes. The discussion following a 200+ person screening at Harvard Law School went 75 minutes. Indeed, the complexity of the subject matter motivates a more in-depth discussion.
4. **Facebook is powerful.** 674 people RSVPed as attending a Harvard Business School screening that could only hold 350. Over 54,000 people saw the event page. The key is inviting all your friends in your city using the "Invite" tab.



Over 350 people at Harvard Business School kicking off "Africa Week."



Over 200 people at Harvard Law School. The post-screening Filmmaker Q&A ran 75 minutes.

PRE-SCREENING

HOW TO WATCH THE FILM

Spoiler alert: there is no “donate here” button at the end of this film, nor will the whole story of poverty and development be covered in 91 minutes.

In the inquisitive spirit of the documentary form and in the context of a larger conversation on the subject of poverty, the purpose of this film is not to prescribe new silver bullets or one-size-fits-all solutions, but rather to illuminate overlooked realities that inform our understanding of the nature of prosperity and meaningful assistance.

The beauty of the documentary medium is that we the filmmakers don’t have to play expert. We shot over 200 interviews in 20 countries from 2008 to 2013. The people we met changed our lives and shaped our understanding of poverty and development. This film is simply our way of introducing you to these individuals, that their perspectives might open new neural pathways for you as they have done for us.

Rather than thinking of the film as a singular product, we encourage you to *enter into a mindset of meeting new people and visiting new places*. This mentality will engender a more constructive and nuanced discussion, which should be focused not on the film itself, but on any number of the the many cans of worms the film opens in its 91 minutes.

WORK SHEET: NORMS & ASSUMPTIONS

French sociologist Émile Durkheim coined the term “social fact” to describe the values, cultural norms, and social structures which transcend any one individual or organization.

Prior to watching *POVERTY, INC.*, take 5-10 minutes to reflect on your present assumptions.

Word association (write a single word or phrase under each of the following):

Word	Association	Word	Association
International Development		Social Entrepreneurship	
Poverty		Disaster Relief	
Charity		International Trade	
Africa		Foreign Direct Investment	
Haiti		Rule of Law	
Orphans		Microfinance	
Colonialism		Inclusion	
Haitian Entrepreneur		Marshall Plan	
Institutions of Justice		Paternalism	
Exclusion		Small-Medium Enterprise	
Market Economy		Adoption	
Agricultural Subsidies		Foreign Aid	
Property Rights		NGOs	
Access		Human Flourishing	

How do you define poverty?

What does sustainable development look like? What do we mean by “sustainable”?

What institutions of justice are necessary for integral human flourishing?

What governmental policy measures can be implemented to promote prosperity?

What business practices can be utilized to build a better world?

How can nonprofits best support people challenged with poverty?

Reflect on your answers to the previous four questions. What assumptions and beliefs about the person are present in those answers?

What can we glean from history as we try to understand poverty and development today?

What is the market economy? Who is involved in it?

How can we address the needs of the hungry?

How can we address the needs of orphans and children in poverty?

What are some specific things you can do to play a role in integral human development? Keep in mind, no action is too small.

On a scale of 1 to 10, How committed are you (really) to doing the things you just wrote above?

POST-SCREENING ACTIVITY

People often come to us with variations of the following: *Ok, I see the problem. Now what should I do? What should the average person do?*

Our answer: *who are you? What are your strengths? What are you passionate about? What is your sphere of influence?*

There are no “average” persons, only unique individuals with distinctive talents and vocations. The very way we ask this question reveals our unhealthy preference for the instant gratification of a convenient, one-size-fits-all singularity that doesn’t exist.

That said, there is one thing that all of us, without exception, can and must do: learn. **Learning is action** and thoughtful inquiry is a prerequisite for effective altruism. Beyond that, who you are will dictate what you do next.

A lawyer might provide counsel for Cambodians illegally evicted from their land by their own government. A telecom executive might invest patient capital to expand service to Afghan farmers in need of price and weather information. A policymaker might push for procurement reform to source locally produced products when providing relief aid. A child sponsorship organization might ask, “Are we doing enough to give power to the parents?”

ALGORITHMIC THINKING — A PRINCIPLED APPROACH

Beware silver bullet syndrome. Integral human development is highly contextual. What works in one place and time may not work in another.

To borrow wording from author Eric Reis in *The Lean Startup*, the moral of the story here is “not a collection of individual tactics. It is a principled approach to new product development. The only way to make sense of its recommendations is to understand the underlying principles that make them work.”

A similarly helpful concept can be found in Michael Pollan’s, *In Defense of Food*. “I am not interested dictating anyone’s menu,” writes Pollan, “but rather developing what I think of as eating algorithms — mental programs that, if you run them when you are shopping for foods or deciding on a meal, will produce a great many different dinners, all of them ‘healthy’ in the broadest sense of that word.”

The purpose of this Discussion Guide is to encourage you to develop your own algorithms for promoting human flourishing, *whatever field or vocation you are pursuing*. The film and this guide can help you get started, but it’s important to remember that you own this process, and it is a lifelong project. Like a garden or any organic system, it requires ongoing commitment and care.

WORK SHEET: NORMS & ASSUMPTIONS

Now that we've seen the film, let's examine how our conceptions may have shifted.

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FILMMAKER Q&A

Transcribed questions and answers from live post-screening discussions led by Director Michael Matheson Miller and Co-Producer Mark Weber.

INSPIRATION, RECEPTION, AND CENTRAL THEMES

What was your inspiration to create *POVERTY, INC*?

The underlying inspiration is to address the fact that we often treat poor people like the objects of our charity, the objects of our pity or of our compassion, instead of engaging them as the subjects and protagonists of their own story of development. One of the driving philosophical inspirations of the film was to represent the dialogue and discussion around poverty and focus on the subjective nature of the person.

Too often the poverty industry has fallen into a social engineering approach to problems, but people in the developing world are not problems to be solved; they are persons with individual destinies beyond mere material comfort. Here the humanitarian model has limited horizons imposed by the tendency to deal with categories of people rather than with unique and unrepeatable persons.

The whole vision and the whole framework or paradigm of how we think about the poor—the assumptions, the beliefs, the institutions—have developed into a multibillion dollar industry. Like any industry, the industry wants to keep itself in business. Whatever the good intentions of individuals working in the industry, the incentive structures of the industry itself is such that helping people actually create their own prosperity for their communities takes a back seat to the activities of the industry itself.

SAY “NO” TO CHARITY? NOT EXACTLY.

A few powerful lines from the film: “We don’t need one more celebrity doing one more campaign. What we need is to no longer be excluded.” And “No one wants to be a beggar for life.” Could you comment on those?

Somebody will come up with a new idea and everybody gets excited about it, but often it is just a repackaged idea within the same broken system, so we can end up making harmful things more effectively harmful, more efficiently harmful. TOMs Shoes’ “one-for-one” model is an example of this. When we aim for innovation, we have to go deeper in the way we think about the fundamental assumptions of how to help people most effectively.

