

From Aid to Enterprise

Friday, 19 February 2016

- Chair: Jonathan Moody, PovertyCure, USA
- Ruth S. Callanta, Centre for Community Transformation (CCT), Group of Ministries, Philippines
- Jon Borde, Hands of Freedom, India
- Rainer Heufers, Centre for Indonesian Policy Studies (CIPS), Indonesia

This panel discussion sought to explore how free people and markets can reduce poverty and foster economic growth in low income communities around the globe. Ruth S. Callanta from the Philippines raised critical questions to begin the discussion; for example, how does one define who is poor, why poverty exists etc. Miss Callanta advocated for a two-pronged approach to address poverty; first by economic action, through housing and education policies, and second, through empowerment via social and spiritual outreach programmes, such as the Christian mission work that the Centre for Community Transformation (CCT) engages in. In order for such programmes to be successful, Miss Callanta argued that they must have long-term goals in mind and be sustainable.

“As economic needs have been stabilised, horizons brighten and people start thinking about the community as a whole; these groups become the voice of the community.”

- Jon Borde

Jon Borde spoke next and he noted that the challenge of eradicating poverty is still ongoing in India. Mr Borde’s organisation, Hands of Freedom, launched small economically homogeneous groups of rural poor - to save and contribute to a common fund. Proceeds from this fund can be lent to its members who are in need. This pool of

funds enable many poor communities to have greater collective access to credit, and in turn, greater opportunities to use their skills to earn higher incomes. The financial support these groups give to their members also empowers communities to demand reforms from their local government representatives.

“Paternalism easily comes from when you think ‘we’ are in the know and have the money and ‘they’ don’t know and and ‘we’ need to make ‘them’ better off – there is something fundamentally wrong with going about things in that way.”

- Rainer Heufers

Rainer Heufers of CIPS urged delegates to refrain from adopting a paternalistic mind set when seeking to help the poor. Instead, he argued that poor communities are often capable of giving think tanks the necessary tools to carry out reforms, not the other way round. Mr Rainer also argued that think tanks should invest much energy into protecting the property rights of poor communities - especially those which are involved in agriculture - as secure property rights would safeguard their produce and land from being wrongfully taken.

All three panellists also affirmed the role of technology in enabling poor communities to develop enterprises. Jon Borde mentioned the use of cell phones in India, which have helped many seek out new business opportunities and network with watchdog agencies when their rights are threatened.

Overall, the panel emphasised the importance of adopting the right understanding of poverty within the context of specific nations, of forming a non-paternalistic mind set, and the need to engage in small, yet innovative initiatives such as the collective funds in India.