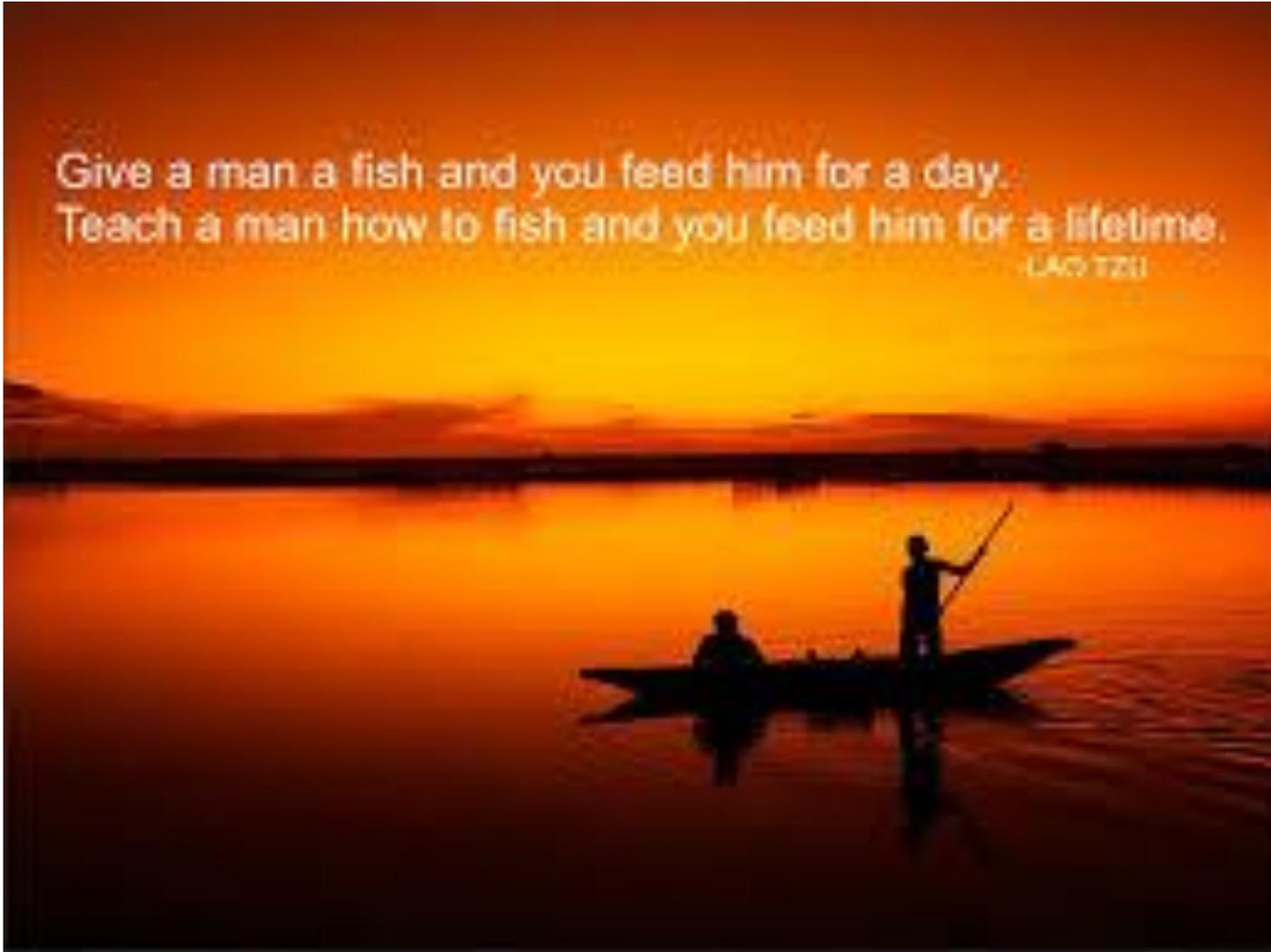


Give a man a fish and you feed him for a day.
Teach a man how to fish and you feed him for a lifetime.
- LAO TZI

Productive inclusion across country contexts



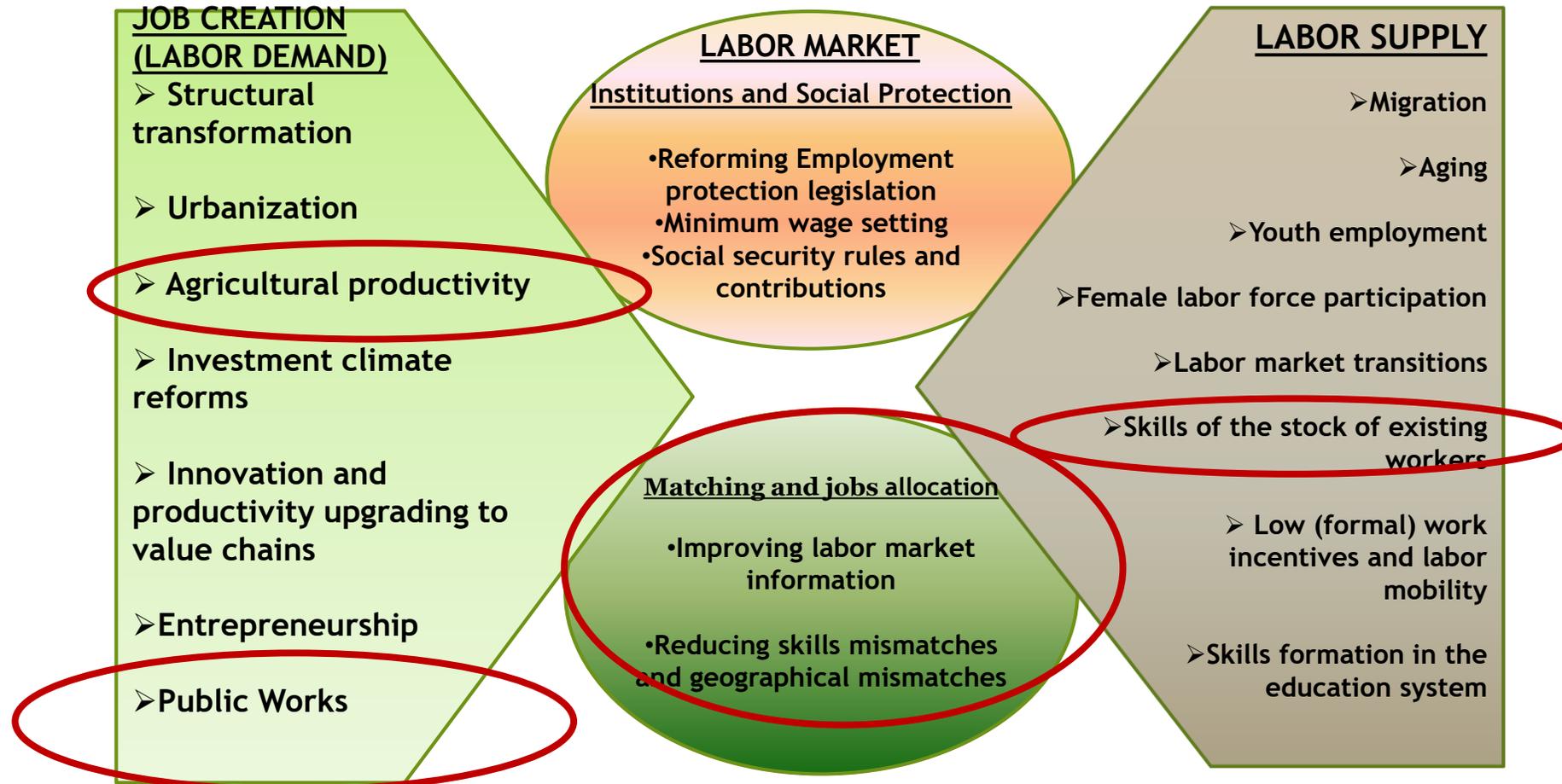
Outline

1. What is productive inclusion?
2. A framework for productive inclusion interventions
3. Different agendas in different contexts
4. Some examples of productive inclusion interventions in MICs
 - A differentiated approach in rural and urban areas: Brazil sim Miseria
 - Youth employment interventions: Dominican Republic JyE
5. Activation policies in higher capacity contexts
 - Core elements of activation policies
 - Interventions
 - Profiling (= targeting)
 - Institutional arrangement
6. Getting started: group work

What is productive inclusion?

- **Enhancing income generating capacity of a certain disadvantaged group in a sustainable way through**
 - Strengthened participation in labor markets;
 - Increased productivity in household activities (farm, self-employment);
 - Better access to markets (credit, inputs).

Mapping productive inclusion policies map in a Jobs framework



Productive inclusion for whom?

The inactive - to decrease their distance from labor markets

The unemployed - to support transition to work

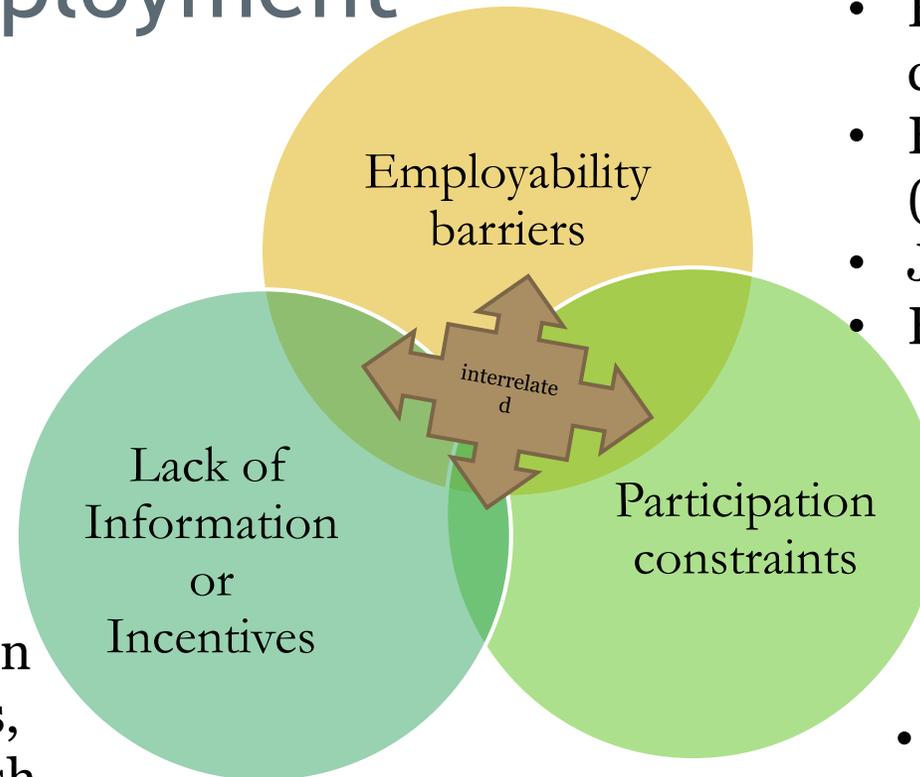
Social safety nets beneficiaries - to promote graduation

Vulnerable populations – to reduce chronic poverty and risk of social exclusion (e.g. at-risk-youth)

