

## **Economic Commentary**

---

### ***The economic potential of volunteering***

May 2011

#### **Synopsis**

We traditionally see volunteers as ‘Good Samaritans’, motivated by a basic desire to help others, especially the more vulnerable. But there is another, economic dimension to volunteering, in that it also provides a means for people to gain knowledge, exercise skills and extend their social networks, leading to new or better employment prospects as well as personal development. Participation in voluntary and charitable activities therefore not only helps to strengthen solidarity and social cohesion but also contributes to skills development and the economy. This year marks the ‘European Year of Voluntary Activities Promoting Active Citizenship (2011)’, the aims of which include raising awareness of the importance of volunteering as well as helping voluntary bodies to improve the quality of their activities through encouraging networking with other sectors and organisations. There has never been a more important time for people to become involved in volunteering and there is scope for the new government in Ireland to assist in a process in which we can all be winners.

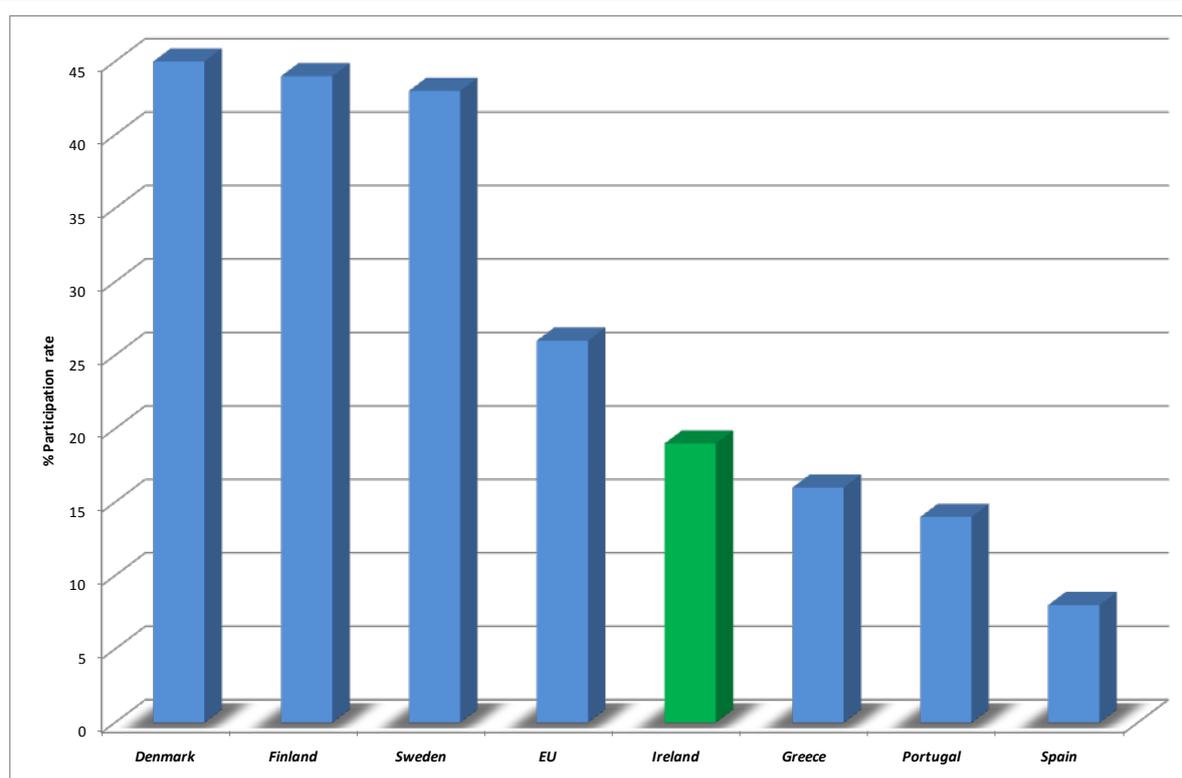
## The extent of volunteering in the EU and Ireland

According to a new study published by the European Foundation for the Improvement of Living and Working Conditions (Eurofound), an EU agency based in Dublin, over one-fifth of all Europeans aged 18 years or above participate in *formal* voluntary and charitable activities – that is, voluntary and charitable work performed in an organised manner, usually under the auspices of an organisation.<sup>1</sup> This amounts to over 80 million people living in the EU.

The highest rates of participation are found in Denmark, Finland and Sweden, where on average almost 45% of those aged 18 years or more participate in voluntary and charitable activities. On the other hand, in countries such as Spain, Portugal and Greece, the participation rate averages between 10% and 15%.

In Ireland, the participation rate is 19%, indicating that the extent of formal volunteering in this country is relatively low in EU terms.

**Figure 1: Participation in voluntary and charitable activities by EU Member State (%) – the EU27, Ireland and selected other Member States**



Source: Eurofound (2011) (see footnote 1).

Note: Statistical analysis of the second European Quality of Life Survey (European residents aged 18 years or over).

<sup>1</sup> 'Participation in volunteering and unpaid work', Eurofound 2011 (report available at: <http://www.eurofound.europa.eu/pubdocs/2011/02/en/1/EF1102EN.pdf>). *The Irish Times* special report on volunteering (May 9 2011) carried an article by Carl O'Brien based on the Eurofound report.

