



Interview with Dr. Martin Burt (Poverty Stoplight & Fundación Paraguaya)

Jessica Kantor

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Jessica Kantor: To start, can you please introduce yourself and your organization and talk a little bit about the problem that you're addressing and how you and your organization are responding to it?

Dr. Marin Burt: I am Dr. Martin Burt. I am a social entrepreneur based in Paraguay in South America and now working internationally. Together with a group of leaders in Paraguay, 40 years ago, we started the country's first development organization, the first development nonprofit way back in 1984-85, to address poverty. We are people who favor a market economy, but we are also conscious that sometimes the economy doesn't benefit all the people the same, and that there are some people who are left behind. We are worried about that.

We developed the country's first microfinance program way back in 1985. In 1995 we supplemented our microfinance program working with adults and having both a financial and a training program for street vendors. We added a program of youth entrepreneurship, principally working with junior achievement to provide business and financial literacy training to the children of our street vendors. That grew a lot.

Then I took a couple of leaves of absence from my work, both to work as an under secretary of Commerce for the country when the military dictatorship was over and we were trying to rebuild the country. Then, from '96 to 2001, I was elected mayor of the capital of Paraguay and I worked a lot with neighborhood groups. I created more than 800 neighborhood groups and was very much involved in community development. When I came back to the Paraguay Foundation in 2001, we were approached by a Catholic religious order called the LaSalle Christian Brothers, and they gifted us their agricultural high school, noting that just teaching farming to young farmers in high school, a technical degree, was not enough. What young farmers needed were technical business training, business skills. They mentioned that what's important is not how to grow tomatoes, but how to make money with tomatoes.



It's something that was lacking in the technical vocational education of young farmers in Paraguay and around the world. We took this bankrupt agricultural school in Paraguay and in five years we made it one of the world's first financially self-sufficient agricultural schools, coming up with a term of education that pays for itself. These are technical vocational schools that not only take the approach of project-based learning, learning by doing, but we added a component of selling and making money. We discovered that the learning really happens with the selling and making money component of the project-based learning because that is where the rubber hits the road and that's where the 15 year old young student will find out what is the value of her organic vegetables in the market.

We also applied what was successful in microfinance to education for the first time. In microfinance, we discovered early on that it is not feasible to give one street vendor a \$150 loan, because it's not sustainable. But to give 10,000 street vendors \$150 loans, each is sustainable because you reach economies of scale. In our agricultural school, instead of having five vegetable beds in the organic vegetable garden, we have six acres of vegetables. That critical mass is how we broke even. We started the school on January 1st, 2003, and by December 31st, 2007, we were financially self-sufficient. That made the Paraguay Foundation expand internationally. They came to us from South Africa, Tanzania, Brazil, Central America, to copy the model because quality education is very expensive and usually governments or private charities find it very difficult to maintain the equipment and all the infrastructure unless the agricultural school generates money.

There's another social innovation in the process of unleashing the trapped energy that young boys and girls have as they learn how to farm and make money. At the same time, we discovered that many young men and women were overcoming poverty and yet not still not having money. While many of their parents had money above the poverty line but were still poor, we were very confused about what poverty was.

It certainly wasn't enough, only monetary poverty. The World Bank measures poverty at a rate of \$3 per person per day. Certainly that is a reductionist, but also a very incomplete measure of poverty. What is poverty? We started a journey of consulting with the poor, mostly our microfinance clients. What does it mean for you to be not poor? And they gave us many different answers. Some were expected, "Oh, in order not to be poor, you need to have money." What else? "Oh, you need to have access to drinking water." What else? "You need to have a house." What else? "You need to have access to transportation." What else? "You need to have self-esteem." "Excuse me?" "Oh yeah, you need to have self-esteem." What else? "You need to have motivation." What else? "You need to have a life plan." What else? "You need to control your emotions." "Excuse me?" "Oh yes."



We consulted and did many repetitions and the same indicators kept bubbling up in different parts of the country. We were really surprised that subjective indicators came up so often. Many times we would jokingly ask them, "Well, what's more important, drinking water or controlling your emotions?" And 90% of the time, while laughing, they would say, "Of course controlling your emotions." We knew that we couldn't approach a poverty survey with a traditional extractive survey by asking people, we could go to a house and we could say, "Oh, they have electricity. Oh, they have water." But it would be very difficult to approach a woman in her house and ask her, "Do you have self-esteem? Do you have motivation?" So we developed a self-diagnosis.