We are here in Greece for the Thessaloniki Film Festival. The word for Charity in Greek is philanthropía. Philanthropía, or “the love of the man,” is to seek the good of the other, to will the other person’s good. It’s important to think charity less as an exercise of the will and to form the will in truth of the good of the other. How can this unique human person flourish as a human being?

What has happened in our model of humanitarianism—which is different from authentic philanthropía—is we limit the horizons. We say, “I’m going to provide goods to you to get you out of your system and get you out of your problem.”

We tend to think in the West that we can buy our way out of poverty.

You hear leaders saying, “If Europeans and Americans were more generous, we could send eighty-four billion dollars to Africa and Latin America and India, and we could eradicate poverty forever.” That’s not true.

Poor people are not poor primarily because they lack stuff and they lack things. Poor people are poor because they lack the institutions of justice that enable them to create prosperity for their own families and their own communities.

That is the question we don’t think about. We are always asking what causes poverty, but we forget to ask what enables people to create wealth and prosperity in their communities.

Should we think twice about donating to charities?

Yes, you should think twice about donating to charities, but that doesn’t mean you shouldn’t donate to charities. That’s an important point. I am still involved with certain charitable organizations. The question is, with any partnership or investment that you put into a given charity, you really have to ask the right questions in terms of what they are doing with their work.

If it’s an organization working with child sponsorship and adoption, ask them about what they are doing to empower parents and to help keep families together. In the case of sponsorship, is the organization working with the parents to help address the underlying reason why the child needs sponsorship in the first place? If that’s not the organization’s core competency, has the organization established partnerships with organizations or companies that are addressing this fundamental and directing parents to the appropriate resources? In the case of adoption, has this organization made extraordinary efforts to keep the family together? Surrender of a child by a family should be the absolute last resort. Is the organization approaching relinquishment in that way by encouraging desperate parents and connecting them with opportunities? Too often we don’t ask those questions and therefore the organizations don’t apply those principles in their work.

As a donor, you have tremendous power, even if it's just a small amount of money that you are giving. If an organization gets defensive and annoyed at your questions and imply they know what they are doing because they've been to 70 some countries and have been doing this for 50 years, that might be a sign that it's not an organization worth donating to.

Is charity always harmful? Should I not be donating to charity? Should I not be volunteering?

First, we first need to redeem the word charity. We've cheapened it by making it synonymous with writing a check.

The Latin root word is caritas, the greatest of the Biblical theological virtues: faith, hope, and love, "and the greatest of these is love" (1 Corinthians 13:13). One step further in the etymology, and we see in the original New Testament Greek the word used is "agape." Not just love, but the highest form of love characterized not merely by passion (eros) but by a conscious exercise of the will oriented toward Truth.

Chew on that for a moment. Before we can begin to talk about what "charity" we should be donating to, we need to reflect on what it is exactly we're doing when we say we want to be charitable.

Love is intrinsically relational. The danger of institutionalizing charity is that we tend to remove the relational aspect from charity and therefore we remove its very essence.

We've got to focus less on writing checks to causes and more on having relationships with people.

Here's an exercise to try: instead of just thinking, "What international charity can I give to?" try starting with, "Who in my community is struggling and how can I come into a relationship with that person to help them?" Always start in your own community, that is to say, the place where you have the most understanding. Then, if you feel called to expand your community to farther away places, ask yourself, am I willing to learn over an extended period of time, am I capable of developing meaningful relationships with individuals in this place, or at the very least with the leaders of the group operating there? Are the leaders of the organization rooted in the community they are serving and developing full and fruitful relationships? Or are they parachuting goods and services in without really becoming part of the fabric of the economy and society?

It's sexy to be involved in Africa and such far-away exotic places. I've caught myself more than once posting a humble-brag picture on Facebook of me with a poor child whose name I didn't even know (I've since taken such pictures down down). But are we overlooking struggling human beings right in front of us? Poverty in America is a different kind of

poverty than we see in other countries, but that doesn't make it any less real. In many ways it's harder to deal with. That's no excuse to ignore it.

We can't throw money at a problem and call it charity, which is love. We love others by investing our time and energy in them, by having relationships that are reciprocal and not predicated solely on donor-recipient power dynamics.

Consider the homeless in your city. You may decide in good conscience that giving a few bucks is not an effective way to help a person on the street. Maybe that person is an alcoholic and you'd be enabling them. But that's no license for indifference. Alcoholism is a form of suffering as real as any other. Try to never look past that person or avert your eyes. If you can spare thirty seconds or a few minutes, stop and chat with that person. Found out about his or her name and story. Offer a word of encouragement or point him in the direction of resources to help them (perhaps a church community, a public library, a civic nonprofit working with the poor). If you have time, treat him to lunch or help him work on his resume. Instead of using informal terms like "man," "dude," or "lady," call a gentleman "sir" and a woman "ma'am." The purpose here is to remind that person, even if only in a small way, of his or her dignity, worth, and potential. Have you lifted that person out of poverty? No. But you've given them something far more valuable than a couple of bucks. Respect. And from this, gradually, hopefully, a renewed sense of self, a sense of hope.

If, after reflecting on the real meaning of charity and engaging in your own community, you do also feel compelled to give to an organization, first look closely at how that organization understands its work. Is it championing how many items they purchased and distributed, or are the people working there building meaningful relationships with people over time in a way that promotes the self actualization of the individuals in hardship? Is the organization willing to be transparent with you, to talk plainly about failures and lessons learned as well as successes, or do the representatives get defensive when you ask too many questions? Be wary of behemoth institutions both public and private; no matter how many well-intentioned people work there, the tendency of such large operations is to begin prescribing solutions for categories of people instead of engaging each individual in his or her own story.

Precisely because charity is love, which is intrinsically relational, industrial models of growth and expansion risk the loss of the person in the midst the cause.

I was wondering do you guys take this critical eye and apply it to yourself?

On a personal level, yes. Each of us has to apply all of these principles on a personal level. On an organizational level, we're not practitioners, we're filmmakers; our role is to listen to voices, organize them, and amplify them.

But I think that what I was really encouraged by during our time—and I think there is something we can do everyday—that the most simple thing that you can do to engage somebody who is in poverty, whether it is somebody up in Harvard Square or somebody in Nigeria, is to stop and take a moment to look him or her in the eye, see them - like really see them - as the unique human person he or she is.

When we talk about charity nowadays, we think of a cause and writing a check for an issue that we care about. But *caritas*, the Latin root, is a deep form of interpersonal love. You can't love a cause (although our English limitation of having only one word for love confuses things); you can only truly love a human being. This is where we end up objectifying the poor in their poverty, by turning them into the objects of our charity. We exercise our will to be charitable upon other people who become faceless and nameless, somebody in a commercial.

One thing I took from making this documentary, through our many interviews, was the energy that fills a person up when people are looking at them not in terms of their lack as a poor person but in terms of their potentiality and creative capacity, as somebody who is working hard, as a proud parent. That alone, looking at someone differently, it fills people up. And I have been filled up by that experience and learning that, and I've become more appreciative of the fact that I've been looked at that way by my parents and by my neighbors all my life. It's something we can do every day for one another. It may not feel like you're solving global poverty, but it's important. It matters.

