

THE STATE OF ECONOMIC INCLUSION 2021

The Potential to Scale

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Key Messages

1. **Surge:** There has been a surge in economic inclusion programs for the poorest in over 75 countries - momentum continues in the COVID-19 context.
2. **Scale:** Governments lead the scale up of economic inclusion, building on national programs and policy linked to safety nets; livelihoods and jobs; and financial inclusion.
3. **Evidence:** Evidence base on program impact and cost effectiveness is promising – critical to addressing political economy debates.



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MESSAGE 1: SURGE

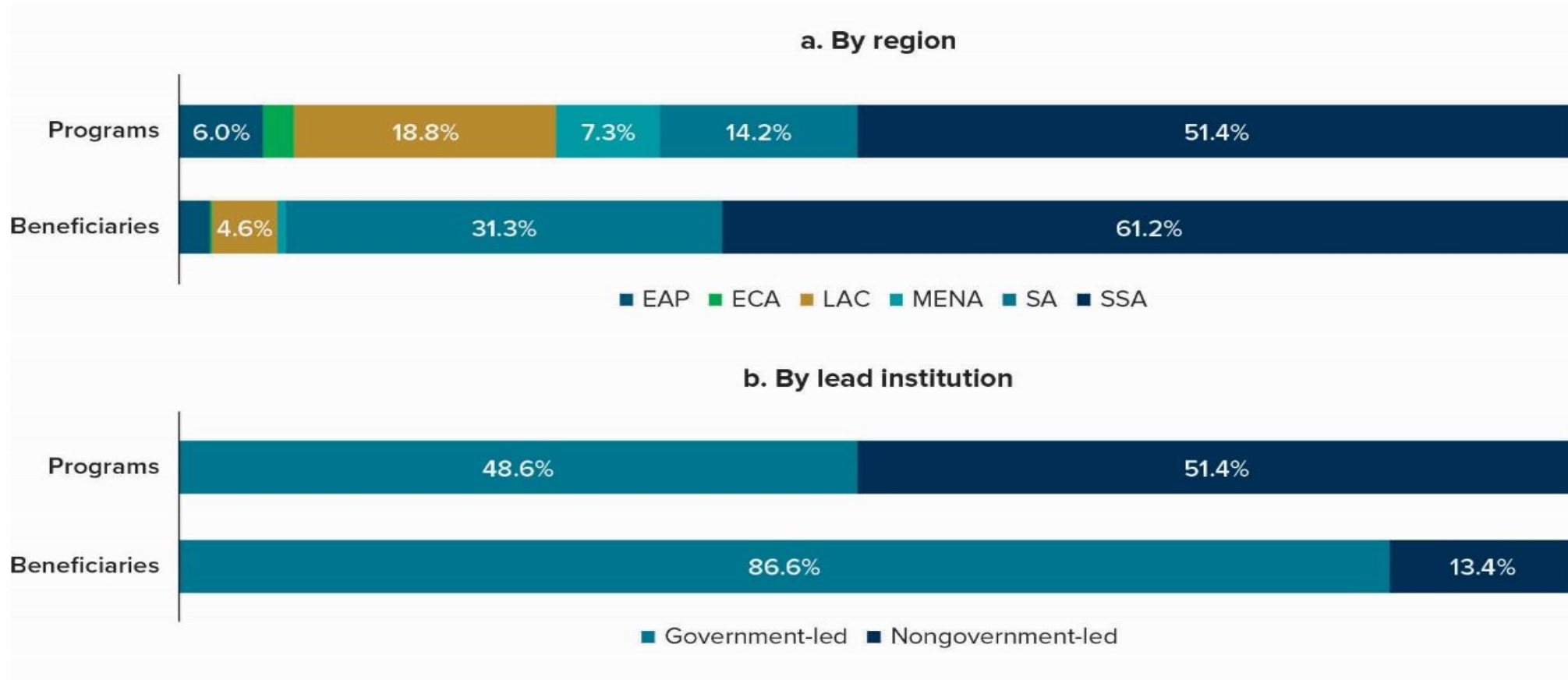
1. There has been a surge in economic inclusion programs for the poorest in over 75 countries - momentum continues in the COVID-19 context.



Photo credit: World Bank

Changing Global Landscape

Percent Distribution of Economic Inclusion Programs



A Framework to Transform the Economic Lives of the Extreme Poor and Vulnerable

Goal: Develop economic inclusion programs that strengthen resilience and opportunity for the extreme poor and vulnerable

