

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 for Today

1. Motivation & Momentum
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

Strong Impact Findings (*Science, 2015*)

Country	Consumption	Assets	Mental Health	Financial Inclusion	Women's empowerment
Bangladesh	+	+	+	+	×
Ethiopia	+	+	×	+	×
Ghana	+	+	×	+	×
Honduras	×	×	+	×	×
India	+	+	×	+	×
Pakistan	+	+	×	×	×
Peru	+	+	+	×	×
Seven-country summary	+	+	+	+	×

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

- ❖ Economic inclusion **at scale** can be achieved by three key characteristics:
 1. An alignment with a national vision and commitment around EI
 2. A set of multidimensional interventions to overcome economic exclusion (coordinated and context-specific)
 3. Focus on the extreme poor, 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

Multiple Dimensions of Exclusion, and Multiple Dimensions of Response



2. Definitions & Some Examples (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	Community Driven Development	
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 UPSNP (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

Example: Productive Safety Nets



Photo Credit: The World Bank

Malawi - Community Livelihoods Support

Building expanded livelihood options based on a public works program and a cash transfer:

Basic Livelihoods: Skills training for farm and off-farm activities + Savings + behavioral training (mindset change)

Enhanced Livelihoods: Financial Inclusion + Group livelihood grants + WASH + Nutrition + Entrepreneurial skills training.

Graduation pilot: household grants + mentoring + value chain linkages + cooperative development & management.

Egypt

Strengthening Social Safety Net Project: Strengthen the CT program through better targeting and pilot of an economic inclusion package that complements the CT program with improved access to economic opportunities, including training and links to employment.

Zambia - Supporting Women's Livelihoods

Improving productivity and reducing poverty in rural areas for women in World Bank-funded Girls' Education and Women's Empowerment and Livelihoods (GEWEL) project:

Supporting Women's Livelihoods Component: Life and business skills by community-based volunteers + grant + group mentorship for six months + savings groups.

Example: Promoting Better Jobs and Livelihoods

Côte d'Ivoire - Economic Inclusion into Value Chains

Increasing income and living conditions of the poor and labor market outcomes through an integrated approach. The pilot builds on the government's unconditional cash transfer program :

Integrated Value Chain Development: supply-side interventions seeking to improve agriculture productivity and farmers' income (credit + inputs + training + access to market) and demand-side interventions (supporting rice producing units, through credit + training). Tested with and without cash transfer.

Economic Inclusion Package: Financial inclusion (savings groups and e-savings) + entrepreneurship training + seed capital + on-demand coaching + cash transfer
Focused on rice crop – labor intensive, widely grown, scope for growth (high local demand, import substitution)

India - Satat Jeevikoparjan Yojana (SJY), Jeevika

Enhancing income through diversification of livelihoods, capacity building and improved access to finance.

SJY follows the graduation approach with participant targeting, consumption transfer, support for savings, livelihood mapping and enterprise selection, productive asset transfer and livelihood financing, aspiration training and confidence building.

Package: village social mapping, wealth ranking, village organization verification and endorsement for targeting + savings and credit through Self Help Groups + livelihoods diversification through micro-enterprise promotion, skills development and job placement + insurance services – life, health, livestock + consumption Assistance + asset Transfer and Financing: Rupees 60,000; up to a maximum of Rupees 100,000.



Example: “Big Push” Graduation

Afghanistan Targeting the Ultra Poor (MIFSA)

The TUP program combines the transfer of a productive asset with structured training, mentoring, a basic cash stipend, and other complementary services for a defined period.

Asset transfer: Transfer of a productive asset in the form of livestock (e.g., cows, goats) + Basic training on livestock rearing and entrepreneurship;

Consumption support: A monthly cash transfer/stipend

Empowerment and health support: “health subsidy” + fortnightly “mentoring visits” by social organizers

BRAC - Targeting the Ultra Poor (BRAC)

A comprehensive and holistic set of services designed to provide extremely vulnerable households the “big push” over a limited period of time.

