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Civic Service and Asset Building in Generating Livelihoods Among Youth in Africa

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Civic Service and Asset Building in Generating Livelihoods Among Youth in Africa

Given high rates of unemployment among African youth, civic service offers a promising strategy for preparing young people for the labor market. Despite its potential, a lack of service opportunities, incentives, and competing livelihood needs, frequently prevent young people from volunteering. This paper reviews the debate on financial remuneration for volunteering, and describes innovative “hybrid” ways to incentivize and support young volunteers. These approaches offer the potential to build financial assets during service in the form of savings, stipends, and microenterprise credit or education awards. This paper highlights programs in several regions of Africa where similar approaches have been piloted. It proposes a way forward to promote “innovative financial inclusion” and improve access to financial services among young volunteers.

Key words: *volunteering, civic service, savings, youth*

Background

As of 2009, youth aged 15 to 24 years constitute about 37% of the employable population in Africa. However, around 60% of youth are unemployed, with a youth-to-adult unemployment ratio of around one to three (World Bank, 2009). While there are many structural reasons for high youth unemployment in Africa, employment is not only contingent upon how well the labor market is prepared to receive them, but also on how well youth are prepared for the labor market.

A promising strategy for preparing young people for the labor market is a period of civic service which can serve as a launch pad for future employment and positive youth development (Mbithi, 1972; Moleni & Gallagher, 2007). Service builds human capital by introducing youth to work competencies and practical vocational and professional experience (McBride, 2009; Watters, 2008). It can also strengthen social capital and work contacts, and may expand career options as volunteers increase their exposure to organizations and market institutions (Haski-Leventhal & Bargal, 2008; Patel, 2007).

Civic service has appeal among young people. Research with young people in Africa suggests that many believe that service can enhance their opportunities for gainful employment. In a cross-comparative study of volunteering in the Southern African Development Community (SADC) countries, Patel found that volunteers’ service goals are most strongly oriented towards developing sustainable livelihoods, developing skills, and increasing pathways to employment (2009). These young volunteers also indicate that receiving training and education free of charge can help them develop skills and gain work experience to increase “a chance for employment after,” a key motivating factor for engagement (Mbithi, 1972; Patel, 2009).

While civic service has the potential to increase employability of youth, a lack of service opportunities, lack of incentives to participate, along with competing livelihood needs, frequently

prevent young people from volunteering (Campbell, Gibbs, Maimane, & Nair, 2008; Gibbs, Campbell, Maimane, & Nair, 2010).

Remuneration of volunteer work

Approximately 75% of youth in Africa live on less than \$2 per day (World Bank, 2009), and most cannot afford the luxury of taking time off to volunteer without some form of remuneration. Economic realities may necessitate some form of financial assistance to youth volunteers (Mbithi, 1972; Wilson, 2007). Youth who are early in the process of developing marketable skills are reluctant to take time away from schooling and potential work opportunities to volunteer without remuneration (Gibbs et al., 2010). For example, in cases where youth begin volunteering, the need to find gainful employment is cited as a primary reason for dropping out (Kironde & Klaasen, 2002). “Programmes looking for volunteers or employers offering the chance to obtain unpaid work experience are unlikely to be attractive options for the youth in South Africa” (Watters, 2008). This may be true for programs that fail to provide stipend support for young volunteer or for those programs that fail to make a tangible connection between volunteering and future employment. Programs that aim to attract young volunteers in Africa may need to be creative in appealing to the very real needs that young people face in the context of resource constraints (see Wilson, 2007).

Stipends are one approach that may increase civic service among youth in Africa. For example, the African Union Youth Volunteer Corps (AU-YVC) follows a stipend model. Officially launched in Nigeria on December 3, 2010, AU-YVC is founded on the premise that youth can make a significant contribution to peace and security as they volunteer in another African country. The program claims that young volunteers can increase their knowledge of, and respect for, diversity while fostering a culture of dialogue and mutual understanding across the 54 countries in the African Union. Any young person of African descent between the ages of 21 and 35 is eligible to participate—though they must have a post-secondary degree or an equivalent technical certification. Volunteers serve for one to two years and receive a monthly stipend of 500 USD, along with medical and health insurance, an initial settlement allowance, and travel tickets to and from their home country (Etim, 2011). As of early 2012, around 100 volunteers had been deployed, and demand from both volunteers and requesting member states are higher than can currently be met.