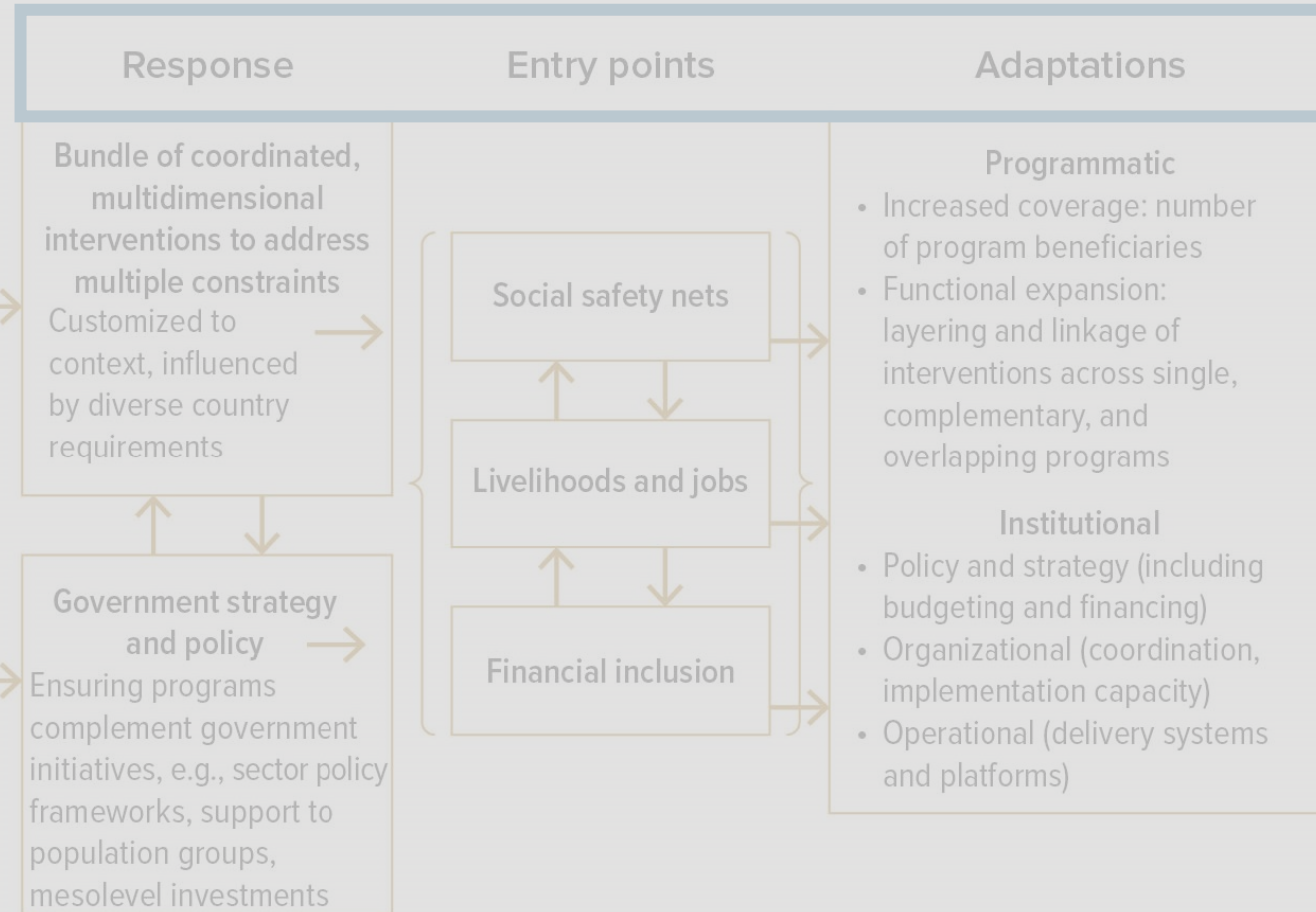
MESSAGE 1: SURGE

Context

Economic lives of the extreme poor and vulnerable
Multiple constraints at individual and household, community, local economy, and formal institutional levels

Government
Positioning economic inclusion within complex, competing demands and fiscal constraints

MESSAGE 2: SCALE



MESSAGE 3: EVIDENCE

Outcomes

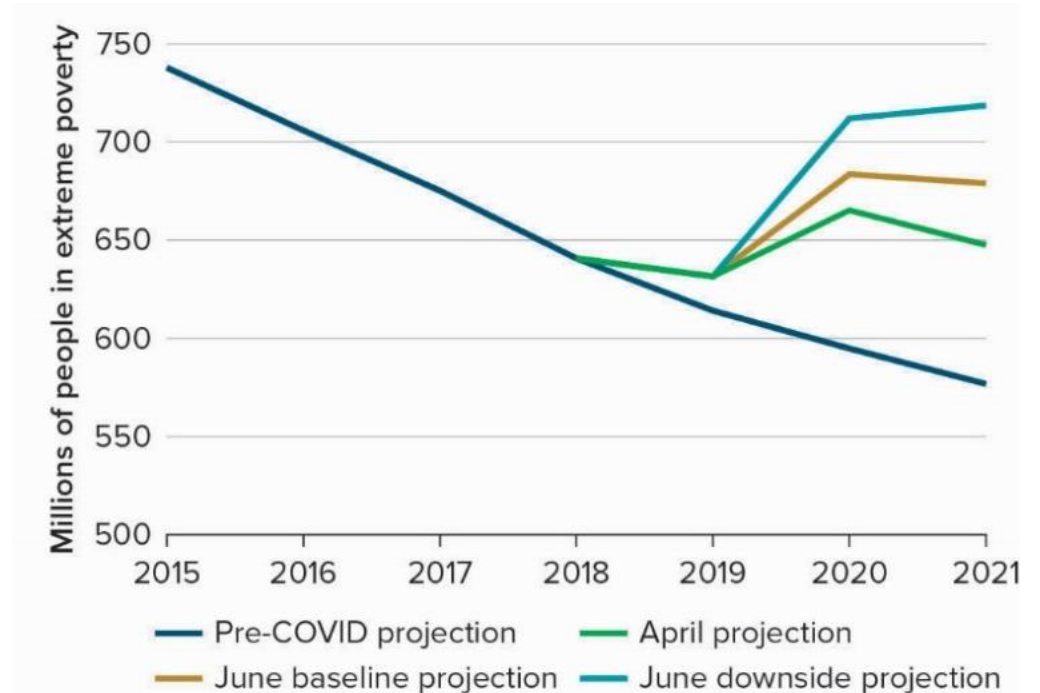
- Individual, household, and community levels
Increased income and assets
- Government systems
Improved program delivery, fiscal, and policy coherence

Context: Dynamic Poverty

Megatrends:

- 1) Human capital formation, with intergenerational considerations
- 2) Demographic trends, with urban impacts
- 3) Technology adoption
- 4) Shock sensitivity, fragility and conflict

COVID-19



Source: Mahler et al. 2020.

Definitions

- **Economic Inclusion “programs”** are defined as a bundle of coordinated, multidimensional interventions that support individuals and households in increasing their incomes and assets.
- **Economic Inclusion “policy”** involves the gradual integration of individuals and households into broader economic and community development processes.
- **Economic inclusion “at scale”** refers to a project that is embedded in a national-level program and is developed utilizing the appropriate programmatic and institutional structures.

MESSAGE 2: SCALE

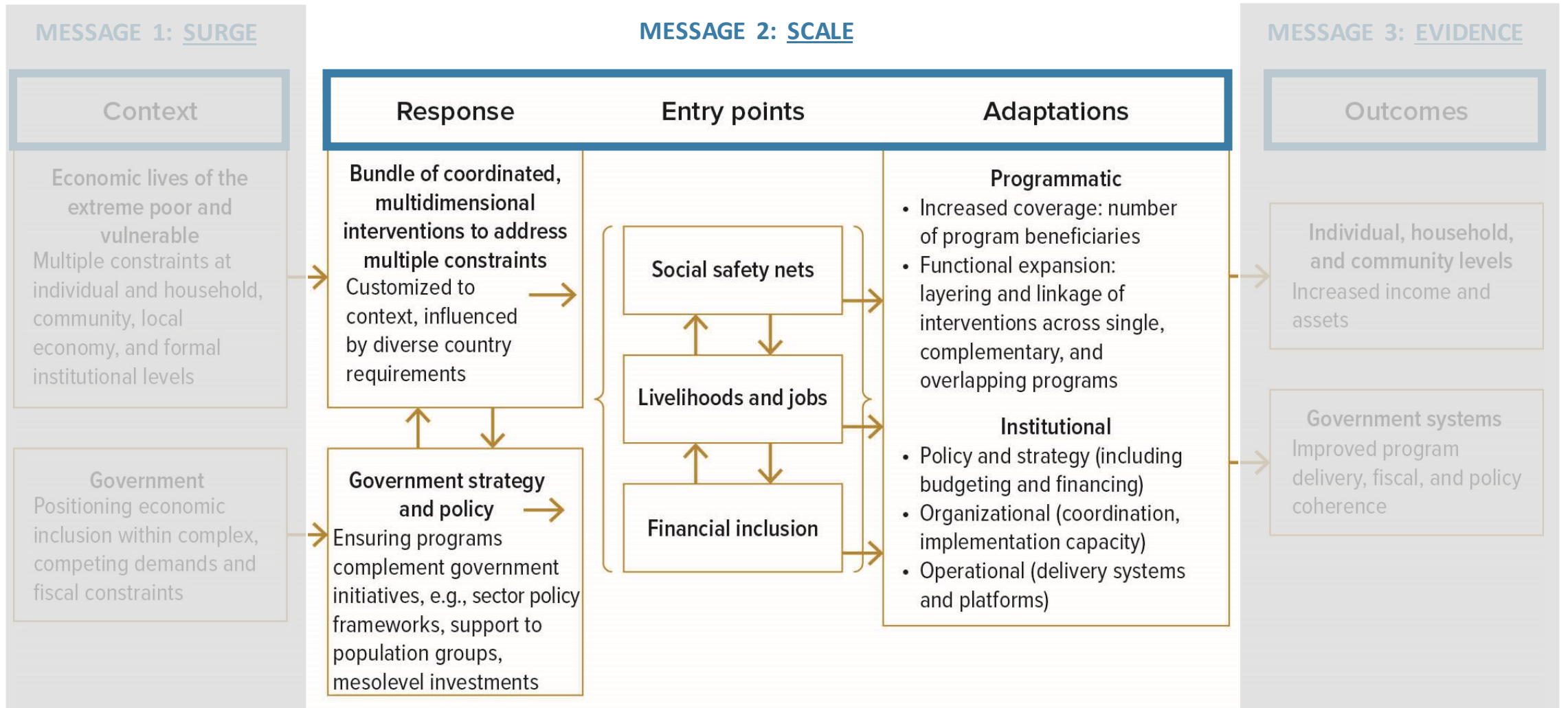
Governments lead the scale up of economic inclusion, building on national programs and policy linked to safety nets; livelihoods and jobs; and financial inclusion.