Productive asset transfer: A one-time transfer of a productive asset + skills training on the asset

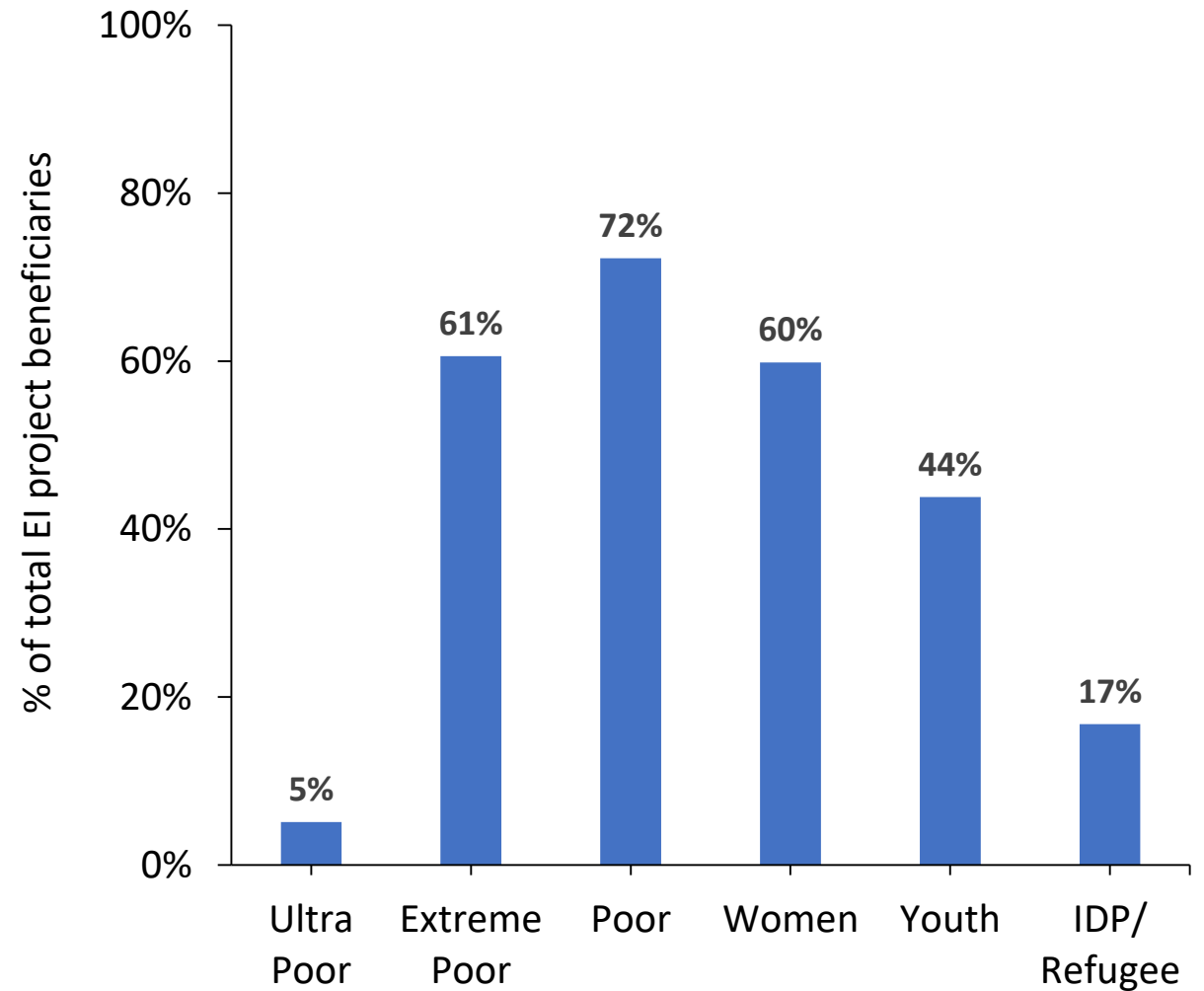
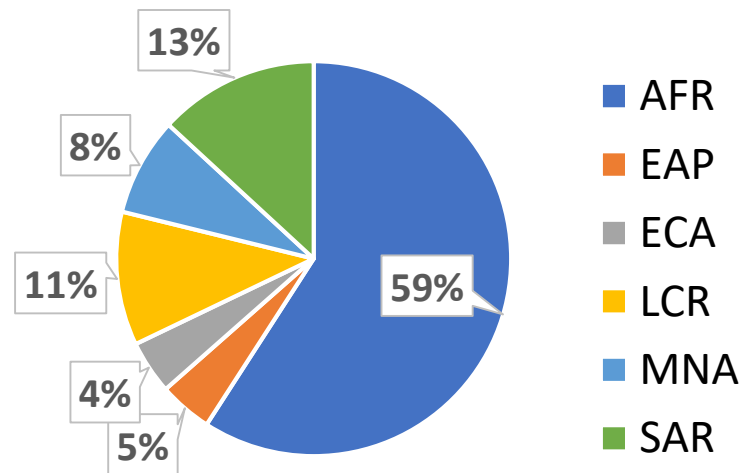
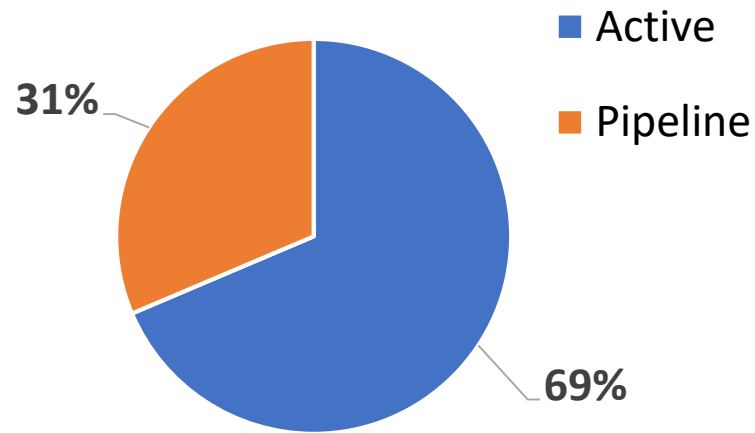
Consumption support: A regular transfer of food or cash for a few months

