

Effective Altruism Foundation



Using evidence to fight poverty

The 1% initiative by the Effective Altruism
Foundation

The initiative

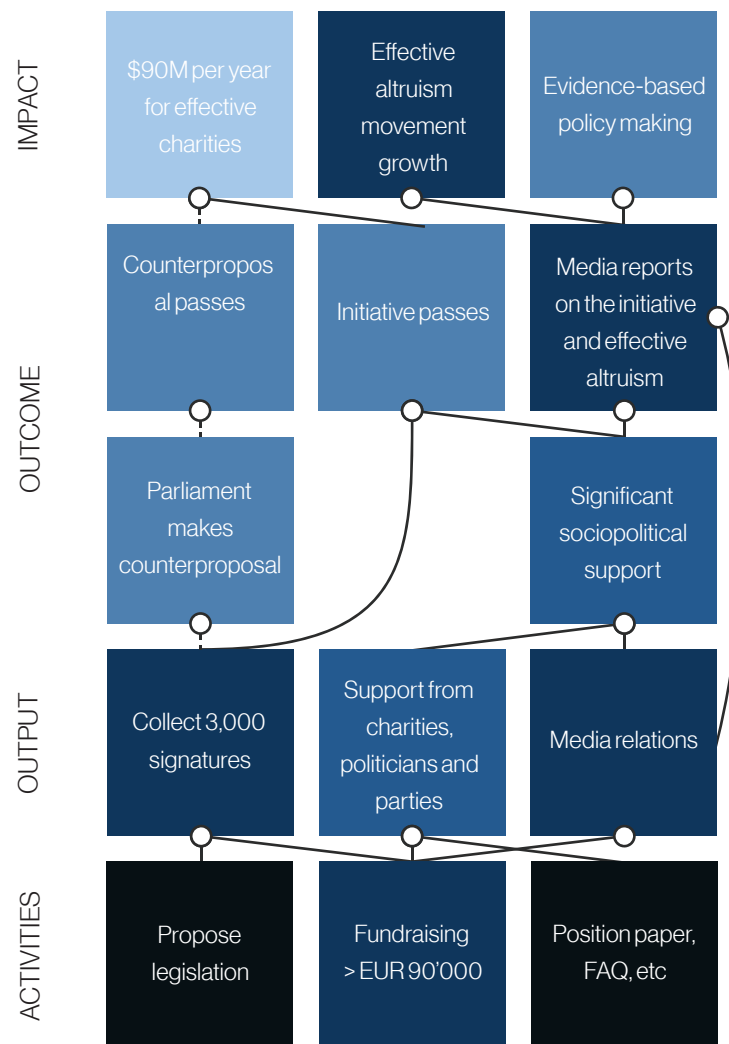
How can we fight global poverty on a political level? A unique opportunity is offered by Switzerland's direct democracy, wherein anyone can ask for a legally binding vote on any topic – simply by collecting signatures on a popular initiative.

The Effective Altruism Foundation has just launched one such initiative in the city of Zurich, asking for 1% of the city's budget to be donated to highly effective global health charities. The city's budget amounts to about USD 9 billion, which means the city would potentially donate **USD 90 million per year to highly effective charities.**

We believe the initiative presents an extraordinary funding opportunity for donors interested in meta-charities, due to its fundraising and movement-building potential.

\$9 billion x 1% = \$90 million per year → **\$30 million**
 Zurich's budget Annual funding for effective charities Adjustments Total expected value of initiative

Theory of change



More likely Less likely

Fundraising benefits

The base rate for popular initiatives passing is about 11%. We think our initiative has a similar chance of success. On the one hand, the monetary amount we ask for is quite significant and would likely cause a tax increase. On the other hand, the city of Geneva already has a very similar law with 0.7% of its budget being allocated towards global development charities, and the city of Zurich's parliament has a strong leftist majority and voting behavior is usually very progressive. After taking into account a variety of factors, we think the success probability of the initiative is about 9%. According to our analysis, the city's potential future funding for global poverty charities is equal in value to a USD 350 million donation to GiveWell charities in 2016 (discounted and adjusted for suboptimal implementation). Therefore, the initiative's expected impact will be equal to fundraising **USD 30 million for GiveWell-recommended charities**. Even if the initiative is rejected, some of the ideas may still be implemented by the government, as is often the case with similar initiatives.



Movement building benefits

The initiative will cause extensive media coverage and spark a public debate about effective altruism and evidence-based foreign aid, as is usual for novel ideas presented in popular initiatives. Moreover, information on the referendum – including arguments for effective altruism itself – will be mailed to all 400,000 citizens of the city of Zurich. Many voters read the information carefully before casting their vote.

The public discussion sparked by the initiative will be valuable in and of itself in two ways: First, it will increase awareness of effective altruism, causing new people to join the movement. Second, it will increase public awareness of cost-effectiveness analysis and evidence-based policy making, leading to better practices at private and public institutions, both in aid and elsewhere.

These benefits do not depend heavily on the actual outcome of the referendum; rather, they are mostly guaranteed to occur as a by-product of the initiative itself. We believe that the movement-building benefits alone would make the initiative a worthwhile project.

Budget and room for more funding



The cost for launching the initiative will be comparatively low. Even though the city of Zurich accounts for 5% of Swiss population and 10% of Swiss GDP, just 3,000 signatures are needed to launch the initiative. This puts the expected cost for launching the initiative and campaigning at roughly **USD 100,000**, most of which will be payroll expenses. As of late August 2016, we're still looking to raise the entire amount from donations.

Total cost of the initiative:
USD 100,000

Cost-benefit analysis

Calculations: goo.gl/YdJRSJ



In terms of altruistic impact, how does the initiative compare to making a donation to GiveWell-recommended charities? Assuming there are no movement-building benefits, [our best estimate](#) is a multiplier (or "fund ratio") of 300. A pessimistic estimate would put it at 2, while an optimistic estimate would put it at 4,000.

We can thus realistically expect donors to be able to leverage their donation 300-fold by making a contribution towards the initiative. This estimate excludes all benefits from movement building, however, and the true multiplier will likely be even higher.

Expected donation multiplier:
300x

Further information

Proposed Legislation (Translated)

Municipal Code of the city of Zurich, article 2 septies:

- 1 The city will use one percent of its budget to support highly effective interventions in the field of international development cooperation.
- 2 These funds are to be disbursed cost-effectively so as to help as many individuals as possible, with a particular focus on global poverty and health care. The choice of intervention will be guided by independent scientific research, in particular randomized controlled trials conducted by development economists.
- 3 The City of Zurich shall commit the Canton of Zurich and the Federal Government to increase its Official Development Assistance (ODA) budget to one per cent of gross national income.

Support us now

Please make your contribution to the following bank account:

Beneficiary: Effective Altruism Foundation, Efringerstrasse 25,
CH-4057 Basel, Switzerland

IBAN EUR: CH20 0023 3233 1775 4560 D

IBAN USD: CH79 0023 3233 1775 4561 F

IBAN CHF: CH67 0023 3233 1775 4501 N

IBAN GBP: CH08 0023 3233 1775 4562 T

BIC / SWIFT: UBSWCHZH80A

Bank: UBS Switzerland AG, Aeschenvorstadt 1, CH-4051 Basel,
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Efringerstrasse 25, 4057 Basel