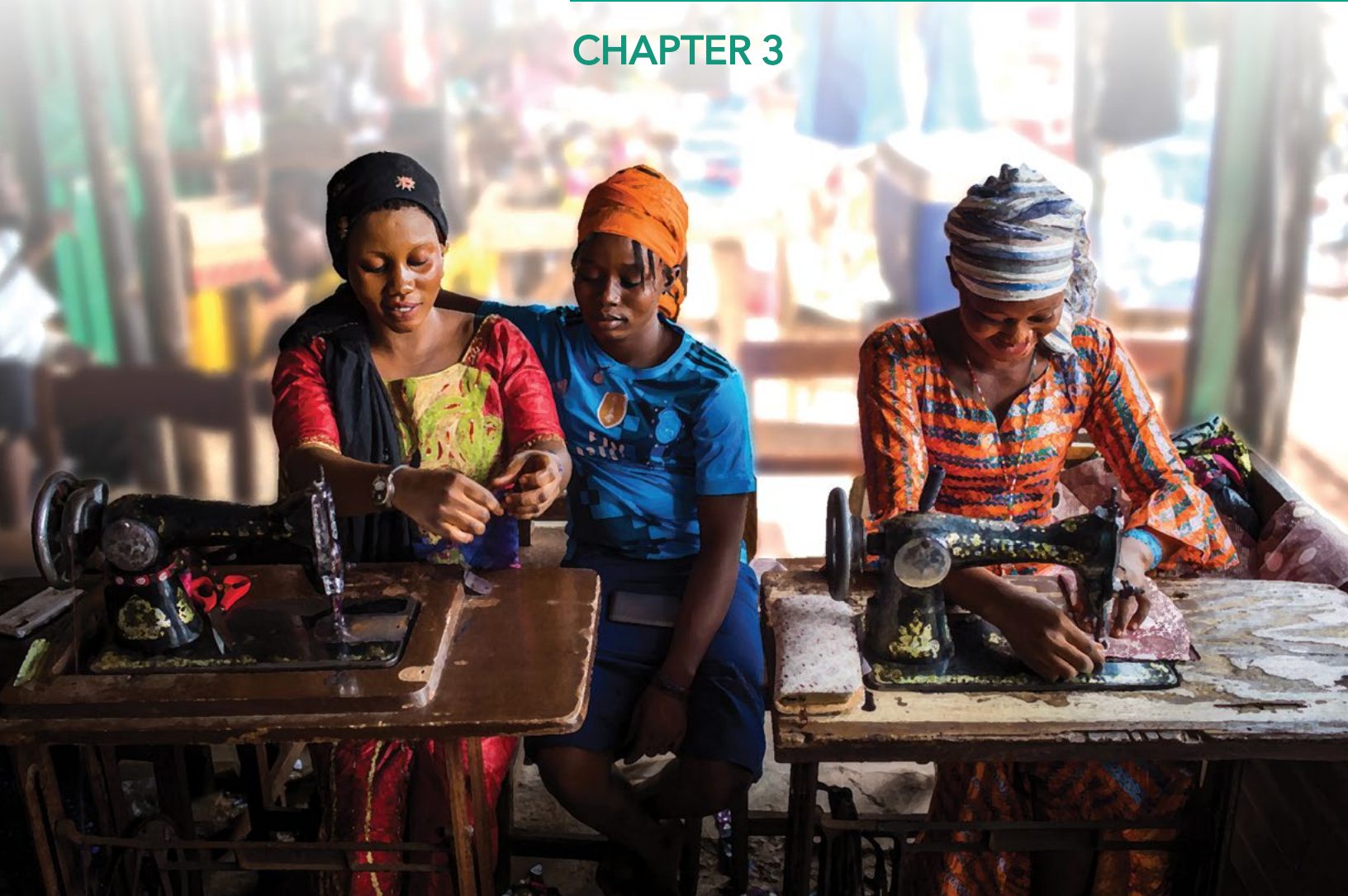


# The State of Economic Inclusion Report 2024

## Pathways to Scale

### CHAPTER 3





# **The State of Economic Inclusion Report 2024**



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# The State of Economic Inclusion Report 2024

Pathways to Scale

Inés Arévalo-Sánchez, Janet Heisey,  
Sarang Chaudhary, Timothy Clay,  
Victoria Strokova, Puja Vasudeva Dutta,  
and Colin Andrews



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1818 H Street NW, Washington, DC 20433  
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# CHAPTER 3

## Program Design for Scale

### KEY MESSAGES

- Programs are scaling up along five dimensions, including by increasing coverage, adding components, institutionalizing through policy or strategy, increasing organizational capacity, and leveraging delivery systems. Expanding to new populations or geographies while ensuring strong program quality requires adopting good diagnostics, tailoring program components, and sequencing components.
- The economic empowerment of women is a core objective of a larger proportion of programs than reported in SEI 2021. More programs could take a gender-intentional approach to design and delivery by addressing social norms, tailoring the timing and nature of program activities, and including components such as childcare to ensure that women can succeed.
- Monitoring participant progress, making real-time adjustments, and refining program design are hallmarks of success, but programs should balance participant need, cost, and complexity plus feedback from monitoring data to inform good design.

## Introduction

All economic inclusion programs take a different pathway to scaling up because each one is customized for geography, population, institutional arrangements, and funding. As a result, program designs and scale trajectories are diverse, making it difficult to consolidate lessons on good practice when scaling up. However, good information on design and trends has emerged from the 405 programs currently supporting over 15 million households and benefiting more than 70 million people, directly or indirectly; 50 percent more than the number reported in *The State of Economic Inclusion Report 2021* (SEI 2021; Andrews et al. 2021).

The Partnership for Economic Inclusion’s (PEI) Pathways to Economic Inclusion at Scale framework identifies two programmatic and three institutional dimensions of scale and their expected results in greater detail (refer to table 3.1). The first programmatic dimension of scale results in an increase in coverage (the number of participants served) by including more people or communities in existing program areas or expanding to different locations. The second programmatic dimension includes functional expansion that increases the scope of activities (or program components) with the goal of improving, widening, or deepening outcomes. This chapter more closely examines these aspects of scaling up economic inclusion.

For the institutional dimensions, sustainable scale-up of government-led programs entails several adaptations of the institutions that implement them. The institutional aspects of scale include the efforts to align economic inclusion programs with national institutions, strategies, financing, and policies to improve efficiency, fiscal coherence, policy coherence, or all of these. Program delivery, policy, and strategy are explored in chapter 4.

Programs may use more than one of these programmatic and institutional dimensions as they move to scale. However, technical decisions on program design and implementation must be balanced with political economy considerations that can limit options, such as fiscal constraints, major shocks, or population trends. Political opportunities—for example, at the start of a new administration or with new funding opportunities—should be considered as well.