Another program in Nigeria, requires university graduates to engage in public service for a year in return for small stipends and other in-kind contributions. Dr. Victor Fodeke trains young people who are registered in Nigeria's National Youth Corps to educate and empower citizens in local neighborhoods and communities to manage the environment. Youth volunteers are integrated into local communities where they enlist others to help reduce air, water, and oil pollution and take measures to reduce desertification and land erosion.

Even relatively small financial incentives may increase volunteering because there are other perceived benefits for volunteering. For example, researchers find that in addition to the attractiveness of stipends, youth in Malawi also place a high priority on, “non-monetary benefits...that provide training to enhance their future livelihoods, such as improving literacy levels, income-generation, and vocational and life skills” (Moleni & Gallagher, 2007). In a study in South Africa, hope for eventual remuneration was the strongest motivating factor driving youth to join the program—followed by a desire to help, to fill spare time, and to gain work experience (Kironde & Klaasen, 2002).

Despite the potential benefits, remuneration or compensation for volunteer work is controversial because some observers think it “weakens the volunteer spirit” and creates dependency among low-income volunteers (Kironde & Klaasen, 2002; Wilson, 2007). However, proponents suggest that this criticism of remuneration reflects the views of civic service in the Global North. It does not reflect the economic and cultural realities in Africa where service is seen as a reciprocal act where both the volunteer and recipients benefit (Moleni & Gallagher, 2007; Patel, 2009). As Leila Patel writes:

The argument that service should not be accompanied by incentives does not take account of the socio-economic and political realities of poor countries where young people have limited opportunities to improve their life chances. These realities shape the conceptualization of service in the African context as beneficial for both servers and beneficiaries (2009).

Building assets and financial capability; generating future livelihoods

Given the debate surrounding financial remuneration, there may be other innovative “hybrid” ways to incentivize and support young volunteers. One promising approach is to provide small financial incentives aimed at developing future livelihoods.¹ Volunteering would build work experience at the same time as it would generate assets and financial capability for future development. While youth are engaged in productive volunteering work, simultaneously they would build their financial assets in the form of savings, stipends, microenterprise credit, education awards, or other small financial incentives for developmental purposes. They would also be building their financial capability as they become linked to the formal financial services sector and learn how to manage and plan for their small investment.

Research suggests that building assets can generate financial security and, at the same time, create an orientation toward the future (Elliott III, 2009; Masa et al., 2010; Scanlon & Adams, 2008; Sherraden, 1991). Financial capability—or financial knowledge and skills and access to financial services—gives youth the ability to “understand, assess, and act in their best financial interest” (Johnson & Sherraden, 2007; Sherraden, forthcoming). A small financial stake and the skills to manage and plan financially may help young people envision a more positive future, and at the same time motivate youth to engage further in civic service (Yadama & Sherraden, 1996). Investing in experience and a future orientation are key predictors of future success for youth (Nurmi, 1991; Pulkkinen & Rönkä, 1994).

To gain a sense of the potential impacts of assets on youth, a number of pilot projects that established bank savings accounts for youth in Africa are worth noting. In Kenya, the Tap and Reposition Youth (TRY) project demonstrates that young women save when given the opportunity, and that these savings contribute to their overall well-being (Erulkar & Chong, 2005). After opening a savings account, TRY participants had higher income, savings, and assets compared to non-participants, despite comparative status before opening an account (Erulkar & Chong, 2005). In addition, young women in the TRY program also reported feeling more empowered, and

¹ “A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base”. Definition from Chambers, R., & Conway, G. (1991).

Sustainable rural livelihoods: Practical concepts for the 21st century. Brighton, UK: Institute of Development Studies. p. 6

demonstrated greater knowledge of reproductive and sexual health following their participation (Erulkar & Chong, 2005).