The self-diagnosis allows people to answer, "I have good self-esteem, I feel sure of myself. When there are challenges, I can usually confront them." Green. "I have self-esteem, but usually it's difficult for me." Yellow. "I have no self-esteem. Whenever there's a conflict, I start crying and I run away." Red. These indicators were given to us by people. We even asked them what the indicator was, running water, what does it mean to be green? That's why we call it the Poverty Stoplight. What does it mean to be green in water in this community? Yellow in water, and red in water? We developed a visual survey in an app with images and different colors. An illiterate person would be able to see three images and would be able to see the three conditions. We have enough money in order to cover our basic costs during the month. Green. Sometimes we have enough money, but sometimes not. Yellow. We really can't cover our health. That same thing for income, for savings, for family budget, for papers, for bedroom, for water, for teeth, for eyeglasses, for self-esteem. Red. That was the second innovation.

Third, we discovered that unlike governments and international development organizations who use indexes like the poverty index, the human development index, the wellbeing index, the multidimensional poverty index, when we created an index, it didn't make any sense. So we developed a dashboard created by the interested party and the dashboard is to desegregate data. So decision makers at the bottom of the pyramid can understand, this person is poor in some areas and not poor in many areas. Then they convert this dashboard into a family development plan to overcome poverty.

This is the uniqueness. Technology today allows us to move from national development plans, state development plans, municipal development plans to family units. Why? Because the families have technology. Before, the last person in the field was a social worker who had paper files. She couldn't deal with so many indicators per case. Now instead of having extractive surveys, we have participatory surveys. The interested party could be a homeless person in Los Angeles, it could be a formerly incarcerated African-American youth in New Orleans. It could be a person living in a slum in Brazil or a person living in a township in South Africa. They do the survey. It allows them to deal with subjective and objective indicators. They manage the information and they prioritize.



Instead of asking, "Is there food security for this family?" The question is, "Do we eat nutritious food?" It doesn't matter whether they live in a food desert or not. The questions become personal.

Now we are dealing with 800 organizations from 54 countries and more than 300,000 families from around the world. Amazing. The similarities between a Tanzanian family and an American family and a Chinese family are incredibly the same. It's a new way to measure poverty. It compliments government top-down efforts, but it enriches and it incorporates the poor person in the equation. Now they have a voice and they have awareness and they can comment. Because if a poor person doesn't have eyeglasses, we know that it could be a function of motivation. It's not worth it for them to get glasses or it's a function of skills. They don't know where to go to get glasses. Or it could be a function of lack of money or lack of service. We know that poverty is multidimensional, but also the person's perspective is multidimensional and it changes according to the indicators.

We are learning so much about this, and I'm here in New York for the United Nations General Assembly Week talking to different academics, United Nations Development organizations on how to listen to the voices of the poor and how to empower the poor to overcome poverty.

Jessica Kantor: In your description, you mentioned a couple of different ways that you're engaging with the community. Correct me if I'm wrong, but it sounds like you're working now with multiple organizations and nonprofits throughout the world?

Dr. Marin Burt: Governments, the church and the business community as well. And with each sector we have a nuanced program. With the business community, we have a program called Business Without Poverty in which the factory or the company commits to non-poverty for all its workers in every indicator. Imagine Walmart or a mattress factory or a supermarket, and of course the first step is to adapt the indicators to the local reality. Right? The indicators in New Orleans are different from Brazil, but there are New Orleans indicators. The people in New Orleans can say what it means to be green in New Orleans, what it means to be an okay resident of New Orleans. The people in Brazil know that. Once you adjust that, it becomes very intuitive for the person to measure herself and to come up with an idea of her dashboard and an idea of her priorities.

People's priorities are unique to their fears, to their aspirations, to their experience. It is better in our experience to work with people's priorities and not with the government's priorities only. In that sense, for example, with a business community, we have more than 350 businesses around the world who are already committed to what I call no poverty capitalism or poverty-free capitalism. This is something unique. It's very important that the workers and the poor own their poverty, in the good sense of the word, that they are allowed to define it, that they're allowed to



prioritize it, and that they're allowed to make something. It's not only a poverty line defined by the federal government.

