CHANGING PATTERNS OF STATE FUNDING FOR INTERNATIONAL VOLUNTEERING
a discussion paper for the 2011 IVCO conference

INTERNATIONAL FORUM ON DEVELOPMENT SERVICE
(FORUM INTERNATIONAL DU VOLONTARIAT POUR LE DÉVELOPPEMENT)
Foreword

This is the seventh in a series of discussion papers produced by the International FORUM on Development Service (FORUM), which follows on from our research work on trends in international volunteering and co-operation in recent years. One of the key trends identified in this time has been how changing patterns of State funding affects us as International Volunteer and Co-operation Organisations (IVCOs).

This paper aims to consider some of the implications of changing patterns of State funding, what we can learn from this and identify some challenges for the future.

The views expressed in this paper are not necessarily those of FORUM or its members/Associate members or of the organisations for whom the authors works. The responsibility for these views rests with the authors alone.

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About FORUM

The International FORUM on Development Service (known as “FORUM”) is the most significant global network of International Volunteer Co-operation Organisations. FORUM aims to share information, develop good practice and enhance co-operation and support between its members/Associate members. Together, FORUM members/Associate members explore innovative practice and research key contemporary issues, focusing on organisational learning and improved practice. This information is shared in person, at conferences and via the website.
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Introduction

As governments reach towards the United Nations’ target of investing 0.7% of GNP on development aid by 2012, most donor and “emerging donor” countries fund international volunteer service (IVS) programs as one component of bilateral aid. To the degree that volunteers are able to provide technical assistance to low-income countries, international volunteer service (IVS) is considered a legitimate form of in-kind development aid, as well as a human resource to help administer development assistance programs. Although government funding of IVS programs remains a slight portion of all official development aid (ODA) spending, it appears to be growing in many countries—as illustrated below.

Government decisions to increase funding for IVS programs are often couched within discussions about “smart aid” and “soft power” alternative aid approaches. Soft or smart power tactics are foreign policy strategies that help to achieve a nation’s goals without resorting to coercion, bribery, or warfare (Nye, 2004). Smart aid is modestly defined as “more effective aid” and includes a variety of alternative approaches designed to reduce economic dependency, while promoting grassroots development and local ownership (Joseph & Gillies, 2008). Hypothetically, funding for IVS is considered a smart aid approach not only because of its bottom-up character but also because it is considered a “win-win” strategy designed to meet public interest in overseas volunteering, while also developing skills in volunteers and helping to alleviate poverty in receiving countries.

In addition to these popular justifications, this discussion paper briefly reviews other common justifications for IVS resourcing from national governments by examining white papers and budget justification documents. To identify changing patterns of IVS resourcing by national governments, the paper uses findings from a survey of FORUM members. It then presents case examples that illustrate historical patterns of IVS resourcing by governments in the UK, the US, and Korea. Finally, the paper discusses the implications of these findings and what they mean for international volunteering as an approach to development aid.

The ensuing discussion focuses on how the structure of government funding for international volunteer service may affect the priorities of development-focused IVS programs. Specifically, we examine how government agencies through which an IVS program is administered may influence the degree to which it reflects a dual domestic and international development agenda. We further discuss whether IVS programs’ future funding base may be dependent on their ability to meet multiple—and sometimes divergent—priorities of governments. We propose that continued government funding may be contingent upon a program’s ability to align itself with both a soft power and smart aid approach.
Common justifications for government funding of IVS

In order to gain popular support and justify spending tax payers’ money, government programs should theoretically meet some legitimate public interest or create a public good for the nation-state (Pigou, 1932). Along these lines, funding for IVS is not exclusively, or even primarily, justified by the contributions that volunteers can provide to communities across borders. Common justifications for government-funded IVS programs are to: (1) advance public diplomacy and relationships with other countries, (2) increase an understanding of the sending nation’s values and peoples by receiving countries, (3) develop skills and experience in volunteers as young development professionals, (4) contribute to building the skills and capacities of receiving countries.

In Europe, Australia, and the United States, the terms soft or smart power are often used to describe the contributions of IVS to the nation’s interests. These ideas are backed by phrases such as, international volunteering is “an important instrument of EU public diplomacy and thus improves its soft power in international affairs [it is] important for European integration and for the building of partner relations with other countries.” (Kucharczyk, Lada, & Pazderski, 2011, pp. 2, 8). We find similarly statements in the US: “International volunteer programs contribute directly and indirectly to our nation’s security and well-being. They represent one of the best avenues Americans can pursue to improve relations with the rest of the world.” (Rieffel & Zalud, 2006, p. 1). Volunteers have a visible on-the-ground presence in host countries and as unpaid helpers, they may represent the best face and good intentions of sending-nations (Devereux, 2008).

Related to the first justification, governments often view IVS as a way to increase an understanding of its people across borders. This is a major stated justification of the US Peace Corps. In fact, two of the three primary goals of the Peace Corps are to increase an understanding of Americans overseas, and to increase American’s understanding of other peoples. Likewise, the primary mission of Germany’s weltwärts program is, “to strengthen intercultural exchange with developing countries, to facilitate mutual respect, to foster a better understanding of global interdependencies”.¹ One benefit of better international understanding between countries is improved peace and information flows that may have a direct benefit on the sending-country and its people (Spence, 2006). IVS has also been viewed as a way to spread a country’s values and culture, which typically benefits the host-country but may have both positive and negative effects on hosting communities (Lough, McBride, Sherraden, & O’Hara, 2011; South House Exchange & Canada World Youth, 2006).

