



The economic value of volunteering

by Andreea Melania Nagy

Andreea.nagy@cev.be



When the subject of volunteering arises, the first thing that comes to mind is the altruistic, spontaneous, freely given and socially driven features of volunteer activity. But what if we focused on the economic value of voluntary actions? What are the reasons for measuring the economic benefit of a sector that implies unpaid work? How can we even go about estimating this economic value?

Volunteering is, in fact, a critical worldwide resource which enhances the growth of communities, solidarity and mutual understanding between individuals, generating positive change in numerous social and environmental areas. Millions of volunteers invest their time – free of charge – to bring about change. But how many volunteers are there in every country? Who are they? What do they do? What is the value of the time they donate? And to which parts of the economy are they contributing? How does this compare among countries around the world?

The lack of solid, comparable data about volunteer work makes it difficult to answer these questions, to gauge the progress of volunteers or to effectively promote and support this resource. What little data we do have, however, indicates that volunteer work is an enormous economic resource.

The ninth most populous country in the world

For instance, 2004 findings from the Johns Hopkins Comparative Non-profit Sector Project, which gathered data on 37 countries, revealed that when

measured in purely economic terms volunteers account for 44% of the full-time equivalent workforce of the world's non-profit organisations. Even when conservatively estimated, the value of these volunteer contributions around the world outweighs the value of all cash donations by individuals, corporations and foundations combined, and by a factor of nearly three to one. Furthermore, if the volunteers from the 37 countries in the Johns Hopkins study were a nation, they would be the ninth most populous country in the world and contribute well over \$400 billion to the global economy. Unfortunately, these figures represent a one-time look at volunteering, are out of date and until recently there was no method of updating them on a regular basis. And although efforts to measure volunteering, to determine its character and the extent to which it builds added value, have been taken in a few countries, the data registered cannot be compared due to differences in the definitions of volunteering and measurement methods used.

These figures tell us volunteering is a resource that should not be undervalued simply due to a lack of common methodology of measurement and assessment. Though the philanthropic nature of voluntary action may cause people to overlook its economic relevance, measuring the economic value of volunteering is important. Doing so not only represents a fundamental way of demonstrating its importance to society in general and to economies in particular, it also provides a useful way of bringing the value of volunteering to the attention of



government officials and policy makers. We need to measure volunteering and its economic value in order to:

- demonstrate the immense contribution that volunteers make;
- validate the work that volunteers do;
- provide a basis for gauging the effectiveness of volunteer promotion efforts;
- encourage governments to take volunteering seriously;
- foster supportive policies;
- increase the visibility of an aspect of the labour force excluded from labour statistics;
- clarify the economic impact of volunteering.

Compare and contrast

In recognition of the importance of generating consistent, comparable statistics that can be used to illuminate the above-mentioned aspects of volunteer work, the International Labour Organization (ILO) approved on 23 March 2011 the first-ever official 'Manual on the Measurement of Volunteer Work' (hereinafter, the ILO Manual), which establishes a common procedure for national statistical agencies to use when regularly measuring the amount and economic value of volunteering.

This ILO Manual, drafted by the Johns Hopkins Center for Civil Society Studies in collaboration with the ILO and an international Technical Experts Group, contains the first internationally accepted definition of volunteering and internationally applicable approach for gathering official data on the amount, character and value of volunteering.

The ILO Manual calls on national statistical agencies to measure the amount and economic value of volunteering by adding a few questions to their existing labour force or other household surveys. Implementation of the methods in this manual can thus produce comparable cross-national data, which will offer countries a common ground to assess and compare volunteering levels, and target volunteer promotion activities accordingly.

The Johns Hopkins Center for Civil Society Studies, the European Volunteer Centre (CEV) and the Volunteer Support Centre of the Lazio Region (SPES) have joined their efforts to launch the European Volunteer Measurement Project in order to foster the implementation of the ILO Manual in the European Union member states. Thus, hopefully, an important legacy of the European Year of Volunteering 2011 will be the establishment of the ability to measure European volunteering and to understand volunteers' contributions in economic terms.

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What are we talking about?

Volunteering is defined as 'unpaid non-compulsory work; that is, time individuals give without pay to activities performed either through an organisation or directly for others outside their own household'. The key elements/characteristics of volunteering under this definition are:

- 1 unpaid – However, some forms of monetary or in-kind compensation, such as reimbursement of expenses, may still be possible without violating this feature of the definition.
- 2 non-compulsory or non-obligatory – People engage in these activities willingly, without being legally obligated or otherwise coerced to do so. Social obligation, such as peer pressure, parental pressure or expectations of social groups, however, does not make the activity compulsory.
- 3 embraces both volunteer activities directly for other households ('direct' volunteering) and volunteering done for or through not-for-profit institutions or other types of organisations ('organisation-based' volunteering).
- 4 does not include work done for members of the volunteer's own household.

The gathered data will gauge the number of people engaged in voluntary work, the amount of time invested, details about the kind of activity in which the volunteer is involved, the setting of the work itself (not-for-profit organisation, business or government) and the field in which the volunteer work is performed. The statistical agencies following the ILO Manual recommendations will then use the 'replacement cost approach', assigning to the hours of volunteer work what it would cost if a paid staff member was appointed to do the work that the volunteer is doing.

A wider view

Of course, volunteering represents much more than an economic activity. On a day-to-day basis, volunteers make enormous contributions to the relief of suffering and the enhancement of quality of life around the world. Volunteering increases the self-esteem and skill base of volunteers, the sense of confidence and understanding within communities, the well-being of people and the richness of social life. Volunteering is also a crucial indicator of civic engagement and a vehicle for promoting democratic values and building a sense of community. The impact it has at an individual level and at the level of the community motivates people to get involved. While the social value of volunteering is often well recognised, its economic value is often overlooked. The widespread implementation of the ILO Manual's recommendations will remedy this imbalance, helping to increase the credibility and visibility of volunteering and equip policy makers with a clearer understanding of the contributions it can make. It is crucial for those interested in promoting volunteering to have a better grasp of all of the factors encouraging it or obstructing its growth.

Further reading

- Salamon, L., Sokolowski, W. et al (2004) *Global Civil Society: Dimensions of the Nonprofit Sector*, Kumarian.
- Statistics Canada (2006) 'Satellite Account on Nonprofit Institutions and Volunteering', Ottawa.
- The Johns Hopkins Comparative Nonprofit Sector Project (CNP), www.ccss.jhu.edu/index.php?section=content&view=9&sub=3&tri=7