Photo credit: Aude de Montesquiou

A Framework to Transform the Economic Lives of the Extreme Poor and Vulnerable

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Moving to Scale: Political Realities

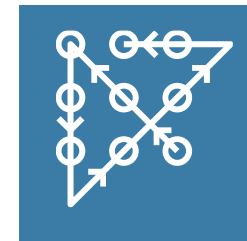
- Adoption and scale up of economic inclusion programs hinge on political acceptability.
- Success or failure of economic inclusion programs depend on three programmatic decisions:



1. Program objectives



2. Financing

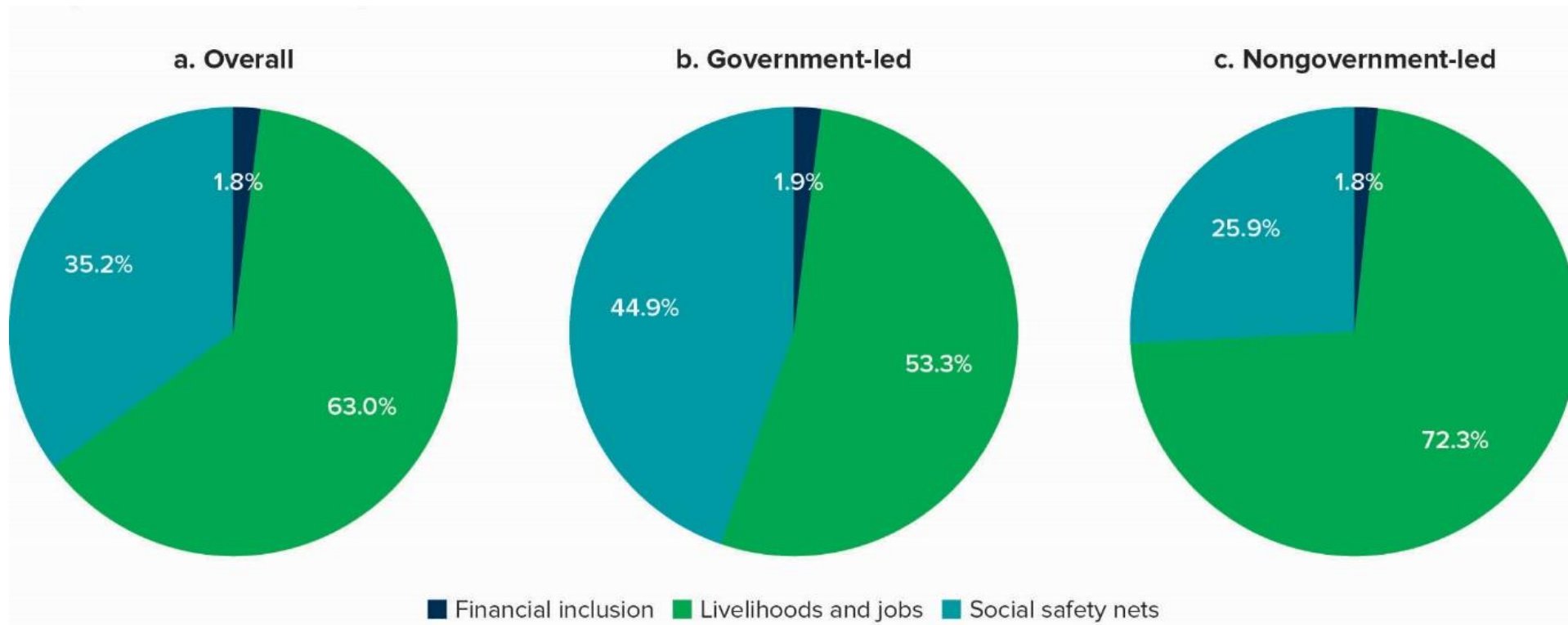


**3. Institutional Arrangements for
Delivery**

Entry Points to Scale

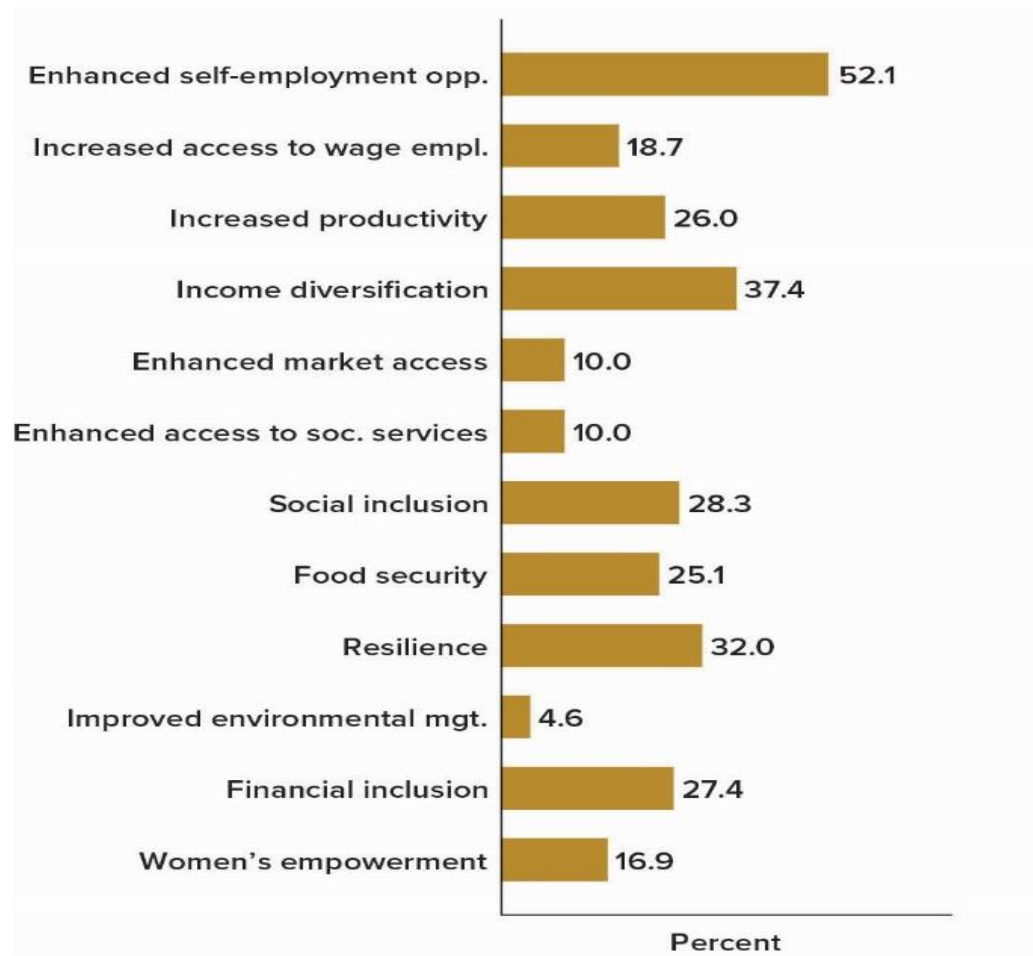
- 1. SOCIAL SAFETY NETS