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¹ Young Germans volunteer abroad via weltwärts and kulturweit programs. Accessed online from German Missions in the United States at: http://www.germany.info/Vertretung/usa/en/__pr/GIC/2011/08/Weltw_C3_A4rts__S.html
Many programs also use IVS programs to train young people as development experts. An important justification for recent increases to the Korea Overseas Volunteers program is to fill a gap in qualified aid workers by “training aspiring development professionals” (Leonzon, 2011). This is also consistent with a key justification for the US Peace Corps in “preparing America’s work force with overseas experience [by providing] skills that are increasingly important to America’s participation in the international economy” (Peace Corps, 2007, p. 66). Because national schemes may often support young people rather than development experts, many are critical that these programs are more focused on developing skills in their youth or inexperienced specialists than on developing skills and capacity in host communities. They are, therefore, criticised by some as off-target and disingenuous; as being less-concerned about meeting development goals, and more concerned about meeting public and national interests.

Finally, governments dispatch international volunteers in order to contribute to building the skills and capacities of receiving countries. However, examining budget justification documents and white papers in some countries, this is often the least frequently discussed reason for funding IVS programs. This is not to say that capacity building in host-countries is not important goal for government-supported IVS programs. Rather, the less common reference to this goal may reflect government programs’ needs to justify that they meet a national public interest. As will be discussed later, budget justifications may also reflect the priorities of the government agency administering the program.

Current patterns of IVS resourcing by governments

In July 2011, members of the International Forum on Development Service (FORUM) received a survey to assess the influence of government funding on their programs. A total of 19 of the 22 member organisations responded to the survey. Respondents were asked to identify significant funding sources for their organisations. Resourcing by governments appears to be a major source of funding for FORUM members; nine out of ten respondents said that national governments were their primary funding source. Private foundations were the second most frequently reported funding source, followed by corporate sponsorship and individual contributions. About 37 per cent of organisations also reported that their funding came from other sources including local and foreign governments, churches, revenues and membership fees.

Organisations receiving government funding were asked to estimate the percentage of their government’s official development aid (ODA) budget dedicated to support international volunteer programs. For those that provided an estimate, the mean figure was 2 per cent of the ODA budget—although this ranged from .08 per cent in one organisation to 5 per cent in another. A few organisations reported no knowledge of this figure.

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2 This statement applies to the US context and congressional budget justification documents.
3 FORUM is a global network of International Volunteer Co-operation Organizations, which include both NGO and government organisations which work in more than 100 developing countries.
Changes in Government Funding

When asked whether national government funding for their organisations has changed over the past five years, about 44% of the organisations reported an increase in the amount of national government funding they had received; a quarter of them reported no change; and 12% reported the amount of national government funding received has actually decreased (See Figure 2). In one organisation, they experienced first an increase of the funding, and then a decrease, which led to a slight decrease in total. Two organisations also reported that while some parts of the funding remained the same, others have decreased.

Organisations were then asked to identify the primary reasons for these changes. For those organisations experiencing an increase in national governmental funding, a few themes emerged. First, organisations believed they had responded well to an “increased focus on development effectiveness and results-based management”. They were able to provide funders with “clear
outcomes and accountability in the use of resources”. This allowed organisations to build credibility with funders. A similar sentiment was expressed by organisations reporting a decrease in funding (i.e. that they were not able to respond well to an increased focus on aid effectiveness and “value for money”). The apparent trend towards a results-based model of funding was criticised by one respondent as being overly concerned about results with, “less interest in the ways in which they are achieved”.

A second theme driving increased funding was “aligning all non-governmental supported activities with government ODA priorities”. This idea was expressed in a number of ways by different organisations. For instance, one organisation reported that in order to receive more funding, they would need to “cover other political areas from ODA-funding”. Most organisations that experienced a decrease in funding cited “political reasons”. These comments suggest that governments have a number of different reasons for administering development aid, and programs may need to more successfully align with multiple government priorities in order to appeal to political decision-makers.

A third theme was better internal management within the organisation. This included a rethinking about the mission and vision of the organisation, new tasks, quality management of personnel, changes in accounting mechanisms, and increased cost efficiencies. One organisation reported working with Volunteer Cooperation Agencies to increase the profile and recognition of their work, while another suggested that churches were “appreciated partners in development work”.

Reasons for decreased funding were less clear. Many organisations merely reported being affected by “a downturn in the national economy”, a “budget deficit”, “funding challenges” or “lack of public resources”. One organisation suggested that the decrease may be related to competition with the private sector’s increasing role in discussions of aid effectiveness. Two organisations reported that their governments intended to decrease organisational dependency on the public sector for funding.

Organisations receiving government funding were asked if they perceived rules to be more restrictive or less restrictive. Above 38 per cent believed that government funding has become less restrictive (See Figure 3). A quarter of the organisations reported funding was less restrictive and another quarter reporting no change. Two organisations said that it was more restrictive in some areas, but less restrictive in others. From the few comments that were provided to explain these findings, organisations emphasised that they were required to focus on “priority countries” and to provide “greater complementarity between the various ODA instruments”. They also revisited the idea that they were required to meet multiple ODA spending priorities; aligning with multiple political and ideological requirements.
Interestingly, although the majority of organisations reported an *increase* in their funding over the past five years, the majority expected a *decrease* in government funding over the next five years. Clearly, many expect the future funding environment will be bleak. Nearly half of the organisations (44 percent) predict a decrease in funding in the near future. Only one in four expect an increase. About 12 per cent expect no change and 19 per cent predict “other” -- or an increase in some areas but a decrease in others. For instance, one organisation expects that smaller, newer, and perhaps more innovative models will be funded more generously than older well-established organisations. Another believed that their development-related bids would increase but their volunteer program would decrease.
The current climate of IVS as development aid

Organisations were asked to describe the current climate of official development aid funding in their country as it relates to international volunteerism. The current climate for funding was similar to future expectations in most countries. The overall trend seemed to be ambivalent. Many believed the environment was still positive but believed they would need to adapt to changes. For instance, as one organisation reported, “there is still a major interest in international volunteering but potentially more of a focus on the short-term volunteer”. The trend towards short-term volunteer programs was repeated multiple times by different organisations. Others echoed the sentiment that funding was “most likely to focus on youth programs or volunteers in development projects” leading to “the end of the long term volunteer program as we have known it for 60 years”.