Empowerment: Home visits + savings groups/linkages to microfinance institutions + basic health education and services



Photo Credit: MISFA

Illustrative Data: WBG Economic Inclusion projects (2019): Apx. 140 WBG Projects across 5 Global Practices



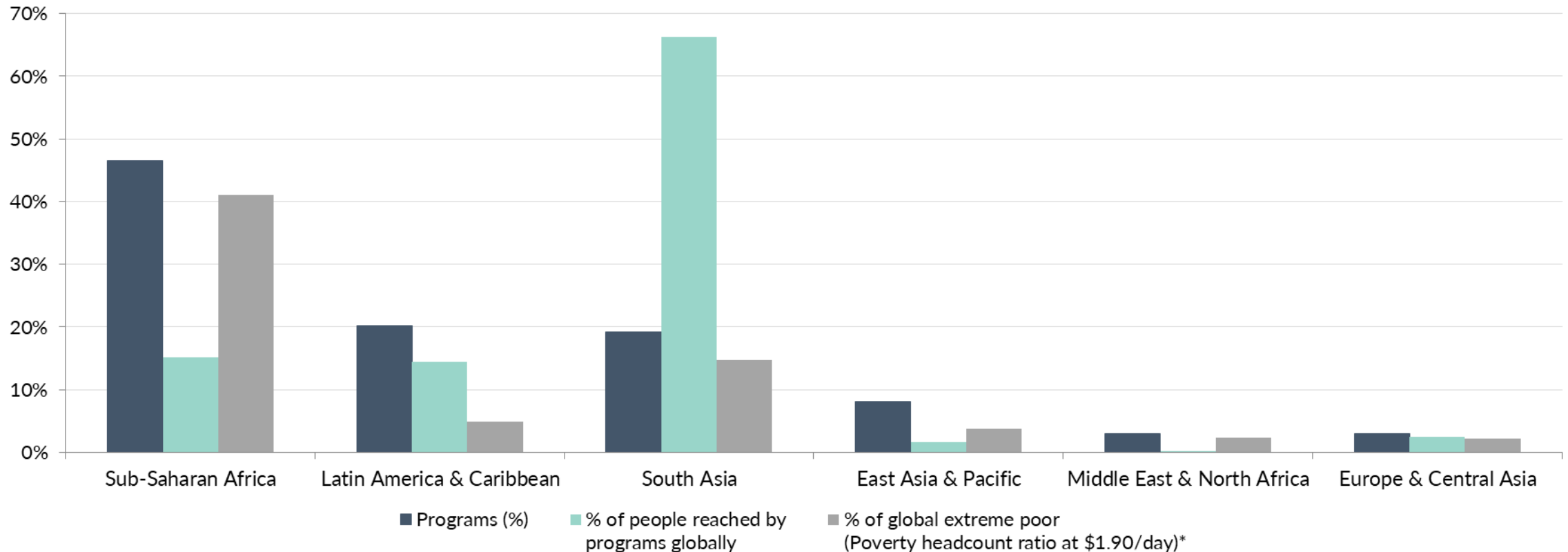
Preliminary Data!