I am challenging myself—this is not Mark with the microphone, this is just me—personally to never look past somebody. If somebody asks me for money, I may not give them money; I usually don't. But I am challenging myself to never be too busy or never think I am too busy that I just pass somebody. Take a moment, look them in the eye, see who they are, ask them their name. It matters. Because they matter.

We can't underestimate that in this constant pursuit of the next big idea, the one ring that will rule them all, the one silver bullet that will save everything. It's not just Rule of Law, it's not just markets, there is no panacea. After all, one of the things we are criticizing is the very idea of the big idea. But if each of us starts by seeing each person and the fullness of who they are, their destiny, their potential trajectory, not simply their lack, then we will start to identify solutions that are much more effective.

VOTING WITH OUR DOLLARS

In the same way that you invest in nonprofits and charities to think about applying the same charitable ethos in the private sector with every dollar that you spend. Again, there is no

single solution, but the beauty of the market economy (and here I include private donations to nonprofits) is that it is a type of democracy. Every time you spend money on something, you are voting for something. You are voting for something you want more of or something you want less of.

For the most part, companies rise and fall according to the public (the exception of course are heavily subsidized or state-run companies that use the mechanisms of government to enrich themselves; we call this crony capitalism or mercantilism). If we start thinking and applying the same principles that we apply in our charitable world into all of our purchases, if we start buying things and maybe taking that extra five seconds to look for something ethically made—not necessarily Fair Trade, it's not always the right move—but something ethically and sustainably made by a company that actually cares about their suppliers and sourcing of raw materials.

These types of votes add up very quickly. If you watched the documentary *Food, Inc.* (notice the tip of the hat to this film in our title), one of the pro-organic subjects near the end admits, “We never ever thought Walmart would carry organics,” but now they have whole organic sections. They're one of the largest organic foods providers in the world. Why? Because people voted for it. Mostly the first adopters of organics were affluent, because organics are more expensive. But thanks to those first adopters proving the validity of the market i.e. the demand, more producers flocked to the marketplace to meet that demand with an increased supply. Increased competition then drove prices down, making organics more affordable for everyone. This isn't to say that the organic industry is flawless; the government labelling regulations is fraught with problems, but this is a beautiful example of the responsive, democratic nature of the market economy.

So again, instead of placing your charity in a silo and saying, “Here is the money I give to charity,” what if we thought about infusing our whole behavior in the economy with that same principle, with that same sense of responsibility to promote human dignity in all that you do.

Beyond the way you spend your money, also integrate your ethos into the way you make your money and the way you apply your unique talents. Maybe you're passionate about business and you want to do something in entrepreneurship; go for it. Maybe you're passionate about law or public policy and the property rights / rule of law section of the film struck you; go help create and protect ecosystems that foster value exchange and human flourishing. Maybe you are passionate about orphans and you want to do something to empower parents to keep their families together. There are lots of different applications, but there are certain broad principles that we can each do in our daily lives.

BUSINESS IS NOT A SILVER BULLET

What are some of the biggest criticisms you have received because of this film?

The beauty of this film is that it's not us the filmmakers up there on the screen telling you what to think. The value of the documentary medium is we are able to introduce you to some of the amazing people that we met. It is very hard to just dismiss these people. They have very real perspectives and very real stories. I think that has strengthened the film that we didn't rely simply on our own expertise, but also tried to give a voice to other people.

The biggest pushback can be when people misunderstand the film to be a blanket argument that business is the singular solution to poverty. What we're really saying is that value exchange between people and where their rights are protected is really where we create prosperity. In fact, that's what wealth is—creating value for one another. To the extent that we can create ecosystems that can facilitate exchange—not just economic exchange but cultural and intellectual exchange as well—then we really see communities and ultimately countries grow. Further, it is important to remember that the core thing that is lacking in poor countries is not business or entrepreneurs, but precisely the institutions of justice like private property and justice in the courts which require a role of the state. Business and market exchange are indeed the normative means by which people create prosperity for their families and communities, but this requires a economic, political, and social institutions that go far beyond business.

MICROFINANCE

What about things like microfinance?

Microfinance is generally good if we understand it properly, but like a lot of so-called “solutions,” sometimes we catch a bad case of Silver Bullet Syndrome. For a while, microfinance being hailed as a potential panacea, the thing that was going to cure the world.

Last year we participated in a two day meeting with about 40 people right before the annual microcredit summit in Mexico, and most people were microfinance practitioners. We were struck by how jaded many of them were and how discouraged. From what I gathered, most were discouraged because they got into the sector thinking, “We are going to end extreme poverty. That is what we are going to do.” Instead of saying, “You know what, we have a very important role to play in getting people access to financial services, which is something that we all need and take for granted often.”

Access to financial services (not just credit but savings, checking, microinsurance, etc.) is critically important, but if you get in thinking microcredit alone is going to somehow lift everybody out of poverty, then you've romanticized entrepreneurship to the point that your

mentality can actually be harmful. Most people need a job. We don't really need everybody starting their own company. It's not the most efficient or secure way to organize an economy.

Entrepreneurship is very hard. It's very risky. Companies are rising and falling every day. It's very difficult. Most people either aren't ready for that or are better suited for a stable job where risk is diffused through a company of people and not all on one person's shoulders.

The other problem with microfinance is has to do with the Western bias for smallness when it comes to the developing world (not so when it comes to the West's own business activities). From Fair Trade to microfinance, when it comes to business we tend to think small is good and fair while big is bad and corrupt. Yes, big institutions—companies, NGOs, and governments alike—can fall prey to all kinds of problems from bureaucracy to simply falling out of touch with the people they serve. But still, any organization is only as good as the people who make it up. Some are better than others. But there is a significant “missing middle” between micro-entrepreneurs and Coca Cola. As you saw with juice-entrepreneur Charles Mends in the film, SMEs (small-medium enterprise) are critical drivers of scaled job creation and local value creation. Yet a lot of microfinance practitioners believe it is “off mission” or “mission drift” to support these types of companies, because “Hey, they are already doing well and their owners are wealthy relative to ‘the poor.’ We don't need to help them. We signed up to serve the poorest of the poor.” In thinking this way, we fail to see the interconnectedness of the economy. Who are the SMEs hiring? Often people we consider to be poor. It may seem “off mission” to be engaging Canadian-educated Haitians like Jean Ronel Noel and Alex Georges (co-founders of the solar panel company ENERSA featured in the film) but notice how many people and how many families are sharing in the success of that single company—far more than any single NGO or government could program could ever hope to benefit. And that's not even factoring in the value of the product itself, which is contributing to Haiti's sustainable energy availability.

We shouldn't think that it is off mission to support larger companies that are doing good things, pending that they do have an infused sense of their work and are not simply exploiting their employees and robbing them to create products of little to no real value.