Organisations in Canada and the UK both reported a move away from “core funding” and towards a competitive process for all Non-Government Organisation (NGO) funding that did not exist previously. Others suggested that skills-based and corporate international volunteerism has been increasingly supported. Some provided specific examples of entirely new programs that had emerged in the past few years. For instance, a new International Citizenship Service (ICS) scheme was recently launched in the UK and the German government started a new volunteer program four years ago, weltwärts, which received 100% government funding.

One organisation suggested that the current climate of funding would be dependent on findings from commissioned evaluations of the volunteer programs. Another suggested that there is “varying understanding or acceptance of the value of international volunteering” given the recent focus on development effectiveness and a lack of outcomes to combat political parties resisting “ODA in general and also volunteerism”. A number of organisations suggested that their governments are “indifferent and careless about international volunteerism, “positively low-key towards international volunteerism”, or that they otherwise lack relevance to the government. In a few comments, this perceived indifference was related to an inability to communicate the “added value” of IVS for the quality, outcomes or changes in development projects.
Case examples
The United Kingdom

Background

The UK government has always operated on the basis of funding NGOs to undertake international volunteering. This dates back in one form or another until the 1960s and adopts the classic two year model as the core approach, which was applied across all the delivery NGOs. The mechanism was historically non-competitive, i.e. the relevant government department identified a range of organisations it wished to fund and allocated monies accordingly. This was the British Volunteer Programme (BVP), where the government department held the ring of selected NGOs, and agreed where each could operate. Reporting requirements were scarcely onerous and tended to focus on inputs, i.e. volunteer numbers, the vast majority of whom were British nationals. Although the BVP was brought to an end, the model largely continued unchanged as far as funding was concerned and constituted a block grant provided to the agencies to deliver a level of volunteers. The development focused volunteer agencies continued to meet and share ideas through the British Volunteer Agencies Liaison Group (BVALG).

The relationship of volunteer funding to civil society funding

Since volunteer funding was routed through UK voluntary organisations, it became connected in reporting terms with the funding of civil society. The funding of the volunteer agencies for many years contrasted with most civil society INGOs in the UK. Only a few – largely the leading British Overseas Aid Group agencies - were funded through a block grant, leaving the remainder competing through a competitive model of the Joint Funding Scheme, open only to UK-based NGOs. Any other UK government funding for INGOs needed to be sourced from the special desks or country offices.

It is useful to look at the statistical patterns over the last two decades. In 1993-94, the allocation to international volunteering was 36% of all centrally allocated funding to INGOs. During the 1990s, this allocation continued to grow not only in nominal terms, but also relatively to the central funding of other UK INGOs. However, the picture in the first decade of the 21st century is rather different. While increasing in nominal terms by around 40%, the international volunteering

4 A typical reporting line taken from the 1990s reads: “More than £24 million was provided last year to the volunteer sending agencies, which helped meet the costs of almost 2,000 volunteers in more than 80 countries.” FCO Annual Report

5 The pattern of CSO funding is the most useful way of understanding what has happened to international volunteer funding by DFID. This is possible from DFID annual reports, but after this date the statistical reporting model changes and it is not possible to identify the allocations. The statistical information which is referenced in this case study is therefore also drawn from data made directly available from DFID for use in this paper, for which we are very appreciative.
budget was left behind in the growth of resourcing for UK INGOs and proportionally had fallen to 24% by 2010-11.\(^6\)

The block grant system began to change in the late 1990s, following the establishment of a new government department, the Department for International Development. This saw the introduction of a new strategy in relation to civil society funding and an emergent focus on what was being achieved, rather than on inputs. This resulted in both an expansion and redefinition of the funding models, replacing the long standing block grant models with Programme Partnership Agreements (PPAs) and the competitive Joint Funding Scheme with the Challenge Fund.\(^7\)

The significance of these changes for international volunteering agencies proved profound. The longstanding government interest in volunteering numbers disappeared and the new PPA model, while offering core funds, demanded development outputs and outcomes, even with relatively modest reporting requirements. Moving with the times, the volunteer agencies embraced the notion of individual development workers engaging in capacity building within a programmatic model; the large scale allocation of front line service deliverers became history; and international volunteers were drawn increasingly across the globe.\(^8\)

The volunteer agencies, with their block grants having been rolled up into the PPA arrangements, were now redefined as development NGOs by DfID and subject to the same requirements, at least formally. However, this meant that the four long term volunteer agencies were seen as anomalies in terms of NGO funding rather than organisations implementing the UK government’s long term volunteering strategy. The largest volunteer agency received easily the largest core grant of any UK NGO, while the three smaller agencies were funded at a level far beyond other development NGOs of similar size. In the context of a growing focus on impact and contribution, and with volunteer agencies historically described in terms of inputs, by definition, the economic and political rationales for a long term development program were eroding. The volunteer agencies diversified their funding and their activities. VSO became a global volunteer organisation; Skillshare International, Progressio and International Service all engaged with mainstream development projects and programs. In hindsight, such an approach stabilised the situation, but perhaps not much more as shown in Figure 5. In 2000-01, the long term volunteering program received £28,245,000 while in 2010-11 the same program received approximately £36,000,000 By 2013-14, the PPA allocation will be lower in nominal terms than in 2001-02 and only offset by the growth of new project style programs.

\(^6\) In 1993-94, the international volunteering agencies received more central funding than all the major UK INGOs added together. The block grant under the Joint Funding Scheme to four of the BOAG agencies was just over £15 million.

\(^7\) This new model lasted for about ten years, when the Challenge fund was scrapped and the new Global Poverty Action fund introduced in 2011.