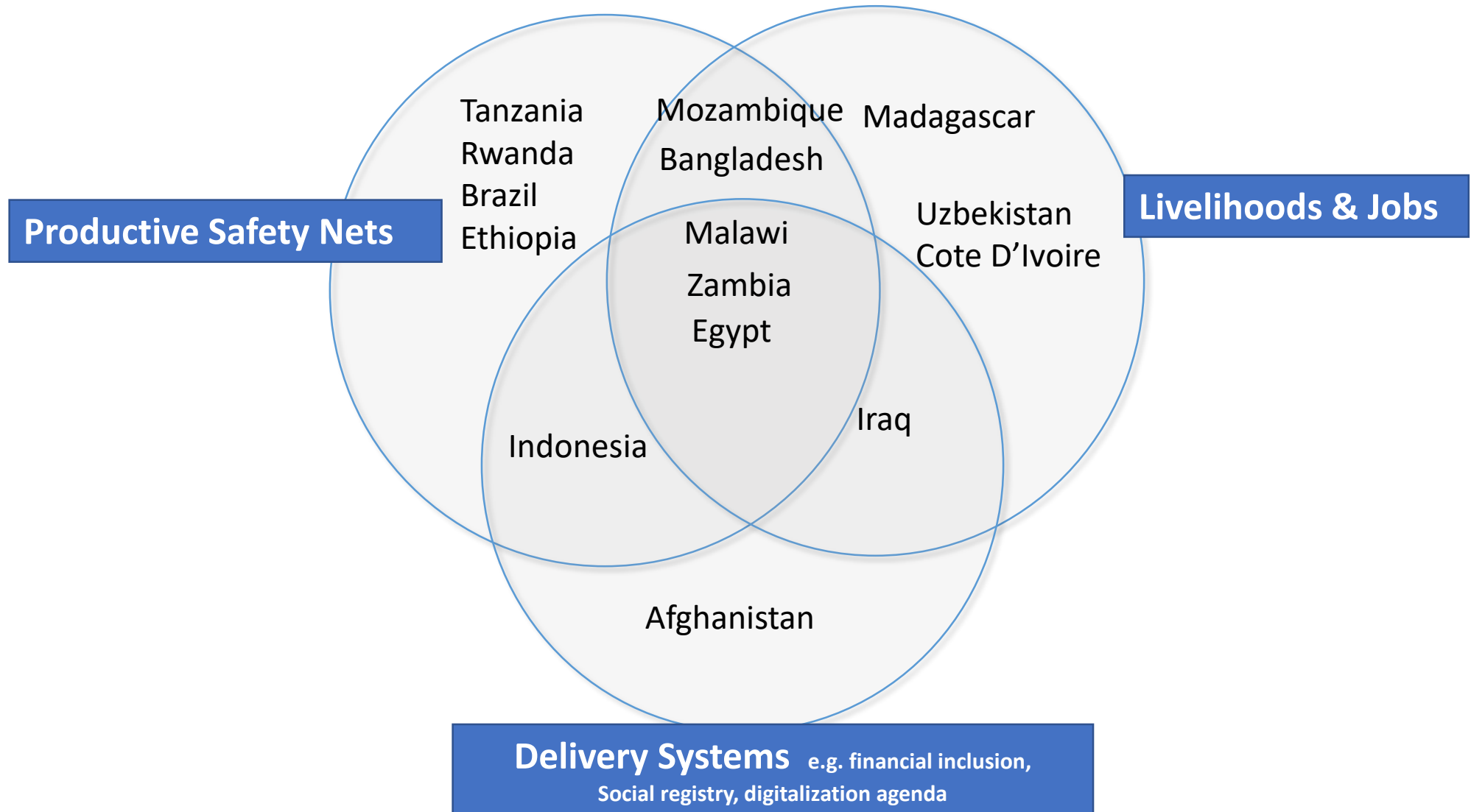
ILLUSTRATIVE: OUTSIDE WBG - SCALE AND GEOGRAPHICAL SCOPE (2017)

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. Trade Offs

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**
 - Fiscal and institutional

For Discussion

What is the next generation of Economic Inclusion?



