



The impact of youth financial empowerment in promoting peace, stability, and development: A study of selected faith-based organizations

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Abstract

Regardless of the religious affiliation, the needs and expectations of young people in society are not easy to meet and sustain. Subsequently, different faith-based organizations have responded in different ways resulting in varied levels of success and failure. This paper sought to highlight lessons that the church in Kenya can learn from the Islamic faith based institutions in relation to youth empowerment programs. The goal of the research was to unveil information that would facilitate the enhancement of the present empowerment programs alongside devising strategies on how to develop others to ensure that the needs of the young people are adequately addressed. Using the explorative strategy to survey relevant literature, the study established that the Somali youth empowerment model is structured. On the other hand, most Kenyan churches lack a structured model of financing. Subsequently, Christian faith-based organizations should be encouraged to establish her independent financial institution that can lend to the youth using biblical principles that are not exploitative in nature. Those that already have such in place should improve their operational framework to realize better outcomes. A low interest loan culture should be underscored to encourage many youth to borrow so that they can actively participate in Entrepreneurship.

Keywords: church, christian, empowerment, entrepreneurship, faith-based, islam, organizations and youth

Introduction

The present youth generation is a disgruntled lot making them a target for manipulation and exploitation. Majority are disappointed with the society that has failed to address their needs in all spheres of their lives. The youth across the globe have lamented on lack of support that would facilitate their political, social, and economic transformation (O'Higgins, 2015) ^[1]. The most vulnerable youth are the unemployed and particularly from needy families. They are the target for those in power especially politicians keen on sustaining their authority and hence use them for individual political gain. Politicians thrive when they have readily available youth who are always desperate to get involved in income-generating activities (Bleich & Morgan, 2019). The faith based organizations including Christian and Islam have a significant role to play to salvage this situation to help these youth lead quality and productive lives. It has been reiterated that an empowered youth population translates to a productive society. Financial stability is an important ingredient in creating a youth population that cannot be easily lured by manipulative politicians. Unfortunately, most lending institutions have exploitative interests that cause the youth to sink further in debt (Sam, 2016).

The high rates of unemployment across the globe have caused the youth to be involved in criminal activities. This is the situation in both Kenya and Somalia. Kenyan youth have been at the frontline in engaging in confrontations and causing violence during political rallies as observed in the present political environment. With the promise of a bright future and a down payment that caters for their basic needs, youth have caused great damage to property and even loss of lives stemming from their unlawful activities (Sam 2016; Gachugia, Mulu-Mutuku & Odero-Wanga, 2014) ^[4]. The situation has not been any different in Somalia where such youth have become the target for terrorist organizations keen on ensuring sustainability of their operations (Dalmar, Ali & Ali, 2017). The activities of these organizations thrive because of the high rates of unemployment that have bred a very desperate youth population that is ready to engage in anything to ensure survival.

Faith-based organizations have a key role to play to salvage this situation. They have a responsibility to not only provide moral support but also financial ability to empower youth become independent and capable of refusing to get involved in life-threatening activities to survive. There is plenty of evidence in literature suggesting that the youth population will keep being a target for politicians and other influential people as long as the relevant institutions particularly the faith based organizations fail to fulfill their responsibility of empowering them (O'Higgins, 2015). Desperation and dissatisfaction will cause youth to intensify courses of action they believe will change their lives regardless of consequences to self and the society at large. Youth defiance and engagement in unlawful activities stems from the long awaited change and handling of issues that affect them on all fronts whether financial, social, or political. Notably, political stability is fundamental to a nation and directly

proportional to the level of development. Other than key institutions, the youth are also influential stakeholders in building a peaceful nation (Francis, 2017) ^[6]. An empowered youth population enhances a nation's efforts in strategic positioning to avert conflict and ultimately promote growth and development.

Subsequently, faith-based organizations should make an effort of mobilizing authorities to ensure that there are youth representation at all significant levels of policy making. In doing so, the interests of the youth will be adequately addressed. Study findings have established that a nation's security is critical for its development and hence should be accorded utmost priority given that it not only dictates the degree of sustainability but also survival. This is particularly viable for nations recovering from conflict and also those prone to like Somalia (DFID, 2011). Kenya is also prone to conflict especially during electioneering periods (Linke, 2013) ^[8].

