

Economic Inclusion

SSN Core Course, 2019



Introducing the Partnership for Economic Inclusion

PEI is a new global partnership **with a mission** to support the **scale up** of national **economic inclusion programs** that increase the earnings and assets of **extreme poor** and **vulnerable households**.



What does PEI do?

- As a global platform PEI will:
 - **Leverage its partnership network**, which includes practitioners, policy-makers, development partners, and research organizations.
 - **Operationalize economic inclusion programs to a wide portfolio of World Bank operations**, with a central focus on linking social protection and job opportunities for the poorest.
- PEI will catalyze country level innovation and global knowledge through:
 - Country engagement
 - Global knowledge sharing
 - Support to research and innovation

Framing the Agenda

1. Momentum & Rationale
2. Definition
3. Scaling up
4. Trade Offs

1. Motivation and Momentum

❖ Key motivations and literature

- Persistence of extreme poverty, poverty traps
- Demonstrated evidence on programs that target the poor, including big-push graduation
- Mega-trends changing the nature of the social contract e.g. climate change, refugees, population dynamics

❖ Policy framework

- Governments across the world looking to shape the changing social contract, including for the poor
- Relevance of SDG and “leave no one behind”: no goal is met unless it is met for everyone.
- SDGs will not be reached with more of the same. Scalable and cost-effective approach is needed if no one is to be left behind.

❖ A need to better ground the agenda

- EI can be seen through a lens linking social protection and jobs for the extreme poor

2. Definitions and Key Concepts (a): Key characteristics around national economic inclusion programs

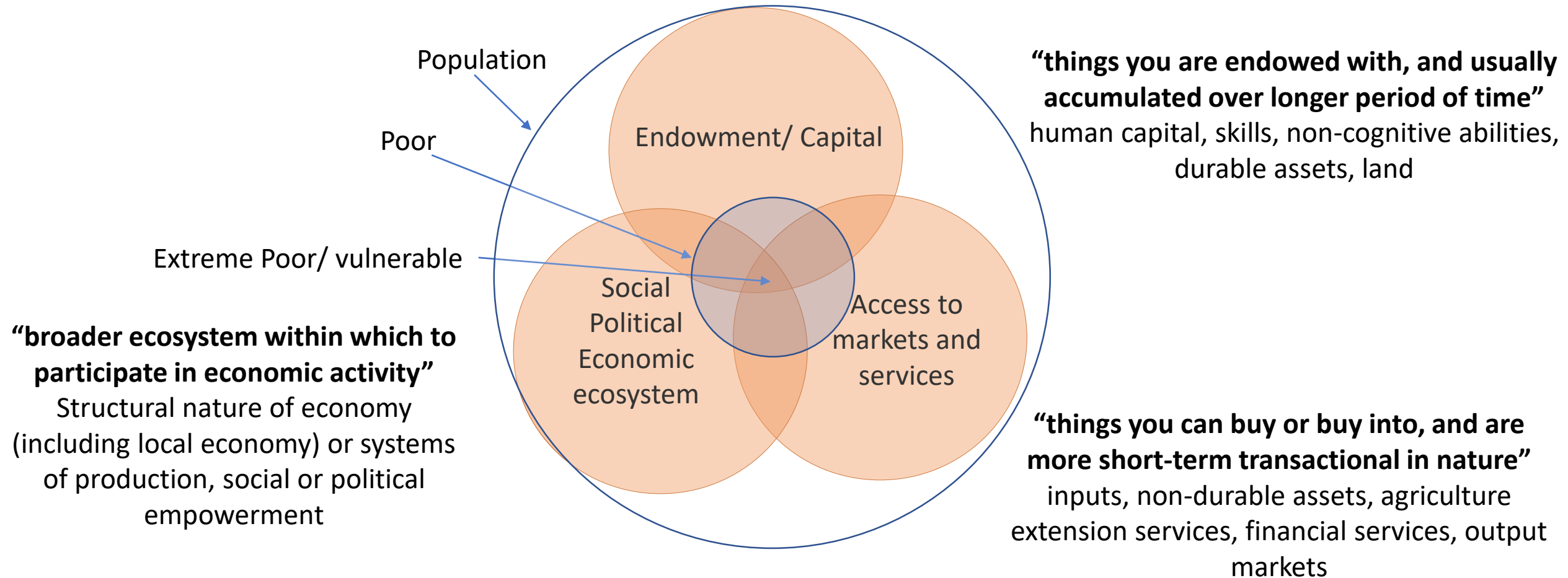
An important caveat – Countries are not homogenous!

