

URL: <https://stvp.stanford.edu/clips/challenging-the-charity-model>

Samasource Founder Leila Janah discusses the many ways that jobs are a more effective and sustainable way to reverse poverty than traditional aid. Also author of the book "Give Work," Janah cites findings that earned income provides people with stability, community and dignity, while lessening an economy's dependence on international donors.



Transcript

- We've transferred a trillion dollars of development aid from rich countries to Sub-Saharan African alone, in the last 60 years.. And yet real incomes for the poorest people, in Sub-Saharan African have remained flat.. Something is really wrong with this picture, and I argue and most social entrepreneurs argue that there's a much better solution, and that's to move away from traditional charity, what often makes us feel good, but doesn't result in long-term, good outcomes for the people we wanna help, people like Ken, and think about ways we can empower that talent at the bottom of the pyramid, and give work, instead of giving aid.. This seems probably really obvious to you, that if it's possible, why wouldn't we give someone a job? But you would be shocked at how much our thinking, I think, has been shaped by the traditional charity model, and how often we do what feels good, what might make us get a little dopamine surge because we're giving someone a handout, and we see a smile on someone's face than what actually does good in the long run, and we now have increasing amounts of data that the best thing to do for low income people is not to give them stuff, but to ensure that they have income.. There have been a number of studies that have shown that when we give poor families income, they tend to spend that money on all the right things, on exactly the sorts of things that the most successful aid program would design, especially if we give that income to women.. Women are shown to reinvest 90% of their income in the health and education and well-being of their families and communities, so there's really no better aid program than providing work to low-income women.. So we can give income in two ways, right? We can give it directly as cash.. We have a fancy way of saying this, in the world of international development.. We call it direct cash transfers.. Or, better, we can give it in the form of work..

Work is beneficial for so many reasons, because not only do people get this influx of cash, which they tend, again, to spend on the right things, contrary to popular belief.. There's now lots of data, and if you go to our website, it's (mumbling), you can find it, but in addition, work gives people stability.. Work gives people a community, and work gives people dignity, a feeling that they're contributing, as equal partners.. When someone earns an income, they're engaging in a relationship, in a transaction, and I think that's a really powerful thing, especially for someone like Ken, who's been denied the chance to work in the formal economy.. There's one other thing that work does, which is really interesting, and not always very intuitive, which is that work builds more stable economies.. Imagine if you govern a poor country in Sub-Saharan Africa.. Where's your budget coming from, to govern the country? Well, in many cases, it's coming from outside the country.. It's coming from foreign donors.. So ultimately, if you govern that country, who are accountable to? Well, if you follow the money, you're accountable to people outside the country.. You're not accountable to your own people, who can't afford to pay taxes..

And what this does is this creates a really corrupting influence of foreign aid money.. A much healthier relationship between people and their government is built when people earn money, when that money is taxed, and then, at least a semblance of a social contract exists between people and government.. Now, obviously we know that that social contract is not perfect.. We have lots of issues with it here in the US, but even the expectation that government is making money from my income, therefore, government should be accountable to me is really powerful, and I can't stress enough how many people like Ken never get that feeling of empowerment, because they perceive that there's no accountability there.. So giving work is really important, at the individual level, at the family level, and we're now seeing, increasingly, at the societal level..