Faith-based organizations both Christian and Islam have established frameworks to financially empower their youth. Particularly, for the Christians, the structures in place have not realized notable outcomes given the high level of vulnerability that the youth still are. Evidence for this has been recorded in history. One perfect illustration is during the 2007 skirmishes where the youth were used to cause violence that led to the loss of many lives (Linke, 2013) ^[8]. In the current political environment in Kenya, daily news has revealed that many youth are still unemployed and with no source of income and hence are always willing to engage in activities to improve the quality of their lives even when such activities are unlawful.

Minimal researches exist that suggest on what can be done to ensure that the empowerment programs in place fulfill the objectives they are expected to. Some of them include: (Gachugia, Mulu-Mutuku, & Odero-Wanga, 2014; Cramer, 2011; Morton & Montgomery, 2013; Weerman, Lovegrove, & Thornberry, 2015) ^[4]. The church can engage the youth in socio-economic development programs such as sports, cultural activities, agricultural trainings, business-sponsored trainings, financial support and entrepreneurship. The present study explores what the Islam faith based institutions are doing particularly in the Somali region to reduce the number of youth vulnerable for adoption by the terrorist groups. A similar model can be adopted by the Christian faith based organizations to enhance their models to realize better outcomes.

The role of the youth in promoting peace

The role of the youth in promoting peace, stability, and development is inevitable. This population category is crucial in helping a nation promote and sustain peace. A peaceful nation translates to a high level of stability that encourages growth and development not only at the local level but also international. Investors are always willing to invest in a nation when they are certain that their wealth will be safe. The contrary is true. Interactions with the youth population have been termed as complex due to the evident generational differences and a changing environment. Nonetheless, faith –based organizations have a responsibility to guide this population category guided by biblical principles. Faith-based institutions need to enhance their performance to ensure that the youth's welfare is considered at all levels. Finance is a critical component in life and particularly for the youth who are vibrant to engage and associate with whoever has a promise of making them lead better and productive lives. Empirical studies have revealed that the financial aspect is a powerful motivator for behaviour change implying that with the incorporation of proper strategies the youth can be contained within the biblical principles to minimize their vulnerability to exploiters such as the politicians (Bleich & Morgan, 2019). Charity is not always the solution for empowering the youth because they have the abilities and essential skills that can be exploited for both individual and societal gain. The challenge is that the youth are not usually equipped with financial resources to evade poverty. Additionally, they always lack the drive due to unavailable mentors to encourage them on. Thus, even with commitment and determination, it is rarely sustainable. The youth should be empowered so that they become independent actors rather than develop dependency towards charitable initiatives. Such a dependency reduces the degree of productivity and negatively impacts on their morale to work hard and lead quality lives.

The youth population has a significant role to play in promoting peace, stability, and development. Given that the future depends on them, it is important for institutions to equip them with requisite knowledge, expertise, and financial ability to promote societal development. The participatory financing practice (*Mudaraba*) practiced by Islam has propelled their youth to greater heights not anticipated before (Al-Sharmani, 2019). The application of the model is varied depending on the different mosques. The process is transparent leaving no room for doubts because every penny can be accounted for. This practice is embedded in the Islamic belief that the faithful should care for one another and help out whenever possible without necessarily expecting anything particularly monetary benefit in return.

Further, exploitation and manipulation are unacceptable and all are required to adhere to strict ethical principles when dealing with money. Despite arguments to the contrary, to some extent, Islamic banking is grounded on moral foundations (Mansour, Ben Jedidia & Majdoub, 2015), as compared to the conventional banking style utilized by the Christian population. Adherence to ethics has realized positive outcomes (Baharuddin & Ab Rahman, 2021) ^[11]. Christians can borrow this practice given that the Ten Commandments require us to love our neighbours as we love ourselves. In the practical sense, individuals should be willing to help those in need lead quality lives that will ensure they can meet their basic needs.