- ❖ Economic inclusion **at scale** can be achieved by three key characteristics:
 1. An alignment with a national vision and commitment around EI
 2. A coordinated and context-specific suite of multidimensional interventions designed to address different barriers;
 3. Focus on the extreme poor and marginalized groups (ethnic minorities, castes, rural women, etc.) facing barriers to economic inclusion

- ❖ Smaller scale / experimental program design focused on specific populations, contexts and innovations, can be a testing ground to inform government roll-out, to mitigate for capacity constraints

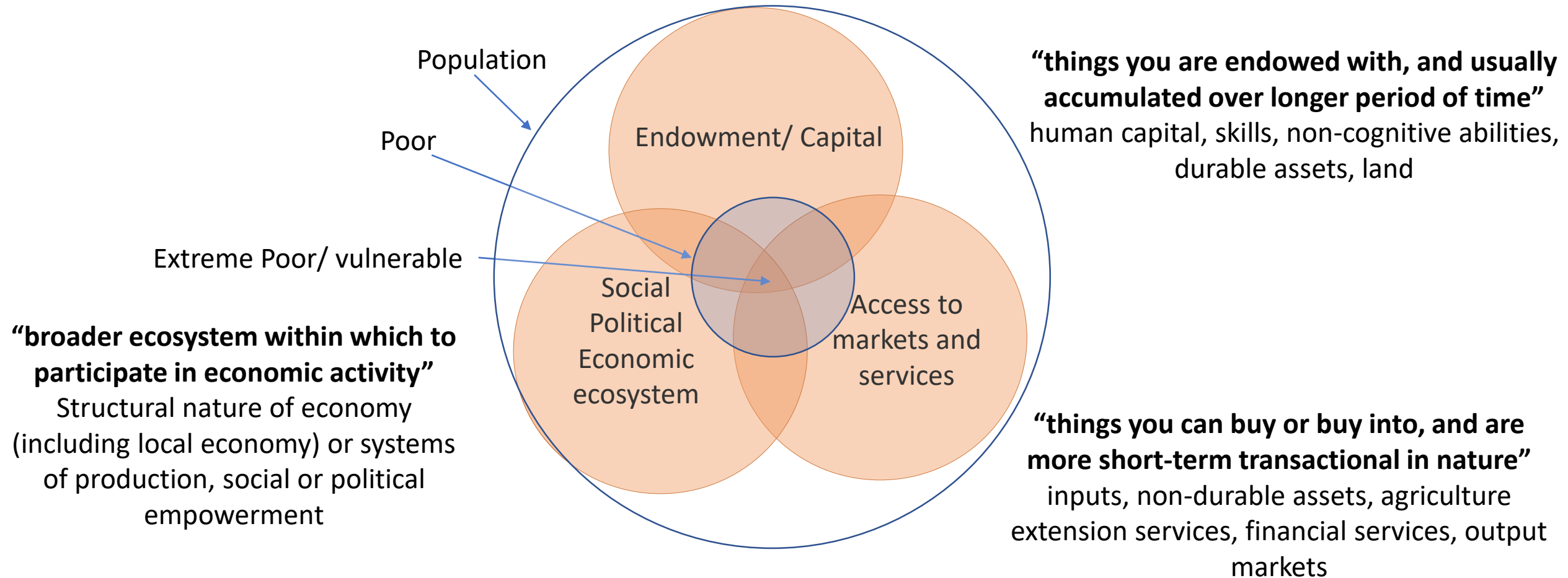
2. Definition & Key Concepts (b): What is Economic Inclusion?

One way to define economic inclusion is by flipping the question – what is economic exclusion?



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2. Definitions & Key Concepts (c): Shift towards comprehensive approaches for the poor & extreme poor?

	Productive inclusion / Productive safety nets		Basic livelihood		"Big Push" graduation
	Cash "plus"	PWP "plus"	Other	CDD	
Interventions	Link existing social assistance programs with employment promotion programs such as training, employment or entrepreneurship support	Link temporary employment provision with skill development and other employment support	Asset transfers, loans/access to credit/ financial education, and training (often no social assistance but in combination with other programs) Default agriculture extension?	Self-help groups that receive seed capital, mentoring, training, financial education, etc.	A time-bound package of interventions spanning social assistance, financial inclusion, livelihoods, coaching, and empowerment
Implementing agency	Usually government	Usually government	Often part of government systems (top-down vs. CDD approaches) but rarely connected to social protection systems		Usually outside government but slowly changing
Target Group	Usually poor households /individuals with working ability Sometimes ultra-poor	Usually poor households /individuals with working ability	Not necessarily poor households Often rural, occupational categories (farmers, herders, etc.)	Not necessarily poor households Often rural women	Extreme poor , ultra poor
Examples	(1) Peru's Haku Wiñay, (2) Colombia's Jóvenes en Acción (3) Brazil's Plano Brasil Sem Miséria (4) Nicaragua's Red de Protección Social	(1) Ethiopia's PSNP (2) Papua New Guinea's UYEP	(1) Sri Lanka's Samurdhi (2) Mongolia's Herders' Employment Program	(1) India's National Rural Livelihood Mission	(1) Bangladesh Targeting the Ultra Poor implemented (2) Pakistan Program for Poverty Reduction