The working poor – to increase income



Objective: address barriers to entering productive employment

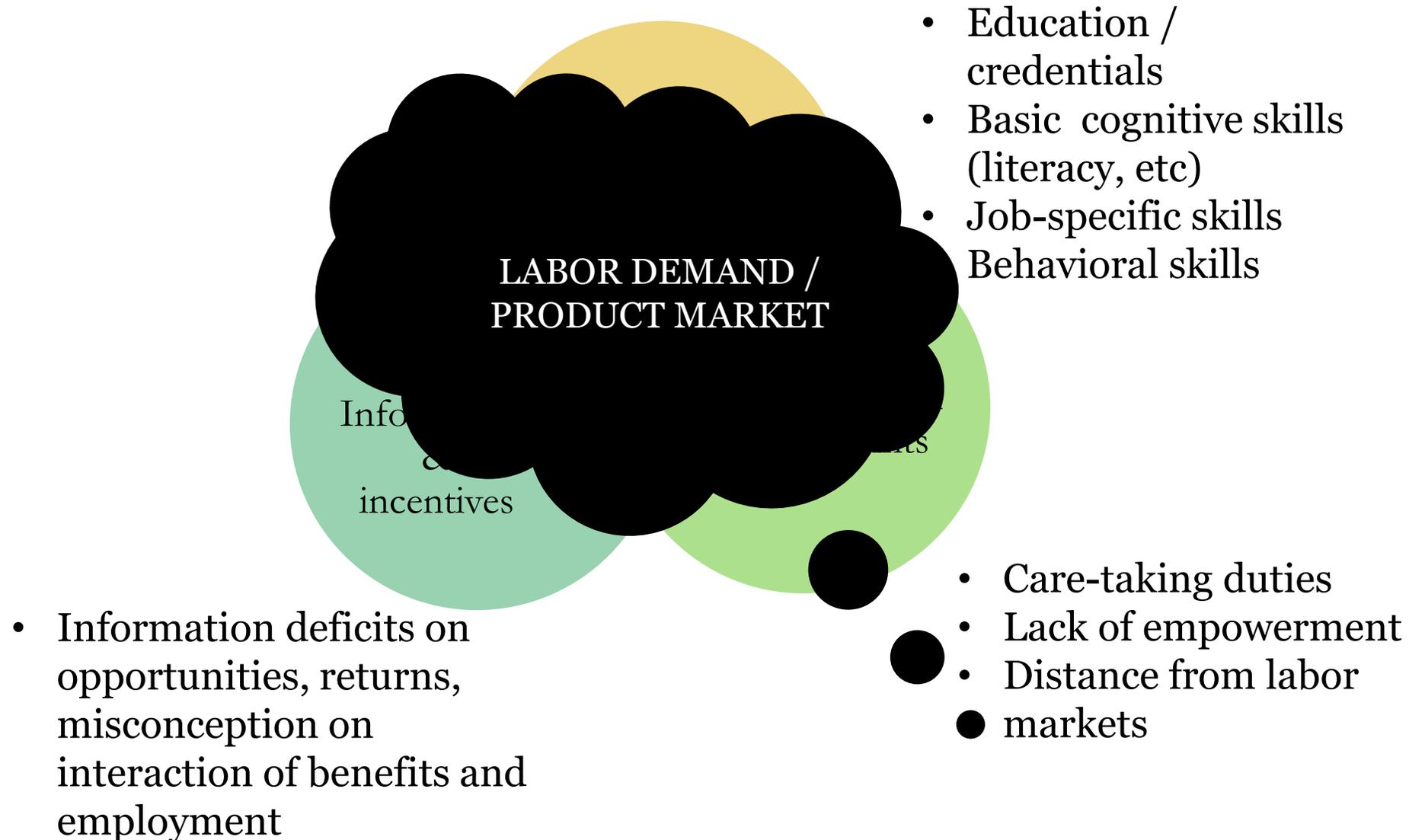


- Information deficits on opportunities, returns,
- Effect of taxes and cash benefit on returns from working

- Education / credentials
- Basic cognitive skills (literacy, etc)
- Job-specific skills
- Behavioral skills

- Care-taking duties
- Lack of empowerment
- Distance from labor markets

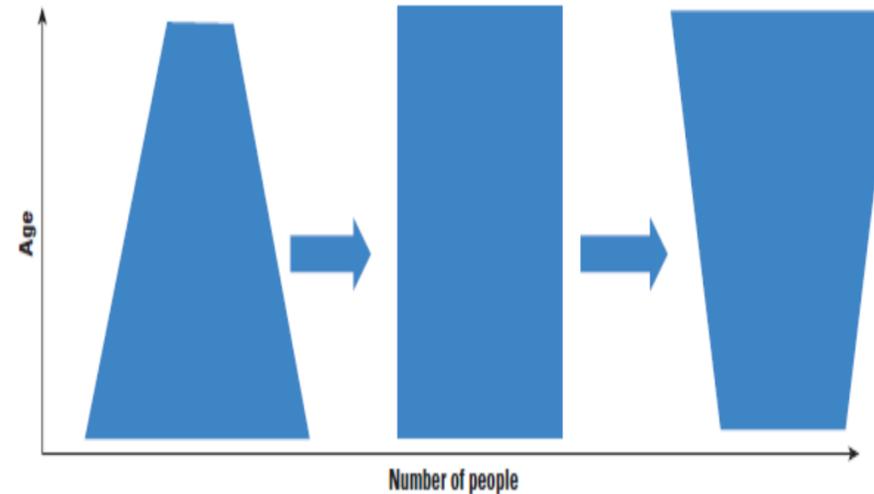
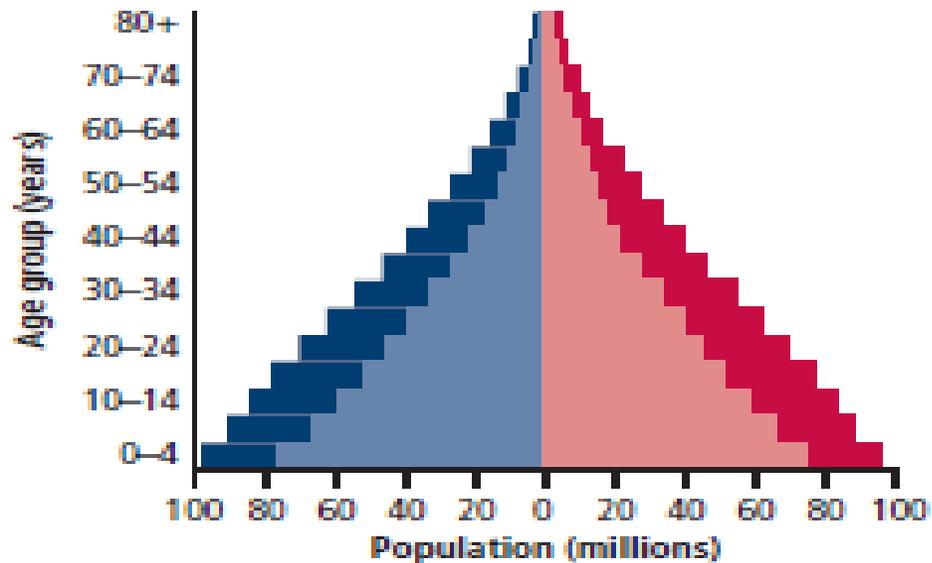
Consistently with market possibilities



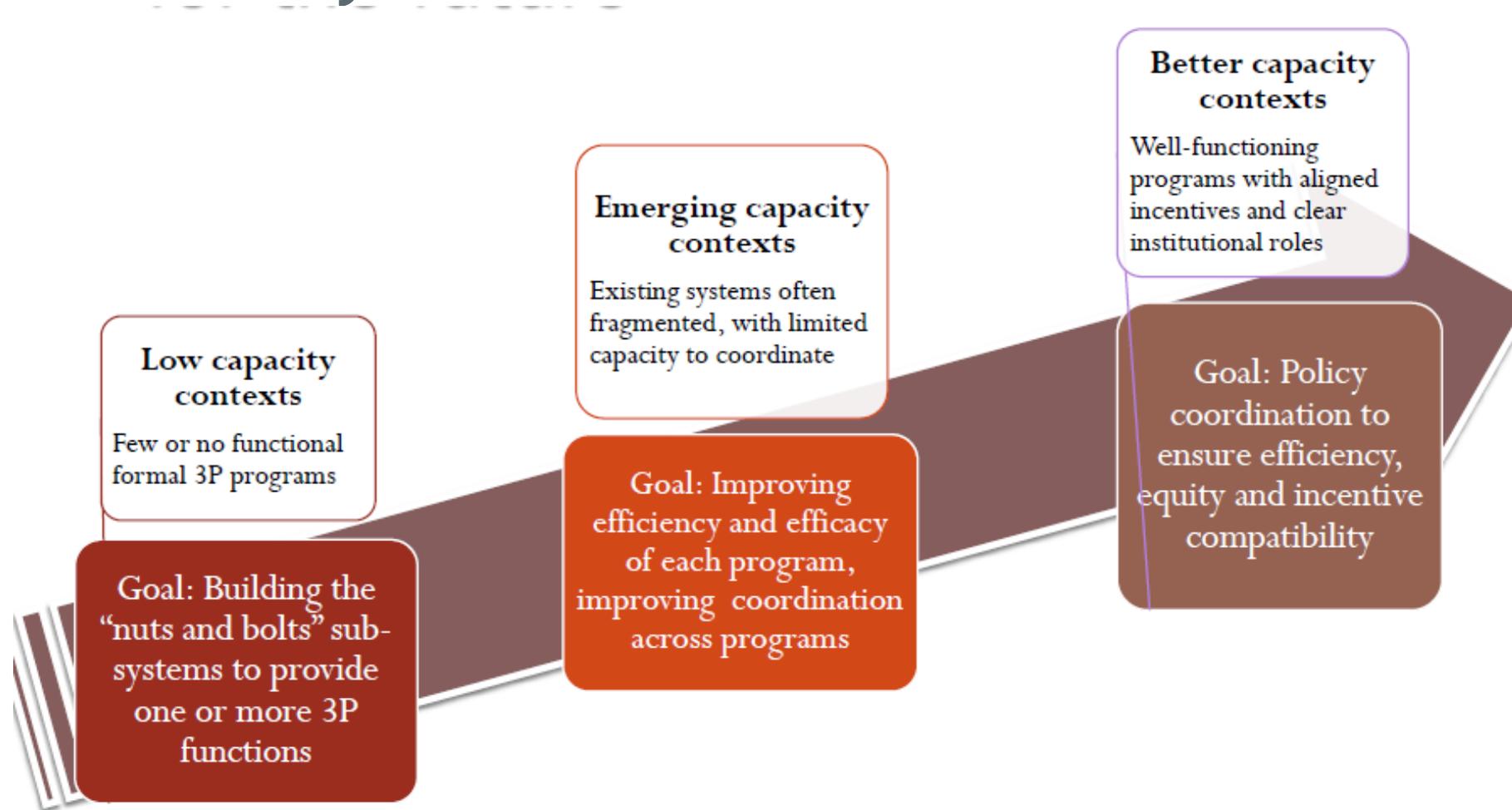
Different agendas: demographic trends

SSA: Half of the population is under 25 years of age. Each year between 2015 and 2035, there will be half a million more 15-year-olds than the year before” WB (2014)

Population dynamics as life expectancy grows, fertility rates decline, and net emigration continues



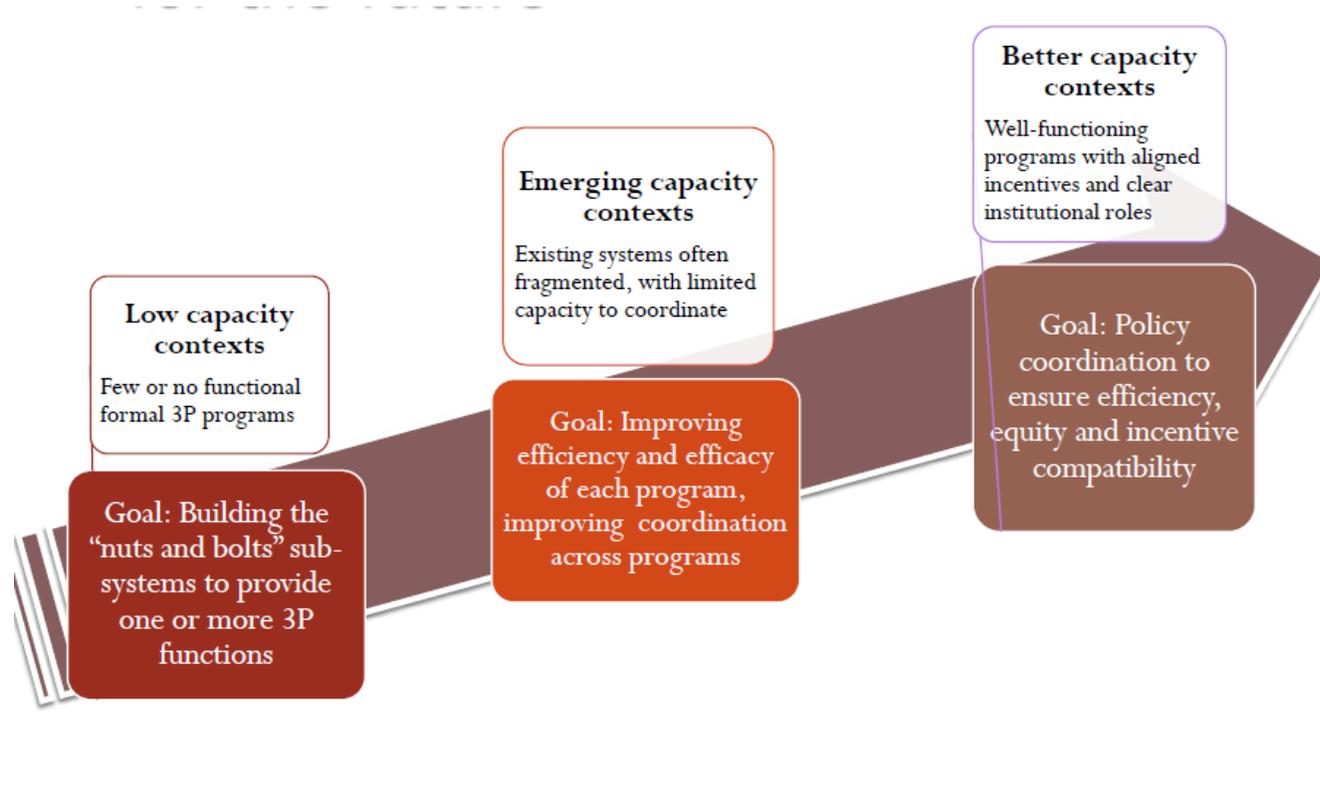
Different agendas in different context: Social Protection systems