The desire to achieve wealth within a short time that is largely due to the influence of a capitalist system that encourages consumption worsens the situation. Following this, the faith-based organizations have a crucial role to play in helping the youth to get empowered and thus unavailable to be exploited to cause chaos and mayhem. An empowered youth population translates to a peaceful world. Such a culture will overtime influence the rest of

the population so that they strive to emulate a lifestyle that encourages peaceful coexistence. Youth empowerment programs in the Somali region have greatly helped in reducing the number available for recruitment to terrorist groups (Amble & Meleagrou-Hitchens, 2014). A good example is the Somali Youth Empowerment Program (SOYEP). It is an organization in Somalia that is guided by the philosophy that the youth is the real power of a nation. Its mission is to build a youth-centered community by first empowering under-privileged youth through activities such as sports, skill empowerment, education and various extra-curricular. The Church can borrow insights from the Somali youth empowerment programs to empower their youth. That will have a positive impact on peace, stability, and development. The youth have a significant role to play in promoting peace, stability, and development.

Somali Islamic financial arrangement for youth empowerment

The study established that in Somalia 'Mudaraba' also known as (participation financing) which means a transaction between a financial institution and a borrower is widely practiced. In this arrangement both the institutions that provide capital and borrowers do not have any pre-determined sum quoted as interest in addition to the principal amount but are worked out using the profit-sharing ratio. 'Mudaraba' is a financing agreement based on trust, in which case the investor (Islamic bank) gives capital to an agreed-upon and mutual agent '*Mudarib*' intended to be used in a given project. Profits in this agreement are based on ratios that are pre-arranged and agreed by the parties involved. This contract is similar to the limited partnership practiced in the Western culture, in which one party of the partnership contributes capital for the business while the other party operates and manages the business whilst the profit is shared based on a afore negotiated ratio of ownership. When a loss is incurred, the bank will not suffer from any loss on the investment it made. On the other hand, the agent does not also receive any compensation for the effort made.

The Christian faith-based organizations can get insights from such an arrangement. Rather than just having a youth fund from the offerings and financial support, the church leadership can make arrangements with financial institutions and institute such arrangements at the local level rather than reliance on global organizations for funding. By doing so, they will develop a culture that will empower the youth financially and that will eventually have an impact on societal peace and development.

Another approach that was prevalent is known as '*Musharaka*' which is akin to a joint venture made between individuals and/or organizations. In this arrangement the two parties can provide capital for a project which both may manage. Profits are then shared according to pre-agreed ratios but losses are borne in proportion to equity participation. Subsequently, this is pegged on the capacity as well as roles of the parties partaking in the decision making and administration of the business rather than the profit sharing ideology. The Christian clergy can also adopt a similar strategy and take the lead in providing the capital needed at the local level rather than necessarily depending on global organizations. They can even go a step ahead and shield the youth when losses are incurred to encourage them on. That is what the Christian teachings refer to as brotherhood.

The third aspect is *Murabahah*. Under this arrangement Micro Finance Institutions (MFIs) buys and resells items to its borrowers and then adds realistic profit/mark-up before establishing an agreement to return the borrowed sum to the Micro Finance Institution. Thereafter, both instalments and the duration of payment will be agreed upon. During this time, the ownership of goodwill is held by the MFI until the borrower clears the whole credit amount.

The added profit or markup on the amount borrowed by MFIs is regarded as an administrative cost, and based on the general Islamic practices rule. These institutions strive to ensure that the profit margin is as minimal as possible. We can compare *Murabahah* to Western financial practices. The *Murabahah* contract is similar to trade finance in the context of working capital loans and to leasing in the context of fixed capital loans. As such, *Murabahah* is thus considered as the most suitable method in Islamic Micro Finance Institutions (IMFIs), because its methodology is not only clear but also easy to understand. From the findings of this study, we observe that in Somalia the youth has been empowered through Islamic laws that encourage them to do business under friendly terms (Krauss *et al.*, 2014). The Church in Kenya can borrow some insights from the above arrangement. The first step would be to channel her financial resources to funding the youth. That will go a long way in mitigating the rate of unemployment. A financially empowered youth population translates to the establishment of a stable society.