Illustrative Figures - WBG: Overview of WBG Economic Inclusion Projects (1)

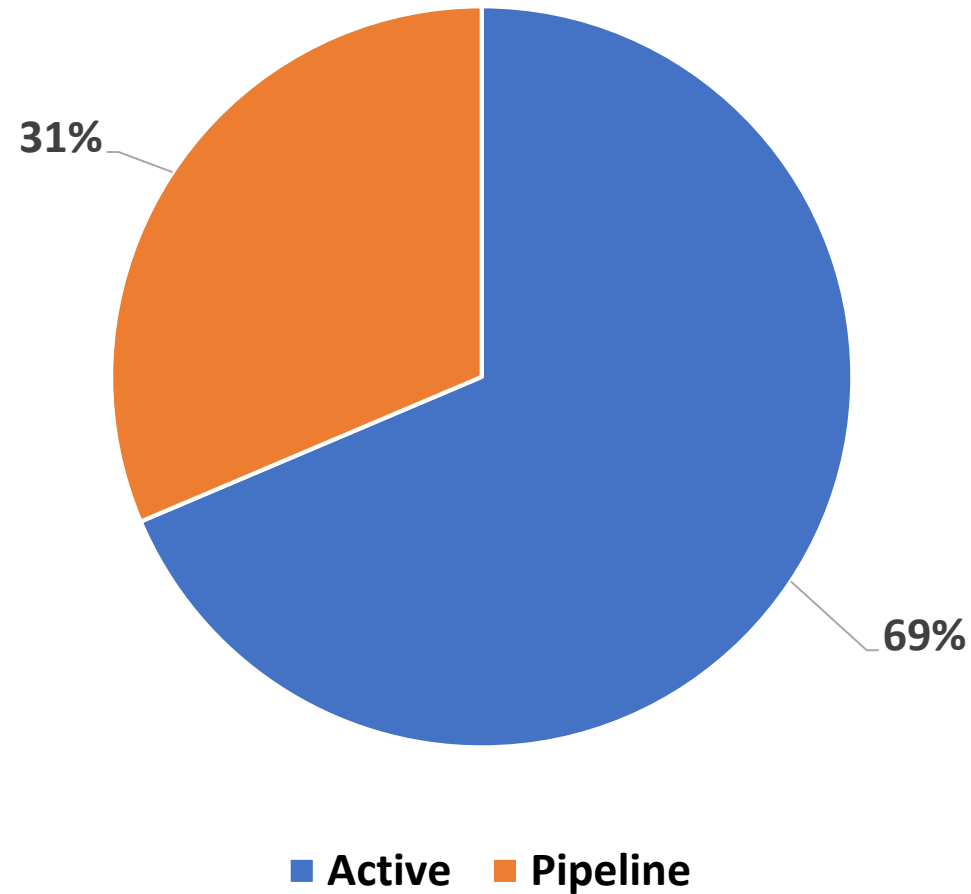


Approximately 140 Economic Inclusion Projects Identified Across 5 Global Practices;

- Social Protection & Jobs
- Finance, Competitiveness and Innovation
- Agriculture and Food
- Social
- Urban, Resilience and Land