As we know in the United States, there's a complete distortion because in California you can't live just above the poverty line. The poverty line in California is more than \$50,000. It's not the same one in some parts of South Carolina or Mississippi. We're working with Catholic parishes, we're working with municipalities, with neighborhood committees, we're working with national governments and we're learning a lot. The whole community is learning. I was just in Eastern Europe this past week working with the European Union with Roma communities of Bulgaria, Romanian, Slovakia, and they are different and unique because of their ethnic background to normal people from other parts of Europe. They are unique and they have a unique definition of what it means to be a non-poor Roma. We have to start from there. Of course, we consult with all the literature and we talk to all the experts, but in this particular case, the experts are the head of the household and our unit of analysis is the family household, those who sleep and eat under the same roof.

Jessica Kantor: I have a two-part question. The first is, is your foundation involved in any action or anything after you create the family program from the analysis? Then two, how are you measuring success?

Dr. Marin Burt: In Paraguay, we develop a solutions bank that is the many ways an indicator can be resolved. The many ways that a family can double their income. The many ways that a family can learn how to establish a savings account. The many ways that you can train a family to do a family budget. The many ways that you can get eyeglasses in Paraguay. Or the many free or inexpensive ways to fix your teeth. We create solutions banks that are an inventory of all the ways poor people in that country have solved that problem. Let's say a woman wants to make more money and go from \$500 to \$1000. Then we show them, you can do a micro franchise, you can get a job here, you can do a micro enterprise there. We tell them different ways.

Throughout the world, we show our implementing partners how to develop a solutions bank. We learn a lot from what we call positive deviance. There is a way for a woman living in a slum in Brazil to send her kids to school. How do we know this? Because we have identified thousands of women who have achieved this. Is it difficult? Yes. But it is not unachievable or impossible. We do that and we count success because we measure every year how many reds and yellows have become green. We usually have about four or five indicators that a normal family under normal circumstances can solve a year. In this particular case, this family, it may take them three to five years to address other issues, but in the end, none of the indicators are impossible to achieve.



Let me just share them with you. We have enough income. We have family savings. We have access to credit. We have good hygiene. We have adequate bathrooms. We know how to read and write. My family hasn't been mugged. We have enough furniture and amenities. We respect human rights. We have hobbies. We consider others in decision making.

Jessica Kantor: The question of whether we respect human rights, is there also a reverse question of others respecting my human rights?

Dr. Marin Burt: Yes, there is. We have no violence in our family, and things like that. Of course these simple words here in the Poverty Stoplight are segregated in three columns. The green column has an image and just a definition of what it is. The social worker or the mentor explains what it is to be fully green, what it is to be yellow. These indicators were pointed out to us by the poor, for example, a woman that burns her trash or leaves in the backyard of her house and contaminates all the sheets that are being laid out to dry in the neighborhood, is she considering others? Or if she throws her trash to the street.

I had an issue one day a couple of years ago with a chief of police near a village where I was working in Paraguay, where he complained that after we started applying the Stoplight, the Native American indigenous women that we were working with started complaining about family violence. He says, "Before you arrived, there was no family violence in the village and now there is." And I said, "Well, it's not that I brought family violence. It is that now they are aware that they are not going to accept the family violence of their drunk husbands or partners." It's really catered to, as I mentioned in this particular case, the logistics and the standards of each community.

That's why we can work with homeless people in Southern California and with other people in North Carolina or in Dallas, they all have their own thing. But in general, after you take away some things, you see that all the families are pretty much the same. In some countries we have child labor. In some countries, like the US, we have youth incarceration. The youth incarceration indicator that the United States has is not present in any other country. So it's really interesting.

Jessica Kantor: As far as the model that you've put together, what are some of the things that you tried that didn't necessarily work and some lessons that you learned that other social innovators can learn from as well?

Dr. Marin Burt: Lesson number one, experts are hard to change their ways. For example, I was working with a World bank officer one time and he asked me, "Do you have a pipe?" I couldn't understand his question. He says, "Do you have a pipe?" And I said, "I don't have a pipe." Why would you even go and ask a community whether they have water and sanitation if you don't have pipes to offer them?



Well, because trying to empower them to see if that is a priority and to show them how other people just like them have resolved their water and sanitation problem. That's one thing.

Another thing, national governments, because they are inspired by international agencies, they work with census data and census data is very limited to measure poverty because they are extractive surveys that do not have human components, motivation, aspirations. They have a hard time because they think that the most important thing is to do statistics and to do aggregation of data into indexes. I said, what good is the poverty index of the homeless in Los Angeles if the homeless don't understand what's happening? They're not part of the solution. Nobody's listening to them.