Different agendas with often different jargon

- OECD/Upper middle-income: Activation into work – reduce or eliminate welfare dependency (traps)
- MICs: Graduation and productive inclusion strategies – emphasize program “exit” and moving into (formal) market
- LIC: Productive safety nets - focus on moving out of vulnerability and extreme poverty into resilient livelihoods

Examples: Productive inclusion interventions in Middle Income Country Contexts



Example of operationalization a productive inclusion strategy in a MIC

Brasil sim Miseria

General target Group (Cadastro Unico membership = i.e. the poor)

Builds on SA network at municipal level

Specific interventions for specific populations

Rural Productive Inclusion



Urban Productive Inclusion



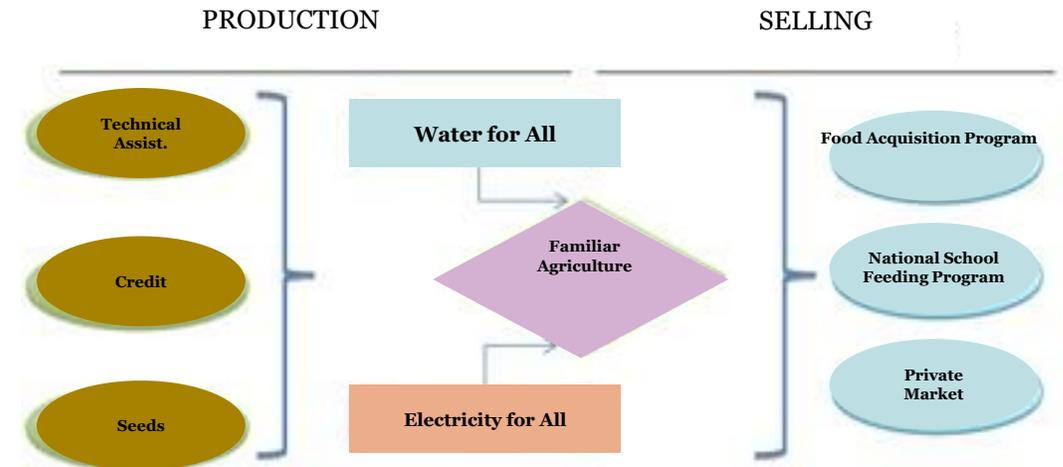
Diverse set of interventions within Brasil Sim Miséria

- **Rural Areas**

- Technical assistance
- Promotion and seeds
- Water for dry areas (Tanks)
- Food Public Procurement Program

- **Urban Areas**

- Labor centers within social assistance network
- Map of opportunities at municipal level
- Training: subsidize access to technical schools
- Entrepreneurship training and capital
- Subsidized formalization of individual microenterprises



Source: Translated from MDS (2013)

If you want to know more about Brasil Sim Miséria...

http://wwp.org.br/en/social-policy/productive-inclusion/



Productive Inclusion | WWP

Three years in a row: Mauritania...

it View Favorites Tools Help



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Productive Inclusion

Assisting vulnerable families to access formal jobs and generate higher incomes are productive inclusion actions within the basic social assistance services in Brazil

Youth employment programs

Constraints to Youth Employment

	Type of Constraint	Youth Only or All Workers
Individual	Inadequate cognitive, non-cognitive and technical skills	Ya
	Lack of social networks	Ya
	Household income	A
	Psychological biases	Ya
Markets and Government Failures	Distorting labor regulations	Ya
	Low bargaining power	Ya
	Lack of information about where the jobs are	Ya
	Employers lack information about workers	Ya
	Lack of access to capital	Ya
Macro	Constraints to business creation and job creation	Ya
	Economic slowdown	Ya
	Age cohort-size	Y
	Conflict and violence	Ya

Notes: Y=constraint affects only youth; Ya=affects all workers, but youth more than others; A=affects all workers. Source: S4YE

Example: Youth and Employment Program in the Dominican Republic

1. **Who? → Disadvantaged (poor) youth out of work, age 16-29, incomplete high school**
2. What and How? → Classroom-based training (225 hours)
 - A. Vocational training (150 hours) tied to needs of local employers
 - B. Socio-emotional skills training (75 hours): Self-esteem, communication, conflict resolution, goal-setting, time management, team work, decision making
3. What and How? → Apprenticeships in private companies (240 hours):
 - On the Job Learning: 6 hours per day during 8 weeks
 - Counseling with the training provider: 4 hours per week (8 weeks)
 - National training agency pre-certified private training providers and competitively selected with Ministry of labor
 - Stipend: 2 dollars daily (now raised to US\$ 3) to avoid drop outs
 - Average cost per participant: US\$ 400. Duration 5/6 months

Example: Youth and Employment Program in the Dominican Republic

- Short-term (1-2 years) impacts:

Earlier evaluations indicate negligible impacts on overall employment, but positive impacts on earnings and formal employment, arising from SE skills

- Impacts over longer term (6-7 years):

↑25% of formal employment for men (was ↑17% in the two-year follow-up)

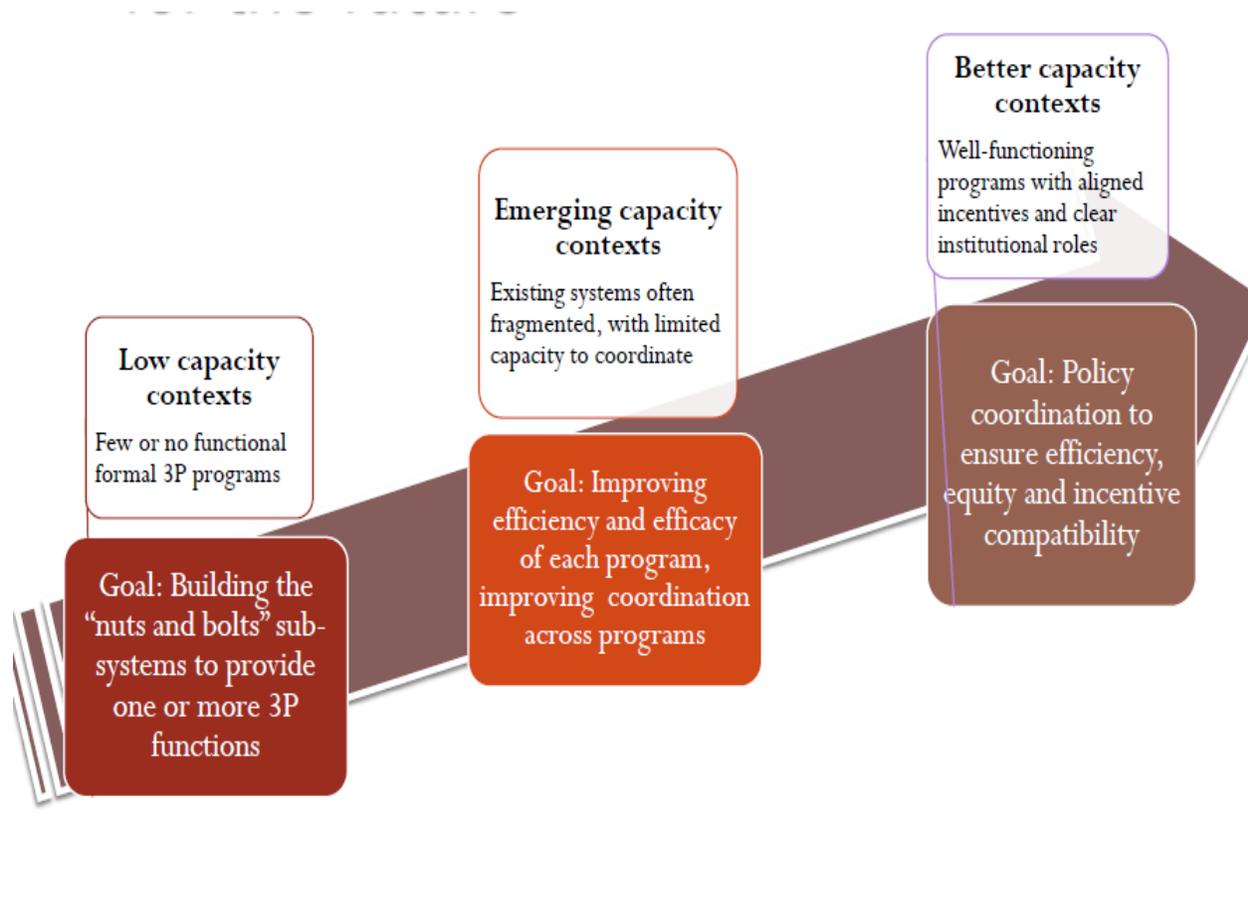
Increased Formal Employment				
All	Men	Santo Domingo	SD women	SD Men
18%	25-27%	31-39%	33-60%	35%

Higher Earnings	
SD women	
25-31%	

Key lessons from Youth Employment programs evaluations

- Good intentions are not enough – a good design and effective implementation of youth training programs are essential for positive results
- Need modest expectations – labor market outcomes depend on many supply AND demand factors. Need to go beyond overall employment as a metric of success in populations where no work isn't an option and informality prevails
- Need to track impacts over the long term and focus on multiple skills (basic cognitive, socio-emotional and technical)
- Need strong link with employer needs to achieve results, and:
 - Combine classroom instruction with internships or apprenticeships (on-the-job experiences)
 - Design incentives for training providers to focus on employability results not just on the number of youth trained

Activation into work – reduce or eliminate dependency on social transfers in context of higher institutional capacity



Main elements of activation policies

Policymakers' concerns in OECD countries since 1990s:

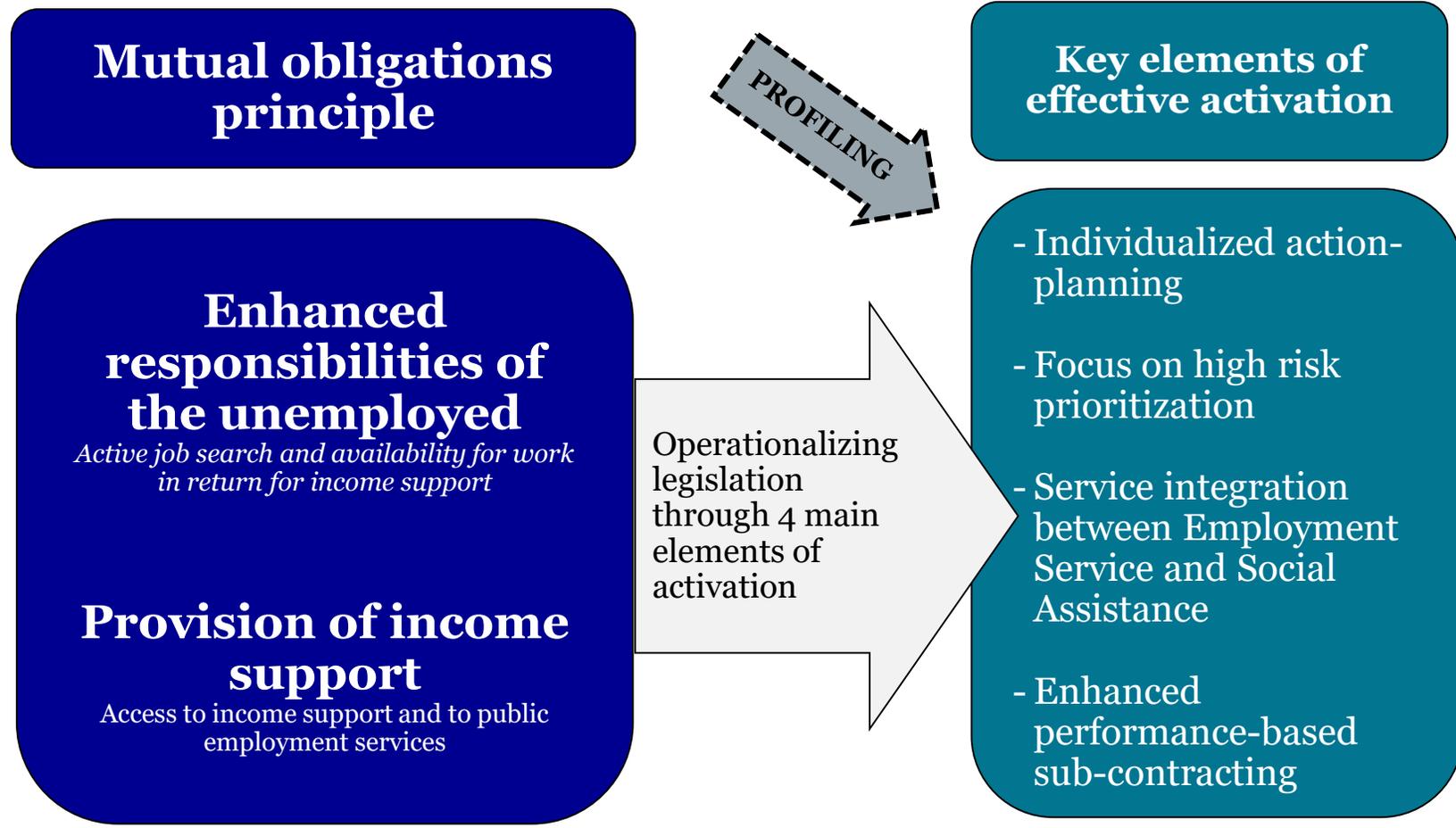
- Low employment rates among the potentially employable (unsustainable)
- Dependency on transfers
- Increasing focus on shift from “passive” to “active” social policies