Supporting a new generation of economic inclusion: 3 pathways

IMPROVING THE EFFECTIVENESS OF SOCIAL SAFETY NETS

- Evidence shows safety net transfers can promote economic opportunities, with beneficiaries more likely to expand own-businesses and own-farm labor.
- Increasing emphasis on expanding “cash plus” program interventions, to increase the effectiveness of established programs.

PROMOTING BETTER JOBS AND LIVELIHOODS

- For the poorest and most vulnerable, access to employment tends to be informal, risky, and often limited by labor constraints.
- A range of relevant experiences (including in rural development, urbanization, youth) can help unlock entry points for improved job and livelihood opportunities.

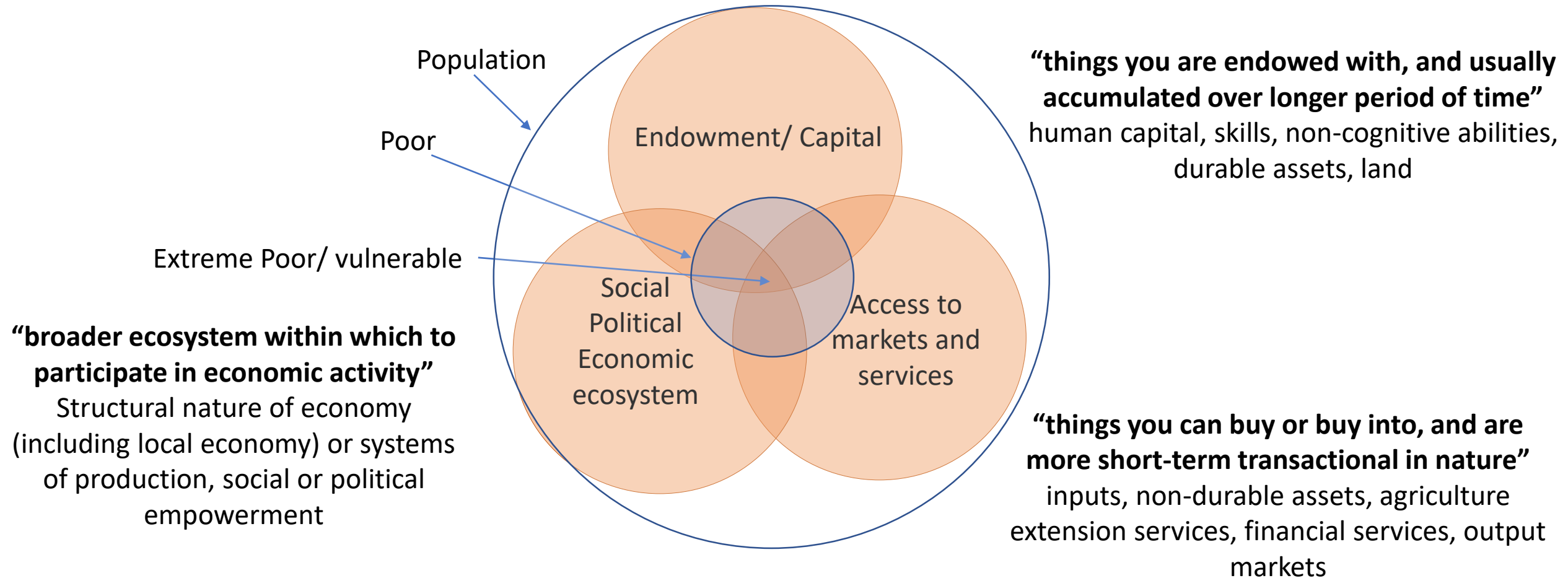
STRENGTHENING PROGRAM DELIVERY SYSTEMS

- Strengthening beneficiary identification, payments, social accountability etc. as a mechanism for improving access to economic inclusion.
- Implies a strong role for financial inclusion.