**TABLE 3.1** Dimensions of Scale: Programmatic and Institutional

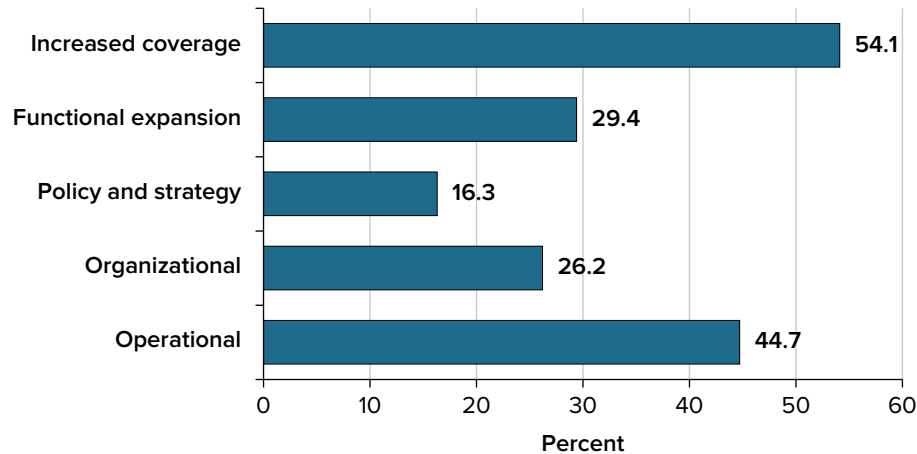
Focus and dimension of scale	Description	Expected results
<b>Programmatic aspects</b>		
Increased coverage	Expansion of programmatic coverage by including more people and/or communities in a given location or replication in different locations	
Functional expansion	Expansion by increasing the scope of activity, in which a program starts with a single focus but then layers in or links additional multisectoral interventions	Improve, widen, and/or deepen program outcomes
<b>Institutional aspects</b>		
Policy and strategy	Institutionalization through policy, strategy, and programming decisions—reinforced by legal, budgetary, and financing decisions to allow effective performance at scale	
Organizational	Expansion of organizational coordination and capacity at different levels (central, local, community level); identification of overall governance mechanisms (including cross-ministerial); and engagement of partnerships (including with groups at the community level, nongovernmental organizations, and private sector)	Improve efficiency; improve fiscal and policy coherence
Operational	Operationalization through building or leveraging delivery systems, especially with respect to digital and community platforms	

Source: World Bank, with adaptations from Carter, Joshi, and Remme 2018; Cooley and Linn 2014.

## Five Dimensions of Scale Reflect Program Growth Beyond Coverage

Seventy-four percent of economic inclusion programs have scaled up along at least one dimension. Many of these programs are well integrated with related programs and are well targeted. One means of scaling up is by increasing program coverage (the number of participants served) by adding new populations within the same geographic area, expanding to new geographic areas, or both. Fifty-four percent of programs report scale-up through increased coverage. Scaling up can also be achieved by adding functions or strengthening program components to increase participant outcomes—so-called “functional expansion.” Twenty-nine percent of programs have scaled up in this fashion.

More than half (57 percent) of programs have reported institutional scale-up over the past 2 years. This scale-up has taken various forms, including expanding capacity within implementing organizations or establishing new partnerships or institutions (26 percent) and integrating economic inclusion programs into government structures through policy, programming, and political, legal, budgetary, or other systemic changes (16 percent). Forty-five percent of programs have begun to use digital tools or introduced other changes to program delivery, which is reflected in the operational aspects of scaling up (refer to figure 3.1).

**FIGURE 3.1** Programs Have Scaled Up Along Core Dimensions

Source: Partnership for Economic Inclusion, World Bank.

Note: Figure shows the percentage of all programs ( $N = 405$ ).

Deciding how to scale depends on the nature of the program, its needs, and the rationale for including more people. Some programs start relatively small to test the program design and scale by including more geographic areas and people. Other programs (including some area-focused) seek to achieve a specific time-bound outcome and may not have an objective to scale. Examples include a market development program focusing on specific value chains or a watershed development program focusing on managing and protecting resources in a specific geographic area. They may not seek to scale up to the national level but rather to integrate good practices into future project design.

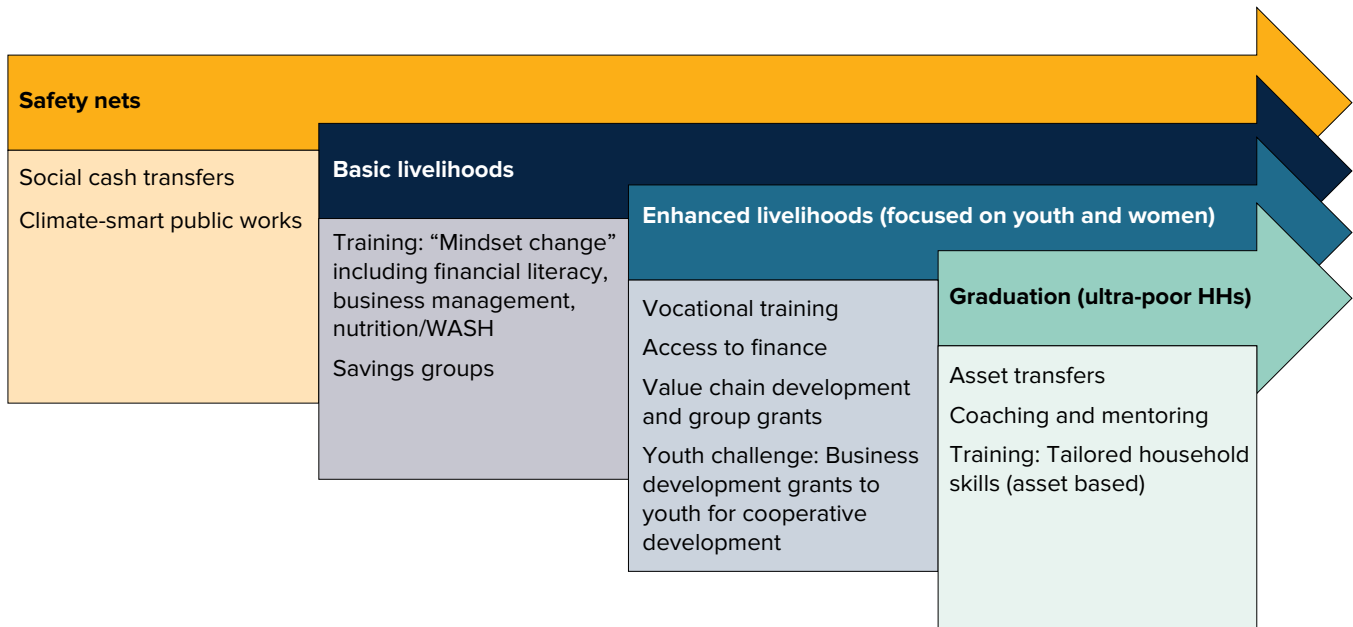
## Programs Can Scale Up by Adding New Population Groups

Programs successfully implemented with one population group can also expand by including either a different demographic group or a different poverty segment. For example, a program targeting the poorest people in a village may decide to include a nearby group of refugees, or a program may decide to include people with disabilities. An example of targeting an additional poverty segment is a program aiming to mitigate the impacts of climate change that decides to expand its target population to include the “new poor”—that is, those who were pushed into poverty because of a climate shock—to prevent them from slipping deeper into poverty (refer to the special focus section). BOMA in Kenya is an example of a program that scaled up by expanding its reach to several new population groups, making design adjustments as it did so (refer to box 3.1).