Response: Activation policy “Packages”

- Includes both incentives and support services
- Requires the collaboration of several agencies according to very specific protocols



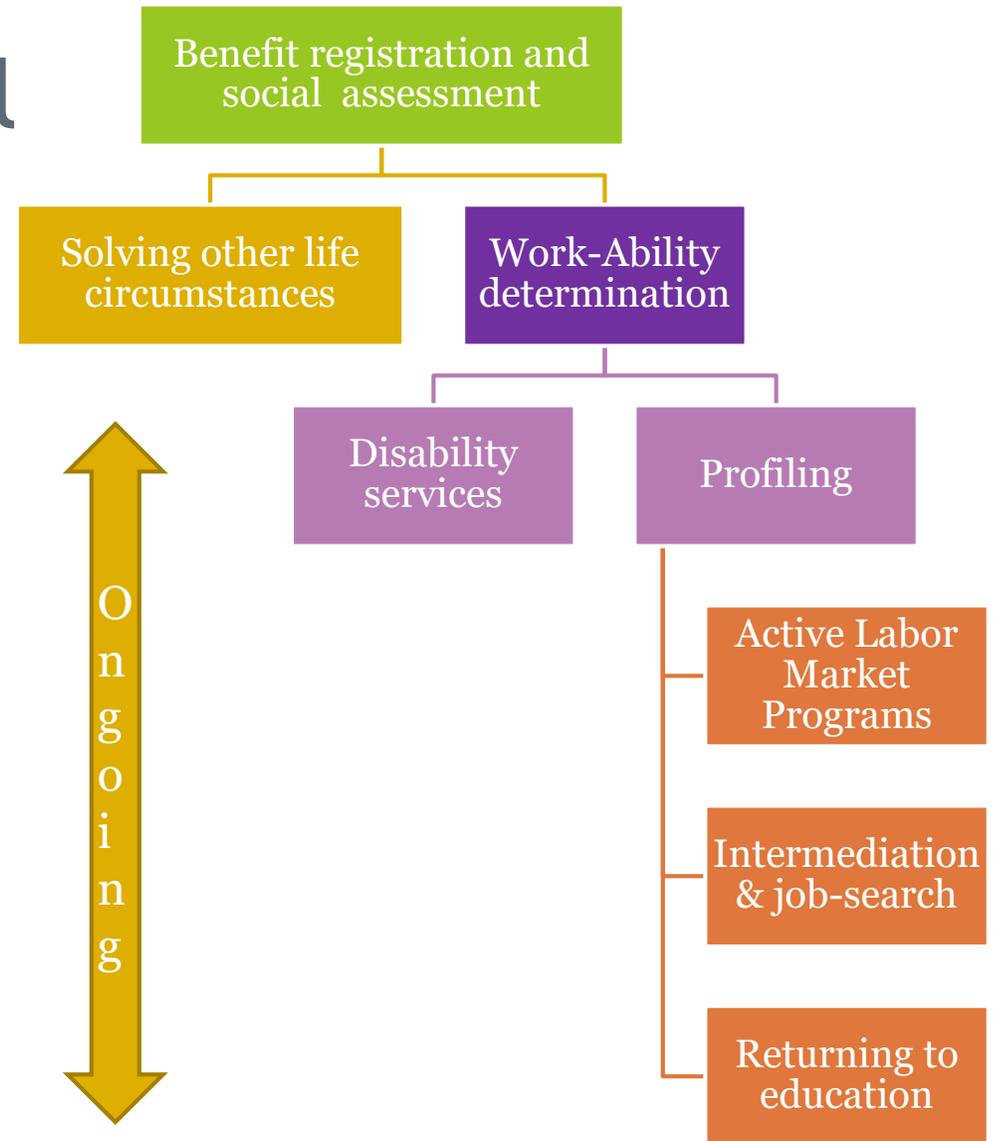
How does activation work?



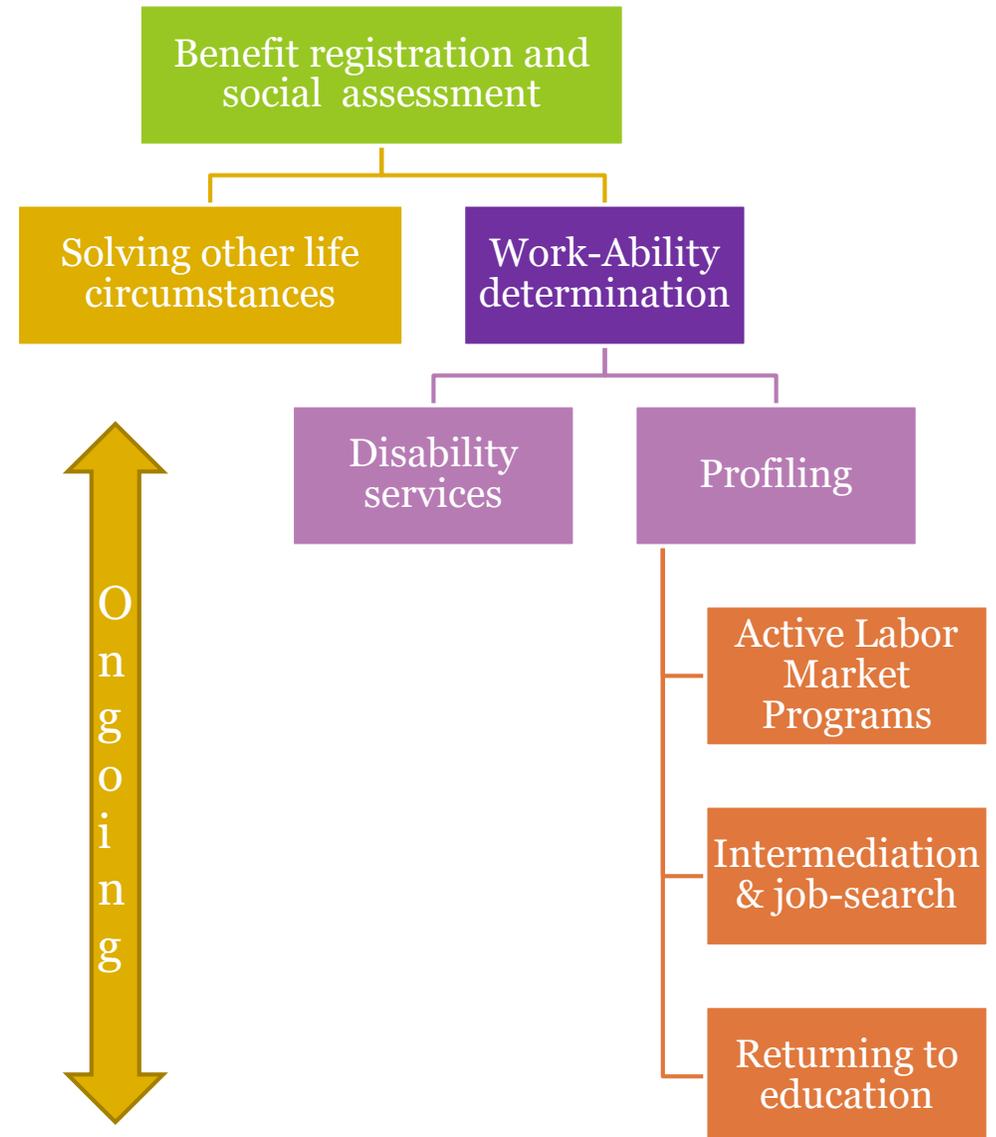
Is this only for High Income Countries?

- Virtually all countries in the world have SSN programs
- Around 110 countries in the world have **Public Employment Services**
- Around **80 countries** have unemployment benefit schemes.
- But most countries face a huge *imbalance* between the size and development of SSN systems, and the scope and development of Public Employment Services (people find jobs even without them... somehow)
 - activation is driving force of PES development

Stylized example of activation process for social assistance beneficiaries



What labor market intervention?



Summary of program evaluation results of different ALMPs

Intervention	Impact (on employment and earnings)	Displacement
Employment services	Positive, with low costs; Increases employment probability and earnings; But also increases search time ("lock-in effect"); Results are more short-term	Medium
Training	High variation, generally positive impacts on employment Many studies (but not all) show better impacts for women than men; Combining classroom and OJT have greater benefits; Results increase over time. Importance of employer-focused and socio-emotional skills,	Low
Wage/employment subsidies	No consistent evidence, with some positive and some negative results; High deadweight and substitution effects.	High
Public-sector job creation	Overall negative effects on post-program labor market situation; Can be effective as short-term safety net.	High
Self-employment assistance	Few evaluations; Very low take-up; Can have positive effects for older, well educated.	

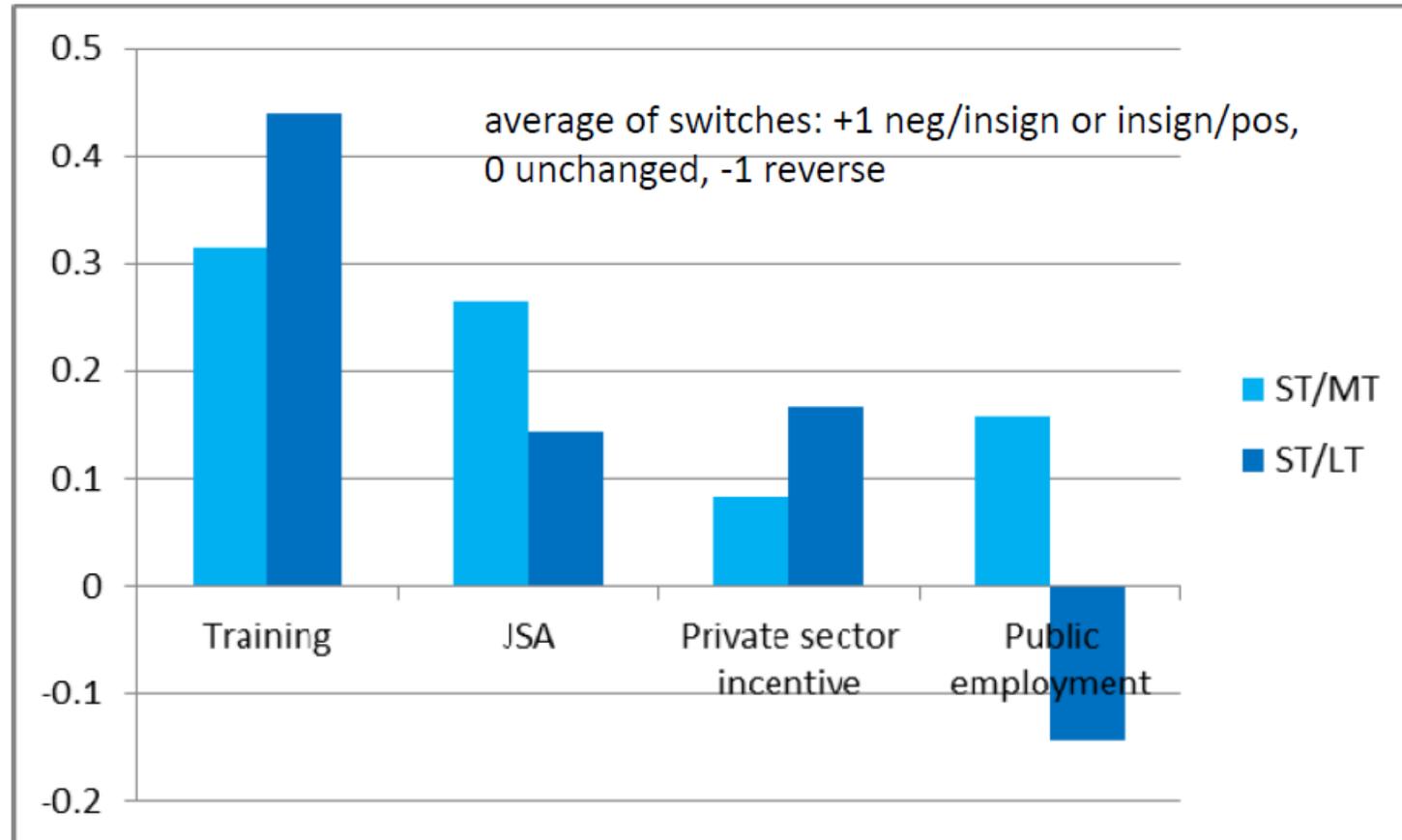
Sources:
Betcherman;
Card, Kluge, and
Weber;
Kluge (EU);
Greenberg,
Michalopoulos,
and Robins
(US);
Boone and Van
Ours;
IADB (LAC);
OECD; World
Bank