\(^8\) And with such a strong focus on development outcomes, the funding of youth volunteering was for some time specifically excluded from the PPAs.


**Funding for international volunteering and the bilateral aid budget**

From the outset, it is important to recognise that historically the funding of international volunteering and civil society generally is a relatively small proportion of UK Government funding for international development. As Figure 6 shows, the expenditure on international volunteering in 2001 was above 0.9% of the aid budget, but by 2010 this had declined to less than 0.5%, falling from 1.73% in 1995-96.9

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9 The FCO report for 1995-96 says: “In 1995-96 the bilateral development assistance programme channelled more than £179 million through UK NGOs for development and relief activities.” This represents 13% of the bilateral funding. The report goes on to explain the rationale: "ODA recognises NGOs as partners in the development process. Their ability to develop innovative ways of working to relieve poverty at community and village level complements ODA’s poverty focused activities.”
Special funding schemes and the re-emergence of international youth volunteering

Alongside the regular models of DfID funding streams an interest in special funding emerged. Such funds largely derived from policy commitments on the part of the government set out in their development White Papers. In one of these, towards the end, was a brief commitment to youth volunteering. This was the origin of what became Platform 2, launched around the same time as the German government weltwärts program, but with a fraction of the funding per volunteer. The contract for the program was awarded to a consortia that did not include any recognisable development focused volunteer agencies, but it was a seminal moment – DfID was once again funding young UK people, though this time from poor backgrounds, to engage in international volunteering.

At the same time, Student Partnerships Worldwide (now Restless Development) was beginning to secure funds from DfID and joined the BVALG network, which hitherto had simply been the four long term volunteering agencies. This began to mark out delineation between those organisations concerned to have youth volunteering programs which engaged with development objectives and those that primarily constituted personal development programs. The growth in private sector/commercial gap year opportunities primarily focused on the latter.

Breaking the mould - the new government strategy

In 2010, a new government brought new thinking. The funding of civil society organisations and especially the volunteer agencies would be radically changed. A drive for greater concrete results with lessened interest in mechanisms was at the centre of this approach; added to this was a cross government policy that NGOs should not be dependent on government funding and subject to a 40% limit on turnover in relation to direct government funding.

None of this was good news for most of the volunteer agencies (domestic or international). By coincidence, all the PPAs came to an end in March 2011 and when the dust had settled while some NGOs had done very well, only one of the four long term volunteer agencies still had a PPA and that at a substantially reduced level. The era when the volunteer agencies implemented the UK government’s long term volunteer program now appeared to be over. A word search on the 2011 Annual Report of DfID provides no matches for “volunteering”.

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10 VSO had heavily lobbied the team working on the white paper and had for many years wanted to reverse the negative government policy on youth volunteers and have the value of youth exchange programs recognised.
11 The consortium that was awarded the contract was headed up by Christian Aid, supported by Islamic relief and BUNAC. Shortly after the start of the program Islamic Relief withdrew. One competing consortium was comprised of VSO, SPW and the British Council.
12 Subsequently, a small agency, the Tropical Health Education Trust (THET) also became members of BVALG.
13 VSO did not easily meet the PPA criteria and was now resourced outside the PPA mechanism. For the new UK Government, there was a new funding model of choice for UK NGOs, eventually called the Global Poverty Action Fund (GPAF) and which demanded a minimum of 25% match funding (preferably more) and really only offered an opportunity to international volunteering as part of development projects.
And any notion that there might be any return to block grant support for long-term volunteering was seemingly ended with a policy commitment to end the PPA mechanism in 2014.\textsuperscript{14}

As the new PPAs started in April 2011, the core funding from DFID for long-term volunteer programs stood at £32 million and due to diminish further by 2014, after which the future appears extremely uncertain. However, the decline in funding support for the long-term volunteer program was offset by a renewed interest in funding youth volunteering. \textit{Platform 2}, despite its limitations, had been high profile, but its funding was now ended. Yet two fresh developments indicated that a focus on international youth volunteering would be given increased resources. Firstly, Restless Development secured a PPA for the first time, the first youth volunteering INGO to do so. And, secondly, with the new government committed to what it called a national citizen service, an \textit{international} citizen service was rapidly brought through to a pilot stage commencing in March 2011.

Figure 7 shows the impact of these changes on the funding allocations to volunteer agencies by program. Essentially for much of the decade, the main program focused on long-term international volunteering, but this changed in 2008-09 with the emergence of two specialist programs on youth and on diaspora linkages. It is the youth program that really expands, so much so that by 2013-14, our projections are that youth programs are likely to constitute 40% of the UK Government funding centrally allocated to international volunteer programs. At the time of writing, only youth programs are guaranteed any central funding from 2014-15.

\textsuperscript{14} DFID is rationalising its central funds for CSOs and in 2010-11 DFID took the decision not to proceed with a new round of Civil Society Challenge Fund applications. Following a tough competition in 2010, DFID will continue to provide strategic support to leading CSOs through the Programme Partnership Arrangements over the 2011-2014 period but thereafter the GPAF will be the main instrument through which DFID will provide central support to CSOs. (DFID Annual Report 2011, p.110)
The emergence of International Citizen Service (ICS)

ICS presented an immediate challenge. DfID was bound by statute to focus on the achievement of the Millennium Development Goals (MDGs) and a commitment to using funds abroad. But programs such as ICS can immediately present as a personal development program to develop the participants, which did not necessarily align with DfID’s prime purpose. It was important for the ICS program to have a strong development focus, otherwise it could not be justified. DfID turned to established long term volunteering agencies under the BVALG umbrella to pilot the new program.

The ICS was funded at around £9 million over seventeen months. The UK Government intends this pilot program will soon be rolled out on increasing scale, aiming to move from the 1250 volunteers of the pilot phase to 3000 on a full programme by 2014-15. The 3,000 young UK nationals will easily outnumber, probably double, the number of international volunteers supported by the UK Government’s funding of long-term volunteers.