**BOX 3.1 BOMA's REAP Approach for Different Population Groups**

In Kenya, BOMA developed an effective economic inclusion methodology, Rural Entrepreneur Access Project (REAP), that has been used successfully and evaluated in many contexts and countries. BOMA has refined the REAP model over several years, and then women in the program suggested other applications.

After identifying several new groups of people who might find the program beneficial, BOMA adopted variations designed to meet the needs of different groups, including REAP for Nutrition, which enrolls women with children younger than five years old and households that currently or previously have experienced child malnutrition. Other examples are REAP for Refugees, which targets displaced populations (refugees, internally displaced people) and host communities, and another variation, REAP for Youth, which works with pastoralist youth in Kenya. The fundamental program elements—savings groups, business capital, livelihood skills and soft skills training, and coaching—remain the same in these programs, but they are modified to fit the context and needs of the participant groups. New components, such as nutrition training and links to services, have been added to achieve population-specific outcomes.

**FIGURE 3.2 Customization of Malawi's Social Support for Resilient Livelihoods Project**

Source: Partnership for Economic Inclusion, World Bank.

Note: WASH = water, sanitation, and hygiene; HHs = households.

The Social Support for Resilient Livelihoods Project in Malawi is a good example of how programs are customized to meet the needs of different participant groups (refer to figure 3.2). This program builds on a core intervention—a safety net—but offers four variations: (1) a regular safety net for people living in poverty who do not have the capacity to work; (2) a basic livelihoods variation for those who are able to work but require additional training; (3) an enhanced livelihood variation to meet the needs of women and youth; and (4) a multidimensional graduation approach for households living in ultra-poverty who do have the capacity to work.

Youth-focused programs are reviewed in spotlight 2, program customizations for climate-affected people are reviewed in the special focus section on climate, and gender-intentional design is reviewed later in the chapter. Further research and documentation are warranted for programs designed for people with disabilities and elderly people, but that is beyond the scope of this report. As for programs wishing to scale up by increasing outreach to displaced people and their hosts, the following sections describe some design features, evidence, and good practices.

### **Forcibly Displaced People Face Specific Barriers That Programs Can Address**

The number of forcibly displaced people has increased markedly as a result of burgeoning instability and conflict, growing from 89 million at the end of 2021 to over 117 million by the end of 2023 (UNHCR 2024). As more of these displacement situations become protracted, countries are moving toward solutions that help build resilience and self-sufficiency. Doing so requires complementing shock-responsive cash transfers and humanitarian interventions with responses—such as economic inclusion programs—that help build the resilience of poor households over time. Refer to chapter 4 for more on global initiatives to address the crisis. Nearly 40 percent of all surveyed programs now target people affected by forced displacement or conflict, an increase over SEI 2021. One-third of all programs operate in settings of fragility and conflict, with a great overlap between the two (57 percent of programs in those settings target people affected by displacement or conflict versus 30 percent elsewhere).

Responding to the needs of conflict-affected and forcibly displaced populations requires understanding the nature of the conflict or the displacement, the level of services and resources available to target populations, and the policies regulating their access to those resources. Forcibly displaced populations may face unique barriers to economic inclusion: psychosocial constraints and trauma; loss of assets; insufficient documentation or skills to work in their new country of residence; or legal and policy barriers that limit their mobility, right to work, or even ability to open bank accounts or receive public services. Furthermore, because most programs that work with displaced populations also target host communities, care must be taken to identify the differentiated needs of both groups and ensure that programs support cohesion building and do not inadvertently exacerbate tensions (Heisey, Arévalo-Sánchez, and Bernagros 2022).

Economic inclusion programs support displaced people in restoring or kickstarting livelihoods or linking them to job opportunities. Surveyed programs that target displacement-affected people are more likely to offer business capital (80 percent) and to facilitate links to markets (78 percent) than programs not targeting this group (75 percent and 72 percent, respectively). Links to wage employment are much more likely to be offered by programs for displacement-affected people (41 percent) than programs not targeting that group (29 percent).

Facilitating access to social services and taking steps to support social cohesion between host and forcibly displaced populations are also relevant (Betts et al. 2022). For example, within the past 2 years, Ethiopia’s Urban Productive Safety Net and Jobs Project has reached over 700,000 internally displaced people and 10,000 refugees, along with host community members. This program has done so with custom-made economic inclusion packages combining flexible cash transfers, public works, business development training, livelihood grants, and social cohesion programming.

**BOX 3.2 Empowering Displaced People: What Does the Evidence Say?**

According to the preliminary impact evaluation of the World Bank–funded Niger Refugees and Host Communities Support Project, economic inclusion programs in the form of entrepreneurship training activities and a lump sum grant of US\$200 can have positive effects on displaced and host household income, employment, and economic activities. Thus, economic inclusion programs can have important benefits for the most vulnerable populations (refugees, internally displaced people, and hosts) in highly fragile and volatile contexts.

Early results from Uganda’s Graduating to Resilience program targeting both refugee and host communities are promising. The program had significant positive impacts on participants and their households across both the refugee and host communities on key outcomes, including food security, nutrition, and self-reliance (Brune et al., forthcoming).

A recent pilot project explored application of the graduation approach in the forced relocation of a community in Guinea. Lessons learned include the importance of tailoring support to diverse community needs, necessitating segmentation and flexibility. The psychosocial impacts of relocation, such as entitlement expectations, underscored the need for effective communication and trust-building between project staff, the company enforcing relocation, and the community. The project successfully demonstrated the applicability of multifaceted economic inclusion programs beyond extreme poverty, showcasing its potential to address the complex livelihood challenges arising from community relocations in diverse contexts, such as infrastructure projects or climate change impacts (Simanowitz 2024).

The evidence on economic inclusion programs targeting displaced populations is modest but growing. A review compiled by Heisey, Arévalo-Sánchez, and Bernagros (2022), together with the evidence snapshot in box 3.2, reveal the good practices that are emerging.

**Programs Expanding Their Reach by Including Different Poverty Segments Must Assess Their Specific Needs**

As noted in chapter 2, economic inclusion programs typically target those people at the lower end of the income distribution who have the capacity to engage in economic activities: the ultra-poor (40 percent of surveyed programs), extreme-poor (53 percent), and poor (55 percent) populations. Distinctions between these and other poverty segments are not easy to make in practice, and they are highly contextual. Household-focused programs with a strong mandate to target people in extreme poverty use quite deliberate strategies to do so. Area-focused programs focused on a broader swath of the population are less likely to focus on distinctions within communities.

Yet both household- and area-focused programs report that they target more than one poverty segment. As programs move to scale, some elect to do so by expanding to new poverty segments, often by modifying the program package

to meet their differentiated needs. The distinction between household- and area-focused programs that has emerged from the landscape data is important because it highlights a distinction between programs that deliberately target individual households and those that incorporate households into programs with an area- or system-led focus.

Some household- or individual-targeted programs serving additional poverty segments begin, for example, with people living in extreme poverty and then move to include people near or at the poverty line. In some contexts, the distinctions between groups are slight, and a single shock to the household could push those currently above the poverty line into deeper poverty. For example, in Cambodia, the Graduation-based Social Protection Project, co-piloted by the United Nations Development Programme and the government, uses the national Identification of Poor Households (IDPoor) Program to identify program participants. Established in 2007, IDPoor is the main system for identifying and targeting participants for all social protection programs in Cambodia. The IDPoor system has three categories: very poor, poor, and at risk. The pilot targeted the first two categories. The at-risk category may be included if the program is scaled up.