LESSONS FROM THE ARAB SPRING: PROPERTY RIGHTS, RULE OF LAW

A major shortcoming of microfinance is that it doesn't address the problem that a lot of these entrepreneurs are operating in the informal economy. They are unprotected by the Rule of Law and they don't have access to property rights.

This is how the Arab Spring began. The Peruvian economist Hernando de Soto (featured in the film) did a survey and interviewed the survivors and family members of those who lit themselves on fire and ignited the Arab Spring. They were all entrepreneurs operating in the informal economy. Many if not all of them had received microloans of some sort, but that didn't mean they were flourishing.

The first person who self immolated was a gentleman named Muhammad Bouazizi. He was a fruit entrepreneur in Tunisia. Think of the desperation, think of how desperate you'd have to be to light yourself on fire. His final words before he lit himself on fire were, "How do you expect me to make a living?" Why? Because he had suffered extortion and expropriation from local police officers again and again and again. All he wanted to do was sell fruit in the marketplace without being bled dry paying bribes constantly.

Hernando de Soto interviewed Muhammad's brother, Salem, and asked, "What would Muhammad say if he were alive today?" Salem responded that his brother would say that, "Even the poor should have the right to buy and sell." Where was that message in the Western media? It was all about income inequality, corrupt dictators, and geopolitical chess.

De Soto interviewed the survivors and family members, and he found that every person who lit himself or herself on fire had similar circumstances. They didn't need another small loan; they were already operational. But they were locked out of the formal economy and therefore they couldn't really participate in the free and protected value exchanges you and I participate in every day when we go to the farmers market or buy a coffee.

POLITICAL AND CORPORATE CORRUPTION

What can you say regarding political corruption, monopolies in the industry, and greed. I am from Mexico. In Africa as well as in Latin America, extreme poverty is not the fault of charity, but corruption of the political leaders that want to keep themselves in power. In the name of doing that, they do everything they can to keep their own people down.

One thing we have to do when we talk about foreign aid and charities is we have to totally separate them. Because I really believe that charity, even when misguided, is generally altruistic, whereas foreign aid is generally strategic. It is very much an arm of the State Department. Now I have altruistic friends at USAID who don't think in terms of geopolitical strategy, but at the end of the day they don't have true autonomy; USAID is under the umbrella of the State Department and therefore everything they do must harmonize with U.S. strategic efforts to secure U.S. interests first and foremost. This explains why we [the United States] have subsidized dictator after dictator after dictator in resource rich

countries that have geopolitical strategic interest to us. It's naive to think of that as pure altruism.

On greed: as Samuel Gregg writes, greed is a historical constant, so it is rarely the thing that we can point to that explains a catastrophe. Because it is constant, we need to search for some other system change that allowed it's power to run rampant. Many Africans contend that aid is one such system change has actually facilitated and abetted the corruption of national leaders in the recipient countries.

Consider what Rwandan advisor Michael Fairbanks says in the film:

“Whenever you have an aid agreement, those consultants come into the country, and they don't work for the country, they work for the foreign-aid establishment. And so what you find is that the aid-establishment severs the sovereign link between the leader of a country and its people. Because you've got all these consultants running around doing their thing, purportedly to work for the people, but in reality, their masters are in Washington and Tokyo and London and Paris. So that's what part of what's broken with aid, is that the locus of responsibility for strategy is outside the country ... the capacity to do strategy never gets developed in these countries.”

The U.S. benefits, not in a true sense but in the Machiavellian sense, by making countries dependent on us. A country like the U.S.—a superpower that is trying to hold onto its power—benefits by making countries slightly destabilized but at the same time under control, and that's why we don't mind subsidizing dictators in the name of our geopolitical strategy, because we know what to expect. There's a certainty there where we know we can get that oil. We know we can count on those minerals. We know we can launch drones from that base. We know we can get what we need from you because you need us.

Independent of foreign influence, the political theory and constitution underpinning a given state factors into corruption. More hyper-centralized are prone to extremes; in the absence of benevolent leaders, which can be hard to come by, such states become super magnets for corruption. This applies to corporate corruption as well.

A powerful example of this is captured in the film *Eviction*, which we awarded with a \$10,000 Grand Prize in the PovertyCure Film Festival we ran in 2013 in New York City. The film captures a violent struggle over land rights between the government acting on behalf of the Shukaku Company and everyday people living in the Beoung Kak Lake region. The communist government of Cambodia, in the name of the common good, sold land illegally (i.e. ignoring Cambodian law) to the company and then gave notice of eviction to the residents along with a pittance of money. The company then, legally with government papers, bulldozes people's homes while police beat down and arrest anyone in their way.

Now people who are suspicious of corporate power say, “Here’s the problem with unfettered capitalism. Companies come in and people get destroyed.” People suspicious of governments say, “This is the problem with communism. The state has too much power as the arbiters of the so-called common good, which is just a license to do whatever it wants.”

Both are true. We think of left and right on a plane, but really it’s more like an almost closed circuit. People on the so-called left are suspicious of the consolidation of corporate power while people on the right are suspicious of centralized government power. What they share in common is a concern about the unchecked consolidation of power. So this is a place people of seemingly divergent political persuasions can hang out. This is where we from the POVERTY, INC. team like to hang out and the film is demonstrating the hunger for this type of dialogue. The film has won the \$2500 Grand Prize at the Anthem Libertarian Film Festival (beating out Atlas Shrugged III and Dinesh D’Souza’s America) and then gone on to play in the Workers Unite labor union film festival and in Michael Moore’s festival where he praised it as one of his “special picks.” “Once you see it,” Moore wrote, “you’ll never see poverty and the Third World the same again.”

Again, the rally point is the shared concern bringing disparate groups together is concern about the consolidation of power. British political philosopher Lord Acton [the namesake of the Acton Institute, which pulled together the resources for the film] wrote, “Power tends to corrupt, and absolute power corrupts absolutely.”

If we look closely at the most powerful corporations in the world, many if not most have very strong political connections. This is especially true in more centralized states and it’s especially true in finance. There is an active revolving door between government and business. We often think that regulation is the best way to put a stop to such activity, but more often than not in centralized states especially (including the U.S.), regulation ends up being written by the very people whose power is supposed to be checked. Thus, regulation often becomes a favor to the establishment companies.

One example of this is regulation that raises the cost of doing business or raises the barriers of entry to the industry. Now we say, well if it raises costs for the companies, and perhaps in turn raises revenues for the government, how is that a favor to big companies? Because the biggest companies are the ones who can afford that increase in costs and can leap over that higher barrier of entry, whereas their smaller competitors end up flailing until they get gobbled up by the bigs. Thus total market share for the bigs increases and the resulting profits outpace the regulatory costs. This is a highly simplified example of course, the point of which is to demonstrate the dangers of “regulatory capture,” which is most easily executed when political power is concentrated in the hands of a few people in a fixed geographical area.

An important point here often missed: being pro-market and pro-entrepreneurship means being anti-crony capitalism. It means being angry about what happened in Cambodia. It means decrying big companies that curry special favor from governments. Competition, which drives innovation and progress, is necessarily based on consumer “votes” within an agreed-upon framework (recall De Soto’s analogy of playing a soccer game with accepted rules). The moment winners and losers are chosen by politicians and regulators, the people have lost their voice. There is nothing free or entrepreneurial about that.

