

What Really Helps the Poor?

It has been observed that economic growth in a country does not necessarily make the lives of the poor better. It prompts the question: What aspects of economic development will really help those at the bottom rung of society? It could all boil down to creating opportunities for people. Generally, three things are needed for such opportunities to **materialize**.

First, we need an environment that will nurture the creation of these opportunities, and the entrepreneurs who will actually put up the business that will create jobs for people. We need both the environment *and* the entrepreneurs. Also, we may want to consider that putting up businesses that will create a significant number of jobs is more properly the terrain of established businessmen and medium-scale entrepreneurs, rather than small-time entrepreneurs. Entrepreneurs from low-income households may be able to sustain themselves, but may have little significant impact on the job market.

Once opportunities for doing business and creating employment are created, the second step is to help low-income groups to access and maximize available opportunities. Part of this might involve providing loans and skills training.

Skills training is particularly critical. Our problem has always been the mismatch between job vacancies and the people who can adequately fill them. Providing basic education and skills among low-income groups requires investment. Bridging that gap is both a public and private initiative.

Thirdly, creating opportunities for people will also mean finding creative means by which workers can share equitably in the fruits of success. Certain other countries have been able to nurture an environment that is more conducive to a free market, more capital investment and more entrepreneurship. At the same time, their policy frameworks ensure that it do not protect only the interests of a few entrenched businesses. As a consequence, these nations have enjoyed progress and a drop in their poverty-level. The bottom line here is wise policy-making and good governance.

Scripture enjoins us to “rescue the poor and helpless and to deliver them from the grasp of evil people” (Psalms 84:2). Cultivating opportunities for the poor, and promoting legislation that provides protection for the interests of all, is one way we can demonstrate that we share the concerns of our God.

This editorial is based on Prof. Ron Chua's presentation during the 9th ISACC Fellows' Gathering and Forum. Prof. Ron Chua teaches at the Asian Institute of Management.