Area-focused programs may include several poverty segments by virtue of targeting by geography. These programs may provide each poverty segment with a unique set of services depending on their needs, with the poorest people receiving the full complement of program components and less poor people receiving a subset of those components. For example, Bangladesh's Sustainable Coastal and Marine Fisheries Project supports economic inclusion by investing in capacity building and vocational training, offering loans, and creating community organizations. It uses a community-driven development approach to strengthen community fisheries management and transform the livelihoods in 450 poor fishing communities by reducing their dependence on fishing. In addition to training and community inputs, the poorest and most vulnerable fishing households receive one-time grants to allow them to purchase key household livelihood assets and reduce their dependence on outside money lenders. Less-poor households can access credit and loan funds through a revolving loan fund to support fisher households to adopt livelihoods outside capture fishing and to establish sustainable fishing practices. Fishing households can benefit from community savings groups, and women's savings groups help ensure that women are the direct recipients of livelihood support.

Some programs manage to include several poverty segments by combining two program approaches and using multiple ministries or organizations. In Uganda and Ethiopia, the Delivering Resilient Enterprises and Market Systems Project emerged from an understanding that, although market system approaches can address some barriers the poorest face when trying to access markets, they cannot provide the "push" needed to enable participants to launch economic activities, begin to save, and to access other benefits from the market (refer to box 3.3).

**BOX 3.3 Combining “Push” and “Pull” Programming**

The Delivering Resilient Enterprises and Market Systems (DREAMS) Project in Ethiopia and Uganda combines the household-focused approach and market systems development to engage refugee and host households economically. DREAMS integrates the “push” factor from Village Enterprise’s graduation model that targets people living in extreme poverty, with the “pull” factor via Mercy Corps’ market systems development, promoting inclusive market growth.

DREAMS engages households in poverty graduation activities, including savings, asset transfers, and business training. In doing so, it enhances local value chains, connecting “graduates” to market opportunities for sustained business growth and a reduced reliance on external aid. The program, which is under way, will support 40,000 families over 5 years.

Other programs offer specific packages for poverty segments, depending on need and objective. In one area-focused program in Türkiye, the package of support offered to participants varies based on their dependence on forests for their livelihood. The Forest and Village Relations Program (ORKOY), a national program managed by the General Directorate of Forestry (OGM), builds the socioeconomic development and climate resilience of forest villagers by engaging communities in traditional forest management practices. There are 6.9 million people living in 23,111 forest villages in Türkiye that have been engaged in afforestation, rehabilitation (silviculture), and maintenance and protection of forests since 1974 through OGM’s livelihood support programs.

While forest villagers are among the poorest in the country, ORKOY reports that it does not target people directly based on poverty. Instead, the program focuses on diversifying income and employment, especially for vulnerable groups such as women and people with disabilities. In the targeted forest villages, those living in poverty receive grants and microcredit based on a demand-driven approach informed by household surveys taken before and after each grant or microcredit cycle.

The World Bank Climate Resilient Forests Project finances employment opportunities for forest villages in regions highly susceptible to wildfires through the ORKOY program. Grants and microcredit are designed to enhance livelihood opportunities and continuity of enterprises, build climate resilience, contribute to recovery efforts after a series of earthquakes in 2023, and reduce the risk of accelerated rural abandonment of forest areas. The support to forest villagers varies, based on the following criteria: women-led initiatives receive 100 percent grant support; forest village households receive financial support that is 20 percent grant and 80 percent low-interest loan; and in earthquake-affected areas, financial support is 50 percent grant and 50 percent low-interest loan to ensure the continuity of forest-dependent livelihoods and enterprises.

## **Programs That Scale Up by Expanding to New Geographic Areas May Require Adaptation**

Programs can also increase coverage through geographic expansion, including broadening the area served to adjacent sites, such as new districts or regions, or expanding from urban to rural or rural to urban.

As programs incorporate new geographic areas, they must adapt their design to deal with new contexts and to ensure that any differences in the properties of the original program and those of the scale-up have been considered (Gupta et al. 2021). For example, they must consider factors such as differences in population density, barriers to economic inclusion that may be unique to new areas, and different sociopolitical considerations. Programs successfully implemented in one area cannot be assumed to work exactly the same in a new context, even if it is nearby.

The process of choosing new geographic areas can vary, but two factors must be considered: (1) whether the new area is contiguous with a current one to facilitate potential exchange and increase the likelihood of a similar context and (2) the geographic concentration of potential participants (to manage costs in terms of travel time and expenses).

### **Expanding to New Districts or Regions**

Programs may choose new districts based on criteria such as the concentration of poor people. Tanzania's Productive Social Safety Net Project scaled up its livelihood program by gradually expanding to new districts. It began by splitting the districts into three groups ranked by poverty. Several poor districts were given priority for the initial project, and it began to scale up within the poorest 51 districts. Budget constraints, however, forced the project to curtail its scale-up plans for the enhanced livelihood component, and so scale-up has focused almost exclusively on the poorest districts.

Another example is the Improved Household Income Support Program, supported by the National Uganda Social Action Fund 3, which launched its sustainable livelihoods component in 9 districts. Based on success in those districts, it then scaled up first to 31 districts and then added 22 more with additional funding for the component. The project secured political buy-in based on the success of the component, which facilitated a decision to replicate it in other parts of the country.

### **Expanding into Urban and Rural Areas**

Traditionally, economic inclusion programs have focused on rural areas, and PEI's Landscape Survey 2023 once again found that most programs operate in rural areas (84 percent of surveyed programs, 43 percent exclusively), which is similar to the finding in SEI 2021. In 2023, however, there was a slight increase in the percentage of programs operating in urban areas, with 57 percent of surveyed programs serving urban or peri-urban populations, compared with 54 percent in 2021.

Urban areas are the engines of economic growth, typically offering a wide range of economic opportunities, including better access to wage employment and more integration into markets. However, urban poor individuals face multiple constraints, including limited access to public utilities, lack of affordable housing, and lower social cohesion. Programs designed for the urban context must, therefore, consider the specific constraints that negatively affect the livelihoods of the urban poor population (Avalos et al. 2021).

Although many aspects of economic inclusion program design remain the same in urban settings as in rural areas, programs may tweak some of their components to fit the context. For example, because wage job opportunities are often higher in urban



areas, the scope of training and coaching may be changed to equip participants with the skills required in the workplace (including basic literacy and numeracy, soft skills, and technical skills). The fact that urban areas are more densely populated than rural areas can have implications for delivery mechanisms, component design, and costs. However, urban areas can offer a greater diversity of livelihood activities and access to more services.

One example of expansion from urban to rural areas is from Senegal. The Yook Koom Koom (YKK) pilot was launched in four urban areas and later expanded to rural zones. It was started in response to rising urbanization, high job insecurity, and labor informality. YKK's package of interventions includes community savings and loan groups, coaching, life skills training, microentrepreneurship training, access to markets, and cash grants. Participants demonstrated a notable resilience to the COVID-19 pandemic, their household consumption increased, and many succeeded in business. The pilot initially focused on 15,000 households in four urban areas, where it had strong impacts on well-being and entrepreneurship. In 2022, the project tripled its goal by reaching 45,000 households in 14 regions, both urban and rural. The program aims to eventually reach 80,000 households across the country over the next 5 years (Bossuroy et al. 2024).

