

Becoming the United Youth Development Organisation

A Guide to Change

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The United Youth Development Organisation (UYDO) was established two years ago by Espen and Nevada Berg as a development-oriented non-government organisation (NGO). Its purpose is to provide fundraising for micro-loans, which are given to entrepreneurs in Sub-Saharan Africa. This micro-financing of individuals with business ideas allows youth to rise above poverty and criminal activities. It also aids the region by creating employment opportunities, improving the economy through increased business and by investing entrepreneurs in proactive, pro-social solutions to their community problems.

UYDO works in conjunction with the Kenya Youth Business Trust (KYBT) to provide suitable entrepreneurs with loans that are relatively small by Western standards (usually only a couple hundred pounds). UYDO handles the fundraising and organising end of things, generating the funds which the KYBT then distributes through banks in the region to entrepreneurs they have selected.

As a charity organisation, UYDO relies on contributions of donors to maintain its operations. 10% of the current financial contributions received by the organisation go toward operation costs and the organization runs solely on unpaid volunteers. The remaining 90% is provided to the entrepreneurs as loans, most of which are sponsored by groups within UYDO. These groups can be hosted by individuals or institutions (like universities), and their main purpose is to encourage social interaction and collaborative contribution between their respective members. Each group decides on their own terms which entrepreneur to invest in. When an entrepreneur repays their loan, the finances that were invested return to their respective groups to be invested again in further entrepreneurs. This creates a cycle of development that takes a donation and perpetually and indefinitely reinvests it in the region.

UYDO is not the first to adopt this micro-financing approach to development, as it was pioneered by Grameen Bank and other organisations subsequently. However, UYDO is unique in its emphasis on youth, not just as entrepreneurs, but also as donors, fund-raisers, organisers and volunteers. In fact, with the exception of the organization's Board of Directors, all of UYDO's volunteers are under the age of thirty. These volunteers participate in UYDO based on their identification with its cause and its principles, including those of social justice and taking a holistic, grass-roots approach to development. As well, many participate in the organisation because of an interest in pursuing employment in the development field through UYDO eventually or through a similar organisation. UYDO divides its volunteers between general volunteers and those serving more committed roles as Executive Committee members. Decisions made by UYDO originate in the Executive Committee and are then approved by a Board of Directors. This Board of Directors is a panel of specialists from relevant fields who also serve as advisers on key issues for the organisation.

UYDO executes its mission in a number of ways. Many are centred on the internet, online

social networking and new media technologies. UYDO has its own website (www.uydo.org), as well as Facebook and Twitter pages. Their social networking pages tend to focus on drawing in contributors to their site and giving information about volunteer opportunities and upcoming fundraising events. As for these events, UYDO has hosted forums for discussing development and global poverty, art exhibits depicting poverty in Africa and has been involved in charity marathons.

As a young organisation, UYDO has achieved a great deal in a very short period of time. That said, we will be examining in this guide a number of issues that UYDO faces. We will also consider some strategies for advancing the organisation, paying special attention to its principle values, financial constraints and public profile.

How is UYDO not UYDO?

To borrow a line from the film 'I Heart Huckabees', UYDO would do well to ask itself as an organisation the simple yet profound question of "How am I not myself." Put another way, how is UYDO not what it could be, not what it aims to be, not what it ought to be? As we encounter areas in need of adjustment within the organisation, we should all recognise that change is not about making UYDO something that it isn't; it's about making the organisation in reality closer to what it is in ideals. While this may seem a rather existential, introspective exercise, it sets the stage for discussing the legitimacy of UYDO as an organisation.

Atack (1999) defines four major elements to a development NGOs legitimacy. The first is 'representativeness', the organisation's ability to be transparent and accountable in their principles and activities. The second is the organisation's possession of 'distinct values' that set them apart from other NGOs. The third is the organisation's 'effectiveness' in achieving their mission. The final element in a development NGO's legitimacy is its ability to 'empower' the people it claims to help.

In regards to representativeness, Koch *et al.* (2009) suggest that development NGOs often differ in practice from their expressed goals of helping the most needy. This occurs in part because of a need to provide influential financial sponsors with immediate macroeconomic results. In the case of UYDO and other micro-financing NGOs, the circumstances are somewhat different. Like any other NGO, UYDO's legitimacy with its financial supporters depends on its ability to produce results. However, in principle, UYDO takes an approach that is explicitly more holistic. UYDO helps impoverished individuals so that they can help their communities. Any impact on poverty within a region would be minimal at first, and centred almost exclusively on the individual recipients of UYDO's micro-loans. It would not be until the recipient entrepreneurs began contributing to their respective communities collectively that anything would change in terms of macroeconomic poverty. Following this principle, UYDO's legitimacy depends greatly on the organisation's ability to show how they have empowered

individuals, and not especially on macroeconomic indices. This observation is important as Singh *et al.* (1986) suggest that the survival of new volunteer organisations that lack strong ties to other organisations depends more on external validity than on internal processes.

