

# Discrepancies in aid and development workers' salaries

## Research Summary

According to the 2005 Paris Declaration on Aid Effectiveness, local workers and expatriate workers should be on similar pay scales. However, expatriate aid workers worldwide are paid more than local colleagues. Project ADDUP (Are Development Discrepancies Undermining Performance) tested the impact of this discrepancy on local workers' motivation in the health, education and business sectors of six countries: Malawi, Uganda, India, China, the Solomon Islands and Papua New Guinea.

The project, which is led by Massey University and Trinity College Dublin, found that dual salaries perpetuate dominance and injustice, and undermine pride. They lead to poverty not capacity-building in low-income countries.



## Impact

The project ADD-UP (Are Development Discrepancies Undermining Performance) has broken the silence on the taboo subject of dual salaries in aid projects. Although the 2005 Paris Declaration on Aid Effectiveness, called for the alignment of workers' salaries, the project revealed that on average, expatriate aid workers get four times more money than local employees for doing a similar job. The study has shown that it is not a question of different levels of experience or skills but rather that expatriates simply originate from higher income economies.

The project made a convincing case for the need for change by bringing together an inter-disciplinary research team from ten different countries, who talked to over 1300 professional workers and community

representatives from 200 aid, government, educational and business organisations. As a result of the research, Project ADD-UP has been instrumental in setting-up the first global task force to tackle the issue.

This task force – The Global Task Force for Humanitarian Work Psychology – is an international network of researchers and practitioners from lower, middle and higher income countries. They are working together to promote and build capacity in lower income countries. They are doing this by applying humanitarian principles in work settings through multilateral bodies such as the United Nations and the International Labour Organisation, as well as policy think-tanks like OECD.

The Task Force has just made its first full submission to the United Nations, through the UN's call for fresh perspectives on *Keeping the Promise* (UN, 2010). It argues that the role and impact of organisations and organisational cultures should be given much more attention. It suggests that the organisational level of analysis has been forgotten in the development equation, falling between the two stools of macro-economic policy at the sector level and micro-psychological analysis at the individual level. But the data from Project ADD-UP shows that organisations, in themselves, can be points of critical intervention to enable a fair day's pay for a fair day's work and to promote the perception of greater work justice and equity.

As part of its agenda, the Task Force is working with two major international NGOs to streamline the project process and to reflect the Task Force's mission – the Millennium Development Goals from the UN's latest publication *Keeping the Promise* – which calls for greater attention to organisations and the human factors in them.

The findings from the project have also inspired a ground-breaking new book, *The Aid Triangle: Recognizing the Human Dynamics of Dominance, Justice and Identity*, which was published in May 2010. They are also set to appear in the peer-reviewed flagship journal of the International Union of Psychological Science, the *International Journal of Psychology* (2010).

The researchers presented their work in keynote addresses at development-related conferences and a range of workshops. These included the Annual Global Development Network meeting (2008) and the Psychology Serving Humanity Conference in Cape Town, organised by the International Union of Psychological Science.

## Key Findings

- Expatriate workers get paid much more than local workers. In the Oceanic Nations, landlocked nations and emerging economies, expatriate salaries were respectively nine times, three times and twice as high as local workers' salaries.
- The dual salary policies leave locally-salaried workers below the poverty line.
- Technical cooperation is impeded by a sense of injustice and the comparative disadvantage that is part of dual salary systems.
- The disparity in salaries results in a keen sense of injustice amongst locally paid workers. This is coupled with de-motivation at work and low job satisfaction levels, leading to a desire to work abroad and contributing to local brain drain.
- There are a range of technical options for enhancing equity that include having career plans, performance appraisal and job evaluation. These can help to break the concrete ceiling that dual salaries represent.
- Organisations play a key role in workers' sense of identity and worth, in making pay and benefits fairer and improving human services, productivity and poverty reduction itself.
- Workplace human dynamics can have repercussions on the macro-level of country economics, politics and society.

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## Pathways to Impact

- 2 March 2005: The Paris Declaration is agreed. Over one hundred Ministers, heads of agencies and other senior officials agree to commit their countries and organisations to continue to increase their efforts in harmonising, aligning and managing aid.
- March 2007: A three-year research project is funded by the prestigious Joint DFID-ESRC Scheme for Research on International Poverty Reduction. It is led and jointly co-ordinated by Professor Stuart Carr, Poverty Research Group, Massey University, New Zealand and Professor Mac MacLachlan, Centre for Global Health, Trinity College Dublin, Ireland. The project explores the effects of aid salary discrepancies in the health, education and business sectors of six countries: the landlocked economies of Malawi and Uganda; the transition economies of India and China; and the island economies of the Solomon Islands and Papua New Guinea.
- 24-25 June 2009: Inaugural meeting of the Global Task Force for Humanitarian Work Psychology, in London.
- 16 March 2010: The Task Force submits its first full submission to the United Nations through its call for fresh perspectives on *Keeping the Promise*. The data from Project ADDUP clearly suggest that organisations can be points of intervention to enable a fair day's work for a fair day's pay.
- April 2010: Release of the 1999 PNG-Australia Development Cooperation Treaty Review.
- June 2010: Release of the book *The Aid triangle: recognising the human dynamics of dominance, justice and identity* inspired by the project and authored by Professor Mac MacLachlan, Professor Stuart Carr and E. McAuliffe (Zed Books, New York and London).
- 02 July 2010: The United Nations submission is accepted.
- 15 July 2010: Launch of the global special issue on psychology and poverty reduction at the International Congress of Applied Psychology in Melbourne, Australia.
- September 2010: Release of the special issue *Remuneration discrepancies and poverty reduction: Elephant salaries in the International Development Parlour*, (*International Journal of Psychology*, as part of the Global Special Issue on Psychology and Poverty Reduction).

## Further Information

Aid salary discrepancies and development workers' performance:

[www.esrcsocietytoday.ac.uk/esrcinfocentre/viewawardpage.aspx?awardnumber=res-167-25-0169](http://www.esrcsocietytoday.ac.uk/esrcinfocentre/viewawardpage.aspx?awardnumber=res-167-25-0169)

Project ADD-UP: [poverty.massey.ac.nz/#addup](http://poverty.massey.ac.nz/#addup)

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Department for International Development (DFID)

[www.dfid.gov.uk](http://www.dfid.gov.uk)

The Global Task Force for Humanitarian Work Psychology

[www.global-health.tcd.ie/news/index1.php](http://www.global-health.tcd.ie/news/index1.php)

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