So I think when we think about corruption, it comes in many, many forms. But what facilitates corruption is the consolidation of power, where corporations and governments get together and rig the rules of the game. Why do corporations want regulations? They say they don’t, but they really do. Why? Because they raise the barriers of entry to the marketplace to protect their incumbent position in the marketplace.

To combat corruption and greed, we should diffuse power, not concentrate it. Competition and transparency are the most effective forms of regulation. Bad companies won’t be beat by bigger and bigger governments; they’ll be beat by better businesses who take the market share by serving customers better.

INTERNATIONAL TRADE

Do international trade agreements help or hurt the poor?

There’s no singular answer to this question. We can’t think in binaries where the answer is one or the other. But let’s consider a few illustrative examples.

Everything I am wearing today was made in Bangladesh by companies I visited. It’s a Bangladeshi men’s brand and the CEO suites are on the top of the factory floor so you know the building isn’t going to collapse. Unfortunately, if you’re a conscious consumer in the U.S. looking for an ethical alternative, you can’t buy from this company. Why? Because the tariffs are too high for the company to afford it and unfortunately, Bangladesh isn’t being included in the Trans-Pacific Partnership. You know who can afford the tariffs? Walmart, Target, Gap, Joe Fresh, TESCO, Calvin Klein. We think, if we lower tariffs, these big companies will just make more and more money by exploiting poor people in Bangladesh. But what lowering tariffs does is it allows smaller companies like this one to compete for market share. Then if consumers rally to vote for ethical clothing, the bigs will be forced to step up their game or lose market share. Competition is a powerful check on corporate power, perhaps the most powerful mechanism we have, but we suffocate competition with high tariffs.

One of the major themes in your film is including the poor into networks of productivity. I would just like to know your thoughts on FDI—Foreign Direct Investment—and value chains. Are you generally supportive of FDI and value chains?

In the aid versus trade debate, there's a lot blanket statements made on FDI. Our goal is to nuance the conversation a bit by bringing attention to the institutions of justice that make for more optimal economic ecosystems in which FDI can provide net benefits for society.

Let's take this first to a personal level. Do you appreciate when people invest in you? Of course you do. Now, if you start a nonprofit, a company, or an effort of any kind, do you appreciate when people invest in that? Of course. There is something good about the activity of investing in one another. However, there are some dangerous pitfalls to be aware of. The first pitfall involves our moral grasp of that which is an authentic good, versus that which is a perceived good. What is the nature of the activity being invested in? Am I investing in a Haitian solar panel company like ENERSA, which is working to bring light to people in darkness, or am I investing in a global trafficking business enslaving human beings? Not all investment choices are so clear cut.

There's a documentary called Good Fortune which, among other things, examines the deleterious effects of Dominion Farms' investments in Kenya. The problems largely involve the manner in which the acquisition of lands took place and then negative externalities such as flooding associated with the company's activities there. There might be a number of wonderful and sincere people at Dominion Farms. Much of their work may bear positive fruit. And yet, at least some real harm has been done.

Another powerful and more clear cut example of FDI gone wrong is captured in the film Eviction, which we awarded with a \$10,000 Grand Prize in the PovertyCure Film Festival we ran in 2013 in New York City. The film captures a violent struggle over land rights between the government acting on behalf of the Shukaku Company and everyday people living in the Beoung Kak Lake region. The communist government of Cambodia, in the name of the common good, sold land illegally (i.e. ignoring Cambodian law) to the company and then gave notice of eviction to the residents along with a pittance of money. The company then, legally with government papers, bulldozes people's homes while police beat down and arrest anyone in their way.

In both the Dominion Farm case and the Shukaku Company case, the important thing to notice is that institutions of justice were weak or nonexistent. Structurally, this is likely the most important factor to consider when appraising FDI. When property rights, rule of law, and freedom (political, economic, social) are absent or weak (as they largely are in many developing countries), it creates very unstable conditions for FDI. Remember, when we say, "rule of law," this is distinct from the "rule of men." This isn't whatever the government says. Law, by it's nature, appeals to something higher than man, which we call justice (a word we

often throw that word around too carelessly). This is what allows us to deem the actions of the Cambodian government as reprehensible.

So while FDI in and of itself can generally be considered a good thing, current conditions may not yet support it well enough. The goal, therefore, is not to abandon the notion of FDI as desirable, but to concurrently work to cultivate healthier economic ecosystems that mitigate the risk of negative externalities stemming from abuses and corruptions in the system.

Beyond the political economy, there is a more personal, moral dimension to FDI.

Andreas Widmer, the Swiss tech entrepreneur and business professor in the film told us in our interview with him, “I’ve never seen a company do something morally wrong. I have, however, seen people within companies compromise their morals.”

There are good companies and bad companies. There are good nonprofits and bad ones. There are good governments and there are bad ones. The good-bad dynamic is a moral dimension that arises from the decisions and interactions of human beings. Any organization or system is only as good as the people who make it up. Then there's the added dimension of piety versus technique i.e. that even good people, with all the best intentions, can do harm if their methods are flawed.

I love that the film highlighted the role of the IMF and WTO and the World Bank, but I thought the take away message seemed to be inclusion into the international economic corridor. So what role do those organizations have in that future?

When we interviewed Juan José Daboub, a former Managing Director of the World Bank and prior to that the Minister of Finance for El Salvador, he told us the big breakthrough for his own country was a mental one: shifting away from a conception of the government as an orchestra director to a conception of the government as a referee. I think the same needs to happen for the IMF, the WTO, the World Bank, and so on. What the emerging market countries really want is impartiality, equal access, equal treatment. Maybe it's a pipe dream. We know the U.S. is always going to have primary influence with the World Bank and Europe will control the IMF. But ideally, they would be more like impartial referees and less like orchestra directors.

There's a good documentary called *Life and Debt* that gives you an up-close look at the power dynamics at the WTO.

The principles of market economics are contingent upon competition as the driver of innovation. But in most cases, the West buys out the game before it really begins.

Think of the NBA, which has made an effort to invite players and fans from all over the world; it is becoming more and more of an international league. This is great. People are coming from all over the world and we see the level of play rising as a result of this competition.

But imagine a scenario where the NBA said, “Hey, we want people to come from all over the world, but only Americans can take steroids. And we will buy your steroids for you.” Would that be competition? Would that be in the spirit of the game? Of course not. So in this case, is it competitive basketball itself that’s the problem. No. It’s the fact that competitive basketball has been replaced by cronyism.

Welcome to American capitalism as it is often exported around the world. This is what we see in Haiti with rice subsidies destroying Haiti’s agrarian economy.

Competition is fierce. You can’t win every game. Businesses will constantly rise and fall in the marketplace. All the emerging market economies want is for an opportunity to compete on a level playing field.

When companies and people are getting wiped out not because of the competition between the people and the marketplace but because the government has decided to pick winners and losers, you can’t call that a free market economy.

