

Johannes Lütz

Opportunities for Global Poverty Reduction in the 21st Century

The Role of Policy Makers, Corporations, NGOs, and Individuals

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This book is dedicated to “my” World Vision sponsored child Melwie who lives in the Philippines. In March of 2006 I was afforded the joy of meeting him in his homeland. Although our brief time was limited to a few hours of savoring a hefty seafood lunch together, I will always remember this meeting.

*“Speak up for those who cannot speak for themselves,
for the rights of all who are destitute.
Speak up and judge fairly;
defend the rights of the poor and needy.”*

Proverbs 31:8-9, Holy Bible

REVIEWERS' PREVIEW

“In his dissertation Mr. Lütz has chosen to analyze ways to reduce poverty in the world. In contrast to the usual critical globalization debate, Mr. Lütz argues for an important role of corporations to fight poverty. For him, big *and* small are beautiful. This means that multinational companies as well as small companies can help to reduce poverty. Mr. Lütz discusses the poverty problem in a comprehensive approach. He combines the macroeconomic and microeconomic levels and discusses possible actions of different agents, especially policy makers, corporations, NGOs, and individuals. In the debate about poverty reduction, this approach is not common. Mr. Lütz managed to overcome boundaries of established thinking and in this way created something new.”

—Prof. Dr. Hansjörg Herr, Chief Reviewer
(Academic Director of the School of Labour Policies and Globalisation)

“This thesis is definitely an unusual one. Not only by its format. Johannes Lütz has delivered an opus with a more than challenging aim: display the opportunities of all men and institutions, regional and global, to fight human poverty. For this, the author exploited his own experiences and economic knowledge and interviewed experts from different areas, such as the German Minister Wiczorek-Zeul and University Lecturer Eileen Baldry from Australia. He demonstrated his ability to develop a clear story, full of interesting facts and numbers. His economic competence enabled him to draw compelling conclusions that show where the opportunities are. The thesis is based on excellent content.”

—Prof. Dr. Sven Ripsas, Co-Reviewer
(Director of the Institute of Management at the Berlin School of Economics)

“Opportunities for Global Poverty Reduction in the 21st Century presents the sobering reality of the world’s dire state of poverty. At the same time the book shines a hopeful ray of light on the path towards a poverty-free world. It is easy to follow and introduces views and ideas from key leaders and sectors in society pinpointing a myriad of opportunities which may be examined and pursued for the respect of human dignity and the betterment of the world. The book inspires empathy, hope, vision, and motivation. All leaders and laymen who cherish basic human values will be encouraged to take action in an endeavor to reach that grand goal which has never been more attainable than at the dawn of the 21st century: making poverty ‘history.’”

—Prof. Dr. Ulrich Trogele

*(North American Director for FMC Corporation and
Professor at the Berlin School of Economics in Germany)*

“Twenty years from now you will be more disappointed by the things that you didn’t do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover.’ This famous invitation to ‘dream audaciously’ has been attributed to none other than Samuel Langhorne Clemens, better known as Mark Twain (1835-1910). One-hundred years later – in the early 21st century – another ‘audacious’ dream is presented to mankind: the dream of ending global poverty. *Opportunities for Global Poverty Reduction in the 21st Century* is an invitation to get on board, cast off, catch the trade winds, and discover new shores of human dignity, peace, and prosperity. Whether as politicians, corporate executives, aid workers, or individuals... I personally wish that the dream this book inspires will attract a widespread global following.”

—Dr. Shlomo Ben-Hur

(Chief Learning Officer DaimlerChrysler Financial Services AG)

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sonal encouragement to find such strong and able women at the helm of our fight against global poverty. Another prominent man whom I would like to thank is Dr. Shlomo Ben-Hur, Chief Learning Officer of Daimler-Chrysler Financial Services AG. A driver of integrity in his corporation, he stands tall as a leader with a 360-degree-vision.

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Last but not least, I want to thank my family for their support throughout my MBA-season of which this thesis is the final product. Thank you, Karin, Dietmar, Gabriel, and Dorothee!

PREFACE

This book was initially submitted as a Master Thesis to the Institute of Management at the Berlin School of Economics in Germany on October 4, 2006. The first edition fulfilled all formal requirements of the Master of Business Administration (MBA) European-Asian Programme. This second edition has since been revised and expanded.

Although poverty in and of itself is a heavy and dark subject matter, I have chosen to clothe the contents of this book with the costume of a rather bright and colorful cover design. I have done this for two reasons. First, if poverty is the darkroom in which negatives are developed, then surely its reduction must be the open window that lets the glistening sun shine in. In this way I understand poverty reduction to be a happy cause, meriting joyful and enthusiastic involvement! Second, those of us who have lived in regions like Africa will have bathed our eyes in a “sea of smiles” – a continent of disarmingly and charmingly smiling children – with whose radiant smiles I wanted this book to be associated.

I would like to point out that, for the sake of simplicity, American English is used throughout this book and all amounts shown in \$ are US dollars unless otherwise indicated.

May this book make a lasting contribution to ending global poverty.

*Johannes M. Lütz
Berlin, Germany
March 2007*