- 2. JOBS AND LIVELIHOODS
- 3. FINANCIAL INCLUSION

Distribution Of Entry Points To Scale

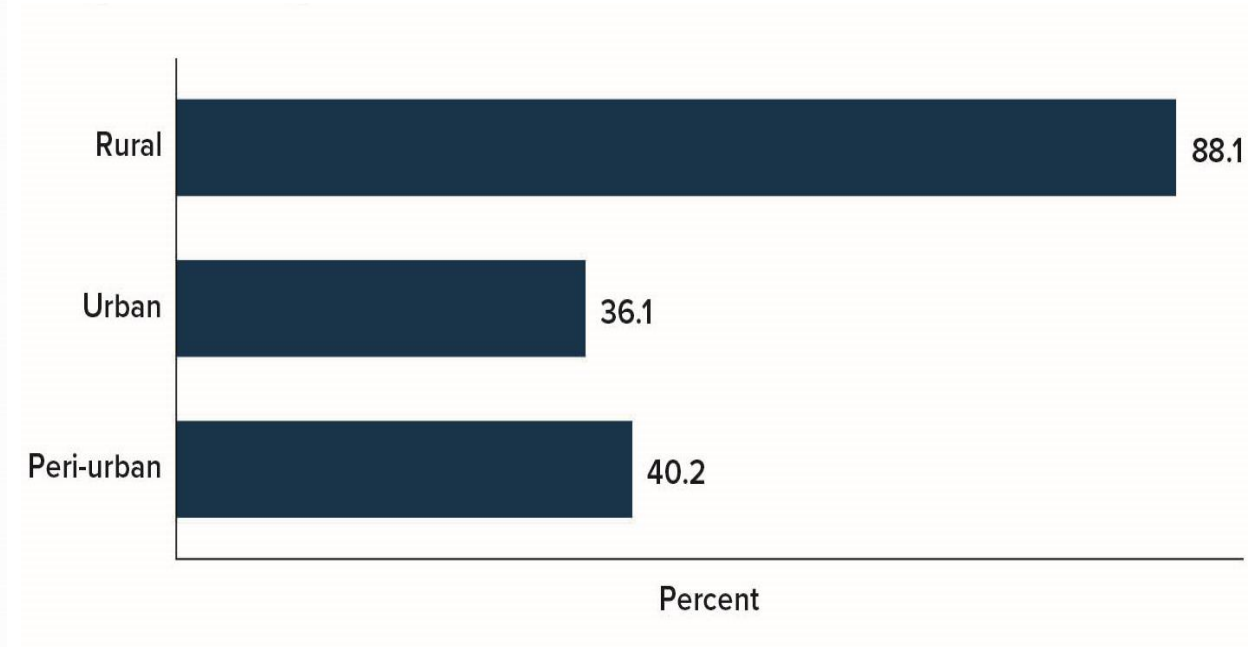


Diversity in Programs: Objectives & Context

Objectives

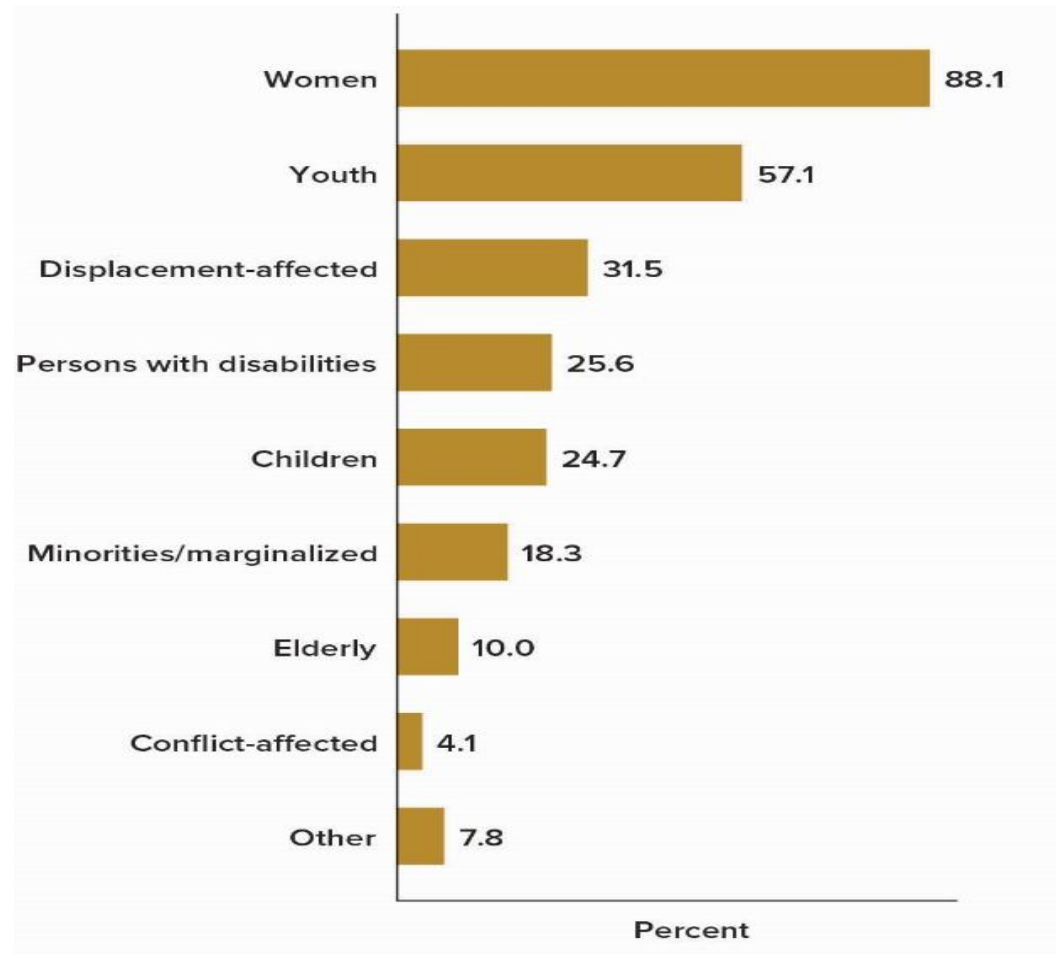


Context

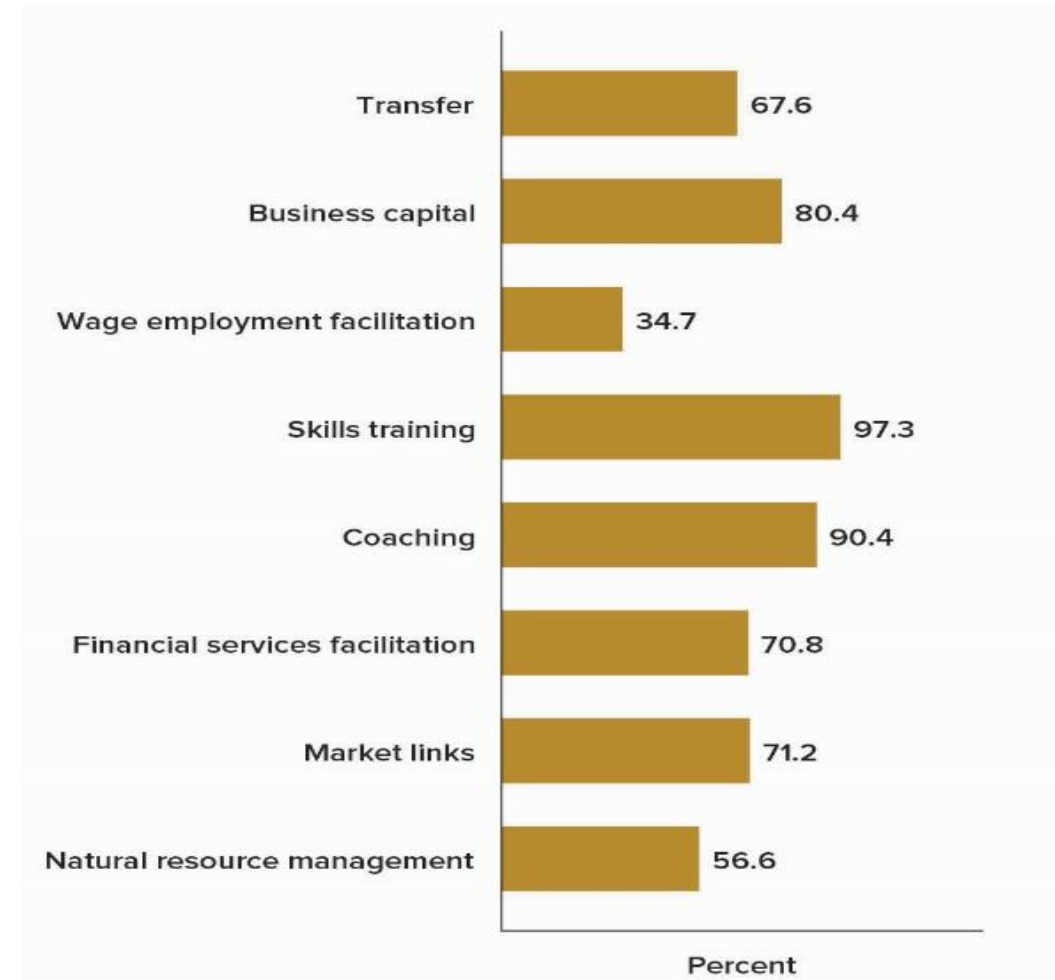


Customizing an Integrated Package of Options

Target Groups



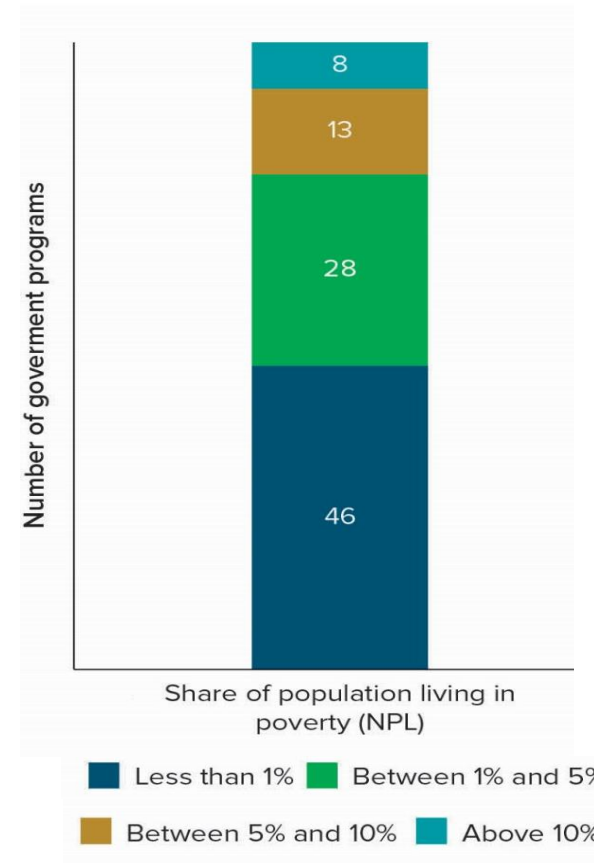
Components



Program Coverage

Program Coverage, relative to share of extreme poor

- Many government programs at a nascent stage of scaling up.
- More than 50% of existing government-led programs have the potential to support between 5 and 10 % of the extreme poor.



Adaptations: Programmatic & Institutional

Sahel Adaptive Social Protection Program (ASPP)

Programmatic Adaptations

- Layering on SSN investments,
- Combining village savings and cash transfer models
- Engaging community coaches
- Investing in high quality monitoring data and impact evaluations
- Focusing on program customization for specific groups

Institutional Adaptations

- Partnering with government and non-government partners e.g., WBG, IPA, Trickle Up
- Laying a foundation for program delivery using SSN delivery systems, especially in fragile setting
- Addressing constraints through community engagement on training and program design.