UYDO's representativeness is also at stake when considering idiosyncrasies within the organisation that reveal conflicting principles and divergence of practice from principles. For instance, UYDO places great importance on being “for youth, by youth” as we have mentioned. While this clearly marks a distinct value that contributes to the organisation's legitimacy, leadership at UYDO often expresses indifference or negativity to the notion of contributions or volunteering coming from those older than their twenties. On the other hand, UYDO spends a great deal of time and energy lobbying corporations and institutions for sponsorships and contributions. What makes the aid provided from these corporations and institutions any different than what would be received from a contributor in their forties?

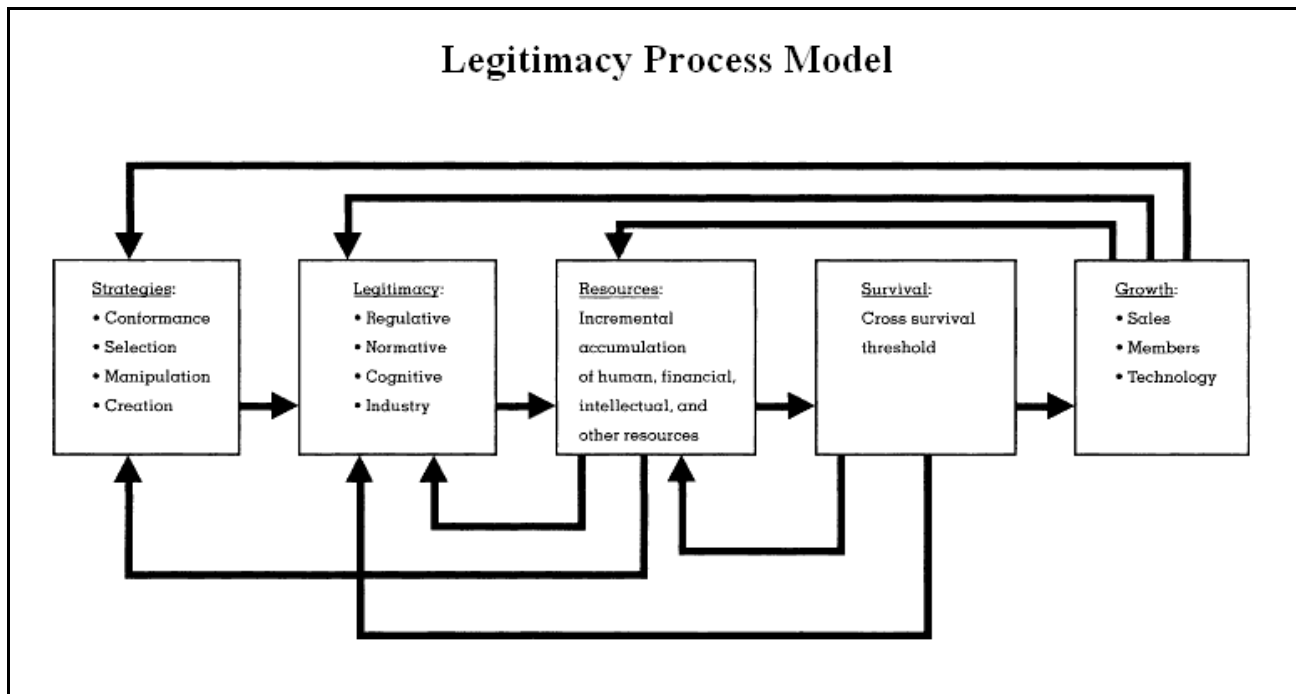
There is also inconsistency in the image that UYDO puts forward as global organisation. UYDO has support from contributors and volunteers around the globe, but their practice is exclusively focused on Sub-Saharan Africa. Furthermore, by Sub-Saharan Africa, what is really meant is Kenya, a mark against UYDO's representativeness. It has also been suggested that NGOs fail to reach their target of the most impoverished populations based on geographical and political reasons. Koch *et al.* (2009) observe that the areas of operation for many NGOs ends up being determined by reasons other than the goals of the organisation. There may be geographical, political or cultural factors that play a part, and NGOs may be influenced in where they operate by their contributors. The implication here is that the principles of social justice are only being met on an ethnocentric or convenient basis. Naturally, there are practical and logistic concerns that contribute to this shortcoming. In the case of UYDO, it is understandable that they would work primarily in Kenya, given that regions established need for support and the existence of collaborative NGOs already present in the region that facilitate UYDO's cause. That said, as an international organisation, UYDO should ideally be vigilant in seeking out impoverished communities in need of support throughout the world, regardless of convenience or accessibility. This is certainly a task that UYDO in its present state is not capable of managing.

