

Should each cent go directly to the people in need?

Between donors and beneficiaries there are usually organisations in high-income countries which collect, administer and distribute donations. They incur costs which are then deducted from the donations. Not exactly ideal, wouldn't you agree? Why is it that not every cent gets through to those in need?

The fight against global poverty is only possible if big organisations with trained professionals take part in it. These organisations are able to coordinate and monitor long-term programmes and improve them by means of evaluations. Overhead costs serve the purpose to guarantee professionalism, to allow for transparent reporting and to collect more donations.

There are small organisations who are able to pass the donations directly to people in need thanks to voluntary work. Ideally they have experts at their disposal who ensure the sensible use of funds and monitor the projects. However, the impact radius of small organisations is limited.

Future generations will not measure today's efforts by how much money we will have spent on overhead costs. On the contrary, the question will be if we have made any progress in the fight against poverty. We should therefore not only ask about the overhead costs, but rather what contribution an organisation makes to the global fight against poverty.