In effect, though likely not design, the PPA funding reductions for long term volunteering was reappearing as a special funding scheme for youth volunteering.

One question remains with ICS as to who benefits and it goes to the heart of future funding debates. Is it plausible to see the contributions of such a program and its participants as “development” and/or as “bilateral aid”? Or is the primary outcome the personal development of the volunteers and the benefits accrued to UK society? This is not a new question for international volunteering to address, since mutual benefit is central to the idea of the international volunteering model. But with a program based on short-term exposure (13 weeks was the standard time in the pilot), ICS is already critiqued as being both for young/inexperienced volunteers and short periods as...
Conclusions

What conclusions can be drawn, and what lessons are there for the future? The UK experience suggests the following points:

- While the historic model of funding for long term volunteering in the UK, going back to the 1960s appears to be broken, DfID now regards one volunteering agency, VSO, as a strategic partner, this has some echoes of the 1990s model of funding where a block grant mechanism is used.

- While the UK government resourcing of long term volunteering is in decline, it has a clear and high profile commitment to sending young UK nationals to developing countries. If this program becomes well established over the next four years, it will be challenging for any new government to discontinue it.

- Funding for international volunteering has moved to a more rigorous model, that will be subject to enhanced reporting requirements and value for money scrutiny. It also appears that INGOs are being brought into direct competition (and collaboration) with private sector providers.

- Since the government is set to end strategic funding for CSOs from 2014, it must decide whether it has sufficient commitment to long term volunteering to find a suitable funding mechanism.

- What we see in the UK is part of a wider pattern of European governments looking to reorient volunteer programs towards their own young citizens.

against the traditional long-term placement for skilled/experienced volunteers. How this debate is resolved may ultimately determine the longer term fate of this program.
The United States

The United States government has maintained a commitment to the Peace Corps since its initial founding in 1961. Funding for the Peace Corps decreased significantly during the conservative years of the early 1980s. However, government funding quickly rebounded in 1985 and continued to increase through the early 1990’s. In response to growing anti-US sentiment President Bush pledged to double the size of the Peace Corps as a strategy of the War on Terrorism, and funding for the program continued to increase incrementally since 2001. The Peace Corps is the only IVS program in the US that is funded exclusively (100 per cent) by the US government.

In addition to the Peace Corps, the United States government funds two additional international volunteer programs: the Volunteers for Prosperity (VfP) program, and the Global Partnerships Initiative, which supports a Diaspora and Business Volunteer Corps. Each of these programs is funded through the Foreign Operations budget of the US State Department. By far, the largest of these programs is the Peace Corps, which receives about 90 per cent of the public funds dedicated to international volunteer initiatives in the US (Rieffel & Zalud, 2006). In addition to these programs, the US government supports a handful of other private sector programs that facilitate international volunteer placements such as ACDI/VOCA, the Citizen Development Corps (CDC Development Solutions), and the Financial Services Volunteer Corps.

Compared to the Peace Corps, VfP and Global Partnerships are relatively new programs. The Peace Corps has a long history beginning in 1961. However, VfP was created in 2003 and the Global Partnerships Initiative was only initiated in 2010. VfP places American volunteers with at least three years of professional experience with host organizations with the goal to “meet the global health and prosperity goals of the US Government” (Volunteers for Prosperity, 2003, p. 3). VfP officially became a part of USAID in 2009, and was appropriated 10 million USD per year through 2014. Although the Global Partnerships Initiative supports a number of programs the largest is the Business Volunteer Corps, which aims to enhance "the long-term business interests of the sponsor company, the social impact of the targeted entity, the cross-cultural skill set of the employee volunteer, and the smart power goals of the U.S. Government." (US Department of State, 2011, p. 244). The initiative aims to reduce the ad-hoc nature of much international corporate volunteerism by facilitating “more strategic, higher impact volunteer [public-private] partnerships that better align with foreign policy aims.” (Bagley, 2010).

Congressional acts in recent years have increased funding and ambition for the Peace Corps and the other government-supported international volunteer programs over the past ten years. The Consolidated Appropriations Act of 2010 provided the Peace Corps with the largest yearly funding increase in more than a decade. Since 2001 Peace Corps funding has increased from 267 million to 400 million in 2011—a 50 per cent increase over ten years.
In their 2012 Budget Justification, the US State Department also emphasised the importance of engaging and supporting US Diaspora in through its Global Partnerships Initiative by supporting, “Diaspora dialogues with U.S. citizens whose family heritage traces to countries where America desires deeper partnerships.” (US Department of State, 2011, p. 122). In addition to these proposed increases, in 2011, a large coalition of international volunteer organizations backed their support for further funding increases for international volunteerism through the Sargent Shriver International Service Act. This act is designed to increase funding for international service by “scaling up the Peace Corps and Volunteers for Prosperity and creating Global Service Fellowships.” (Civic Enterprises, 2010, p. 12).

In consideration of these increases, the portion of the budget for bilateral economic assistance set aside to support international volunteer programs in the US has expanded about 25 per cent over the past five years. However, it still represents only about 2 per cent of overall spending on bilateral assistance.
Given these funding increases, what is the impetus for this growth, as justified by US Presidents and Congress, the US Peace Corps, the State Department, and coalition-based organisations? During President Bush’s 2002 State of the Union address, he proposed doubling the number of Peace Corps volunteers within five years. However, Congress only authorised funding to support an 18 per cent increase in the ensuing years (Rieffel & Zalud, 2006). When President Obama took office in 2008, he also pledged to promote global development and democracy by “doubling the Peace Corps” from its then 7,800 volunteers to 16,000 volunteers by 2011. This pledge was tied to the assertion that “the security and well-being of every American is tied to the security and well-being of those who live beyond our borders.” (Obama for America, 2008, p. 1). The subsequent Peace Corps Expansion Act of 2009 proposed an increase to 450 million USD in 2010 to 750 million by 2012. Key reasons for this proposed increase was to strengthen “the foreign policy goals of the United States...by contributing to the reduction of poverty; and fostering international understanding”.