Instead, expansion to support global operations in line with UYDO's principles should be a goal for the moderate future and mark a major step in the organisation reaching its full potential. To allow for such expansion, we must first consider the current challenges, both systemic and incidental, that the organisation is facing. Figure 1 is a simple list of some of these challenges.

Figure 1

- Challenges**
- Maintaining operational austerity
 - Maintaining principles
 - Making ideals and goals a reality
 - Promoting legitimacy
 - Expanding to needful regions

Figure 2



(Zimmerman & Zeitz, 2002)

Strategies

The organisation needs financial contributions to operate successfully. However, it needs a certain 'profile' or level of legitimacy to inspire these contributions. Figure 2 illustrates this (rather complex) dynamic using the Legitimacy Process Model (Zimmerman & Zeitz, 2002). This model suggests that there are many causal loops that feed into or detract from the success of an NGO. For example, to grow into new, critical regions would of course bolster the organisation's legitimacy, but it would require enough resources to move beyond survival. Still, these resources will not be available if the organisation is without a certain level of legitimacy. What should be clear is that UYDO's financial success as a charitable organisation depends on its image and vice versa.

If we weren't constrained by finances it would be simple to suggest that additional funds be dedicated to raising UYDO's profile through advertisements and the like. However, given UYDO's

commitment to providing the most funds they can to their entrepreneurs, its essential that we find cost-effective or costless strategies for the challenges UYDO is currently facing. Further, UYDO's legitimacy as an NGO is not enhanced by its prolonged survival, given that it has only been around for two years. Finally, growth would enhance UYDO's legitimacy in many ways, but is not an option presently given UYDO's lack of resources and stability (survival). Enhancing UYDO's legitimacy in the face of all this may seem like a daunting task then, however, the present guide will help illustrate how simple, sensible strategies for change can increase UYDO's legitimacy, resources and survivability as well as set the stage for growth. Figure 3 represents these proposed strategies.

Figure 3

- 1.) Facilitate the contribution process
 - Explain the UYDO Global Fund
 - Allow direct individual-to-entrepreneur contributions.
 - Bypass confusion/ambiguity/aversion in regards to the group donation process.
 - Enhance positive reinforcements of contributors by emphasizing the human element
 - Generate contributions to Global Fund for general use upon loan repayment.
- 2.) Focus on the promotion of our entrepreneurs
 - Greater presence of profiles on UYDO.org
 - Feature entrepreneur profiles through social networking sites such as facebook or twitter
 - Reporting when entrepreneurs have received or repaid their full loans
 - Posting testimonials from entrepreneurs
 - Adopting other innovative approaches to entrepreneur promotion

To begin with, let's examine the simpler of the two proposed strategies. We suggest that the process by which contributions are made to UYDO requires restructuring into something more accessible, comprehensible and streamlined. Presently all non-corporate donations to the organisation are carried out online through www.UYDO.org. The donation link on this site steers the contributor to a page that explains the group donation process. It further explains that if the contributor is unsure of which established group to contribute to, they should contribute to the UYDO Global Fund. Unfortunately, what exactly that is, itself, is never explained on the website, and certainly not in an accessible fashion at the donation page. Failing this, the individual contributor is encouraged to research and join groups that have been established or to create their own through social networking and by e-mailing UYDO.

The group donation process is designed to encourage participation and enhance the donation experience of the contributor by involving them in something bigger. However, there is no way for someone to donate without a group, except through the Global Fund, and some might be put off by this. For those who take the time to research the groups that have already been established, they can learn

about the entrepreneurs that the groups support and this will help the contributor invest their donation intelligently. However, individuals have no information to go off of in regards to how the Global Fund spends their donations. This is a simple oversight that can be resolved by adding a page that explains the Global Fund in detail and linking that page to the 'donate' page.