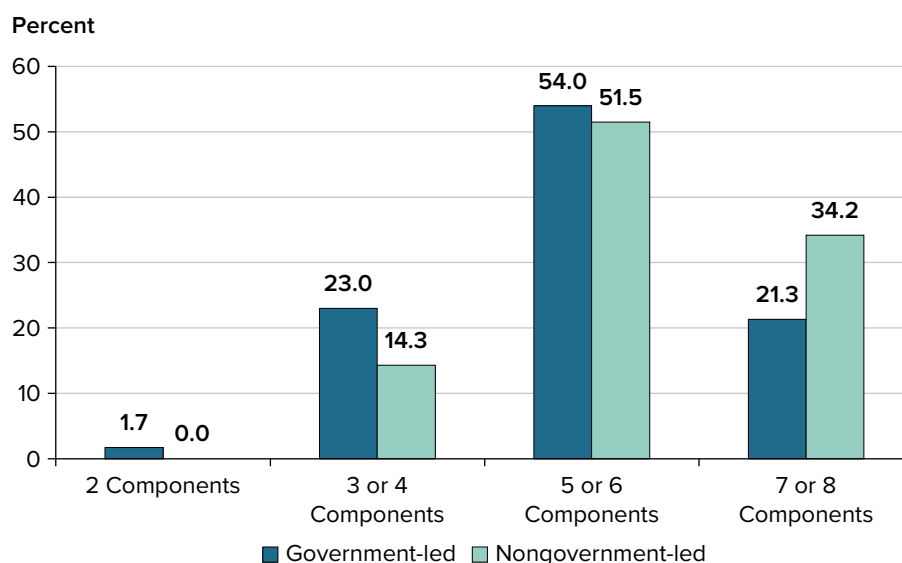
In sparsely-populated rural areas, the delivery of components such as coaching will likely require more time and funds for travel, and, therefore, may be more expensive. Community-oriented activities such as savings groups may also be difficult to support in sparsely-populated areas. Although working in such areas may increase costs, programs can adjust components to offset this risk. For example, YKK's lower-cost community volunteers and local program staff delivered the savings and coaching components, so these program costs were modest (under US\$20 per participant). In rural Mauritania, where qualified NGO workers have provided those services with a much higher ratio of participants to providers, the same activities cost US\$180 per participant.

Expanding economic inclusion programs into urban areas necessitates a deeper exploration of rural-urban links, which are integral to maximizing program impact and sustainability. Market links serve as a cornerstone of these connections, as rural initiatives often rely on access to urban and peri-urban markets to enhance profitability and scalability. However, rural-urban links extend beyond market connections to include knowledge transfer, innovation diffusion, and labor mobility. Recognizing the multifaceted nature of these links is crucial for designing effective economic inclusion strategies that bridge the rural-urban divide and promote inclusive growth.

## **Programs Broadening Their Activities Must Balance Participant Needs, Monitoring, Cost, and Complexity**

Another way in which programs can increase scale is through functional expansion—that is, increasing the scope of activities to deepen program outcomes. Each program offers a distinct package of program components designed to address the specific barriers faced by participants selected by the program. Almost all programs that responded to the Landscape Survey 2023 reported that they provide participants with three or more program components. Seventy-five percent of government-led programs and 86 percent of nongovernment-led programs use at least five program components (refer to figure 3.3).

**FIGURE 3.3** Distribution of Government- and Nongovernment-Led Programs, by Number of Components



Source: Partnership for Economic Inclusion, World Bank.

Note: Figure shows the percentage of all government- and nongovernment-led programs ( $N_1 = 174$  and  $N_2 = 231$ , respectively). By definition, economic inclusion programs provide at least two components.

The following factors play a role in determining whether to add or strengthen a program component for functional expansion:

- *Participant needs.* Programs may add one or more program elements or services, or improve their quality, with the goal of improving participant outcomes. Each component plays a specific role in the development of human, physical, financial, social, or natural capital through assets, savings, coaching, and other support to improve outcomes and build resilience to shocks. The combination of components and the sequence in which they are provided offer just-in-time support to meet participants' needs throughout the course of the program and enable them to continue to participate in program activities.
- *Evaluation results, monitoring feedback, or other data input.* Economic inclusion programs may decide to add a component if diagnostics, monitoring data, or field staff input show that program activities are not succeeding because of a specific barrier. Programs may also consult the evaluation results of other programs in similar contexts or with similar population groups to consider whether, in combination with these other criteria, a program component should be added. Uganda's Graduating to Resilience program illustrates the value of using diagnostics, monitoring, feedback from coaching staff, and a formal evaluation to make changes in component design, both when the program starts and in the course of implementation (refer to box 3.4).
- *Costs.* Designers and program implementers should focus on those participants' needs that must be met for livelihood activities to succeed. Furthermore, although each component brings value to the program package, combining certain components can add outsized value. For example, combining training with coaching can be complementary in two ways. First, coaches can help participants access training services. If they are offered by a third party, poor participants may face challenges

in attending that coaches can help them overcome, from solving transport issues to conquering self-confidence barriers stemming from lack of a formal education. Coaches also can help identify childcare options or manage institutional barriers to attendance such as lack of official identification. Second, coaches can help reinforce training messages by enabling participants to apply valuable livelihood, health, or other information provided in the training.

- *Implementation requirements.* The benefits of providing additional or enhanced services must be balanced with the additional implementation requirements placed on the program. New or improved components will require greater coordination and may involve identifying new partners or service providers to deliver them. One way to ease the implementation burden is by customizing program packages and providing a subset of participants rather than all participants with new or more intensive components. This option is explored further in this chapter, and chapter 4 presents more details on managing implementation arrangements.

### **BOX 3.4 Testing Variations in Program Components in Uganda**

Over the course of two participant cohorts and based on monitoring and evaluation data, the Graduating to Resilience program managed by AVSI in Uganda refined its targeting strategy, added a group interpersonal therapy component, adapted its gender and nutrition components, reduced the coaches' caseload, and lowered costs by prioritizing group coaching and shortening the program.

Launched as a 30-month program, AVSI offers a sequenced intervention with components, including coaching, financial inclusion support, transfers for consumption support, livelihood skills training, and asset transfers. A randomized controlled trial (RCT) tested variations in coaching and asset transfers, leading to changes aimed at greater cost-effectiveness. Group and individual coaching, in particular, proved effective, although group coaching was found to be 13 percent more cost-effective than individual coaching. These changes, along with a shorter program timeline (24 months), reduced per-household costs from US\$1,400 to approximately US\$1,000.

Throughout the program, changes were informed by data collected through monitoring, feedback from community members, surveys, and the RCT. Program adjustments included refining coaching strategies, prioritizing group coaching, and addressing challenges such as rising dropout rates and trauma among participants. The program also tackled gender disparities by engaging male spouses, emphasizing gender equality in coaching, and incorporating individual household touchpoints.