Role of faith in youth behaviour change for peace and stability

Faith gives individuals meaning and purpose for their lives. The acquisition of strong faith is a form of empowerment as it solidly grounds the youth. In such a state, despite the challenges, the youth will not be easily persuaded to engage in violence. The church has a privileged position to help the youth on all fronts. After firmly grounding them in faith, they can then be endowed with financial skills and expertise to ensure that the funding they acquire fulfils the set objectives. It is through faith that we gain confidence to face an uncertain future. Faith also empowers us to believe in our abilities because we are assured that a supreme power is helping us. Faith results from interactions and experiences that individuals have in the various components that make up their lives and unites these components so that they can feel their lives are "whole" (Fowler, 1981, p. 25). Hence, faith is important as it defines and shapes our behaviours. In doing so, the youth are empowered to make the right decisions even amidst challenges rather than give in to pressure to get involved in violence.

Youth empowerment

Youth empowerment is the process that enable the youth acquire the ability and authority to make informed decisions and subsequently implement changes in their lives alongside that of other people. It is a mechanism that encourages the youth population to accomplish great things at an individual level and ultimately make a positive impact in society (Morton & Montgomery, 2013). Several institutions including the church have a significant role to play in facilitating the achievement of youth empowerment. Despite efforts made to empower the youth, there are many hurdles deterring progress including poverty that leads to inequality, high unemployment rates, inaccessible funds and unfriendly interest rates. Institutions and their actors need to establish effective ways of dealing with such because youth empowerment is a great strategy in promoting peace and stability in nations. The youth population is often used to cause chaos and violence.

Poverty

Poverty alleviation is among the biggest hurdles that policy makers have to deal with both in the Christian and Muslim world. High poverty levels lead to inequality that translates to low productivity levels (Obaidullah & Khan, 2008). Approximately three billion people globally live in abject poverty. A good percentage of this population comprises the youth. That is the scenario across the globe. However, as compared to the Christian nations, the Muslim nation has realized better economic growth and development. Some of the wealthiest nations in the world are Muslim. That is the case probably due to the incorporation of Biblical principles in their Islamic banking systems. These institutions are guided by ethical responsibilities because of their foundation on sharia. The banking systems are tasked with the responsibility of promoting justice and welfare in society (Haniffa & Hudaib, 2007). The ethical and legal framework compels banks to respect stipulated principles and adhere to Islamic values. For instance, there is riba prohibition. The prohibition of riba (interest) is because it is considered as a profit acquired without risk (Mansour, Ben Jedidia & Majdoub, 2015).

Whilst the Quran does not clearly elaborate on why riba is prohibited and dealings on a pre-determined interest rate, the belief is that the practice would eliminate any form of injustice in business transactions. The Muslim values forbid both payment and receipt of interest grounded on a predetermined rate. Money is regarded as having no intrinsic value. On the contrary, it is just a means of transaction (Mansour, Ben Jedidia & Majdoub, 2015). A verse in the Quran clearly states that those who consume interest cannot stand in the day of resurrection but will instead be beaten by Satan into insanity (Q. 1:275). Strict adherence to such principles has created a favorable environment for all including the needy families to be able to access funding and is safe from exploitation by financial institutions. The same cannot be said for the Christian population. The banking systems complicate the process of loan acquisition particularly for unsalaried youth with no assets. Even when they manage to acquire some funding, the conditions are very demanding and unfriendly. Following that, most youth shy away from bank loans and opt for other sources such as from shylocks. Unlike in Islamic faith where shylocking is prohibited and the faithful follow the law, Some Christians thrive on shylocking. Some people have lost all their property and sources of livelihood after seeking assistance from shylocks. Shylocking has created an environment where people are willing to do anything to acquire riches at the expense of others and regardless of the consequence.

Nations across the globe are battling with poverty and the greatest casualty is the youth. In Burundi, the scarcity of resources has caused inequality creating a powerful resource for the elite population and particularly the politicians. The youth have been used as a weapon to achieve individualistic interests at the expense of national peace and security (Cramer, 2011). Young people appear as the force that thumbprints or jeopardizes the status quo. That is why politicians earnestly seek their political allegiance. Notably, not all youth are interested in engaging in political activities. The circumstances in their lives compel them to. Youth are confronted with the dilemma of risk, gain and moral compromise during political mobilizations. They are tactful and careful when making decisions concerning political participation. Many of them never have an alternative and hence participate (Berckmoes, 2015).