In Uganda, the SEED/SUUBI project found similar results. In a randomized clinical trial, vulnerable youth who had lost one or both parents to HIV/AIDS contributed money to a bank savings account when provided with an incentive in the form of a savings match (Ssewamala & Ismayilova, 2009). SUUBI youth gained a more positive view of saving money, were more confident that they would pursue education in the future, and were more likely to earn better grades than non-participants (Curley, Ssewamala, & Han, 2010). In addition, participating youth reported higher self-esteem and better health compared to non-participants (Ssewamala, Han, & Neilands, 2009; Ssewamala & Ismayilova, 2009).

Several other studies of youth savings accounts are underway in Africa. The YouthSave Project, supported by The MasterCard Foundation, aims to understand how Youth Development Accounts as a means of financial inclusion can affect youth development and empowerment in developing countries. In one study of microsavings in Uganda, combining financial education with savings accounts has led primary children to become more averse to risks, and these children are more likely to shift their savings towards schooling (Berry, Karlan, & Pradhan, 2012). The Institute of Statistical, Social and Economic Research (ISSER) in Ghana and the Kenya Institute for Public Policy Research & Analysis (KIPPRA) are two leading organizations that are investigating whether these programs are successful at enhancing the livelihoods of young volunteers (Center for Social Development, Institute for Statistical Social and Economic Research, Kenya Institute for Public Policy Research & Analysis, New ERA, & Universidad de los Andes, 2012).

Building assets and financial capability through civic service

Programs that combine service and assets have been piloted in several regions in Africa. For instance, small projects in Gambia, Cape Verde, and Lesotho have established volunteer youth corps and provided the volunteers with microcredit and mentorship in order to start pilot environmental projects. Stakeholders claim that these projects have the potential to teach volunteers business skills, while also reducing unemployment and protecting the environment (Touray, 2006). In Zambia, the Zambia National Commercial Bank has begun a project that uses a peer education model involving volunteer youth to increase young people's understanding of basic finance and to apply this knowledge towards banking, borrowing, saving, and developing a personal financial plan (Wijeyesekera, 2011). Moleni and Gallagher also cite a successful youth service program in Malawi that provides targeted skills training to increase competitiveness on the job market while "also linking up with livelihood and economic development programs, so that servers are equipped with skills to become self-reliant" (2007).

Moving Forward

The G-20 has recently prioritized strategies that promote "innovative financial inclusion" to improve access to financial services amongst the poor (G-20, 2010). In connection with these goals, publically funded projects could be encouraged to combine civic service with savings and financial capability for low-income youth. One potential example, the Trees for Jobs program, a current initiative of the Ministry of Youth and Sports in Kenya, could expand their services as part of a demonstration project to provide matched savings accounts, education awards, microenterprise

credit, or other remuneration to young volunteers who plant trees or vegetables in idle government lands or other rural areas.

The AU-YVC is another promising and progressive model that enables youth volunteers across Africa to make a significant contribution to peace and development. However, greater resources are needed in order to meet the high demand from volunteers and participating member states. In addition, comparative programs are needed to help develop skills in young people who have not yet received a post-secondary degree or technical certification. In consideration of previous findings that savings accounts increase educational goals and future orientation (Curley et al., 2010), demonstration projects that include education awards and financial savings accounts may be particularly beneficial to youth who have not yet begun higher education.

Opportunities for public-private partnerships could also be encouraged. The private sector may introduce more opportunities for volunteer placements in NGOs or businesses to encourage employment skill development. These volunteer placements could include a small financial stipend, and could be matched with public funds as an incentive for participation. Similar to internships and other preparatory posts, it is likely that volunteer placements in the private sector could lead directly to employment within the organization.

Combining financial capability and savings with volunteer service programs can be an effective strategy to help young people gain the real-life skills and experience needed to secure future employment. Despite the practical learning associated with volunteering, it is unlikely that young people in Africa will be able to participate and engage without financial incentives and support. Programs that combine service and assets can provide small financial incentives to volunteer while also developing future livelihoods of young people.

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