	JSA	Training	Private sector incentives	Public employment
Government cost	Low	Medium / high	high	high
Short-run effect	Positive	Negative	Positive	(Positive)
Long-run effect (best case)	Small positive	(Large) Positive	Small positive	Zero
Long-run effect (worst case)	Small negative	Small negative	Negative	Large negative
Displacement	Medium	Low	High	High
Business cycle	Any time; expand in recession?	Any time; expand in recession	Any time	Recession

Source: Jochen Kluge (2018): *A meta-analysis of recent Active Labor Market Program Evaluations.*

Cost-benefit considerations change depending on time horizon of interventions

Time profile by program type: sign/significance switches

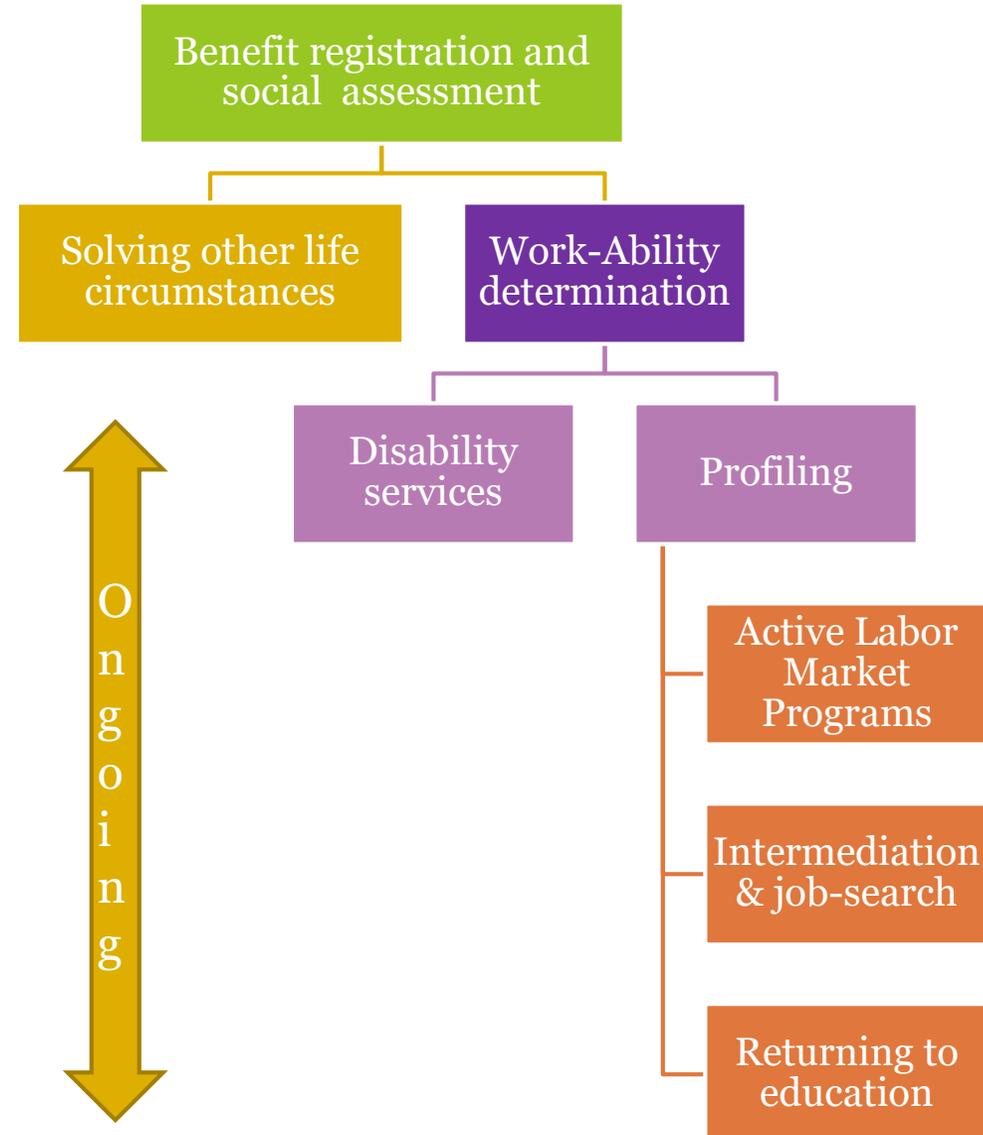


Client Profiling

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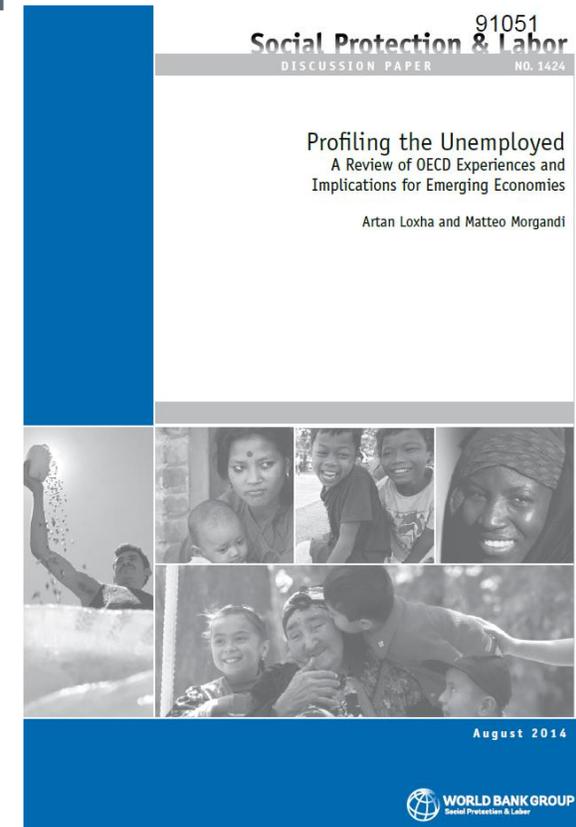
Effective targeting