And then we wonder why people in Latin America become so desperate that they risk their lives to come here illegally. Is it really so impossible that they could develop their own countries? No. But we crush them by subsidizing our agriculture to levels of one hundred percent or more. How on earth are Mexican farmers going to compete with that?

If we want to talk about immigration, we have to stop just fixating about what we do with people once they are here already, and look to the driving forces of desperation and underlying structural injustices that allow for this type of desperation to flow from Latin America.

That is a conversation people left, right, and center should be able to have. Unfortunately, both the left and the right main political parties get tons and tons and tons of money from big agriculture. Tons. And nobody wants to stand up and say, “We have to end foreign aid and agricultural subsidies,” because then you are against the poor and you are against the American farmer. So as voters we need to be listening for politicians who have a more nuanced argument and gravitate and support them, because it is a hard thing to stand up for.

What role is China playing in all of this when China is investing billions and billions of dollars, the aid industry is changing dramatically, and what will that look like in five years as China's investments are just growing far faster than Western aid is? What does that mean for Poverty, INC?

Normally people ask about China's 20th Century rise out of poverty, so it is an interesting second part; you are looking to the future, which is great. In the last fifteen years, over five hundred million people have come out of extreme. Never, ever in the history of the world has that happened so quickly, and four hundred million of them were in China.

"We are in the midst of the fastest period of poverty reduction the world has ever seen," Laurence Chandy and Geoffrey Gertz observed in Yale Global in 2011. "The global poverty rate, which stood at 25% in 2005, is ticking downwards ... lifting around 70 million people – the population of Turkey or Thailand – out of destitution annually."

And Western elites are quick to claim the victory. "Huge progress on health and incomes, and aid generosity has been a big part of it," says Bill Gates in a #StopTheMyth (that aid doesn't work) video. But Gates disappoints in mistaking correlation for causality. Considering China, which shifted from a centrally planned to a market-based economy in 1978, accounts for approximately 80% of the aforementioned poverty reductions, it's difficult to conclude that aid played "a big part," even if you erroneously gave it credit for the remaining 100 million people.

I was born in Asia and my parents were on that side of the world when I was very young—China has come a long way. Is it utopia? Is it perfect? Heck, no. I spent a month in China and you can feel that it isn't truly free. But it is more free than it was a couple of decades ago. That's for sure. So even just a small injection of economic and social freedom brought four hundred million people out of poverty almost overnight.

I think you are seeing the government losing that iron grip as a totalitarian state. I think you are seeing people start to express freedom, start to express individuality in ways that we didn't see thirty years ago. I think it's exciting.

In terms of their investment versus global aid, China is very much a corporatist state, so the corporations who are in power tend to be ones with close party ties. Therein lies the that danger zone of consolidation of power. As British philosopher Lord Acton said, "Power tends to corrupt and absolutely power corrupts absolutely." But again, which way is that power dynamic trending? That's what matters most. I am cautiously hopeful that China's people will end up—hopefully not in revolution, because that is very bloody—gradually overthrowing their totalitarian strangle-hold.

EDUCATION

Why wasn't education at all talked about as a solution? You mention all these things that need knowledge. That is the foundation of them knowing how to represent themselves in court.

One reason we didn't focus on education involves our attempt to focus on sides of the story that haven't been told before. There's already a lot of focus on education, so much so that it's often seen as a silver bullet. I [co-producer Mark Weber] wrote my undergraduate thesis on "education as the lifeblood of sustainable development." I believed very strongly that if, through education, the agencies and capacities of local individuals were properly developed, everything else would fall into place. Personally I'm no longer convinced that it is indeed a hard and fast prerequisite for integral human development.

Doing preproduction for the film back in the Fall of 2011, I was reaching out to Haitians in my community back in Michigan to learn more about the country before visiting and to hear some stories. I reached out to this woman named Olga. I knew her as the proud and friendly owner of one of my favorite restaurants in town—a Haitian-Creole restaurant in a fashionable neighborhood in Grand Rapids, Michigan. She invited us after hours and brought a few of her Haitian friends to her restaurant to have a round table discussion.

I came to find out that this highly successful, intelligent woman who was a leader in our community had a kindergarten education. Her story was very interesting. She was able to come to the States as a teenager thanks to a family members and she worked as a night maid in New York, working long, hard hours cleaning apartments all over the city. She then got a job in a kitchen and was working hard, sweaty hours in the back kitchen of a big restaurant. That's when she got an entrepreneurial spark. She said to herself, "You know what. I love cooking. I could do this myself."

So she started her own catering business—probably extra-legally at first—out of her own apartment in New York, and then saved up enough money that eventually she was able to move to a more affordable part of the country in Michigan and start her own restaurant. As I said, now she is a leader in the community, highly successful entrepreneur, and a philanthropist. She did all of this with a kindergarten education. Her life education was much broader, but her formal education was limited.

We know statistically that people with higher levels of education earn more. No doubt. But when we're talking about helping people move out of abject poverty, it may very well not be the most important thing. For Olga, the important thing was the opportunity to operate in an ecosystem that allowed her to apply herself. The fundamentals of this healthy ecosystem we call "the institutions of justice." Being able to work in the formal economy, then being able to register a business, secure assets, use the clear title to those assets as collateral to access loans to finance her vision, insure her work against disaster, fraud, and theft,

participate in the democratic processes of her city, state, and country—these are the fundamentals that were lacking for her in Haiti. We often think of development prerequisites in terms of infrastructure, education, health, etc. In reality, these are the fruits of development. But to grow those good fruits, we need to look beneath the surface at the soil, the sociopolitical ecosystem in which human beings are trying to grow. Within a healthy ecosystem, people like Olga are able to rise above their lack of formal education and flourish. If Olga had received a formal education but did not have those institutions of justice, she would not have been able to flourish the way she did.

Education doesn't enable people to represent themselves in court, especially in highly complex, bureaucratic, and/or corrupted systems. People here in the U.S. are highly educated, but they still don't tend to represent themselves in court. Even here, our government has made the law so difficult that we need to hire expensive specialists just to navigate some of life's basics like starting a business, drafting a will, or buying a house. The rule of law section of the film (the chapter called "Excluded") brings attention to the fact that many people in developing countries are completely excluded from the entire legal system. It's not an issue of poor representation inside a courtroom; they're not even getting to that stage. They can't get past the protection money they're paying to police officers or the bribes they're paying to get a piece of paper pushed from one desk to another to get a driver's license. By the way, this isn't strictly a developing world issue either. On our screening tour we've had people from Greece, Italy, and elsewhere express the same frustrations in their own countries.

Learning and intellectual growth is of course an essential aspect of the human experience. To the extent that formal education promotes this, it is a wonderful thing. But we have to be careful not to allow our Western construct of formal education box us in to a restricted way of thinking.

So while education is critically important, if we don't also (and perhaps primarily) cultivate the institutions of justice, you have a risk-brain situation where the educated people in these communities end up leaving. Even with an education, perhaps especially with an education, people don't feel they can truly thrive because the ecosystem is still broken. Some will stay and try to improve the ecosystem, but it takes time and there is not enough international support for that.