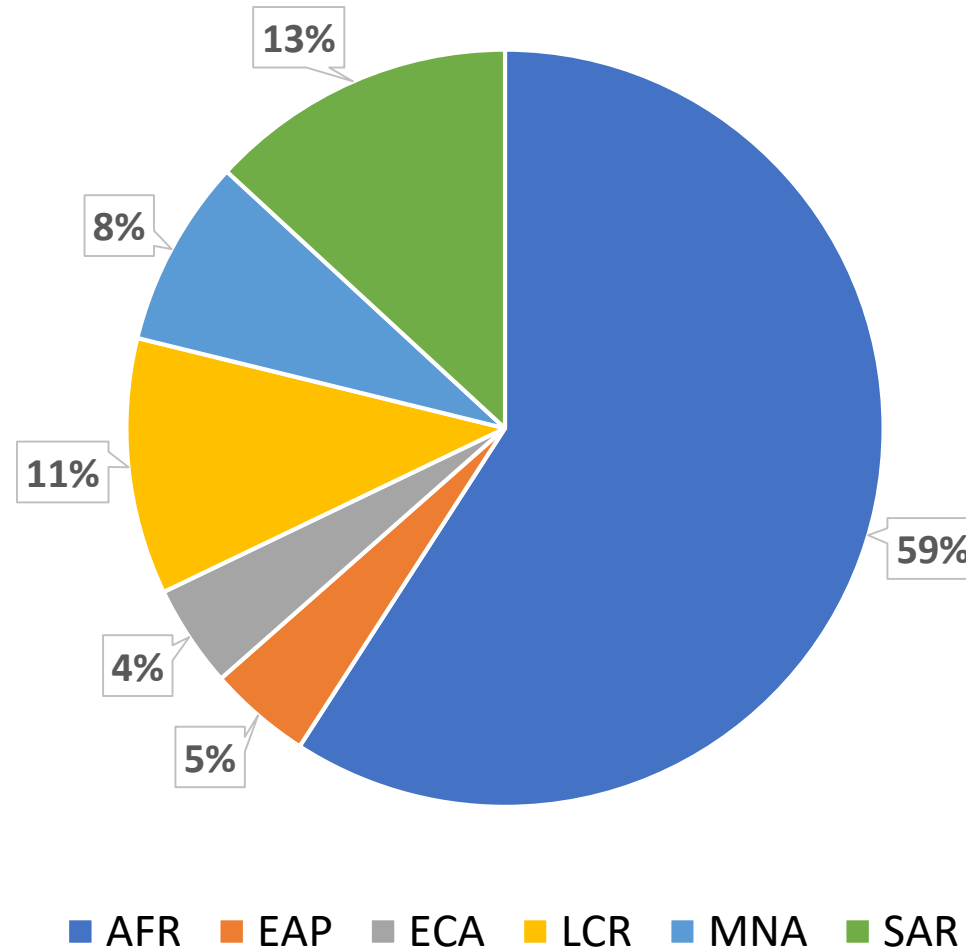
Preliminary Data!

Illustrative Figures - WBG: Overview of WBG Economic Inclusion Projects (2)



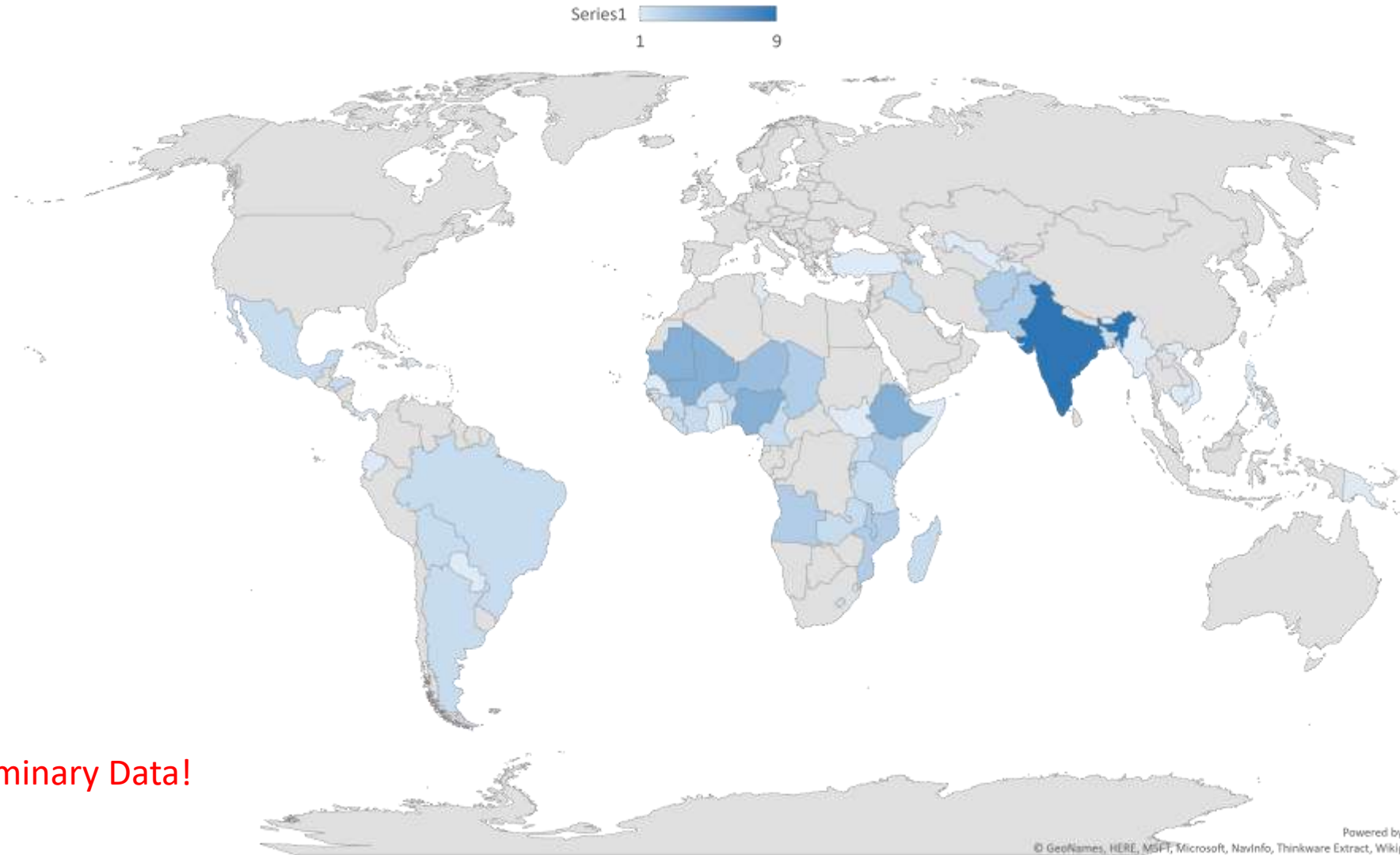
Preliminary Data!

