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Lack of property rights perpetuates poverty

By REV. GERALD ZANDSTRA

I wish I could tell you his name, but I can't. I would like to be able to mention his country, but I ought not. All I can tell say is that he and his family live in a country that is very poor, the average income being less than one U.S. dollar per day. Of course, this could be dozens of countries. The reason why I can't say anything specific about him is that to do so would be to put the lives of his wife, his children, and himself in danger.

I met him several years ago and have visited his home county. During one of my visits, he told me that one of his dreams was to teach his children to be entrepreneurs. I asked if he had anything specific in mind. He did. There was a plot of land next to his home that he needed \$400 to purchase. His plan was to use this good soil to teach his children how to grow crops and sell them in their local market. Given the climate, he was confident that, he could harvest three times each year, quickly making back his money and turning a nice profit.

I gave him the money, telling him that it was not a gift nor was I investing in his endeavor. Accessing capital is impossible in his country so borrowing the \$400 from a bank was simply out of the question. Interest rates hover between 25 percent and 35 percent and a long term loan is due in only a few months. And even with these draconian terms, loans are impossible for people without connections. So the money I gave him was a loan. I expected it back.

After several months, he sent me an update on his progress. The first crops were in and his produce was selling well in the local market. His young children were getting an up close and personal

look at the simple math that labor and planning are powerful tools in creating a steady stream of income. He soon had enough money to repay the loan.

A few more months went by before I received an enthusiastic e-mail telling me that he had discovered emeralds on the land he had purchased. I was thrilled. (I was also a little disappointed that I hadn't become a partner with him instead of simply loaning him money.) But the missed opportunity for me was nothing compared to the joy that I experienced in knowing that he would be able to provide needed resources for his family and community and use the land he owned to better the lives of many people.

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Unfortunately, this isn't how things work in his country. The land he bought was "informal." It did not have a government deed. It is technically under a kind of local system that is similar to squatters' rights. The presence of precious stones on his land was actually a threat to his life. If his neighbors learned what he had, there was a very real possibility that he and his family would be killed. He could go to the government to attempt to formalize his land, but this would raise all sorts of suspicion. Even if he managed to keep his find secret, the process of formalizing property is long, difficult, and expensive because of massive corruption. Even testing the stones is dangerous.

At present, he is slowly trying to maneuver his way through this minefield. And this is why I dare not mention his name or country.

Global poverty is more complicated than it appears on the surface. The simple and easy solution is to lobby the developed world to give more money to countries like my friend's in the developing world. Bono and other musicians, with what I am sure are the best of intentions, are doing just this at the moment. But this isn't going to solve the problem. Actually, in many instances, government-to-government gifts or loans only makes things worse and further spreads the corruption.

What could be more maddening than to have all the resources needed to provide for your family and not be able to make use of them? He is like a starving woman with a can of food she can't open or a boy dying of thirst with a canteen whose cap he can't loosen.

There are many problems in the developing world, but one of the central and yet most overlooked is property rights. Too many times, the resources those in poverty need are right at their feet, placed there by God for their use, provision, and enjoyment. Officials in the governments of developed countries need to take a serious look at tying all future aid programs to the establishment of formal property rights that can be clearly designated and protected in courts of law. Only in this way can we achieve what God intended: that the goods of the earth be made beneficial to all people.

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