

## Poverty, Inc., 2014

Poverty, Inc. 2014.1080p Subtitulado al Español 1:30

"It's hard to compete with free"

Key terms: NGO - non-governmental organization, shantytown - an area near a town/city with buildings of typically wood/metal that are not built to code and do not have water/sewer or energy source, Rule of Law - no one is above the law, tied aid - aid money that must be spent in the country providing the aid or donated products that are made in the donating country, humanitarian/emergency aid - mobilized and dispensed in response to catastrophes and calamities, charity based aid - disbursed by charitable organizations to institutions or people on the ground, bilateral aid - government to government transfers and multilateral aid - transferred via institutions such as the World Bank and paternalism - interference of a state or an individual with another person (state), against their will, and defended or motivated by a claim that the person interfered with will be better off or protected from harm. Also, do not forget the importance and influence of subsidies (or subsidized products, especially from MDCs).

(you are also responsible for sketching the diagram at 42:00 adding paternalism to the diagram.

### Questions:

1) What does 'dependency mentality' mean as mentioned in Haiti?

Mentality of locals, when they suffer from paternalism and can't compete with donated free/subsidized foods/products

2) What happens when food and products are donated over the long term to developing countries (LLDCs)?

The LLDC cannot maintain their economy anymore, because subsidized food/products put a lot of farmers who are integral to the economy out of business

3) What is an alternative solution for NGOs operating in developing countries (LLDCs)?

Give employment opportunities, build schools for education, promote awareness for Haiti entrepreneurs and startup businesses.

4) What are 'poverty orphans'? (Haiti)

Poverty orphans are not necessarily abandoned, they are just left in the orphanage because their parent(s) feel that the orphanages would give them a better life.

5) How is the lack of democracy in many countries related to these issues?

Most countries in Africa are NOT democratic, corrupt rulers who do not know what they are doing, raise their mostly unqualified children and put them in that unmerited position

i) Why are clothing donations problematic?

Surplus second hand clothing donations disrupts the textile industry negatively and does not promote entrepreneurship and standing on your own feet.

7) What do businesses like the 'Apparent Project' in Haiti provide?

*Provides real opportunities for parents to make enough money to care for their children*

8) What do many countries in need really require, according to their own citizens?

*Empowerment: tools & resources to become self-sufficient*

*Partnership: working with the locals to identify their need and provide sustainable solutions*

*Justice: ensuring everyone has equal access to opportunities and rule of law is upheld*

9) Why is the Rule of Law so important? What does it ensure/guarantee?

*The rule of law is important because it keeps everyone in check, it gives everyone a sense of responsibility and ensures the place doesn't turn into a jungle*

Finally, foreign aid has continued the paternalistic attitude for many countries, creating another form (neo meaning new) of dependence.

Finally...

There has been a tremendous amount of confusion regarding how aid is spent, leveling charges of government corruption and mismanaged funds. However, the matter is much more complex. One of the most important conditions to be adhered to in the disbursement of aid is transparency.

Recipient countries must provide a transparent distribution of aid funds/supplies so that donor countries are assured that the people who are designated to receive the aid do in fact benefit.

The donor countries are frequently accused of not taking into account the culture and needs of the specific country, instead applying a 'one-size-fits-all' mentality to every recipient country. This has to change to accommodate the diversity and complexity of each country's needs with the long-term goal of sustainability and independence by establishing/subsidizing foundational structures such as:

- 1) small business regulation in a timely manner
- 2) free early education and subsidized secondary education for all (regardless of gender)
- 3) infrastructure connecting rural areas to allow trade to urban settings and ports
- 4) community health care centers with subsidized services
- 5) agriculture subsidies for new methods and equipment
- 6) mass communication infrastructure

Social and psychological benefits of work:

- Sense of Purpose and achievement: they contribute to something larger
- Social interaction and connection: Connection with colleagues, battle loneliness
- Increased financial security → Improved physical health: physical activity
- Improved mental health: Sense of structure and routine builds self-esteem
- Support other businesses