Illustrative Figures - WBG: Overview of WBG Economic Inclusion Projects (3)



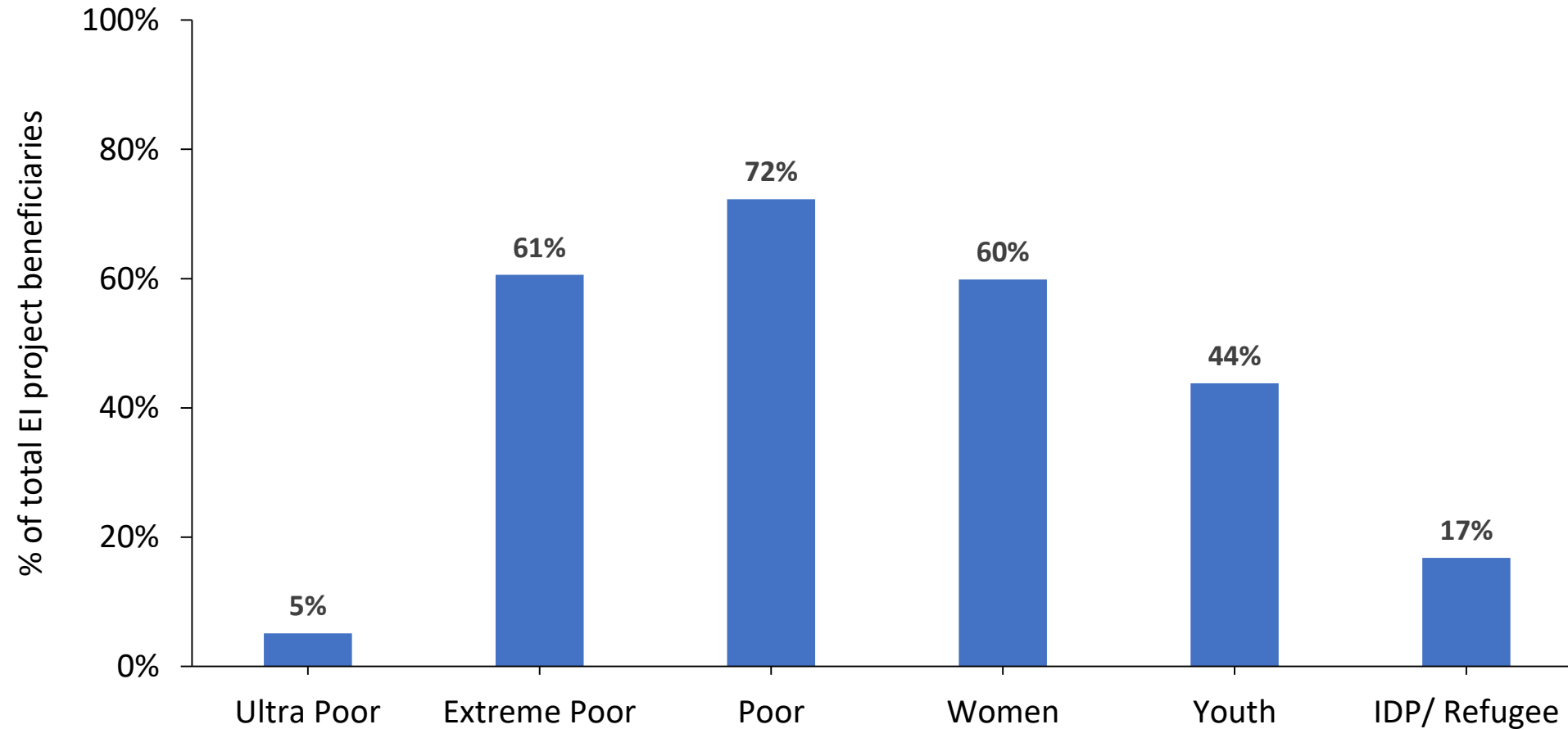
Preliminary Data!