COVID-19 prompted further changes, including the use of remote coaching and modifications of data collection. The program addressed nutrition challenges through home visits and coaching on versatile farming techniques. A gender assessment in 2021 highlighted the role of digital tools in addressing gender inequality, leading to the provision of mobile phones to participants. The introduction of a Digital Skills Training Program showed positive outcomes. Participants in the digital literacy curriculum demonstrated better resilience and business engagement. Changes introduced as part of the program expansion included providing basic phones, which subsequent assessments revealed as having positive impacts on participants' learning, resilience, business engagement, and household dynamics.

### **BOX 3.5 Building Resilience in Response to COVID-19**

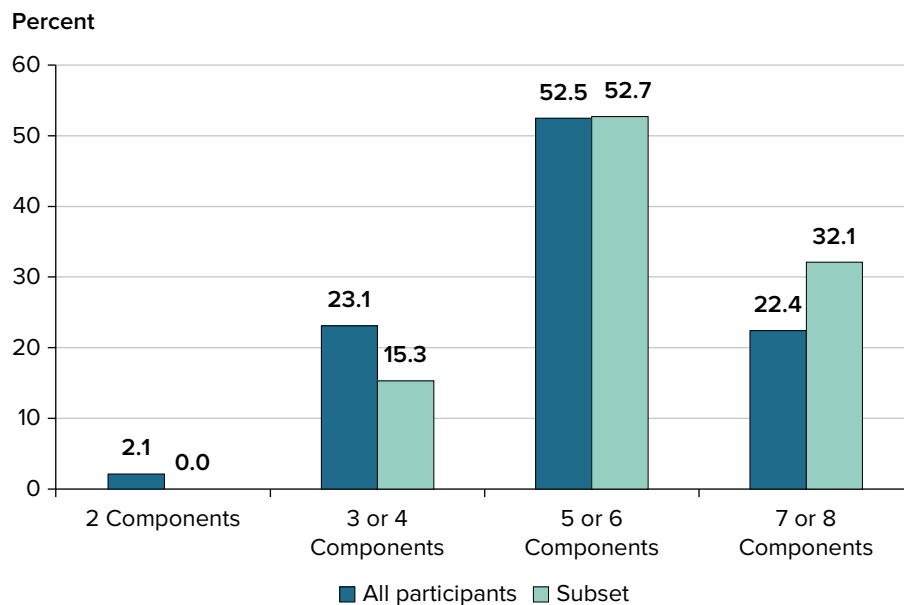
Seventy-eight percent of surveyed economic inclusion programs and 95 percent of those under way when the COVID-19 pandemic broke out at the beginning of 2020 were affected by the event. Twenty-six percent of surveyed programs (and 39 percent of programs under way as of early 2020) experienced a major or severe impact. Some economic inclusion programs were temporarily discontinued or deprioritized, as attention shifted to providing immediate responses at the outset of the pandemic.

Because economic inclusion programs are characterized by their flexibility and ability to respond to different contexts, 86 percent of surveyed programs affected by the pandemic took steps to respond to it. Program responses included changes to program design (57 percent of impacted programs) such as reducing the frequency of training or coaching; deploying digital technologies to carry out program activities (43 percent), to transfer payments to participants, or to deliver training or coaching (refer to spotlight 3); changing how in-person components were delivered (26 percent) by ensuring social distancing during training or coaching sessions or reducing group size; or adding new components (25 percent), such as providing business continuity grants, food baskets, or inputs to support home food production. Economic inclusion programs also provided training on how to adapt businesses to the pandemic and raised awareness on how to prevent the spread of the virus and deliver protective equipment such as masks and sanitizers.

Both program and participant resilience were tested during the pandemic, and lessons emerged on the importance of building strong systems and program flexibility to be better prepared to respond to participants' needs (refer to box 3.5). Many programs changed or added program components to respond to the new and changing context of COVID-19, reinforcing the flexibility of economic inclusion programs.

One new element of the Landscape Survey 2023 is that programs were asked to report whether each participant received every program component (refer to figure 3.4). Sixty-five percent of programs reported they are not providing every participant with every component, meaning they are providing different program bundles. This approach may reflect several factors. First, some programs are customizing the package of services to meet the needs of different participants. In Uzbekistan, the Entrepreneurship Support through Business Start-up Subsidies program varies the intensity of coaching or mentoring based on an assessment during the first visit to determine the level of difficulties the participant is facing. Participants who independently start livelihood activities after training do not receive coaching.

Second, some programs are offering different packages of support to participants with different profiles or livelihood activities. Türkiye's Scaling-up Farmers Field Business Schools, which is focused on refugees as a target population, reports that participants are grouped based on their activities and resources, including female small-scale producers (farmers), agricultural laborers, and community health agents, and each is given a specific predetermined set of support packages. Customizing components to match the differentiated needs of a population helps to improve cost-effectiveness, but too much customization can be difficult to administer (refer to chapter 4 for details on institutional coordination).

**FIGURE 3.4** Distribution of Programs Serving All or a Subset of Participants, by Number of Components

Source: Partnership for Economic Inclusion, World Bank.

Note: Figure shows the percentage of programs providing components to all participants ( $N = 143$ ) and to a subset ( $N = 262$ ) of participants.

Each component added to a program has implications for that program's cost, complexity of implementation, and effectiveness in achieving outcomes. Many programs have experimented with different types of program bundles to help maximize program outcomes and streamline program complexity, while still achieving strong program outcomes. Therefore, it is crucial to understand the relative cost-effectiveness of different packages of interventions to enhance program design for scalability. This involves isolating and analyzing the effects of various program components to determine which combinations yield the best outcomes relative to their costs.

## Programs Seek to Achieve Women's Economic Empowerment

According to the Landscape Survey 2023, 90 percent of the programs target women. Although most programs include some measures to support women, one-third of all programs reported women's economic empowerment as one of their core program objectives and that they are deliberate about the strategies they use to strengthen women's economic inclusion. Ninety-three percent of programs in which women's economic empowerment is a core objective—and 84 percent of programs in which it is not—reported that women were the direct recipients of program benefits or components. Furthermore, 72 percent of such programs reported that they measure women's participation or empowerment.

Programs often utilize bundled economic inclusion interventions to address the many constraints poor women face and to empower them in both the economic and

social domains. Gendered market assessments can help programs tailor livelihood options that are reasonable given women’s time constraints and other responsibilities. These assessments enhance a program’s ability to identify the barriers, such as care responsibilities, limited mobility, and gaps in skills, that women face, and can also identify opportunities for livelihood engagement. In the Arab Republic of Egypt, the FORSA (meaning “opportunity” in Arabic) pilot included a gendered rapid market assessment that enabled the program to identify sectors such as ready-made garments and food processing as potential livelihood options for women, as well as the soft and technical skills female participants need to take advantage of these opportunities.

Program design features can help facilitate women’s access to livelihoods and also support the early childhood development agenda. Forty-one percent of programs with women’s economic empowerment as a core objective reported having specific components for women; 44 percent of programs in which women’s economic empowerment is a core objective also had adapted their program design to support women. Only 11 percent of programs that had women’s economic empowerment as a core objective reported making provisions for childcare (and only 2 percent made provisions for eldercare), so there is ample room for improvement in how programs adapt their components and designs to support an early childhood agenda.

