Government overseas aid is no bar to individual giving

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Overseas development charities are highly dependent on donations from individuals. In this new study, researchers from the Universities of Southampton, Oxford and Cass Business School examined how the level of donations to overseas development charities has changed over time, what kind of people give money to such charities and their reasons for giving, and how government policy affects people's willingness to donate.

Findings show that donations to overseas development charities (excluding legacies) have grown at an average rate of 7.4 per cent per annum in real terms since 1978. "That far outstrips the growth rates of both household incomes and government aid to developing countries," researcher Professor John Micklewright points out.

Government grants to overseas development charities increased tenfold between 1978 and 1994. "These grants now represent a significant part of charities' total voluntary income which has led some to express concerns that these grants may result in individuals giving less as a response to government giving more," Professor Micklewright explains.

In fact, findings show that increased government grants to charities do not deter greater individual giving. Interestingly, researchers also found no evidence that private individuals reacted to stagnating government aid to developing countries in the 1980s and 1990s by giving more themselves. Nor is there any evidence that individuals have donated less since the sharp rise in government aid since the late 1990s. Indeed, a

new model developed by researchers to explain donation trends suggests that a 10 per cent change in household incomes produces about a 10 per cent change in donations, holding other factors constant. "This suggests that the current recession will not have the devastating impact on donations predicted in some quarters," Professor Micklewright states.

In terms of the overall impact of government policy on individuals' giving, findings highlight a very high degree of cynicism regarding politicians' messages and policies on overseas aid. In focus group discussions, participants credited the commitments made during the 2005 Gleneagles G8 summit to Bob Geldof and, to a lesser extent 'public will' and non-governmental organisations rather than to politicians.

'Participants were cynical about politicians' actions, seeing celebrities such as Bob Geldof and media pressure as forcing politicians' hands," Professor Micklewright points out. Moreover both donors and non-donors questioned the effectiveness of overseas aid, whether financed by the Overseas Development Agency or individual donations. Corruption and misgovernment in developing countries was a major concern.

"In view of this cynicism, it seems that we need to think of government policy and messages as a less forceful and less direct influence on decisions such as charity giving than many may think," Professor Micklewright concludes. The more positive influences on overseas giving - all of which seemed more influential than that of the government - included people having travelled overseas personally, the interventions of well-known non-political figures and celebrities, and the discovery by individuals of more direct and concrete ways of giving, for example, virtual gifts.

Source: Economic & Social Research Council (news : web)

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