RELIEF AID

But is there a middle ground in terms of when you should give aid, because in circumstances such as emergency—as the documentary said—you should give aid. To what extent is this appropriate and what is the timeline for aid?

Let's use the Haitian earthquake as an example. In crisis situations like that, international support is absolutely necessary. It's a human moral imperative. The question is how. As Etienne Gilson writes, "Piety is no substitute for technique." Too often we are content to grade ourselves on a very lenient curve because we have good intentions. The debate becomes polarized between helping or not helping, as opposed to the moral judgment being contingent on how effective we are. Imagine a patient who just experienced a heart attack. The decision on how to treat is critically important, more important than simply whether or not we do treat the patient. Surgery could save the patient; it could also kill the patient. This is a decision that requires prudence. Doctors are trained to first attempt remedies that are least invasive to the body, and to use surgery, which is highly invasive, as a last resort. In development, we tend to do the opposite.

In Haiti, one of the things that we don't often think about is that the farms were not destroyed by the earthquake. Most of the food supply remained intact. Yes, many perishables in Port-au-Prince were destroyed due to lost power and collapsed buildings, but much of Haiti's food supply sits fresh in open markets. It was the exchange of food for money that froze. This is a classic mistake. We think the problem that needs to be solved is food. In reality, the problem that needs to be solved is exchange.

A farmer who made his or her living growing food then selling it at the market was devastated much less by the earthquake than by these two facts: 1) his or her customers couldn't access enough cash to buy his product, 2) by the time cash began flowing again, the market had been flooded with food aid to the point that selling food for a profit was a futile endeavor. We think there was a food shortage after the earthquake; in reality, tons of Haitian food went to rot because the distribution mechanics of the market economy were suspended by the lost medium of exchange (cash) and then the aid only made it worse.

What if instead of shipping all of our U.S. agriculture into Haiti, what if we had a more advanced system where we could go around buying up the food from all the rural communities and then bringing it into the city to distribute? We have advanced technology—mini-drones for example—that might have been able to buy local food from these farmers and then bring it to people in crisis zones; in such a situation, at least those farmers unaffected by the earthquake would not have their labor go to waste as their food rots. Instead, in these situations, we continue to ship all of our own agriculture in and we multiply the negative impact of the crisis. There's just one simple idea, painting with a broad brush, that might help us rethink crisis relief by thinking locally first. Check out the organization

called Building Markets—formally called Peace Dividend Trust—that is trying to create databases of local producers.

Unfortunately, thinking locally first runs counter to U.S. policy and law, which requires you to “buy American” when providing aid. The rationale being, if we’re going to spend taxpayer money helping people, we can do it in a way that provides a stimulus to our own economy and creates jobs. Remember, USAID is under the State Department, whose explicit priority is to advance American interests. Unfortunately, in many cases, this mentality ends up undermining the supposed goal of “aiding” people.

FAILED ATTEMPTS AT PROCUREMENT REFORM

To its credit, the Obama administration’s “Forward” campaign a few years ago included a “USAID Forward” set of policy goals in which “procurement reform” was proposed. The goal was to allow more goods and services earmarked as aid to be purchased in country instead of purchasing them in the U.S. and shipping them, which as we saw in the film is often highly problematic for local economies. The reform effort was immediately blocked by what is known as the “Iron Triangle” of special interests in Washington: the NGO community, the shipping industry, and big agriculture. Why? Because all of them profit from the way things are currently set up. The reason NGOs lobbied against it (yes, NGOs are active lobbyists) is that they profit (to the tune of millions) from “gifts in kind” (often surplus agriculture) where they resell donated product in developing world markets as a revenue generating activity. This practice is called “monetization.” Big NGOs can pull in tens of millions of dollars annually doing this. It’s a practice that has been carefully studied and found to be inefficient at best, incredibly harmful at worst. In 2007, CARE began phasing the practice out, effectively forgoing about \$46 million in federal funding. That’s no small amount. That tells you how seriously some people take the ills of the monetization; not all NGOs have been so courageous.

This monetization practice is connected to agricultural subsidies. Some 80% of agricultural subsidies are gobbled up by 10 companies. We subsidize our industrial agriculture so heavily that we create an incredible surplus. If that surplus is released on our domestic economy, it will cause the prices to bottom out and people will be up in arms—not just farmers, but everyone with any stake in the stock market (do you have a mutual fund or a 401k?). Because the supply is not governed by natural supply-and-demand system dynamics (there are some good rationales for this insulation by the way), something has to be done with the surplus. It must be prevented (when we pay people with arable land not to farm), destroyed, stored, repurposed (think ethanol, high fructose corn syrup), exported as trade, or exported as aid.

If you were to end subsidies today cold turkey, the stock market would crash. Subsidies are like potent drugs; a sudden cut-off can trigger a violent withdrawal. The body can literally shut down. These economic mechanics factor into the difficult task of changing something as seemingly basic and common sense as aid procurement.

VOLUNTEERING

What about volunteering in disaster situations and in poor countries in general?

It was interesting to see the reaction to the Nepal earthquake compared with that to the Haiti earthquake a few years ago. With Nepal (and this could be a network selection bias on our part), we immediately saw campaigns against volunteering. One organization I know works with orphans and children in Nepal. They released a statement on Facebook immediately explaining that for most people in most cases, flying into Nepal would make things worse. They encouraged people to instead give cash to trustworthy local organizations (not necessarily the biggest ones, but ones you have some sort of relationship with or connection to) that were been embedded in the Nepalese communities long before the tragedy.

You saw in the film some of the misunderstandings in the orphan care and adoption realm. What you saw in the film is just the tip of the ice berg. We were invited to contribute in a two-day meeting organized by Save the Children UK last year solely focused on the problem of short-term volunteering in orphanages. There were about 40 practitioners from all over the world, all flown in by Save the Children, and the unanimous consensus is that volunteering in orphanages is bad for kids. First, there's the issue of screening and security for the kids against abuse and people with bad intentions. Now we all dismiss that as not applying to us. Here's the second reason, which applies to every one of us: kids in institutionalized care almost always suffer from attachment disorders and fear of abandonment. Now you have beautiful, well-dressed people arriving with smiles and gifts, hugs and kisses, taking pictures, playing games, doing arts and crafts. Then poof, they're gone. Again and again this happens to kids in orphanages as people of all ages on mission trips and various excursions pass through. Imagine what this can do to a child with attachment issues.

Remember, choosing to not volunteer within the traditional volunteering model is not the same thing as doing nothing. There are of course many ways to volunteer your time within a framework that does indeed provide assistance for people. The general rule of thumb is to apply your unique talents in a way that helps others develop theirs.

Another rule of thumb when it comes to donating your time: learning is action. If your purpose in visiting another country and spending time there is to learn and build

relationships based on cultural and intellectual exchange (as opposed to relationships predicated on donor-recipient power dynamics), that is time very well spent. Do not fall prey to the idea that you aren't doing anything when you do that. You are. Again, learning is action.