Illustrative Examples: Country Breakdown of Economic Inclusion Projects (4)



Preliminary Data!

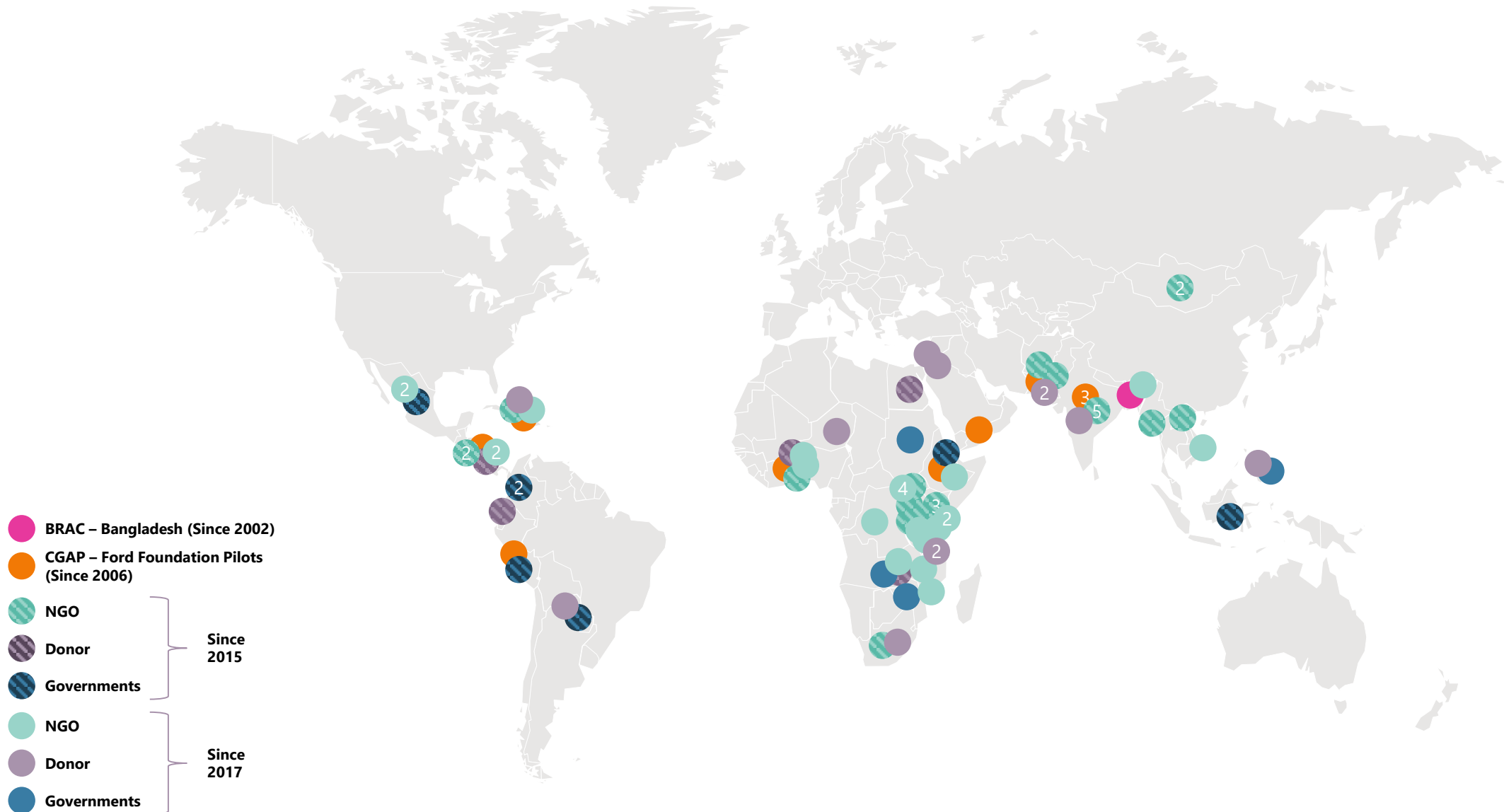
Illustrative Figures - WBG: Overview of WBG Economic Inclusion Projects (5)