In 2010, the recently installed Director of the Peace Corps Aaron S. Williams testified before Congress that they are “charged by the Peace Corps Act to have, at minimum, 10,000 Volunteers in the field each year” but that the current funding appropriation would make it difficult to increase this from the 7,600 volunteers to the proposed 11,000 volunteers by the end of 2016. Although the US House of Representatives supported the funding increase for 2010, the US Senate struck it down. The negotiating committee eventually settled on 60 million USD increase but required that the Director submit reform measures for, “adjusting volunteer placements to reflect priority United States interests, country needs and commitment to shared goals, and volunteer skills”, along with other required reforms (Peace Corps, 2010, p. 28). These reforms requested by congress are consistent with soft power rationale, which is also reflected in the Peace Corps Congressional Budget justifications—stressing that “Volunteers share and represent the culture and values of the American people, and in doing so earn respect and admiration for our country among people who often have never met an American” (Peace Corps, 2007, p. 66). Likewise, the 2010 State Department Budget Notes stressed that added foreign operations funding “provides additional funding for key programs that advance U.S. foreign policy goals, including significantly increasing funding for energy initiatives, programs addressing global climate change, agriculture investments, and the Peace Corps.” (US Department of State, 2010, p. 1).

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17 Proportion declined in 2009 due to additional economic recovery funding in the bilateral assistance budget.
Conclusions

What is the take-away from this overview of government-funded international volunteer service in the United States? The US experience suggests the following points:

- An analysis of budget justification documents indicates that the US approach to government-sponsored international volunteerism is tied explicitly to its foreign policy objectives and a soft power approach to international diplomacy.
  - The role of IVS as a diplomatic tool is boosted by recent funding to support Diaspora volunteerism

- The government’s view of IVS as a foreign policy tool is underscored by increased funding to support existing corporate international volunteer sending programs. A key justification for this funding is to better align corporate goals with the “prosperity goals of the US government”.

- In the past ten years, funding to support the traditional two-year model has increased. However, government funding for IVS programs has also become more diversified in the US.
  - New funding to increase short-term skills-based volunteerism reiterates a conviction by the US government that IVS by professionals may be a smart approach to enhancing development and aid programs
Korea

The Korean government’s core IVS development aid program, its’ largest component being the Korea Overseas Volunteers (KOV) program, operates under the authority of the Ministry of Foreign Affairs. Established in 1991, volunteers with KOV serve for two years in priority countries that align with Korea’s foreign policy goals. In addition to KOV, the government sponsors a number of smaller IVS programs. Established in 1997, the oldest of these programs is the Korea University Volunteer Program, which provides young people with short-term volunteer assignments lasting from a few weeks to a few months. In addition, the Korea Internet Volunteer Program (KIV) began in 2001, and the Korea Techno Peace Corps Program began in 2006.

Recently, Korea significantly restructured and expanded these overseas volunteer opportunities. In 2009, the Korean government consolidated its various overseas volunteers programs, which previously operated independently across multiple Ministries, under the World Friends Korea (WFK) program. A key goal of the WFK program was to consolidate and unify the different IVS programs under the umbrella of a single overseas volunteer system. Although WFK helps to coordinate the different programs, they continue to be funded by individual Ministries that coincide best with the intended objectives of each program. For instance, the Korea University Volunteers (KUV) program and the Korea Techno Peace Corps (TPC) program are financed under the authority of the Ministry of Education, while the Korea Taekwondo Peace Corps (MCT) program is under the Ministry of Culture and Tourism, and the Korea Gray Experts (MKE) program is under the Ministry of Knowledge Economy. In addition to KOV, in 2010 the Ministry of Foreign Affairs also began administering the World Friend Advisers (WFA) program that provides shorter, six months to one-year, assignments for retired adults or “senior KOVs” to serve in developing countries.

Although the Ministries continue to administer the programs separately, since 2010 they have been managed by a “Subcommittee for Overseas Volunteers” within the Office of the Prime Minister. A stated purpose for this restructuring is to better align the disparate programs with strategic Korean foreign aid policy. Consolidating agencies under a coordinating body is intended to help better align overseas volunteers programs with countries that meet the government’s priority areas and regions—specifically ASEAN countries, and strategic countries in Africa and Latin American. Similar to recent programs in the US, the coordinating body also intends to help better foster public-private partnerships by aligning corporate volunteerism with their foreign policy goals.

While volunteers have been serving overseas through the KOV program since its establishment in 1990, KOICA has recently expanded the program and is expected to continue expanding by 1,000 volunteers every year through 2013 (KOICA, 2009). According to an article in The Development Newswire, increased funding of KOV is primarily aimed at training aspiring development workers to meet a shortage of aid professionals in the country (Leonzon, 2011). Public statements by KOICA leaders describing the reason for this increase are in mild contrast to the overarching goals.
KOV: 1) to help improve the quality of life of people in developing countries, 2) to strengthen friendly relations and mutual understanding between host countries and Korea, and 3) to utilise volunteers’ experience and knowledge acquired through overseas volunteering activities.\(^{18}\)

Recent statements indicate that the expansion is most heavily focused on the Korean government’s third goal to foster global young leaders and to meet the “shortage of aid professionals” in the country (Leonzon, 2011). This policy expects to foster 100,000 young leaders by 2013 in programs for overseas employment, internships, and overseas volunteers. Corresponding to the policy, KOICA plans to dispatch 5,000 overseas volunteers over the period of 2009 to 2013. To support the goal, the budget for KOV in KOICA’s budget has been increasing; funding for KOV has increased tenfold since 2001.