RULE OF LAW

Would you speak to what can be done as far as Rule of Law goes? Are there organizations that support changing laws? Have there been successes in those areas?

We're not a vetting institution, so we don't endorse organizations. But I can tell you Hernando De Soto and the Property Rights Alliance are doing interesting work here. International Justice Mission is doing work here, as is the U.S. Department of Justice. I encourage you to look into each of these and others with everything else you've learned from the film in mind.

Legal advocacy can be very effective. This is one of the areas where an appropriate level of Western influence can truly help. If a local governor of a state is trying to infringe on somebody's property and an American steps in, it makes a big difference. I know of cases in Bangladesh, especially encroachment on the lands of the Mondri tribe, where an American ambassador comes in and they back off. I think that's where we can use our influence for good. It's a critical area that doesn't get enough attention.

You mentioned International Justice Mission. The founder Gary Haugen was saying that the key component to ending poverty is addressing violence and the prosecution of the perpetrators of violence in Third World countries, because how are you supposed to operate a business or operate the basic necessities of life without being granted the freedoms to do what you want to do and what you need to do. I think that's vitally important to address in extreme poverty in the world. That's great that you focused on that.

I appreciate that. I couldn't agree more. We have to pay close attention to all kinds of violence—hard violence and soft violence. Soft violence is the violence that goes hand-in-hand with bribery and corruption, where you are constantly paying bribes in the developing world just to not have violence done against you, to just keep the peace, protection money. We are familiar with mafia stories here where you pay rent every month to make sure that you are left alone. That is the reality for most people in the world when it comes to operating a business or just having a home or anything.

We talk about Rule of Law in this country and we look at the report from Ferguson, isn't that was the Rule of Law at work, the exploitation of people? There are structural problems in our legal system.

What happened in Ferguson is a good example of what we call the Rule of Man, not to be confused with the Rule of Law. It's a critical distinction.

Imagine the sheriff whose power has gone to his head: "I am the law!" he yells guns blazing.

No, he's not the law. He is supposed to uphold the law which is higher than he is. The same thing with our justice, all the way up to our Supreme Court.

There's an excellent essay I highly recommend called The Law by Frédéric Bastiat. Thomas Aquinas is equally worth reading.

There are deep cultural problems in our legal system and our enforcement system. For instance, you are a white kid from Grand Rapids and you get caught with an ounce of marijuana a couple of times, you might get a couple of fines, maybe a day in jail; you're a black kid from the other side of the tracks, same exact crime but because you can't afford the fee to have your first offenses expunged from your record, you're put in jail for years due to mandatory minimums in our system that supersede a judge's discretion. I think there are deep, deep problems where we are robbing black communities of their young men -- and I say men because statistically it's mostly men -- for years and years and years by mass imprisoning them for nonviolent crimes. There's an excellent Rand Paul talk from Bowie State University on this need for criminal justice reform.

There's also an excellent series called Comeback by the Center for Neighborhood Enterprise out of Washington DC. I highly recommend checking it out.

HOW TO AFFECT CHANGE

The complexity here makes the possibility of change seem pretty bleak. Do you think the problem can actually be solved politically?

I'm an eternal optimist, but to be an eternal optimist, you have to believe in incremental progress and you can't believe in utopia.

In our democratic system, a great way to affect political change is through petitioning. Politicians need fuel. Imagine your input as fuel. Politicians want to cite tweets and read letters they've received when pitching their ideas to others. They need that fuel from you. If people are tweeting and writing a given politician about a given issue, that engine will eventually get started.

Here's why that's so important: it is very difficult politically for politicians to criticize foreign aid or even call for an end to the harmful practice of monetization because they'll be blasted in the news, "Congressman X is against the poor, wants to cut millions in funding to NGO Y serving thousands of starving Haitians." If they criticize agricultural subsidies, it's "Congressman X is against the American farmer." These are very difficult things to go after; that's why they need to know you have their back. They need to justify their efforts with the support of their constituents.

We also need political and social fuel from the developing world itself. That's where documentaries like this one come in. We need to capture and amplify the perspectives of every day people.

People in the audience from developing countries: only you can tell your story. We're here to help, but in a supporting role. You have to take the lead.

Our political climate is part and parcel to our culture. It's not enough to seek political change only by voting once every two years, every four years. You vote every day with your purchases and donations, in your conversations, in the letters you write, in the Tweets you post. Think cumulatively about your democratic participation as it relates to culture and conversation.

When you go home tonight, if you liked the film, if you thought that it provided value, email one other person and let them know about it. Maybe it is somebody at another university, maybe it's somebody in government, maybe it's a politician. Maybe you just want to follow up with us so we can stay engaged going forward. But go do something, however small. Don't be discouraged by the seeming insignificance of any one one things you do; again, think of your action cumulatively and commit to making small intentional steps over the long haul. We have to be realistic about how long that will take. If we're only satisfied with quick and easy solutions, that's an indicator that we're might be more interested in our own sense of satisfaction than we are in actual progress.

The anthropologist in Haiti made the point that all of these things that he was talking about are not new or unknown; in fact, many of the points that he made have been written about for decades now. The question is why do people keep on doing it? How do we break out of the social fact box we are in?

These are such complex systems. Entrenched interests and geopolitical dynamics are in play.

It's going to be hard to change this system we call "international development." But incrementally, it can be done. First we need to change the culture of development, the way we think and talk about it with one another. The policy and practices will then flow from that organically.

There's no singular destination. We can't ever be content or complacent with the box that we're in at any given point in time; we must always expand out, ever expanding our horizons of what we mean when we say the word development, what we mean by capitalism, what we mean when we say the word economics.

In economics for instance; we use words like 'goods' and 'services,' but we need to stop and think deeper about what those words actually mean. You want to create something *good* for somebody, not something bad. You want to *serve* someone, not do them a disservice. The service mentality that drives us in our charitable efforts should be one and the same with our activities in the market economy.

In business, this means instead of siloing our charitable work in a department of a corporation called CSR, instead we encourage companies to have a vertically integrated ethos of what they believe in all activities and through the entire value chain, from their suppliers of the raw materials all the way to the consumers.

CALL TO ACTION

As we said before, there is no singular call to action. That said, there is plenty you can do to learn and provide thought leadership within your sphere of influence.

Visit our [Call to Action](#) page on the *Poverty, Inc.* website to take our [Impact Survey](#) and access templates for sharing on [Twitter](#) and [Facebook](#).

We especially encourage you to organize screenings of the film. This is how culture takes shape, by coming together in dialogue to grapple with these complexities and challenge one another constructively. Learn more on our [Organize a Screening](#) page or by emailing our Screenings Manager at screenings@povertyinc.org.

Links

- Website: www.PovertyInc.org
- Facebook: <https://www.facebook.com/povertyinc>
- Twitter: <https://twitter.com/povertyinc>
- Organize a Screening: www.povertyinc.org/organize
- Impact Survey: www.povertyinc.org/impact-survey/