The facts suggest that more could be done to support the development of structured volunteering in Ireland. The election of the new government, and the 'European Year (2011)', together provide an important opportunity to grow this potentially important facet of our economy and society. Within the population, there may be a particular opportunity to develop youth volunteering.

According to other research, the economic value of volunteering is estimated to contribute towards 1-2% of national income in Ireland rising to as high as 3-5% in Austria, the Netherlands and Sweden, illustrating the potential importance of this sector to the economy.<sup>2</sup>

Other noteworthy findings highlighted in the Eurofound study include the fact that people with a high level of educational attainment are more likely to become volunteers and devote on average almost 2 hours per week more towards voluntary and charitable activities than those with lower levels of attainment. Men spend, on average, about one hour more per week than women on volunteering and this reflects the fact that sport constitutes the single biggest voluntary activity in Europe. The peak age for frequent volunteering is between 45 and 50 years and other research studies have found that participation in voluntary and charitable activities is associated with greater wellbeing and can lead to enhanced physical and mental health, particularly among those in retirement.

Another interesting feature of the Eurofound study are the insights it provides on people's views regarding the 'optimality' of their time spent on voluntary work or political activities. People reporting that they spend 'too little' time on voluntary work or political activities tend to be characterised by relatively low educational attainment, are time-poor, are more likely to be women and tend to be part of a household consisting of a couple with children.

This aspect of the study illustrates that volunteering and unpaid work activities – which include cooking and housework, caring for and educating children and looking after elderly or disabled relatives – tend to be substitutes and this in turn helps to account for the fact women tend to be less frequent volunteers than men (while spending on average twice as many hours a week on unpaid work activities).

## Policy pointers

The 'European Year (2011)' provides a unique opportunity to raise awareness of the importance of volunteering across the EU. The events, programmes and campaigns during the year will serve as platforms for the exchange of good practice and valuable information, helping to overcome some of the barriers that exist – for example, in countries with less tradition in formal or organised volunteering.

As shown in some Member States where the extent of formal volunteering is relatively high, voluntary activities can play an important role in a broader context: in providing and sustaining good quality social services through more volunteers being involved both as service providers and as persons helping in users' assessment of services. A key challenge is how to provide adequate

---

<sup>2</sup> 'Volunteering in the European Union', GHK Consulting (2010) (report available at: [http://ec.europa.eu/sport/news/news900\\_en.htm](http://ec.europa.eu/sport/news/news900_en.htm)).

professional guidance and supervision for volunteers, which will allow them to support the provision and delivery of these services.

The Eurofound study points to a need to lift existing barriers serving to discourage less skilled people from volunteering. Such barriers may include demanding entry requirements, such as requiring too specific a skill-set for instance, and specification of overly strict regulations, for example in terms of insurance requirements.

When exchanging good practices, it could therefore be useful to focus on voluntary activities that require lower skills levels and/or less specific skills; in addition, skills development practices aimed specifically at preparing potential volunteers could be valuable.

At the same time, practical arrangements are needed for more recognition of those experiences and skills gained during voluntary work. In this respect, the publication in 2009 by the European Centre for the Development of Vocational Training (Cedefop) of European guidelines on the validation of non-formal and informal learning is a noteworthy initiative.<sup>3</sup>

A number of countries have the practice of validation of non-formal and informal learning in place and others have established arrangements to do so. Such initiatives in respect of recognition of prior learning (RPL) could help those currently out of work and/or with low educational attainment to be integrated into the labour market. As noted recently by the Expert Group on Future Skills Needs (EGFSN),<sup>4</sup> “good experience of RPL practice has been built up in Ireland, however, largely *ad-hoc* or project based to date”. The EGFSN notes a range of RPL stakeholders in Ireland – but they do not also include voluntary organisations.

Although the significance of voluntary work experience is widely recognised in public employment services, greater promotion of volunteering opportunities at job centres, work clubs and resource centres would be required to help the unemployed with training and getting back to work.

In this way, participation in voluntary and charitable activities, and gaining recognition for such participation, can be seen as forming part of ‘lifelong learning’, which is increasingly being seen as a key driver of employment, skills development and sustainable economic growth. The link between volunteering and the lifelong learning process represents a potentially significant and attractive means of encouraging more people to become involved as volunteers during the ‘European Year (2011)’ and beyond.

---

<sup>3</sup> [http://ec.europa.eu/education/lifelong-learning-policy/doc52\\_en.htm](http://ec.europa.eu/education/lifelong-learning-policy/doc52_en.htm).

<sup>4</sup> ‘Developing Recognition of Prior Learning (RPL)’, EGFSN/Forfás, April 2011 (<http://www.skillsireland.ie/publications/2011/title,7690,en.php>).

## About the series

PMCA Economic Commentaries aim to provide independent economic analysis and insightful views on a wide range of developments in economics nationally and internationally, in a jargon-free manner. Articles are available at no cost.

### PMCA ECONOMIC CONSULTING

30 Pembroke Street Upper

Dublin 2

Ireland

Tel: +353 1 234 2507

Fax: +353 1 234 2400

Email: [ecs@pmca.ie](mailto:ecs@pmca.ie)

Website: [www.pmca.ie](http://www.pmca.ie)