3 mutually reinforcing pathways

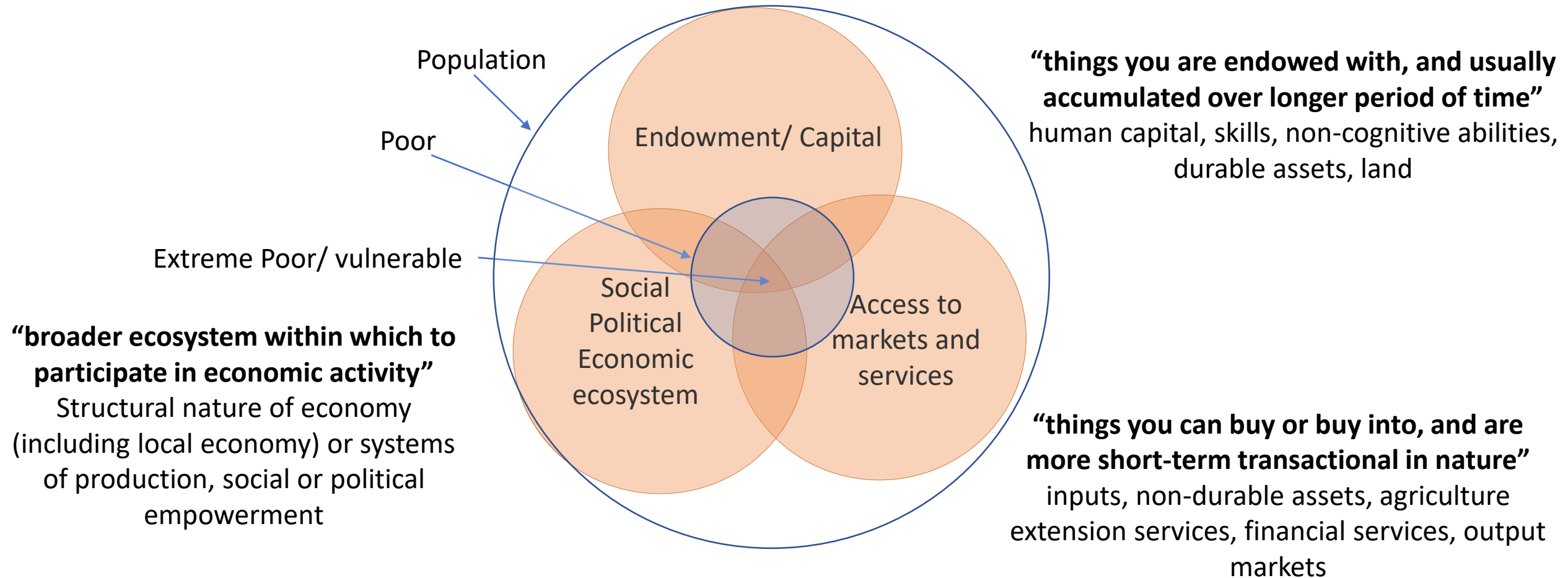
2. Definition & Key Concepts (b): What is Economic Inclusion?

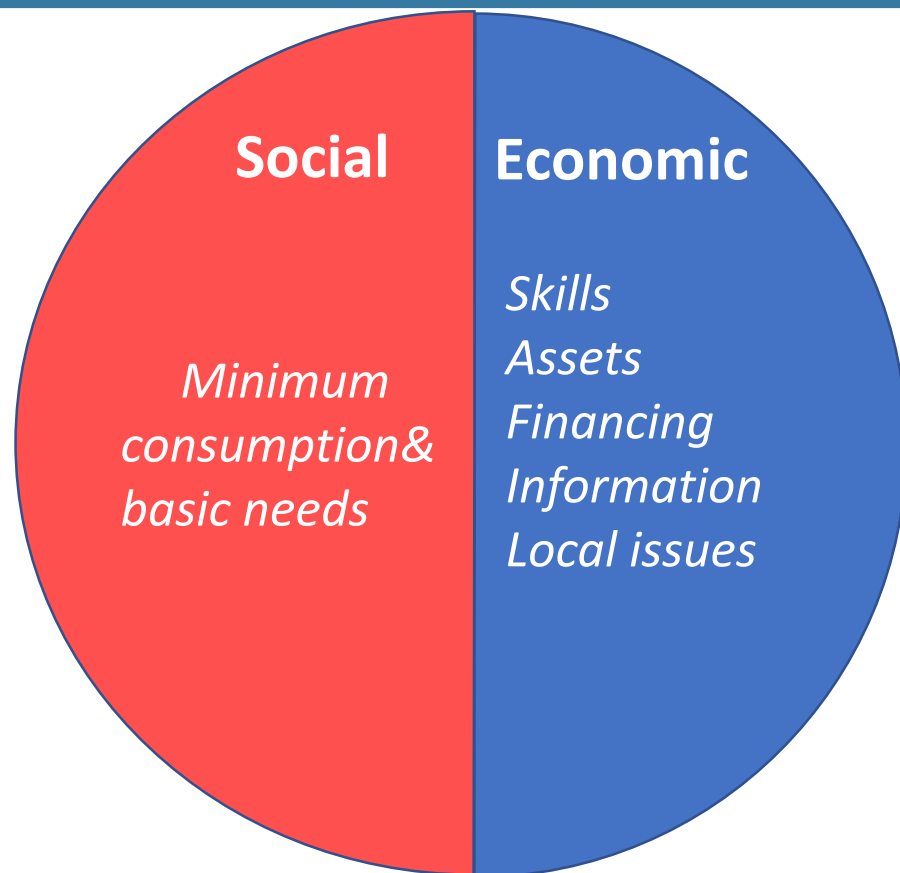
One way to define economic inclusion is by flipping the question – what is economic exclusion?