This does bring to light a bigger issue, of course: the need for individual-to-entrepreneur donation. The group donation system has certainly been conceived in a functional, pro-social way. It reasonably suggests that contributors should get involved in a group that is working to help impoverished entrepreneurs. The problem is that UYDO *is* that group. To insist that contributors investigate and support subgroups or form their own is essentially redundant. Individuals can organise into subgroups and could be encouraged to do so by UYDO, but to force them into such extraneous behaviours as a prerequisite to donation is antithetical to UYDO's goal of providing the most financial contributions to entrepreneurs that it possibly can. Furthermore, to have any sort of donation process that is exclusionary in practice, discouraging certain age groups, those who are not 'tech-savy' or even those who are antisocial, may prove a significant detractor in the financial struggles of the organisation presently and in the long-run.

Relaxing of the 'groups-only' donation model to allow for 'individual-to-individual' contribution would be as easy as updating the structure of the organisation's website. The new website design would place a greater emphasis on entrepreneur profiles and would provide links to the payment services within each entrepreneur's profile. The pages for group contributions will be retained, naturally, and encouraged both for those who want to get more involved and for those who wish to leave the selection of entrepreneurs up to others. Furthermore, any funds donated by individuals directly to entrepreneurs can be given over to the Global Fund to be reinvested when they are repaid.

Our second proposition is that a greater attention needs to be given to the promotion of UYDO's entrepreneurs. To ensure the organisation's legitimacy to potential contributors, volunteers and sponsors, we must place greater emphasis on the entrepreneurs being assisted within the organisation's presence online. This means a larger section of the website (especially its homepage) being dedicated to entrepreneur profiles. Currently there is no indication of how many people UYDO has assisted financially, a basic and essential figure. There is an 'our impact' link on the site, however, it only discusses the organisation's impact in theoretical, general terms. Beyond showing the total figure though, we should stress the more personal elements of UYDO's relationship with its entrepreneurs. Within each entrepreneur profile should be information about them and their requested loan, as well as a link to donate directly to them and links to the groups and other members who have invested in them already. We can also extend this strategy to other online resources, such as facebook and twitter. On a

regular basis, UYDO can post features on entrepreneurs through these social sites with direct donation links built-in. Along the same lines, UYDO can post whenever an entrepreneur receives their full loan amount or successfully repays their loan. We can also use these social sites to provide testimonials from the entrepreneurs to potential contributors. All of this will have the affect of emphasising the human element of organisation's work, involving the public in UYDO's processes and improving the organisation's legitimacy in terms of transparency while showing the microeconomic, individual impacts it is achieving.

In terms of organisational structure, we suggest that the responsibility of managing the publicity of entrepreneurs as an extension of UYDO's profile be taken on by a dedicated member of the UYDO team. Ideally this would be a full-time occupation, potentially a new Executive Committee member, but initially it may have to be undertaken by a team of members invested in related tasks. Beyond the task of organising entrepreneur features and testimonials on the website and social networking services as mentioned previously, this position will be encouraged to think innovatively about how the organisation promotes its entrepreneurs. Take, for example, the current case of entrepreneur Simon Mburu, a young man from Nairobi who runs a recording studio. He has asked for money to purchase an essential piece of equipment that he is currently renting out at high cost. Imagine how quickly he would receive the funding he needs if it were possible to feature a track he had produced on UYDO's facebook page? Already UYDO has access to digital photos of most of the entrepreneurs, but this can be taken much further. If someone needs money to purchase a store-front, why not feature pictures of the property in question? All of this will enhance UYDO's ability to garner increased attention and contributions for the featured entrepreneurs. It would be the role of the new Executive Committee position to decide the most reasonable method of gathering such resources and to execute their acquisition.

The Future

Should UYDO choose to undertake these strategies for change, we believe that it will be in a far better position to meet the goals it has defined. By facilitating the contribution process UYDO will be able raise more donations passively without compromising their principle of charitable austerity. By focusing on the entrepreneurs more online and by emphasising innovative approaches to these features, UYDO will be able to bring forward the human element of their work and better exemplify their own legitimacy. With these strategies combined, increased contributions and organisational legitimacy will allow UYDO to expand their operations both within Sub-Saharan Africa and, potentially, to other impoverished regions. Expansion will also allow UYDO to eventually have paid staff and additional volunteers will be drawn to the organisation based on its elevated profile and legitimacy. For a young

organisation that has started small, UYDO is doing its best to make a difference. With open minds and a few pragmatic changes, UYDO can realise its goals and affect a lasting change on the lives of young entrepreneurs and on global poverty.

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