Seventy percent of programs sensitize communities to the needs of women or use gender-related messaging in their design. Among other things, they raise the awareness of female participants of their legal rights or discuss the importance of gender equality with male participants or spouses and the community at large. Some programs provide partners in the private sector, nongovernmental organizations, or governments with guidance on the specific barriers women face.

Programs often use their training and coaching components to help shift gender norms. For example, in the Democratic Republic of Congo, the Stronger Nations, Stronger Women program, led by Women for Women International, trained participants in the value of women’s work, women’s rights, and the prevention of violence against women. Female participants then demonstrated higher levels of autonomy and short-term improvements in their ideas about women’s role in society. The program even found that intimate partner violence decreased among participants who were at high risk.

Similarly, the Satat Jeevikoparjan Yojana program in India confronted issues facing women by discussing early marriage and family planning. In many of their programs, Concern Worldwide works to change how men view women in their community by employing an “engaging men and boys” component in which coaches discuss with men in the community such issues as gender roles, power, and healthy relationships (Bhari and Laszlo 2020). However, only 28 percent of programs that have women’s economic empowerment as a core objective take these interventions a step further and engage in advocacy for governmental policy changes.

Programs have also found that engaging the broader household, especially male spouses, from the beginning helps build trust and reduces backlash from spouses. The Women’s Income Generating Support Program in Uganda has included male spouses since the program’s inception (Sumanthiran and Roelen 2023). The Supporting Women’s Livelihoods initiative under the Girls’ Education and Women’s Empowerment and Livelihood Project in Zambia holds a joint orientation with male household members to reduce backlash by helping them understand the goals of the project. The program also includes a session called “Family Vision” during which female participants and

their male household members can set common goals and negotiate their household contributions.

By acknowledging the intersectionality of women’s empowerment, childcare, and nutrition, policy makers and stakeholders can also adopt a holistic approach to fostering economic inclusion. Empowering women to make informed decisions about their own health and that of their children; providing access to nutritious food, health care services, and education; and implementing supportive policies and programs can break the cycle of malnutrition and poverty, unlocking the full potential of individuals and communities to participate in and benefit from economic inclusion programming.

As noted, most of the economic inclusion programs surveyed target women and have demonstrated significant positive impacts on various economic outcomes, including consumption, assets, income, and savings. The SEI 2021 reviewed in a spotlight the evidence (Andrews et al. 2021), and box 3.6 reviews the evidence published since then.

### **BOX 3.6 Empowering Women: What Does the Evidence Say?**

Earlier studies of economic inclusion programs have found limited impacts on women’s empowerment (Bandiera et al. 2017; Banerjee et al. 2015). However, recent studies using broader measures of empowerment and well-being have found stronger effects (Bedoya Arguelles et al. 2019; Bossuroy et al. 2022), as highlighted in spotlight 1 in chapter 1.

#### **Afghanistan**

Government programs are also demonstrating positive impacts on women’s empowerment. In Afghanistan, the Targeting the Ultra Poor program induced improvements in women’s empowerment such as a 22 percentage points increase in labor force participation and improvement in mental health (Bedoya Arguelles et al. 2019).

#### **Democratic Republic of Congo**

One recent study illuminates the impact of a graduation program in eastern Democratic Republic of Congo, implemented by Women for Women International. This program, targeting ultra-poor women in a region facing protracted conflict, pairs the graduation approach with training in women’s rights, negotiation, decision-making, civic action, safety nets, and building social connections with other women. In addition to the significant impact on household consumption and assets, the study reveals positive effects on women’s participation in household decision-making and locus of control. The improvements in household decision-making are primarily driven by women’s increased involvement in decisions about income generation. Furthermore, children’s attendance at school increases by 5 percentage points. The overall conclusion is that the positive effects on women in a very poor post-conflict setting are encouraging for policy makers aiming to enhance women’s welfare (Angelucci, Heath, and Noble 2023).

*(Box continues next page)*

**BOX 3.6 Empowering Women: What Does the Evidence Say? (continued)****Niger and Zambia**

Zambia's Supporting Women's Livelihoods program has increased overall consumption by 38 percent, household income by 62 percent, business profits by 80 percent, and savings by 234 percent after three years (Botea et al. forthcoming). The interventions also demonstrated substantial improvements in participants' mental health, including perceived happiness, self-esteem, and a comprehensive mental health index incorporating symptoms such as depression and exhaustion.

Similar positive effects on mental health, including life satisfaction, inner peace, and depression, were observed in Niger. In terms of empowerment, the Niger program showcased significant positive effects on women's social well-being and social capital within their communities, indicating increased financial support, social standing, and collective action. Sustained effects on the index of women's control over their own earnings and productive activities also were noted. However, in both Niger and Zambia, the higher income and business revenue for women did not necessarily translate into enhanced decision-making power over household resources (Bossuroy et al. 2022, Botea et al. 2023). In Zambia, limited evidence of a shift in decision-making power could be attributed to the targeting of women-headed households, which may have already been relatively more empowered.

**Effective Scale Up Requires Good Diagnostics**

Identifying an approach that works in one area or with one population group does not guarantee similar results if scaling up to new areas or groups. Gupta et al. (2021) has identified four categories of risks a program may face if it scales up: (1) inference, when a program is scaled before there is sufficient evidence of effectiveness; (2) an ill-suited population, when results are not representative because programs are tested on a subset of the population that is, or is perceived to be, more likely to succeed; (3) a challenging situation, when the program design or delivery in the pilot phase does not adequately reflect the broader context; or (4) unanticipated spillover effects, which can make it difficult to assess impacts. Programs moving to national scale should consider the specifics of population, properties, and delivery in designing for new contexts.

Successful programs start with thorough assessments to understand the specific constraints and opportunities facing vulnerable households (Bossuroy et al. 2022), and successfully scaled up programs continue to use them when moving to new locations or serving new population groups. Common constraints at the individual level include limited experience navigating markets, a lack of community connections or networks, and a limited cognitive ability for future planning (Mullainathan and Shafir 2013). Once the overall profile of participants is determined, additional assessments—including context analyses and vulnerability, livelihood, and market assessments—will inform the design of program components.

Program designers should consider that changes in program design, components, program delivery, or other elements may not always be required when working in new



areas or with new population groups, particularly when programs were designed with ultimate scale-up in mind. Program planners should design for scale, envisioning how initial program activities can inform future growth so that future participants have the same likelihood of success as those in the pilot project, thereby avoiding a mismatch of the properties of a population (Gupta et al. 2021).

Finally, participants should be involved in the design and delivery of programs to ensure the programs are responsive to needs and participants feel invested. Flexible, demand-driven programs accounted for the success of several efforts in the agrifood area. Research demonstrated that programs with food security objectives were successful because they had a demand-driven model that responded to the different capacity-building needs of participants. Actively engaging participants in the design, providing them with supervision, and monitoring responsibilities contributed to participants' success (World Bank 2022).