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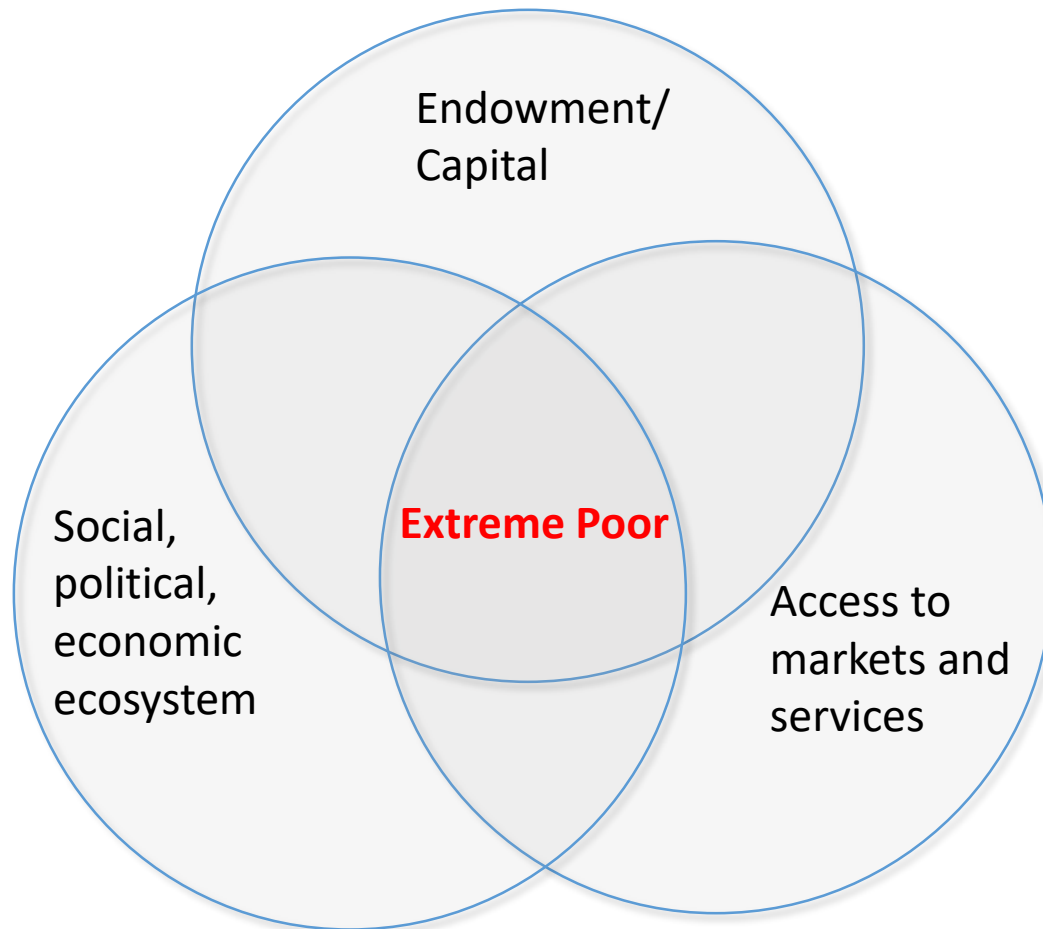
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Multiple dimensions of “economic exclusion”

Multiple barriers
that the extreme poor face



A Multidimensional Approach
can help overcome these barriers