Bangladesh – BRAC, Ultra Poor Graduation

Programmatic Adaptations

- Providing varying size and cost recovery of cash grant
- Revising participant selection and segmentation
- Introducing partial loans and saving matching.
- Making significant adaptations at the local level e.g., health linkages

Institutional Adaptations

- Successfully operationalizing programmatic shifts by instituting large-scale organizational shifts

India - Satat Jeevikoparjan Yojana (SJY), JEEViKA

Programmatic Adaptations

- Building on National Rural Livelihoods Mission – JEEViKA program
- Adapting and refining approach for target groups
- Refining M&E models, e.g., to address social inclusion

Institutional Adaptations

- Leveraging community structures e.g., community implementers
- Partnering across diverse actors including Bandhan Konnagar, J-PAL, Co-Impact,

Peru, Haku Wiñay

Programmatic Adaptations

- Linking SP safety net investment and rural programming
- Developing an active market linkage approach

Institutional Adaptations

- Implementing through community structures, including volunteers and farmer-to-farmer training model.
- Developing specific intergovernmental and intragovernmental implementation arrangements.
- Engaging with technical partners e.g., FAO

MESSAGE 3: EVIDENCE

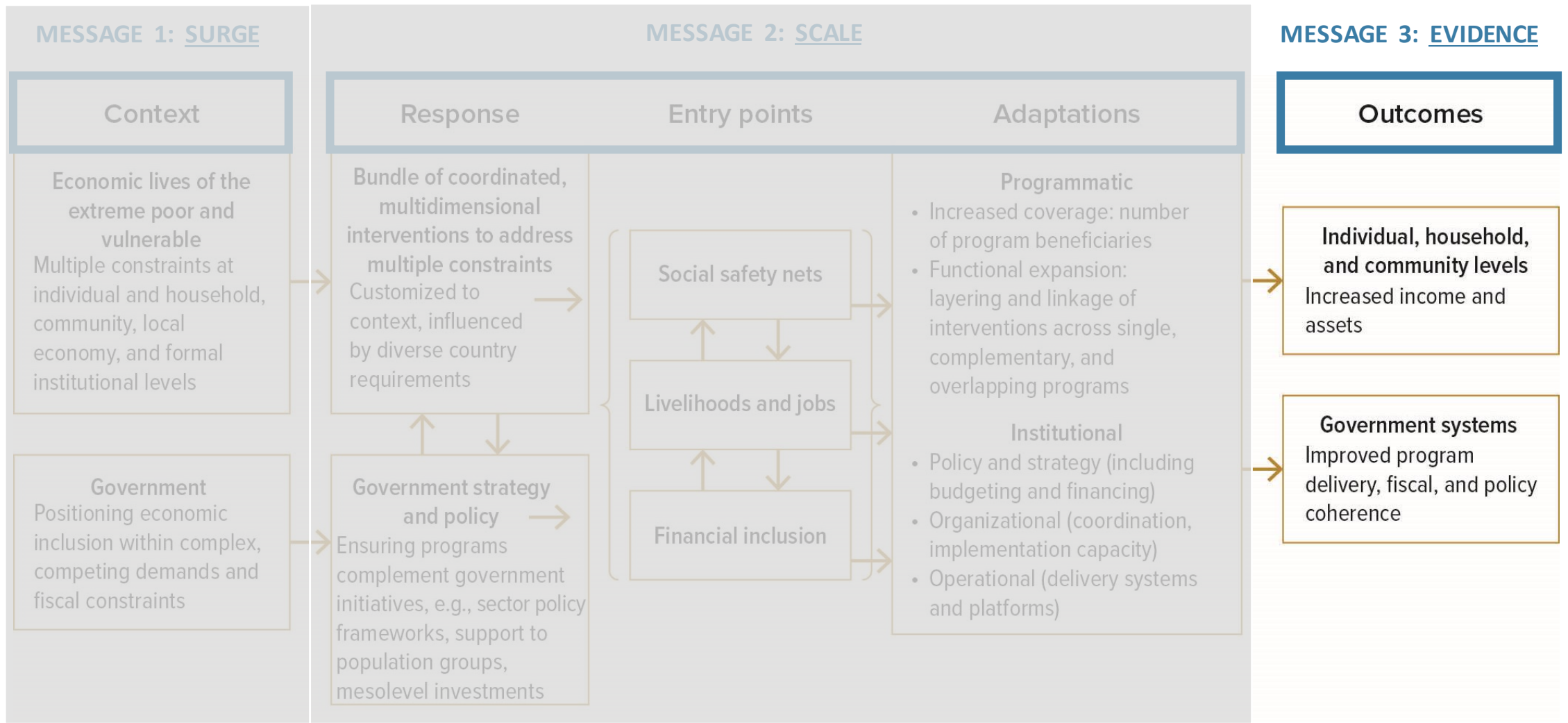
Evidence base on program impact and cost effectiveness is promising – critical to addressing political economy debates.



Photo credit: Janet Heisey

A Framework to Transform the Economic Lives of the Extreme Poor and Vulnerable

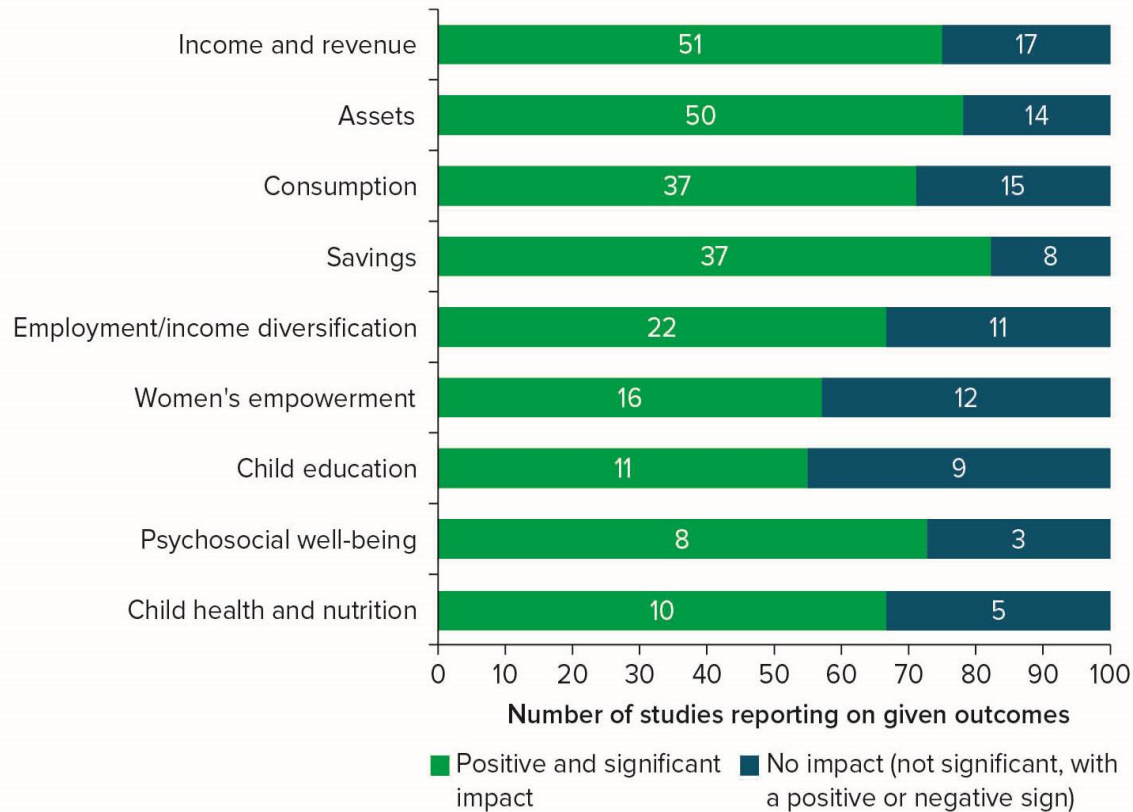
Goal: Develop economic inclusion programs that strengthen resilience and opportunity for the extreme poor and vulnerable