In academia, it's a hard thing because you have to have a lot of professors doing research and publishing for it. What you have is a lot of welfare programs that may not have worked in developed countries being sent to developing countries. That is something that we're struggling with. Every day or every week we get new partners from India or new partners from Indonesia, we're sending missions all over the world and learning a lot and creating a community of practice from around the world. And what's beautiful is that now we have not only developing countries from Latin America, Africa, and Asia, but we have communities in the UK. We have more than 114 partners in the UK. As I mentioned, we're working in about 50 counties in the US. We're working with business communities in Portugal, Bulgaria, Romania, and Slovakia. We're getting to work doing South - North cooperation. That is also unique and it's really humbling to be able to work in the UK and be able to collaborate. We're all the same.

Second lesson is that we're all poor. A social worker in Southern California may also have a few reds and yellows herself. She may be over-indebted and she may suffer family violence, which is a poverty indicator. Her case, as they call them, may not. The homeless person may not suffer family violence or may not be over-indebted. But what's interesting is that with the Skoll Foundation and the Schwab Foundation for Social Entrepreneurship, we were able to connect with other social entrepreneurs and discover that the solutions are all out there.

The poor family does not have access to them, does not have information about them. The connection is very important. Then there are many, many lessons. We learned about the existence of Albert Bandura, a psychologist from Stanford University who talks about agency and self-efficacy. People change when they think they will be able to change. People will fix their eyeglasses or get eyeglasses when they think they will be able to use their glasses. It's a self-fulfilling prophecy almost. If people think that they will not be able to learn a third language as adults, they're not going to learn a third language.



We also bumped into a psychologist in Denver called Ken Wilber who gave us an idea of integral theory that states we are all individuals and part of the community at the same time, all the time. We are singular and plural all the time. It's I and we all the time. We are also external. We can see people's behavior and we can see the systems where they live, but we can not see other equally valid things like their culture or their intentions. When you see a woman without teeth, you have to understand that it could be because she doesn't take care of her teeth. It can be because dental care is too expensive. It can be because in her culture, if you're over 65, it doesn't matter if you're missing a couple of teeth. Or it can be because she has a childhood trauma from when she was seven.

The same thing, you can have a family living in a food desert in the United States eating a balanced diet, and you can have somebody living across the street from a farmer's market and they eat frozen pizza every day. We met a social entrepreneur from Utah called Joseph Greny, and he taught us how to operationalize this agency and self-efficacy from Albert Bandura with how to influence people. He says that for people to change, they have to answer yes to two questions. Is it worth it? And can I do it? Is it worth it has to do with motivation and can I do it has to do with skills, but that is not enough. You need group support, peer pressure incentives. Just like that book by Gartner talks about multiple intelligences, you can be super green in one indicator and super red in another indicator living in the same body.

It's not that you are poor in everything or that you are non-poor in everything. Technology allows us to granulate and to do like molecular medicine does in medicine. We can now do molecular poverty elimination, and we use the word poverty elimination because once the person moves from yellow to green, they pretty much stay there. We think that poverty can be eliminated in the world if we change the focus from top down to bottom up, if we incorporate the poor in defining their poverty and we can empower people. It's all about empowering people and we're learning a lot.

Jessica Kantor: With an approach that focuses on the individual, how are you working to advance systems level change?

Dr. Marin Burt: This is systems level change. It is a change of paradigm. The system right now is monetary poverty. We're trying to move from monetary poverty to multidimensional poverty. That is systems change. We're also trying to change from a top down use of indexes to a bottom up use of dashboards. That's another systems change. From a use of the individual as the unit of analysis to using the family household as the unit of analysis. That is also systems change. For example, we find it hard to understand the American perspective for child poverty because we say, "Why would you leave the mother or the rest of the family out of the equation?" It's different perspectives. Another thing about systems change is to have the information systems that the



governments use be more integrated, be more participatory, and systems changes. Also using technology in the hands of the poor and not technology in the hands of the surveyor or the person that takes the extractive survey.

