



BOOK REVIEW

Toxic Charity: How Churches and Charities Hurt Those They Help

A Book By Robert D. Lupton (© Harper Collins, 2011)

Poverty, Inc. (© 2015)

A Film By Michael Matheson Miller

| Reviewed by Francisco Gonzalez

Those of us who believe in the free market often point to the role of private philanthropy and charity as the way to help people in need. In fact, a characteristic that makes the United States

of America so exceptional is how much we donate to charity – both financially and through our personal time. In 2015, Americans donated \$373 billion in private charity. In addition, on an annual basis, 64.5

million U.S. adults volunteered a combined 7.9 billion hours of service.

Private charity and voluntary activity is often held as an example of the free-market alternative to government assistance. After all, there are plenty of examples of how government programs that started as a “safety net” for those in need have become “entitlements” and have only made those receiving government assistance dependent on the system. These “welfare” programs – including food stamps, Medicaid, public housing, etc. – have not helped break the cycle of poverty in many of America’s most impoverished communities. Those of us who already believe in limited government recognize the compassion of those who believe government has a role to play in reducing poverty. The problem is: these government “solutions” haven’t been solutions at all.

But what happens when private charity, the alternative to government programs, also contributes to a culture of dependency? What happens when private programs do little to break the cycle of poverty and hurt those they are purporting to help? What happens when the very non-governmental organizations that raise money, recruit volunteers, and send supplies and funds into communities in need (including developing countries) become so entrenched in maintaining their

existence (whether intentionally or not), that they become more concerned about the livelihood of their organization rather than those they are ultimately wanting to help?

These questions are explored by author Robert Lupton in his book, “Toxic Charity: How Churches and Charities Hurt Those They Help,” and by the producers of the film, “Poverty, Inc.”

In “Toxic Charity,” Lupton explains that, “when we do for those in need what they have the capacity to do for themselves, we disempower them.” He goes further: “Giving to those in need what they could be gaining from their own initiative may well be the kindest way to destroy people.” Yikes.

This isn’t to say we can’t help. But the findings noted in both “Toxic Charity” and “Poverty, Inc.” caution us that we shouldn’t help because it makes us feel good. Naturally, when we help others, it does feel personally fulfilling.

There’s nothing wrong with that. It’s human nature. But, this book and film caution us that while we’re doing good, we should be centrally focused on what is going to improve the lives of those in need and help them find meaning. We shouldn’t be the ones directing the outcomes we want to see; we should be empowering those in need to ultimately find their own solutions.

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Charity” and “Poverty, Inc.” discuss mission trips. They point out that, while mission trips have value, so many resources are wasted on them. As Lupton says, “isn’t it time we admit to ourselves that mission trips are essentially for our benefit?” He suggests we rename them to “insight trips” or “exchange programs.”

When we are trying to impact people in need, “the community must be empowered to act, initiate, make decisions, and respond,” says Lupton.

He cites Zambian-born economist Dambisia Moyo, who wrote a book called “Dead Aid (2009).” “Dead Aid” is what Moyo calls the \$1 trillion in charitable aid that has flowed into Africa over the past 50 years. Leaning on Moyo’s dissection of the problem of government assistance, charity-based work, and emergency aid, Lupton reiterates

her suggestions to charitable organizations: get off aid, promote entrepreneurship, promote free trade, invest in infrastructure, secure reasonable loans (not grants), and encourage stable homeownership. Moyo urges us not to subsidize poverty, but rather encourages us to reinforce productive work, create producers not beggars, and invest in self-sufficiency.

The film, “Poverty, Inc.,” documented, among other examples, how much charitable aid has flowed into Haiti over many years, including in response to the disastrous earthquake that affected this impoverished island nation in 2010. In one notable example, the film showed a local Haitian-owned solar panel company that was installing solar-powered streetlights all over the country. They were not only profiting and creating jobs, but also providing long-



► Artisan, entrepreneur, and proud working mother Makilene Velnis stands with her family in the home she purchased with the income she earned working at the Apparent Project. *Courtesy of PovertyInc.org.*

term energy solutions for their community and their country. They were even starting to sell back some of the solar energy captured to realize a profit. And there's even reason to believe they could have become a major exporter of their products.

After the earthquake, foreign aid came into Haiti, and one of the aid-helping organizations engaged in giving away solar panels. The Haitian company that was selling hundreds of solar panels daily only sold five the entire year - they couldn't compete with free. They had to lay off most of their workers, who were left without jobs. Ultimately, this produced a nasty side effect: when the charitable relief went away, there was no local company left to produce solar-powered streetlights. Those with a giving heart thought they were doing good - but they destroyed a local company and left the Haitian people without a long-term resource. "Poverty, Inc." frequently showcases examples like this.

"Poverty, Inc." also demonstrates how subsidies destroy poor communities and keep developing countries dependent on more powerful ones. When the U.S. government subsidizes our agriculture to levels of 100 percent or more, people in developing countries cannot compete when those subsidized corporations turn around and sell it to people in those countries at a

substantially lower price than market value. In the same way that the solar panel company in Haiti was wiped out by free giveaways from aid-based organizations - local farmers are also wiped out because they can't compete with those bringing foreign-subsidized agriculture into their local market. And then, when the foreign-subsidized agriculture becomes the only source of food, it often isn't enough (or too expensive) for those in developing countries. And they consequently remain poor and dependent.

In addition to the call by the makers of "Poverty, Inc." to end the public policy of corporate subsidies, another corrective measure charitable groups should engage in first, says Lupton, is research and development. "In for-profit corporations on the cutting edge of their fields, research and development (R&D) is key. Yet seldom do nonprofits spend money on R&D, with universities and medical research being notable

exceptions."

Innovation and risk - key components in the for-profit sector - must be explored in the nonprofit sector. And that requires testing new methods and documenting trial-and-error findings, says Lupton.

Another option for those with a charitable heart is to help impoverished communities through microloans: invest

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in communities as they invest to transform their own lives. This gives the community ownership over their path forward and helps them achieve their own success.

As a community service worker who has spent more than four decades in Atlanta's inner city and beyond, Lupton has discovered that "life offers no fulfillment without work." While giving to those in need is compassionate, the ultimate goal should be to help them forge their own path: in essence, to be able to work to transform their own lives and that of their community.

Lupton asks us to change our mindset toward those we are serving. "Service seeks a need, a problem to fix, an object to pity," says

Lupton. "But pity diminishes and respect emerges when servers find surprising strengths among the served, strengths not initially apparent when the served are seen as nameless, needy poor."

Lupton tells us in the closing chapter of his book: "If there is one take-away message this book can offer to those in service work or supporting it, it is this: the poor, no matter how destitute, have enormous untapped capacity; find it, be inspired by it, and build upon it."

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