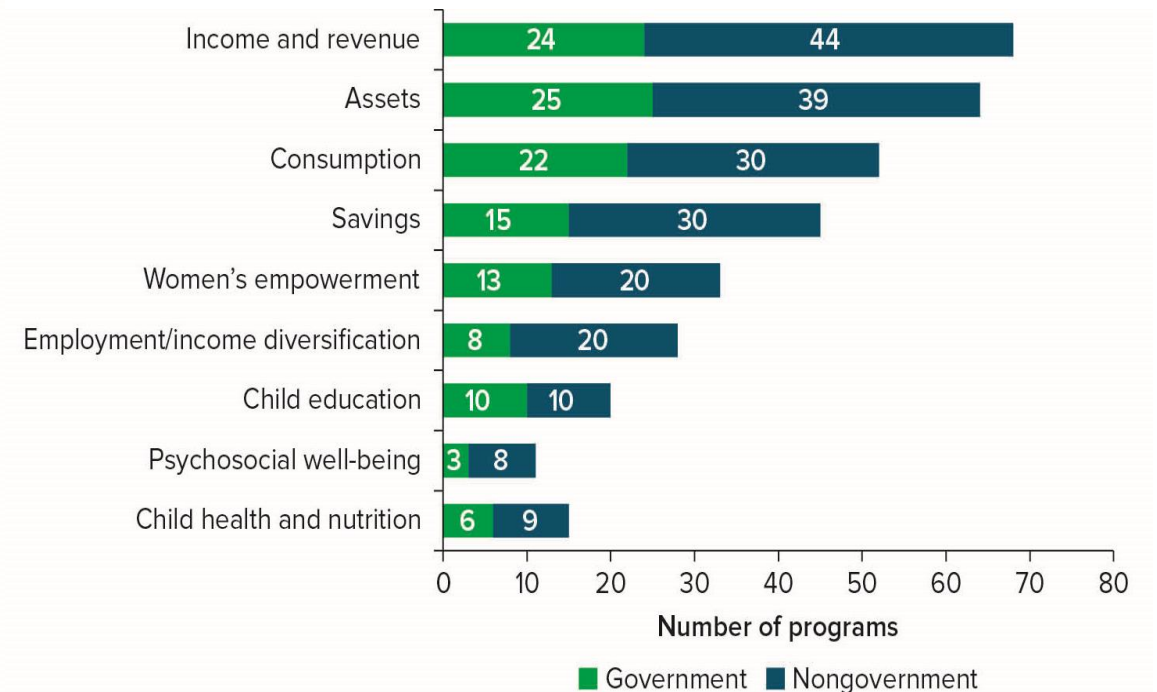
Impact: Unpacking Current Evidence ...

A review of 80 evaluations in 37 countries shows the evidence base warrants optimism

Summary of Evidence on Overall Impact



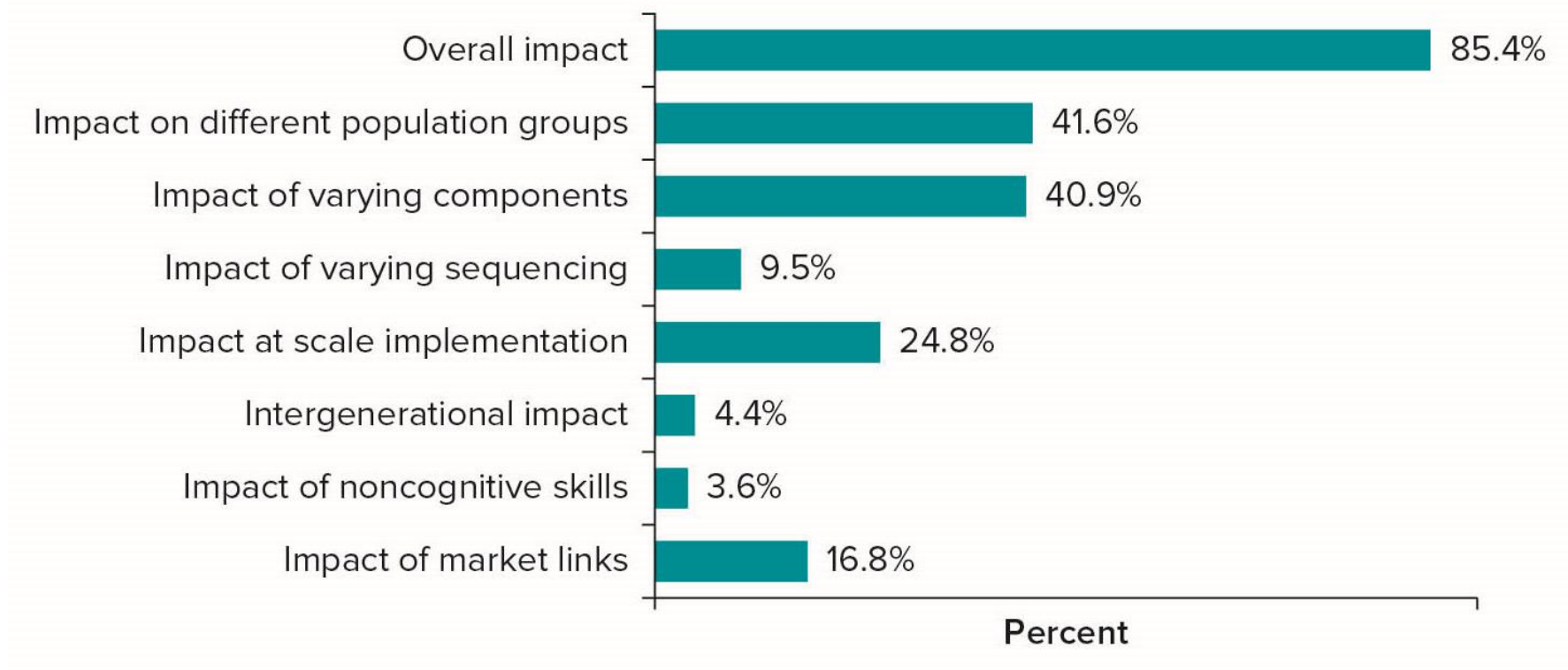
Distribution of Studies Reporting on Specific Outcomes, by Lead Agency