Effective use of scarce resources

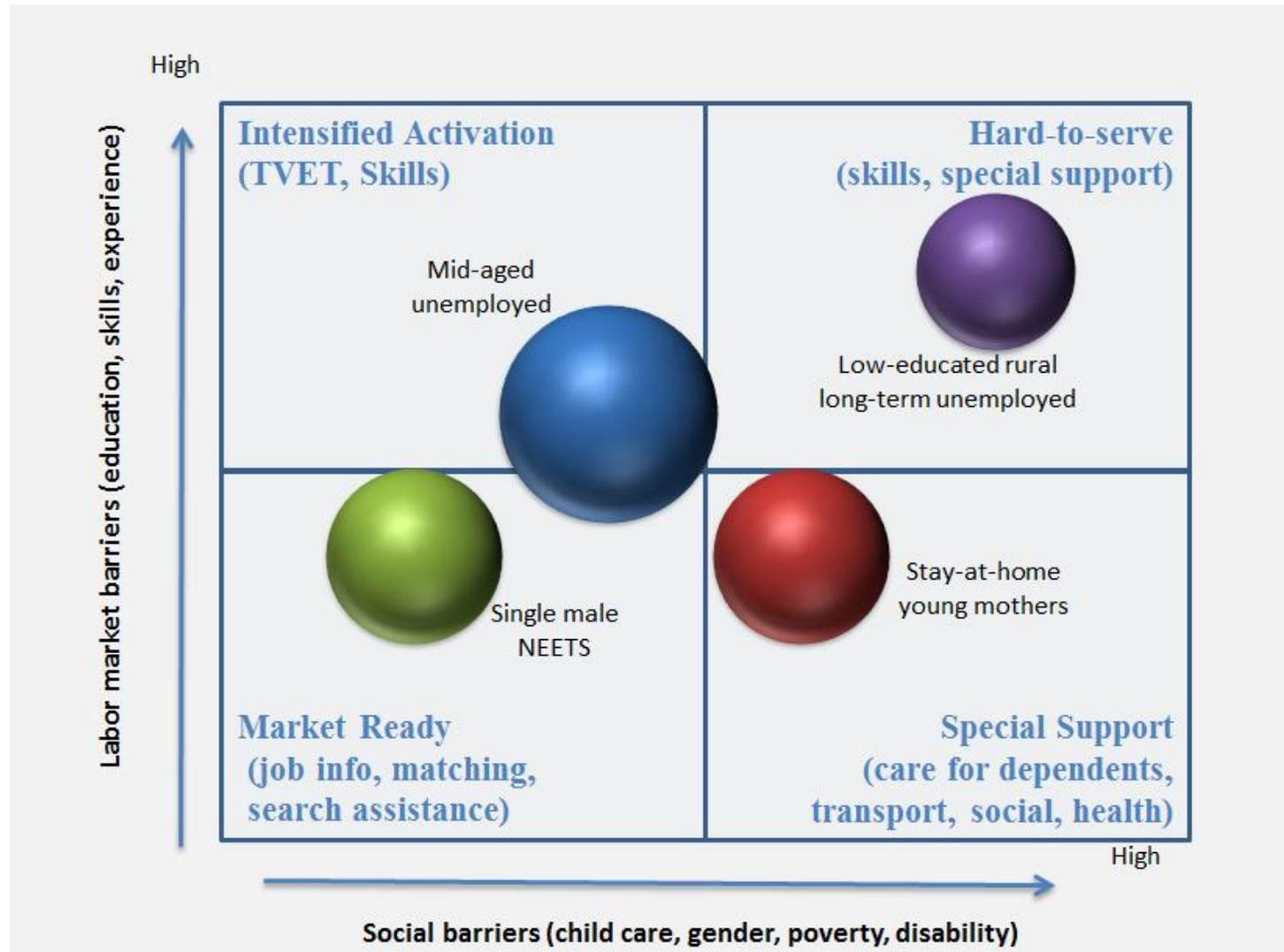


Profiling is a building block of an articulated support process

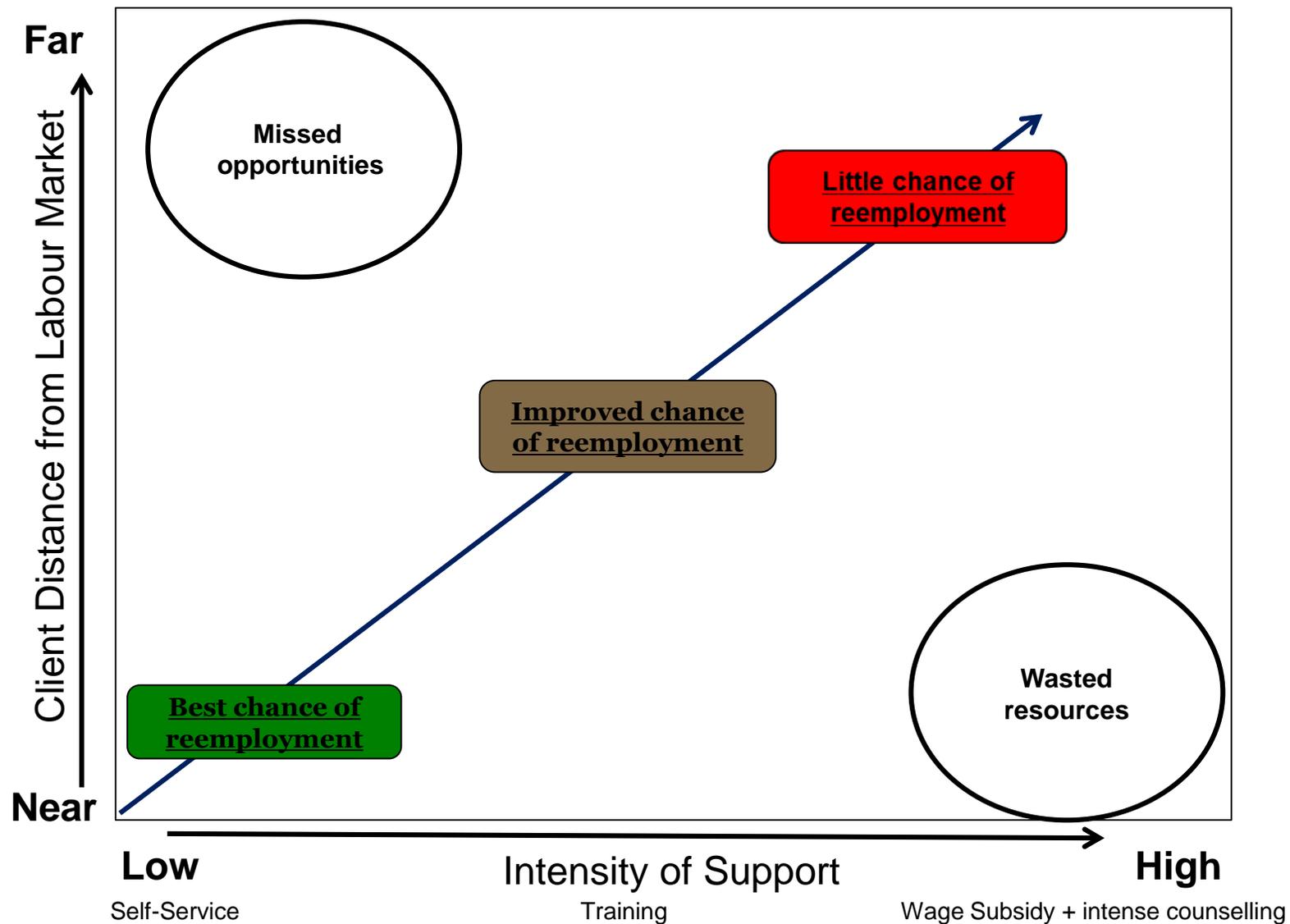
- Activation operation benefits from a *triage* phase to determine need and suitability of active support for different clients
- Client is accompanied across programs through a case management system that continues after profiling
- Division of labor between agencies based on comparative advantages
 - Assessment of employability carried out by those with strong familiarity with labor market and private sector (PES) ...
Understanding of client's special needs (MSD)
 - Some programs support employability, other sustain labor force participation
- Important to start from early wins, and build confidence



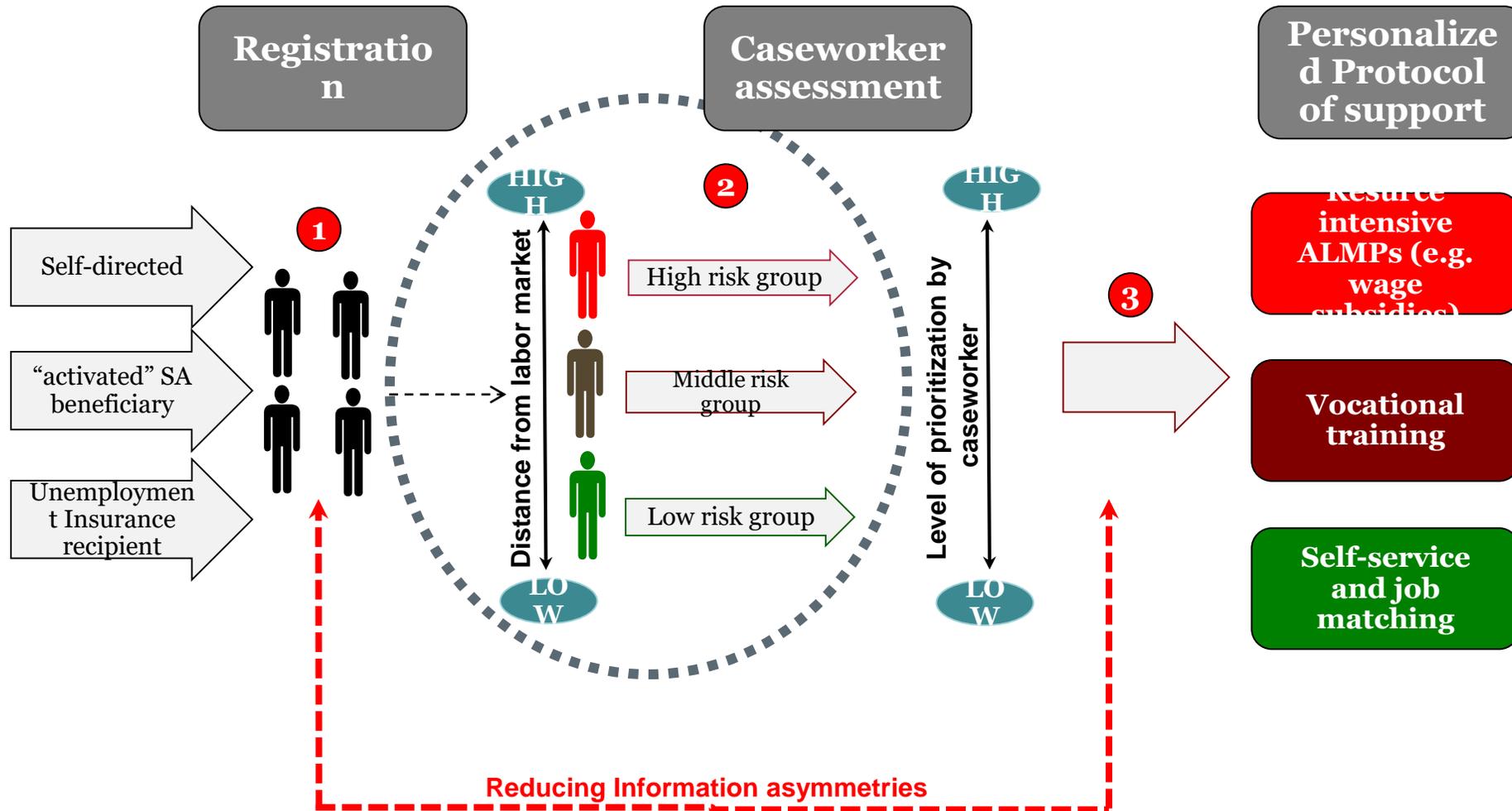
Profiling the out of work for a better set of tailored interventions



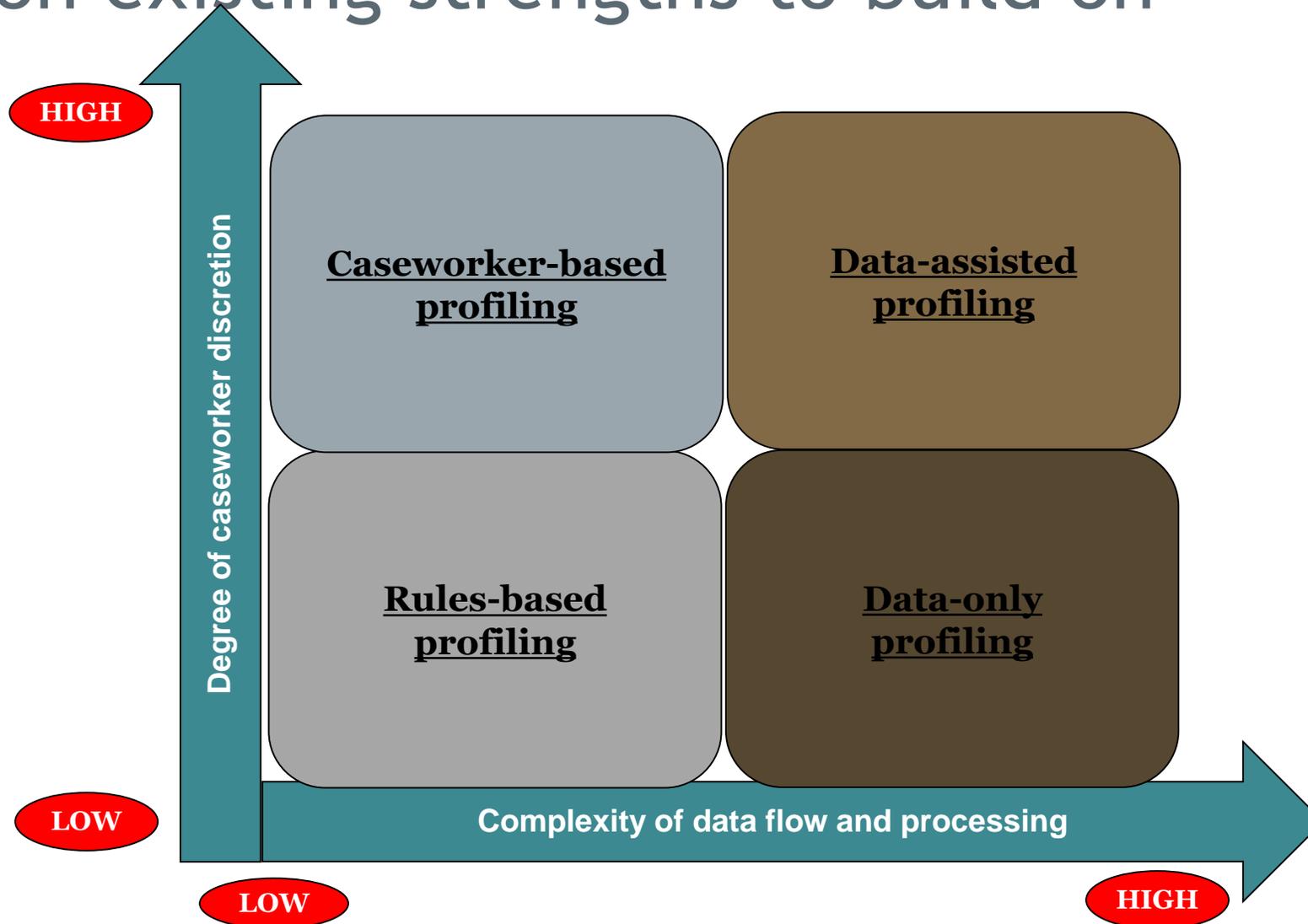
Profiling matters for better resource allocation and timing



Use of profiling in employment services³³



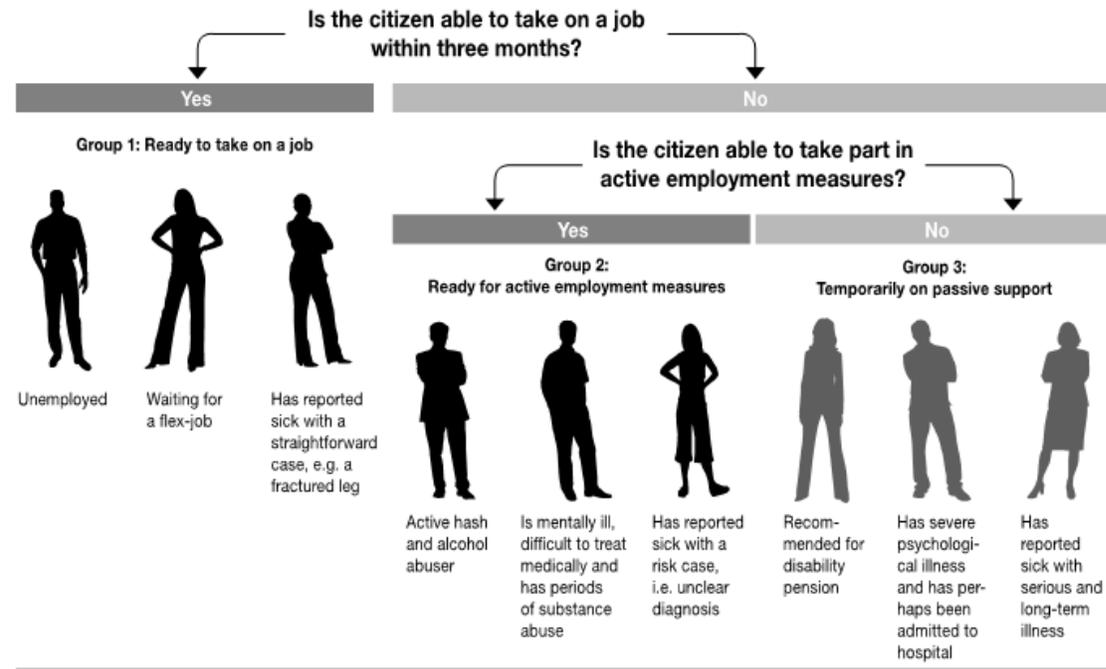
How in practice:
depends on existing strengths to build on



Caseworker-based profiling (Denmark)