Preliminary Data!



ILLUSTRATIVE FIGURES – OUTSIDE WBG: OVERVIEW OF ECONOMIC INCLUSION PROJECTS (1)

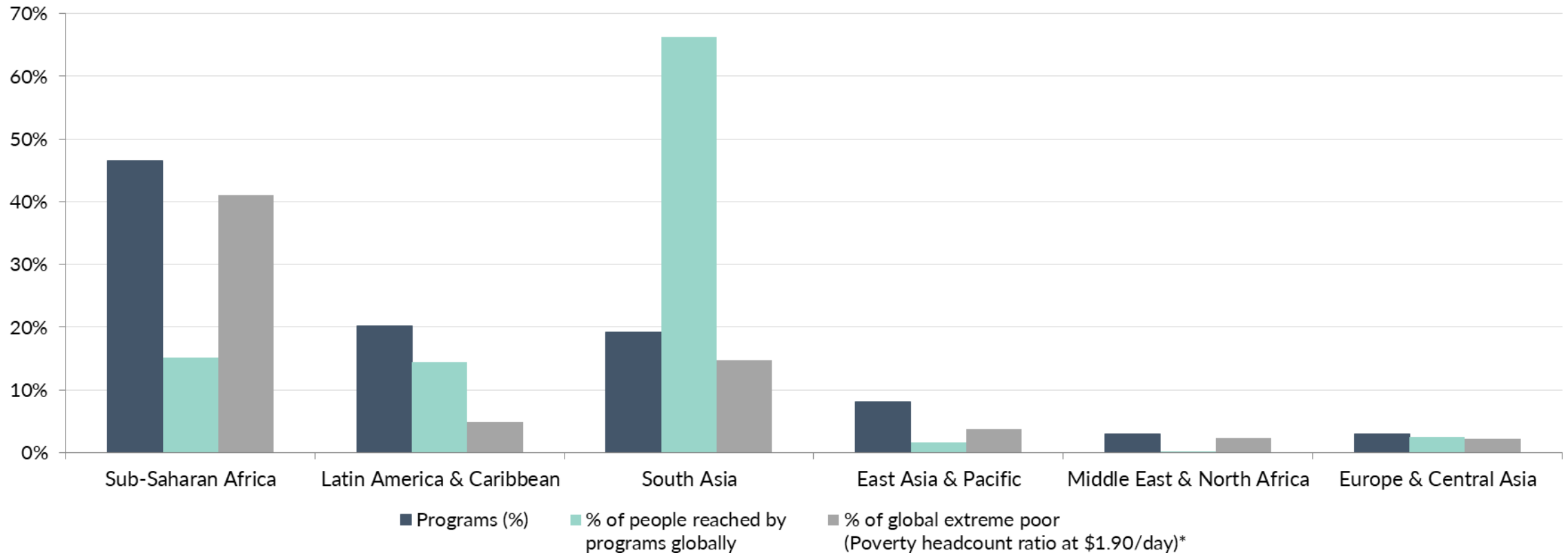




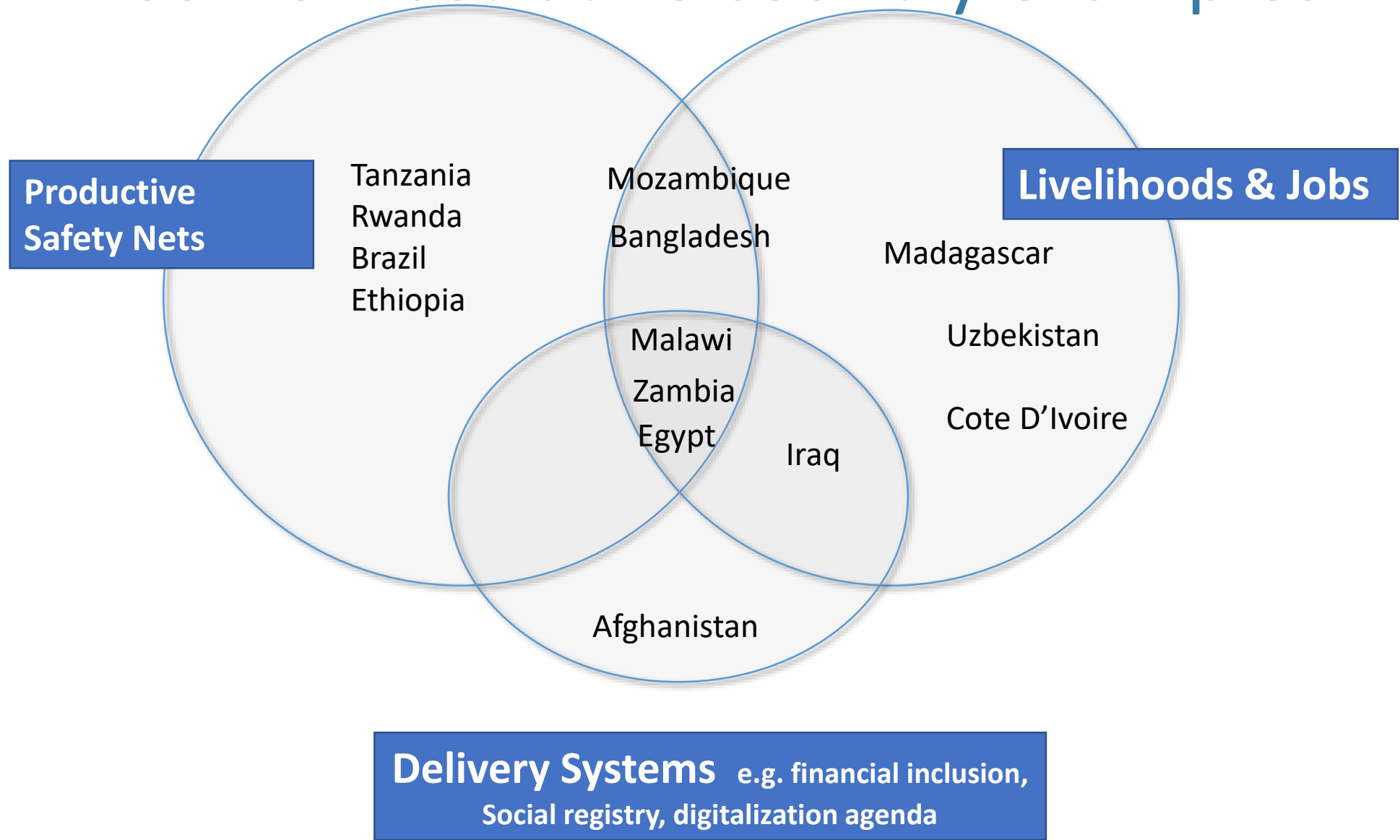
SCALE AND GEOGRAPHICAL SCOPE

99 programs across 43 countries

Reached 3.1 million households –14 million people – to date



Scale (a): Pathways to Economic Inclusion – some illustrative country examples...



Scale (b): New directions on bringing economic inclusion to scale.

Type of Scale up	Focus	Description	Expected Results
Horizontal (Coverage)	Programmatic	expansion by covering more people/communities within a given location or replication in different locations	Improve/ widen/ deepen program outcomes
Functional (Layering and linking of components)		expansion by increasing the scope of activity, e.g., starting with a single focus and layering additional multi-sectoral interventions	
Vertical (Institutionalization)	Institutional and Policy Aspects	institutionalization through policy, programming, political, legal, budgetary, or other system change	Improve efficiency Improve fiscal and policy coherence
Organizational (Implementation capacity)		expansion of the implementing organization, or partnerships with other existing institutions, or the creation of new institutions	

4. Tensions

Within a fixed budget and politically influenced context, there are fundamental tensions to address:

- ❖ **Different objectives e.g.**
 - Equality of opportunity for all children; human capital; focus on the productive inclusion of working age adults.
- ❖ **Target group e.g.**
 - Coverage of extreme poor versus universal focus;
 - Balancing within community, local economy.
- ❖ **Quality v. Scale**
 - Trade offs in moving to scale
- ❖ **Sustainability**
 - Sustainable graduation is simply not possible for households with limited labor capacity and certain group e.g. disabled
 - how to cost optimize

For Discussion

What is the next generation of Economic Inclusion?