.. And anticipating a new wave of evidence

The research pipeline features a new wave of evidence from government-led programming

Percentage of Programs with Ongoing Impact Evaluations (N=137)

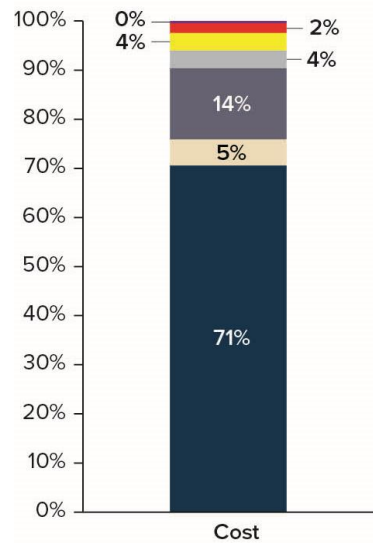


Cost of Economic Inclusion Programs

The total cost of economic inclusion programs is between \$41 and \$2,253 (in 2011 PPP) per beneficiary over the duration (3.6 years on average) of each program

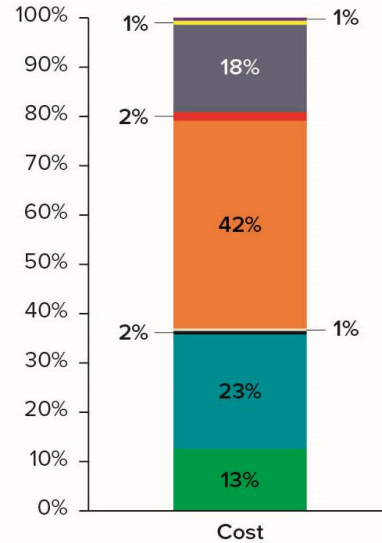
Sample Program Percentage Cost Structure

Zambia—GEWEL (Gov-led)



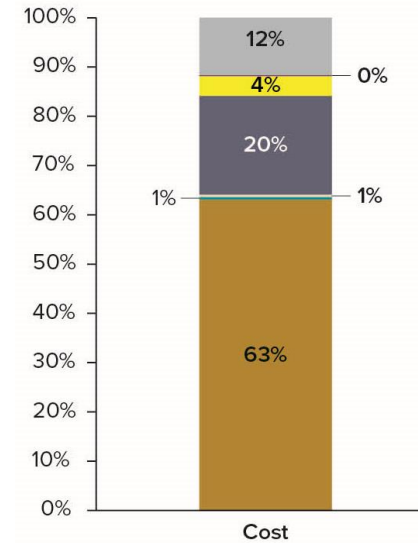
- Communication
- Targeting
- M&E
- Other costs
- Staff costs
- Skills training
- Grant

Republic of Yemen—SAPREP



- Public works
- Asset transfer
- Extension services
- Skills training
- Local development
- Targeting
- Staff costs
- M&E
- Communication

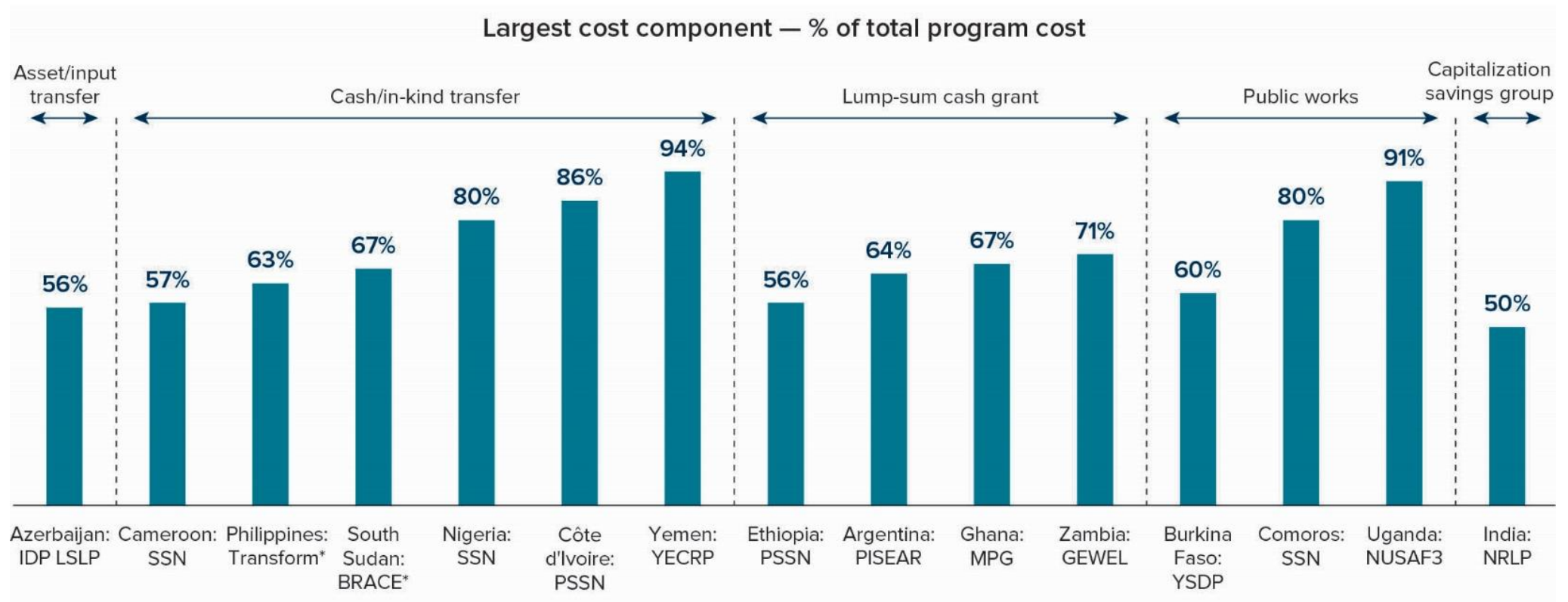
Philippines—Graduation



- Cash transfer
- Asset transfer
- Skills training
- Staff costs
- M&E
- Communication
- Other

Program Cost Effectiveness

Many multi-sectoral economic inclusion programs are dominated by a single component, from a cost perspective.



FUTURE DIRECTIONS



Photo credit: World Bank

SEI Report: Future Directions

01

Delivery: Refining program delivery systems across diverse contexts is a high priority

02

Customization: Needs of women, youth, people with disabilities and others will drive customization

03

Shock Sensitivity: External shocks, vulnerability, and fragility must inform economic inclusion programming

04

Community & Market

Linkages: Programs need to link more with wider community and local economy processes

05

Evidence: Future evaluations need to focus on government programs at scale.

06

Costs: Determining cost effectiveness of programs and their sustainability is essential.

07

Political Economy: Improved understanding of local and national influences on decision to adopt programs or not.

08

Partnerships: Partnership via community structures, government coordination and NGO engagement will matter to advance knowledge, best practice and learning.