Unemployment

Unemployment is a major contributor that compels youth to participate in violence and other criminal activities. Research findings have established that the rates of unemployment keep accelerating to worrying trends particularly in developing nations (Cramer, 2011). That is disastrous as the youth will always be available for manipulation and exploitation by politicians. Additionally, the lack of a support system is what drives youth to engage in unethical behaviours (Joosse, Bucerius & Thompson, 2015). The family is the most important institution in providing such support and security. Unfortunately, that is not always the case. The church and school community are expected to fill this gap for individuals stemming from such backgrounds. Similarly, that is not always the case. A youth coming from such a background where they lack a support system on all fronts is likely to find solace in organized crime gangs. Interestingly, some study findings have revealed that gangs have a high level of bonding among members who are even willing to die for the sake of one another. The bond is usually very strong making it hard for members to quit (Weerman, F. Lovegrove & Thornberry, 2015).

Further, needy households are incapable of attaining development due to the obstacles they experience in trying to access funds. Inaccessible funds make it impossible for this population category to secure available economic opportunities. Subsequently, they are unable to acquire assets, finance the education of their children alongside cushioning themselves from financial instability such as the one we witnessed in the COVID-19 environment.

The youth are the worst affected in such situations. As a way of venting frustrations, they are involved in unlawful activities to earn a decent living.

Conclusions

The youth have a significant role to play in promoting peace, stability, and development. The most effective way to ensure that this happens is to empower them so that they are not used as tools to accomplish individuals' selfish interests. Faith-based organizations have a crucial role to play in helping to first cultivate a steady moral standing among youth as that would equip them with the ability to refrain from engagement in unlawful activities despite the benefits they can accrue. After the establishment of a strong moral standing, they can locally aid them with financial aid through the various frameworks discussed depending on the unique abilities and circumstances.

There are areas of shortcomings in empowering the youth population among the Christians. Despite having some frameworks in place to aid the youth financially, there is a general lack of an organized structure to accomplish the same. Contrary to the Islam scenario, church leaders are reluctant to take the lead and even the fall when things fail to run smoothly. Most of them have very little faith in their youth' abilities to run successful businesses and hence are reluctant to acquire funding or collaborate with banks on their behalf.

Further, the Somali case has managed to overcome the shortcomings because of their adherence to a firm foundation in Islamic doctrine and a willingness to locally solve their problems rather than dependence on global programs. That has been helped by practicing the culture of giving and solidarity (Maharaj *et al*; 2008). Also, exploitation through high interest rates or any form of shylocking is strictly prohibited. Additionally, the Muslim clergy takes a leading role to help in providing guidance and accountability in a way that the Christian clergy has not managed to effectively. Majority shy away from such responsibilities for fear of incurring losses and other disappointments commonly associated with youth such as laziness and lack of commitment.

Also, the Islamic financing system has realized impressive growth and not just in Somalia or Islamic states but even in Europe in countries such as the UK and other African states. That is because of the support it receives from the government. The Kenyan government could borrow insights from such systems instead of always waiting on global institutions such as the World Vision. There is need to change our perspective to localize financial aid. Perhaps we will achieve more observable and positive outcomes.

Recommendations

There is need to adopt a local approach to empowering the youth. Perhaps that would realize better outcomes.

The Muslim clergy are always willing to unconditionally go an extra mile to empower their youth. The Christian clergy should borrow insights from such practices.

The Somalia youth have been empowered through Islamic laws that encourage them to do business under friendly terms. The Church in Kenya can adopt a similar arrangement.

The Christian clergy should adopt better structured frameworks that will encourage accountability and provide the much needed direction. They should be willing to establish or focus on local arrangements rather than reliance on international bodies.

All Christian young people are supposed to be enlightened on the ways the Church can help with the financial aspect. They should be informed on the various financial products that the church offers so that they are aware of their existence and how to benefit from them.

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