

ENTREPRENEURSHIP IN THE DEVELOPING WORLD

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LONG-TERM CHARITY: HELPING OR HURTING?

As the sun surfaced over Nairobi, my friend Brian watched as a troubling scene unfolded. He was in Kenya with the youth group from his church. They were a week into their mission trip and exhausted after pouring themselves out in service to the families living in the cramped slum community. Their host organization was a “one stop shop” for all the community’s needs, providing food, medical care, clean water and financial support. “Kodak moments” abounded as the mission team gave all they could to this neighborhood.

But as the sun rose, Brian—a partner at an accounting firm in Denver—witnessed the repercussions of his group’s service. A line started to form and wrap around the community center. More and more women appeared, waiting for the doors to open. As he reflected on the growing line of women, he realized the entire community was dependent upon the free services the center provided. He saw their postures of passivity. These capable women, made in the image of God, were demoralized. The mission team’s charitable efforts discouraged initiative and took away the dignity of the people they aimed to help. This well-intended and generous community center, as Brian shared with me, had become the cocaine of that community.

This summer, I visited Rwanda for the first time. My expectations, based on Rwanda’s tragic recent history and the prevailing cultural narratives about Africa, were fully disarmed. Rwanda was not a place replete with despair and poverty. It was a place bursting in promise and optimism. While there, I visited businesses big and small. Meeting these brave entrepreneurs was the highlight of my trip.

The woman who stands tallest in my memory is [Rachel](#). Just a few years ago, she had nothing. After joining with [HOPE International](#), she acquired the funding to create a pork business. Today, she owns over twenty pigs—with more litters on the way—and is a leader in her community. With her increased income and assets, she built a beautiful home and exudes the confidence of a merchant, not the stooped and passive posture Brian observed in Nairobi. I saw the future of Rwanda in Rachel.

THE GREATEST POVERTY ALLEVIATION SYSTEM IN THE WORLD’S HISTORY

While we all love a good rags-to-riches entrepreneur story. These stories are threads in the fabric of Americana. From the barbershop owner to the bold inventor like Henry Ford, we love these stories. But do we love when these businesses become big? Do we like when they start interacting with one another in the global marketplace? Said another way: Do we believe free markets are good news for the poor?

My experience tells me we do not. *Indifference* is normative, as if commerce exists almost as a nonfactor for the poor. *Scorn* is the most-vocal response to free market capitalism. I conjure distasteful images when considering concepts like multinational corporations, Big Business, factories, and globalization. Among the images I summon are sweatshops, the 1%, boycotts, child labor and executive caricatures like Mr. Burns.

To combat these images, we create pithy “alternatives” to appease our concerns, frontloading the questionable concepts with nicer adjectives. *Fair* trade. *Social* enterprise. *Local* business. And these ideas are fine, but when it comes to alleviating poverty, they are but tinsel and ornaments. The free market is our tree. Good governance and aid, while also needed, are complements to vibrant commerce, the engine that actually lifts the poor out of extreme poverty.

While in Rwanda, I visited Rwandan Trading Company—the fourth largest exporter in the country. This coffee business employs thousands of Rwandans and has begun to change the perception that coffee from Rwanda is substandard. They’ve elevated the output and quality of the entire supply chain, helping farmers, truckers and agricultural engineers to remake the Rwandan coffee industry. Because of stories like these across the entrepreneurial spectrum, Rwanda was dubbed the “[Singapore of Africa](#)” and has [scaled](#) the World Bank’s *Ease of Doing Business* report from close to the bottom of the 185 countries ranked to [52nd](#) overall—third in Africa. And poverty has dropped along the way.

By overwhelming margins, free market capitalism has enabled more people to escape poverty than any system in the history of the world. Yale University and The Brookings Institution released a staggering [study](#) to join the chorus of research validating this claim. According to the study, in 1981, 52% of the world's population was unable to provide for their basic needs like housing and food, living below the "extreme poverty line." By the end of 2011, just 30 years later, that percentage plummeted to 15%.

Yale and Brookings state the chief reasons for the unprecedented drop are "the rise of globalization, the spread of capitalism and the improving quality of economic governance." This is the "potent combination" behind the plunging poverty levels. It doesn't mean the 85% of us above this line are living large—attending college, taking vacations and the like—but it does mean we won't die from inexcusable and preventable causes like starvation and diarrhea.

If we continue to invest in this system, the bulk of the world's population [will be middle class citizens](#) by 2030. The bone-breaking, inexcusable death-causing type of poverty will exist only in small pockets. It makes me wonder: How can we respond to this with indifference or scorn? Why aren't we shouting this from the rooftops? When will we start picketing countries that prevent their people from joining the global marketplace? Or fast and pray against the trade tariffs and unfair subsidies suppressing competition and penalizing the poor? The war on extreme poverty is not unwinnable.

ENTREPRENEURSHIP FOR MORE THAN BIGGER BARNES

But the war on poverty is not just an economic battle. Entrepreneurship, and its fruits—more money, are not inherently good. Let's not forget the despots who enslave little girls and trade them across borders like they are bags of grain. These unfathomably evil traffickers are entrepreneurs. As are the drug runners. And the miners who work children to death, cloaking their companies in cruelty. And profits? Well, economic prosperity doesn't always prosper.

Nick Kristof, in a column tragically titled [Moonshine or the Kids](#), highlighted this: "If the poorest families spent as much money educating their children as they do on wine, cigarettes and prostitutes, their children's prospects would be transformed." Poverty is not solely a bank account problem. When we replace the problems of poverty with the problems of prosperity, we simply allow those escaping poverty to sin better, with new access to top-shelf liquor and more regular visits with prostitutes.

If we look around our own country, we know all the fame of Hollywood and all the riches of the country club do little to salve the needs of the soul. Even ancient King Solomon, after obtaining everything a man could ever dream or imagine, [lamented](#) "all was vanity and a striving after wind." Regardless of religious convictions, the emptiness of financial prosperity is undeniable. To be clear: This is no excuse for inaction for the millions living in squalor. But it should broaden what we *describe* as "progress" and that definition must extend beyond dollars and rupees.

When I walked with Rachel after visiting her home in Rwanda, I asked her to reflect on her incredible success. Without pause, she responded, "The greatest joy of these pigs is that I am now able to share with my church and with others." If entrepreneurship is deployed for our own benefit alone, we will suffer the fate of the "[rich fool](#)," who built lavish barns for all his bounty, but lost his very soul in the process.

My friend Rick runs a large medical device company. And recently, he built a factory in Vietnam that now employs over one hundred Vietnamese people, including Linh, a beautiful young woman who was once trapped in degrading prostitution. Now she is free from these soul-crushing chains. Rick, motivated by his Christian faith, created an antidote to these issues—[good jobs](#)—to undermine the work of the trafficker and to instill the values of his faith.

I believe in entrepreneurship. When deployed for good, it is the foremost weapon in the war on poverty. It affirms the dignity and capability of the poor in a way charity never can. And it is very good news for Linh and Rachel, two of the *billions* of people globally who have escaped near-death poverty because of it.

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