![Figure 10. KOICA Overseas Volunteers Funding 2001-2010](image)


According to their 2005-2006 Annual Reports, 7 per cent and 9 per cent of the total bilateral assistance budget was spent respectively on “dispatching overseas volunteers”. Figure 10 shows that the proportion of KOICA’s budget dedicated to IVS reached as high as 17.8% in 2006, but has been decreasing since then to 12% in 2010. Despite the proportional decrease, this is a significantly higher government commitment to financing for IVS than most other countries. Given the Korean government’s commitment to IVS and the more than 60% increase in the KOV budget since 2006, this reduction reflection an increase in KOICA’s funding overall, rather than a reflection of their commitment to IVS.\(^{19}\)

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\(^{19}\) KOICA funding increased from 193 million in 2006 to more than 454 million in 2010--an increase of about 135%.
Conclusions

In summary, recent restructuring of international voluntary service in Korea finds that:

- Justification for the recent expansion of the KOV program appears to have a heavy educational/training objective for overseas workers, as well as a developmental objective, thereby training aspiring development workers to meet the needs of host communities.
- The Korean government continues to increase funding for international volunteer service as one method of bilateral aid to priority countries. However, in comparison with other methods of assistance, the proportion of funding dedicated to IVS indicates that it may not be viewed as any “smarter” than other channels of bilateral assistance.
- The multiple priorities of international volunteer service are reflected in distinct IVS programs financed by separate Ministries of the Korean government. Each program is tasked with meting distinct objectives and priorities, and different forms of IVS reflect these goals.
- The recent establishment of the WFK program explicitly seeks to align all IVS programs, both short- and long-term, public and private, with Korean foreign policy priorities.
- There is no clear trend for increased funding for short-term volunteerism in Korea, although there appears to be increased support for more diverse forms of IVS than the traditional two-year model.

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Discussion

Despite the perception of IVS as a smart aid approach, only two per cent of bilateral assistance is spent on IVS schemes on average across countries. *If IVS is truly an effective model of development aid to low-income countries, why is the percentage of bilateral aid dedicated to IVS not greater?*

Survey findings suggest that IVCOs have a difficult time making a case for the unique value or added contributions of IVS to the development agenda. A few FORUM members indicated that their organisations were nearly invisible to their governments. In places where IVS programs are more marginalised strategies for development aid, this finding may be tied to comments that the funding environment has moved towards a results-based approach. Decreased funding seems to be associated with the organizations’ lack of response or adaptation to this new model. Without documenting developmental outcomes, decision makers may view IVS programs as primarily designed to fulfill soft-power goals, rather than developmental goals.

For instance, long-term volunteers in the UK have historically been described in terms of their inputs. Inputs might not be a great indicator for development objectives, but they are for soft power objectives. Because the objectives of US Peace Corps remain faithful to their 1960 soft power roots, a demonstration of inputs are the main requirements for Congressional justification (Peace Corps, 2009). Bringing nationals to different countries across the world is a visible demonstration at all levels of how governments are contributing in a way that could not be accomplished through direct aid. On the other hand, direct funding may produce a more visible footprint on the ground through poverty alleviation, infrastructure developments, agricultural growth, and other visible products. Evidence of developmental impacts may require a demonstration of consistent and sustainable outcomes at the community level that are difficult to illustrate with volunteerism.

While some argue that the true value of volunteerism is hard to define and measure—and may diminish the significance of volunteers’ contributions, findings reaffirm that with a changing funding environment, IVCOs may need to consider how to better communicate to governments the added value of IVS to development objectives, such as capacity building, technical cooperation, social capital and other less tangible but critical contributions.

In addition to changes in results-based reporting, a number of IVCOs perceived that governments seem to be diverting money to support international youth programs, with an emphasis on the role of IVS for soft power and diplomacy over its role in development aid and assistance. *What are the implications of these findings and what do they mean for international volunteering as an approach to development aid?* The survey results and the case studies both indicate that the future funding base for IVS may depend on an organisation’s ability to meet multiple priorities of governments. In particular, government funding may be contingent upon a program’s ability to align itself with both a soft power and smart aid approach. Programs are required to meet the
demands for volunteerism that satisfies a domestic agenda, while also providing evidence of
development and technical assistance that satisfies an international agenda. In order to
successfully receive government funding they may need to meet multiple priorities of: advancing
public diplomacy, increasing international understanding, developing skills and experience in
volunteers, and also contributing to building the skills and capacities of receiving countries.

While it is possible that programs with multiple objectives may be more likely to receive
government funding, some contend that trying to accomplish a dual agenda of diplomacy and
development with young people is overly ambitious (Simpson, 2004). An attempt to achieve these
multiple goals was highlighted by one responding FORUM organisation whose government
recently merged development-focused agencies with youth-focused volunteerism agencies. This is
not an isolated phenomenon; other countries have followed a similar trajectory. While this trend
may better satisfy the demands of governments, it is unknown whether IVCOs can implement
robust development programs by engaging youth, often in the short-term, to successfully achieve
conventionally defined development goals.

The UK case study provides a good example of how programs may change in order to meet
different configurations of soft power and smart aid objectives. It might seem strange that the
decline in the resourcing of long-term volunteering by DfID coincides with the refocusing and
reinvention of UK agencies as ‘volunteering for development’. Furthermore, that this change
appears to be alongside a growing youth program, which until recent times DfID did not consider
something they should resource. The explanation appears to be that international volunteering
needs some level of support from DfID to thrive, but historically this has not been sufficient. The
energy, profiling and commitment to international volunteering also appears to be connected to a
driving of soft power objectives, whether through a practical demonstration of what the UK can
offer to developing countries or through citizenship and social inclusion provided by international
volunteering. Within a specialised development ministry, long-term volunteering may have an
integrated role in development projects, but to receive continued government funding the UK
experience arguably suggests that other achievements of international volunteering must also be
pursued.