Another systems change that we want to do is to think about poverty elimination. We know what success looks like. **And so we are very aware of systems change, but we are also aware that only structural or systems change without empowering the people themselves is not enough. In fact, it is insufficient because it is the government's definition of people's problems. We need to unleash the trapped energy that people have inside. They need to be allowed to define their own priorities.** As Amar mentions with a capabilities approach, people have to be able to have the capacity to live the freedom that they are aspiring to do the things they want to do.

If human flourishing is the objective, then you have to consider and consult with a warm body involved. For example, the United Nations Sustainable Development Goals are all about governments. They on purpose do not incorporate the members of the community. They don't know how to, they think it's too cumbersome. They have big data, they go into the slums of a big city in Columbia, but they don't go and engage with a single mother of three. I understand why when they did the millennium development goals 23 years ago, and when in 2015 they launched the sustainable development goal, maybe the technology was not available. But today, everyone in the slum in Brazil has a WhatsApp number and a Facebook account.

Jessica Kantor: Aside from what you've just shared now, and aside from funding, what are some of the challenges that you've faced, or that you're currently facing, that you haven't been able to overcome or solve?

Dr. Martin Burt: Well, we need to have a better communication strategy and be well-funded so that it's not step-by-step, so we can have international conferences and feature the 800 practitioners in the 54 countries. But it's struggling. It's getting little money here for the Indonesia project and getting the other small money here for the Philippines project. This piecemeal approach just takes forever.

I have the patience of a saint, so I can go on this forever, but I know that we can go faster. We can go faster, so we need more press. That's why I love this opportunity to talk to you. We need more communications and we need better technologies. We would love to engage with more Silicon Valley geniuses to do this using more technology that adapts to different countries. Every country says, "Can we have the survey?" And we're a poor organization and a poor country, so we are slow to respond and we want this to one day be open source so that everybody can do it. But we don't know how to do that, so we need help.



Jessica Kantor: Aside from funding, what do you think that you need in order to build that model that would have a global impact in a continuous cycle?

Dr. Martin Burt: Well, funding and brains. Some heavy players from the Gates Foundation or from this or from that to engage us. We haven't been able to capture the imagination of the very big players yet. For example, one day I would love to be able to talk to people from Walmart and tell them we can have no poverty, where your workers can be green in everything. It's not hard.

Can you imagine that everybody working at Amazon, everybody working at McDonald's, everybody working in the shipping lines can be green in everything and the HR departments in each of these companies supporting the woman saying, "Well, I really don't see anything. I need to get my glasses. Okay, I'm going to make that my priority. And I know my daughter's been telling me this for a year. I will finally go to see the eye doctor and get myself glasses." If good vision is one indicator of poverty, the process of showing the woman that it is worth it and that she can do it and that we will support her.

There are mechanisms. Just like eyeglasses, there's a way to fix your bathroom and there are ways to learn how to make money. Actually learning how to make more money is easier than other indicators that have more to do with behavior and mental health and stuff like that.

Jessica Kantor: How do you see your work evolving over the next five years?

Dr. Martin Burt: We have received requests from many public schools in Paraguay to adapt a Poverty Stoplight to education. So we now have an education stoplight where we have a version for the students and for the principal and for the parent and for the teacher. The teacher asks, "I know my students' different learning styles: red, yellow or green. I communicate with the parents of my students: red, yellow or green. I know the different subject matter. Everyone does their dashboard and it's a self-improvement thing. We are piloting that.

We have a group at the University of California Irvine where I'm associated, who are doing the stoplight for trafficked people. So instead of being only top down policies to prevent human trafficking or to help trafficked people, empower the trafficked person to understand why she fell in the first place, what to do to prevent that, and how to report it. It's about empowerment. We're working with another student at Pepperdine University to do old age or senior citizens. So this self diagnosis has many opportunities, and technology today can help us a lot with this.

Jessica Kantor: Wonderful. Is there anything that we didn't cover that you feel is important to add from the perspective of other social change innovators, journalists or researchers who are going to be reading this interview and learning from it?



Dr. Martin Burt: Well, as my friend Ken Wilber said, perspective is rationality, and we have to learn how to understand other people's perspective and see where they're coming from and why they see the world in such a vision.

Jessica Kantor: Thank you so much for sharing your insights and perspectives with me today.

Jessica Kantor is an independent journalist specializing in health, human rights, and social impact. Her work can be found in Fast Company, Healthcare Quarterly, The Las Vegas Review-Journal, and others. She is a living kidney donor.

** This interview has been edited and condensed.*