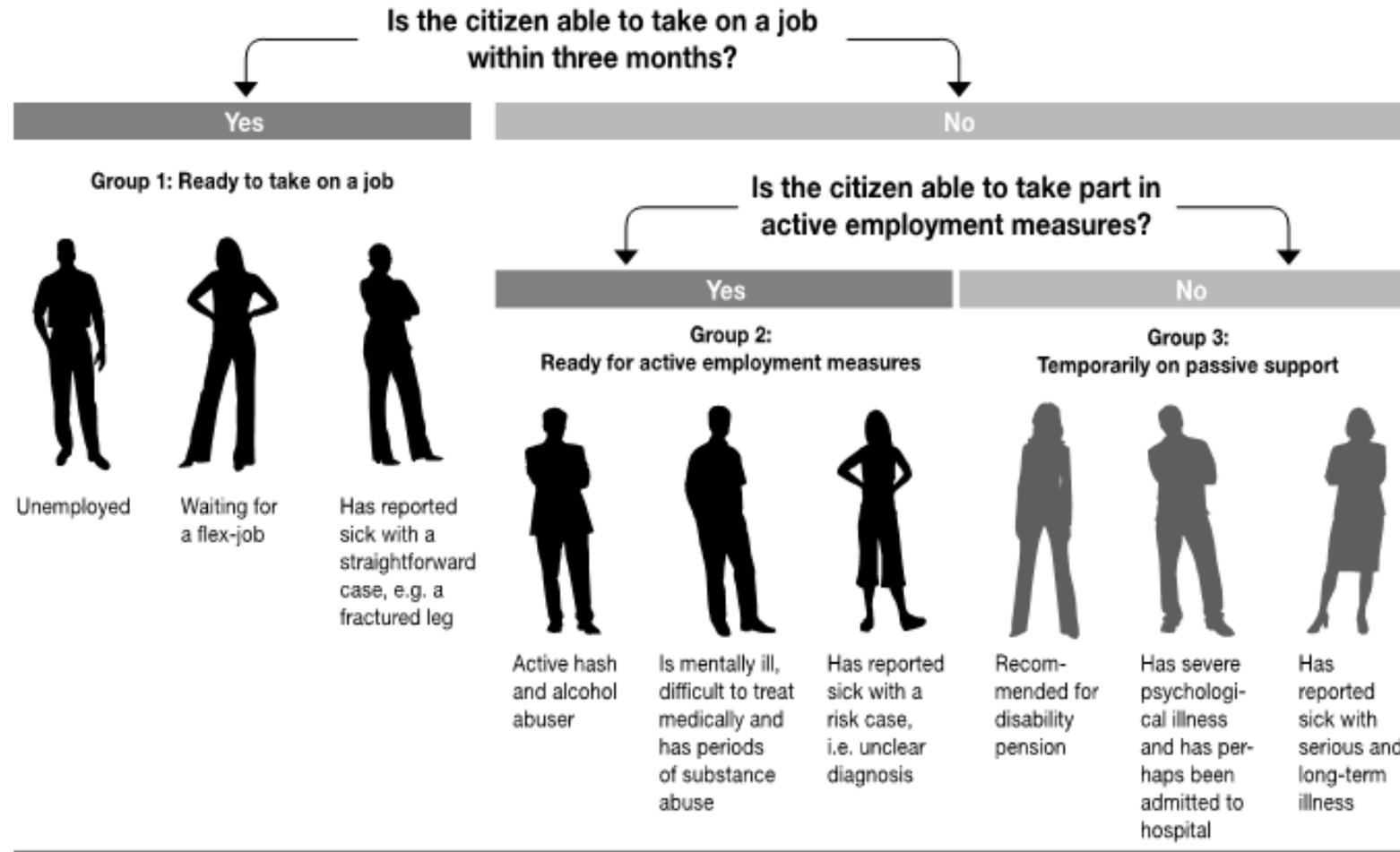


The Dialogue Guide



Labor market matching model

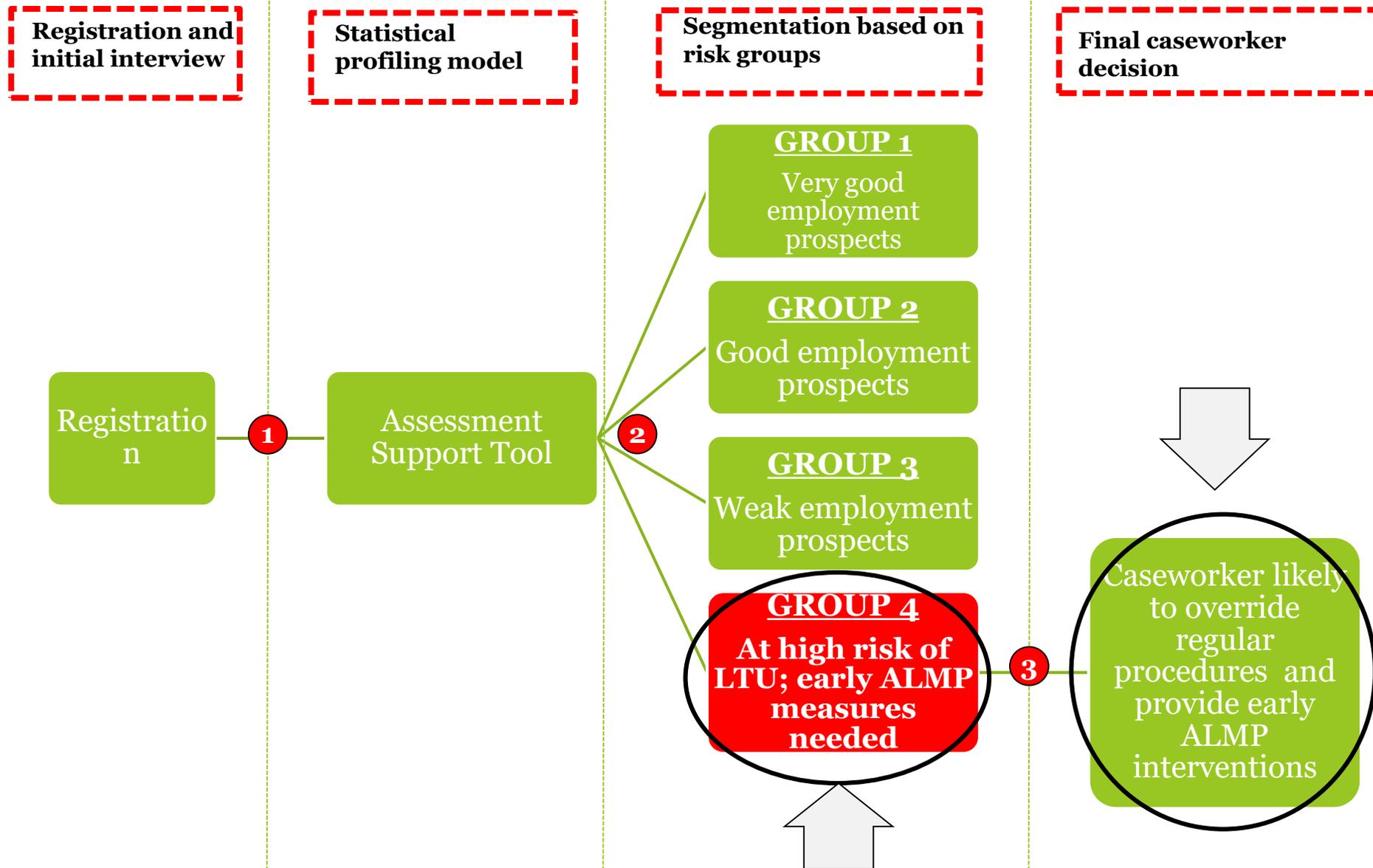
Caseworker-based profiling (Denmark)



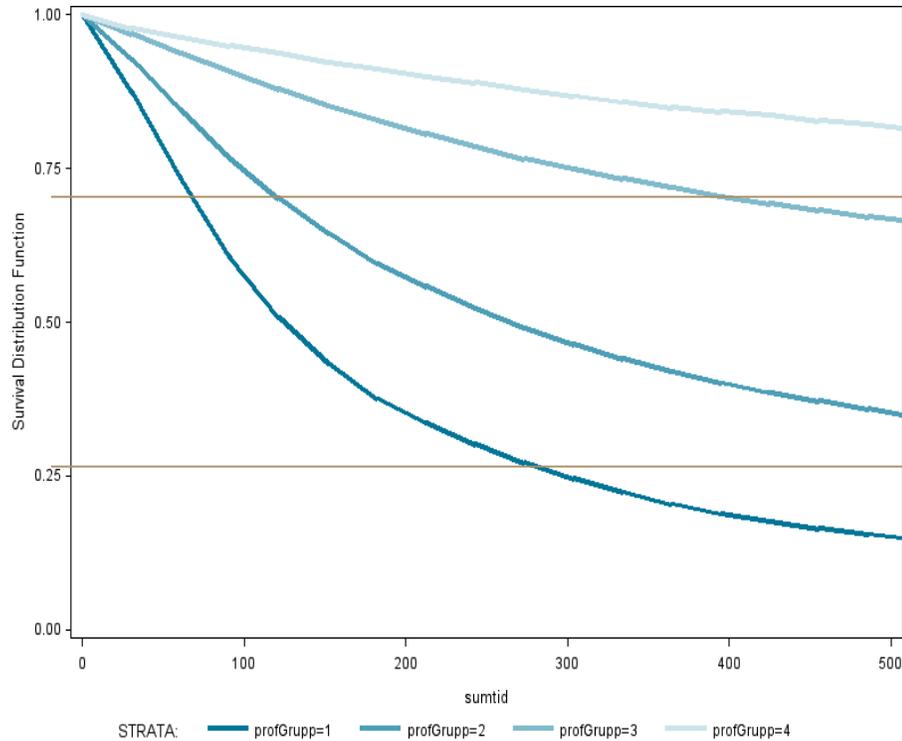
Labor market matching model (new)

Sweden: statistical profiling for prioritization of active labor market programs

37

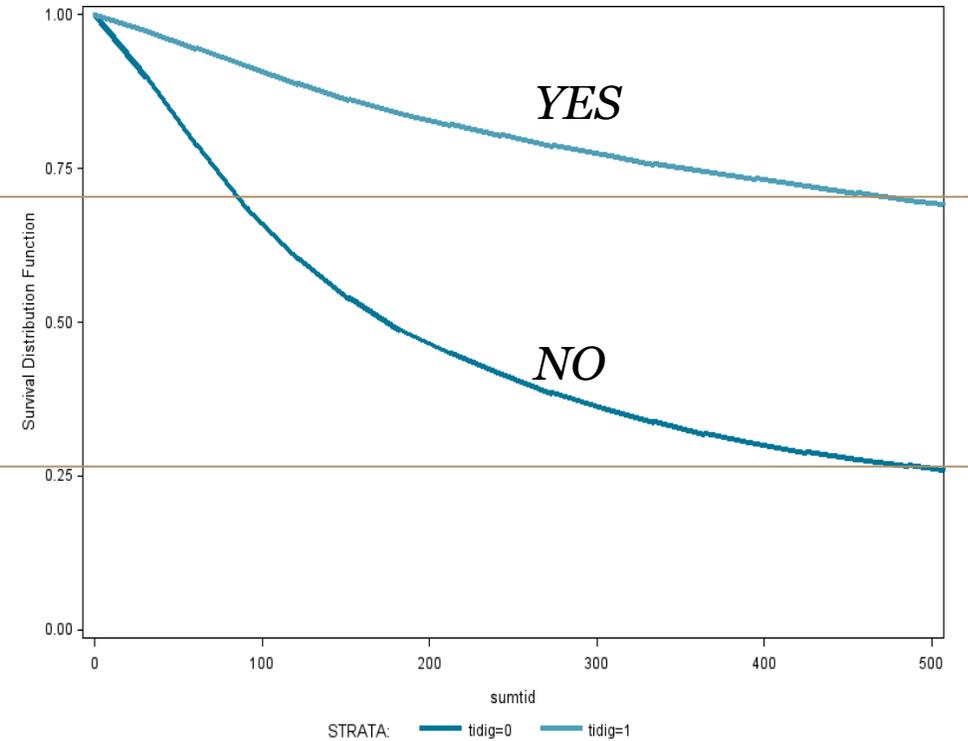


Probability of not finding a job,
sorted according to the statistical
risk profiling group



Inflödet till arbetslöshet '2013-01-01' och '2014-06-30'

Probability of not finding a job,
according to the case worker's
assessment of the need of early
intervention (Need of early
intervention, 0=No, 1=Yes)



Inflödet till arbetslöshet '2013-01-01' och '2014-06-30'