Historically, the alignment of UK foreign office interests with development interests is very well
expressed in overseas volunteering programs. However, the distancing of the emergent DfID from
the Foreign Office in the late 1990s not only prompted a refocusing of the international
volunteering program towards a particular interpretation of development impact, but also
removed the Foreign Office as key champions of the UK international volunteers, arguably
weakening the rationale for supporting the long-term international volunteer program. 21

By 2007, DfID was taking a softer stand on youth volunteering and the special Platform 2
program was aimed at young people from relatively disadvantaged backgrounds and included a

21 This in turn poses a question outside the scope of this paper as to whether there is also a decline in UK
Government interests in the traditional former colonial territories, which would arguably diminish the significance of
Foreign Office soft power objectives.
strong component on returning back to the UK. ICS emerged in a different political context, something of a policy postscript in the conception of a national citizen service, but nevertheless a critical element in engaging the young people of Britain in being good citizens – at home and abroad. In that sense ICS did not derive from an assessment of what was needed for successful development, but rather from a domestically driven agenda to build citizenship amongst young people. DfID’s essential contribution was to make such a program worthwhile in development terms.  

22 To what extent does the changing combination of smart aid and soft power objectives explain changing patterns of government funding for international volunteering? And if this is correct, what does this tell us about the future?

This also indicates that the structure of government funding channels for international volunteer service may affect the priorities of development-focused IVS programs. Specifically, government agencies through which an IVS program is administered may influence the degree to which it reflects a domestic or international development agenda. In the US and Korea, strengthening foreign relations and mutual understand between countries are prominent goals of development-oriented IVS programs. In harmony with these goals, the programs are funded under the US State Department and the Korean Ministry of Foreign Affairs respectively. In the UK, programs have been funded through the Development ministry which under different ministers in the 1997-2010 governments resisted pressures from other government departments. We would propose this as a further discussion point: To what extent does the sourcing of funds from specific government departments for international volunteering impact on its objectives and donor requirements?

We were also struck by the findings of the Korean experience where international volunteering is seen as a significant route for addressing a skill shortage in development professionals. For the USA and the UK, the same has also been true historically – though not necessarily as explicit - and not just for development professionals but for the future leaders of those societies. While it remains the case that international volunteers do find their way into government positions, we would hypothesize that the burgeoning development industry has thrown up a range of career ladders for development professionals, which might arguably diminish the significance of the international volunteering route. This in turn would arguably diminish support for international

22 If the increasing search for development impact arguably devalues the significance of contributions from IVS, how could a renewed focus on youth emerge in the UK? The answer appears to sit in four different places: firstly, the explicit exclusion by DfID of any funding of youth volunteering through the PPAs generated a situation where this was not seen as reasonable, since there needed to be some mechanisms to engage young people in development; secondly, there was a rationale in engaging young people in development awareness and campaigns such as Make Poverty History, so how did they get the grounded motivation without leaving the UK? Thirdly, there was a widening reconstruction of volunteer programs in new forms, notably in Norway, Germany and France, which embraced youth volunteering. Fourthly, there was an issue of wider government agendas on social inclusion of young people. In this sense ICS was forged in embracing the interests of different government departments; this time it was not the foreign office, but the Prime Minister’s office. As a program, it reflects a commitment hammered out across government and as a consequence has a measure of resilience.
volunteering funding in some cases, but where there are skill shortages this may well be enhanced. Considering these case studies, we wonder to what extent the development of professional workers is a key rationale for government funding of international volunteering historically and in the future?

Finally, an interesting question raised in this research is why nearly half of FORUM International Volunteering Cooperation Organisations (IVCOs) anticipated a decrease in future government funding despite the fact that most reported an increase over the past five years. The recent economic downturn was not cited by many responding organisations as the primary reason for this change in weather. However, the state of the global economy may have affected some of the recent trends around future funding prospects. As evident in the US and Korea, an expanding portion of the pie is being allocated to corporations in order to provide incentives for these corporations to align their international volunteer programs with strategic government priorities. Likewise, in Canada and the UK, core funding for IVS programs is no longer available, and NGOs have been required to compete for limited funding. A more competitive funding environment, results-based funding, and a shift towards domestic soft-power priorities all reflect the tightening purse strings that often accompany economic austerity (Stiglitz, 2000).
Conclusion: Key Questions

This research has identified a number of questions which we believe are important issues to explore in understanding what may happen to ODA funding in the future. We repeat them below as our list of key discussion questions.

- If IVS is truly an effective model of development aid to low-income countries, why is the percentage of bilateral aid dedicated to IVS not greater?
- Why do nearly half of FORUM IVCOs surveyed anticipate a decrease in future government funding despite the fact that most reported an increase over the past five years?
- To what extent does the changing combination of smart aid and soft power objectives explain changing patterns of government funding for international volunteering? And if this is correct, what does this tell us about the future?
- To what extent does the sourcing of funds from specific government departments for international volunteering impact on its objectives and donor requirements?
- To what extent is the development of professional workers a key rationale for government funding of international volunteering historically and in the future?
References


http://www.cgdev.org/doc/blog/obama_strengthen_security.pdf


Participating Organisations

- Arbeitsgemeinschaft für Entwicklungshilfe e. V. (AGEH) [Association for Development Cooperation]
- Arbeitskreis Lernen und Helfen in Uebersee e.V. [The Association “Learning and Helping Overseas”]
- Austraining International
- Australian Volunteers International
- Canadian Crossroads International
- Comhámh
- FOCSIV: Volontari nel mondo
- Hungarian Volunteer Sending Foundation (HVSF)
- Japan International Cooperation Agency (JICA)
- Skillshare International
- Singapore International Foundation
- Unité
- Volunteer Service Abroad
- World University Service of Canada

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23 Participating organisations wishing to remain anonymous are not listed
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