Source: F. Dahlen (2015), Swedish PES

Ireland: statistical profiling for case management intensity

Statistical Profiling at registration of benefit claim



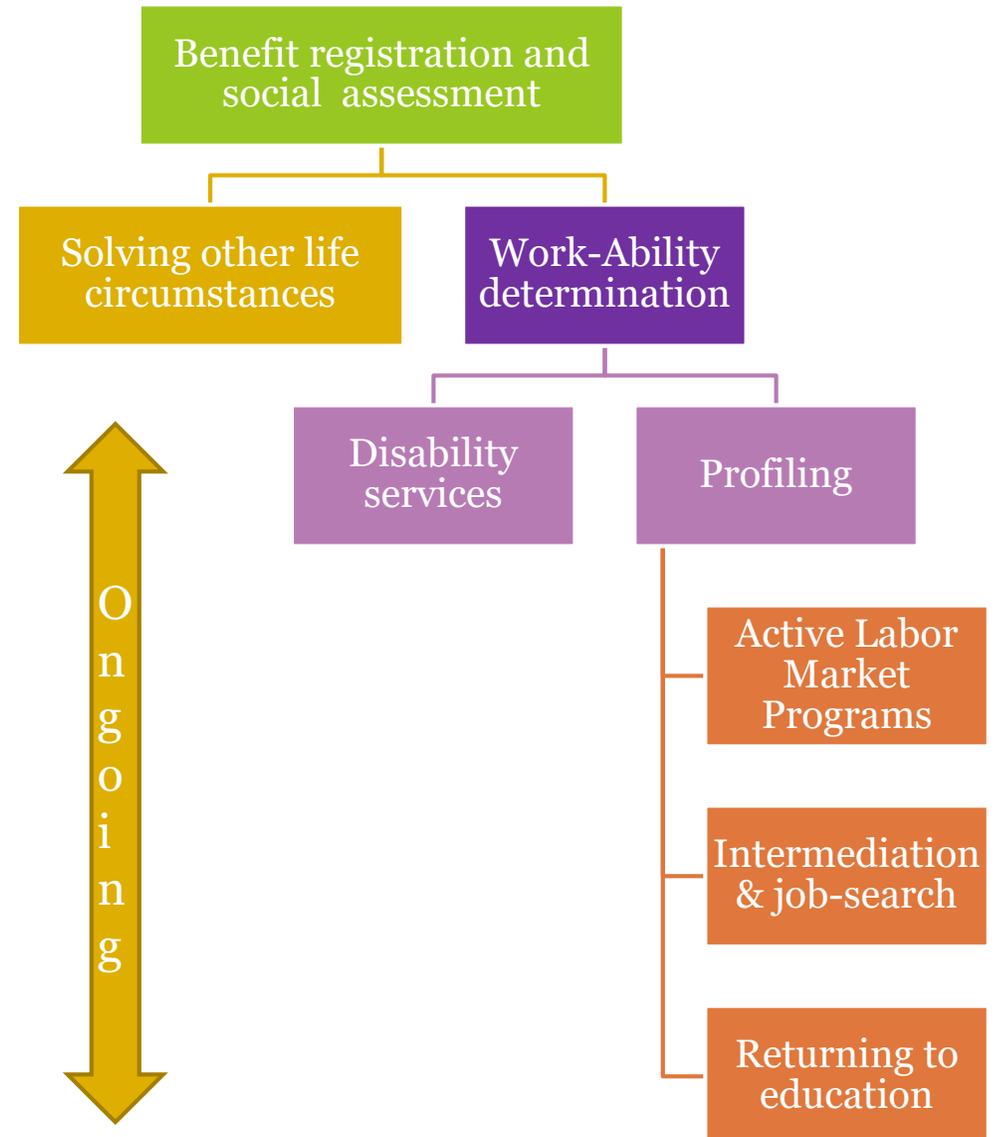
Pathways to Work

Stage/ Profile	Illustrative Engagement Process			
	Access/ 1 st contact	< 3mths/ Low risk of Long Term UE	> 3mths/ Medium risk of Long Term UE	> 12 mths/ High risk of Long Term UE
Activity	 Registration: Employment and income services.	 Directed self help	 Group sessions	 Intensive 1-2-1 support
Focus	 Diagnose/ profile	 Job search guidance	 Guidance on options/ training	 Work placement/ experience
Outcomes	 Employment	 Referral to Personal Development	 Immediate Needs	

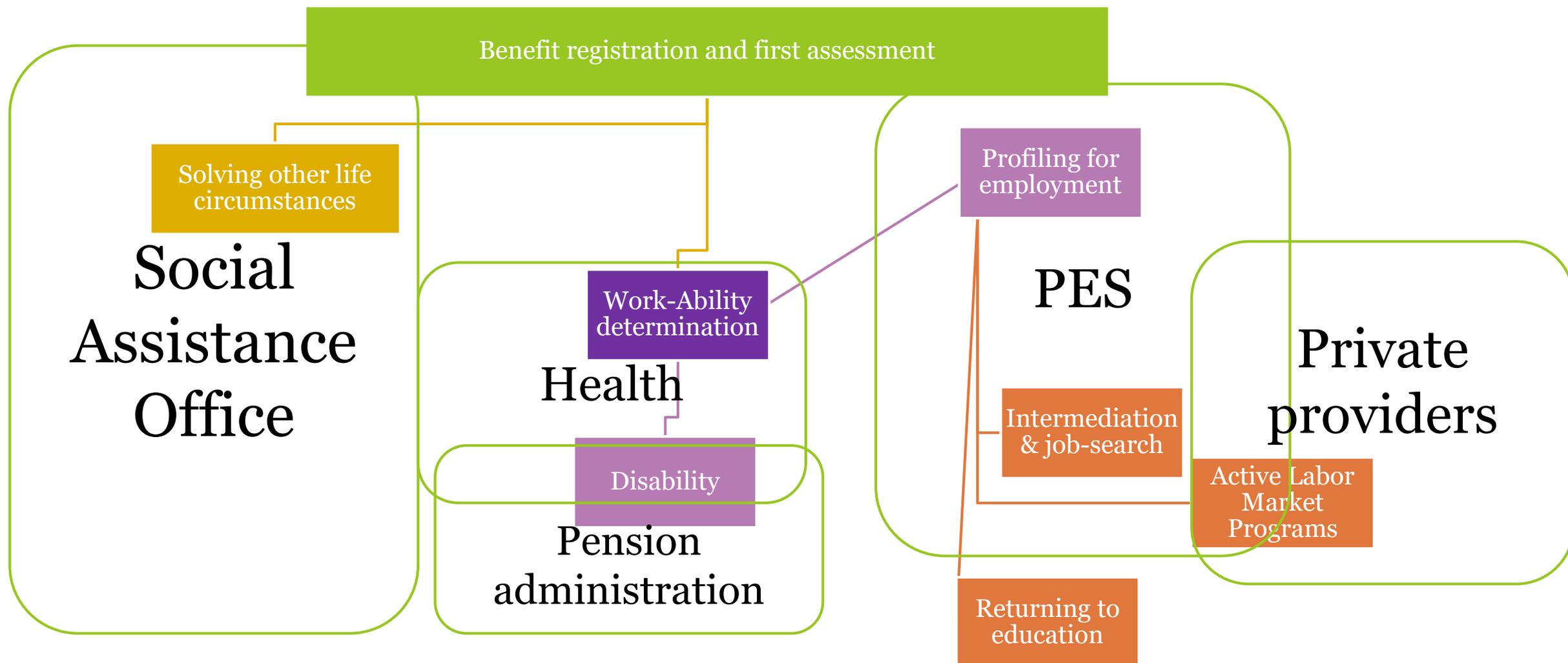
Institutional arrangements

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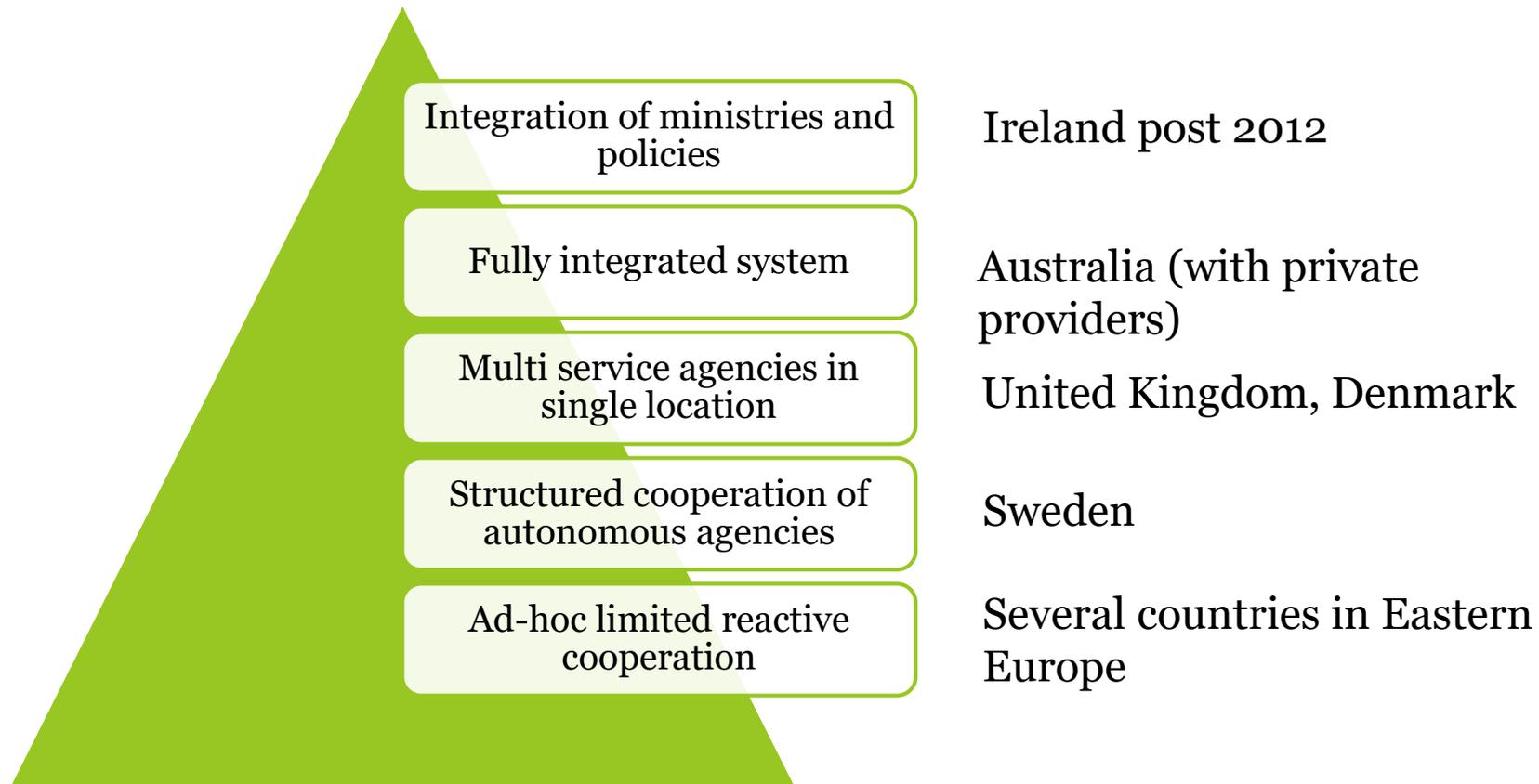
Leverage comparative advantages for complex interventions



Stylized example of activation process for social assistance beneficiaries



There are a range of models of delivery with different degrees of integration



Source: Adapted from A. Taylor (2014)

...But there are common elements :

Inter-agency Cooperation

Referral protocols (SA <-> PES <-> specialized support services)

Coordinated case management, personal action plans

Benefit coordination (sanctions)

Integrated or “dialoguing” information systems

Employment services

Profiling of the jobseekers for labor market readiness

Protocols for targeting and prioritization of interventions

Permanent evaluation system of active labor market programs (with implications on strategy, procurement, case management)



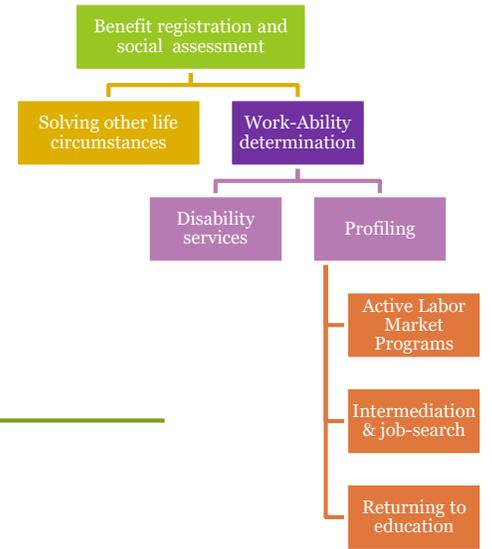
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Group work



Building on existing context, programs, institutions, population, fiscal constraints...



Target group

Profiling / constraints

Intervention proposed

Institutional arrangements

Monitoring of outputs and outcomes