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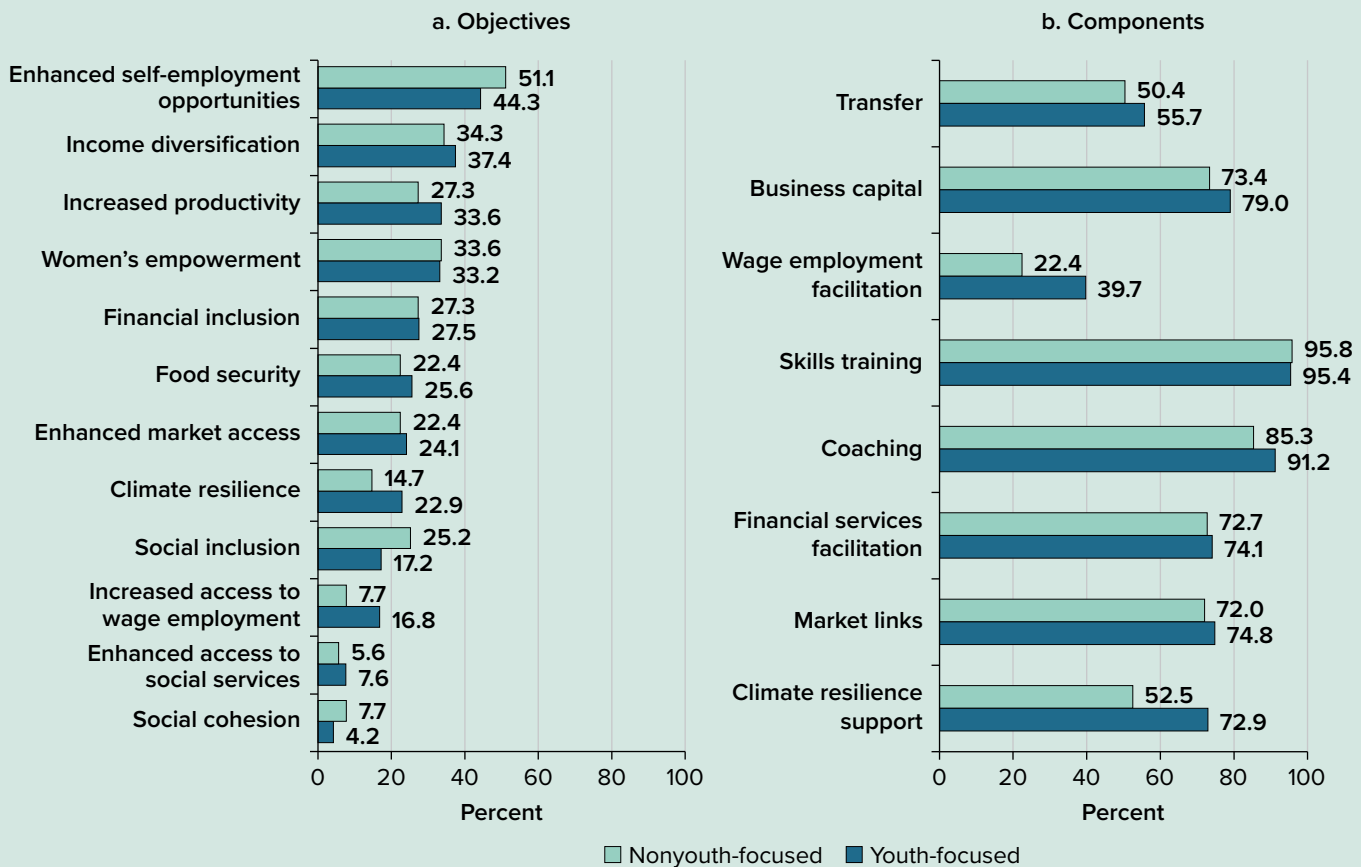
# Adapting Economic Inclusion to a Growing Youth Population

## Introduction

The global youth unemployment rate, estimated at 13.3 percent in 2023, is more than three times the adult unemployment rate; 75 million young people of working age are unemployed worldwide (ILO 2023). Young workers are twice as likely as adults to live in extreme poverty and more prone to informal employment, and youth in low- and middle-income countries are more likely to confront these issues. Many young people lack access to quality education and relevant skills training, thus hindering their ability to compete in the formal labor market. Even where education is available, a mismatch between learned skills and market demands persists due to factors such as outdated curricula and limited employer involvement in training programs (World Bank 2019). The informal economy, prevalent in developing nations, does offer jobs, but these often offer low wages, poor conditions, and job insecurity—all of which make it challenging for young people to transition to formal, decent-paying work. The cycle is perpetuated as employers hesitate to hire inexperienced workers, creating hurdles for young people to gain valuable work experience (ILO 2023; World Bank 2019).

Economic inclusion programs offer a testing ground for innovative approaches to tackle job challenges and to integrate young people into the economy. Of the surveyed programs, 65 percent (61 percent of nongovernment-led initiatives and 69 percent of government-led efforts) target youth (so-called “youth-focused programs”). Although most program objectives differ little between youth- and nonyouth-focused programs (refer to figure S2.1, panel a), there is a more pronounced emphasis on climate resilience (73 percent of programs) and greater access to wage employment (40 percent) in youth-focused programs, compared with 53 percent and 22 percent, respectively, for programs that do not explicitly target youth (refer to figure S2.1, panel b).

**FIGURE S2.1 Main Program Objectives and Components of Youth-Focused Programs Versus Nonyouth-Focused Programs**



Source: Partnership for Economic Inclusion, World Bank.

Note: Figure shows the percentage of youth- and non youth-focused programs ( $N_1 = 262$  and  $N_2 = 143$ , respectively).

## Emerging Evidence on Youth-Focused Economic Inclusion Programs

Recent studies have found that government-led economic inclusion programs targeting youth entrepreneurs, specifically programs providing grants and training, have positive impacts. The Small Business Support program in Liberia's Youth Opportunities Project and the Kenya Youth Employment and Opportunities Project have both shown promising results. In Liberia, participants receiving business grants and training experienced a 46 percent increase in income compared with a control group, along with higher rates of business ownership, higher investments in business assets, and better overall satisfaction levels (Gupta, Del Bono, and Jorgensen 2021). Similarly, in Kenya, youth who received grants and business training during the COVID-19 pandemic were twice as likely to have operational businesses in subsequent rounds compared with the control group. The impacts included longer business survival, the initiation of new businesses, a higher likelihood of citing their business as the primary income source, and lower chances of reporting negative income changes (Domenella et al. 2021).

These findings underscore the positive influence of economic inclusion initiatives targeting youth entrepreneurship and economic well-being. Although youth with adequate

mobility and a formal education may encounter fewer constraints than youth lacking these benefits, initiating businesses with a combination of training and grants and a more comprehensive economic inclusion package, including access to markets and mentoring, is still recommended. Support for market links to value chains, as well as access to inputs and aggregation of outputs, is critical to ensuring the long-term sustainability of businesses. Mentoring is also a critical factor in addressing behavioral constraints because it can contribute to better decision-making among young entrepreneurs.

## Innovative Youth-Focused Design Considerations

Effective economic inclusion programs for youth require tailored, innovative design elements that address their unique needs and aspirations. By incorporating youth-specific approaches, programs can enhance engagement, build relevant skills, and support sustainable livelihoods. This section outlines key considerations for creating innovative youth-focused design.

### Fragile, Conflict-Affected, or Violent Context

Programs designed for youth in fragile, conflict-affected, or violent contexts must consider the root causes of conflict and violence. Exemplifying this approach, the Azoli program, part of the Benin Youth Inclusion Project, conducted a vulnerability study to identify both target communities and the factors driving violence. The study revealed that conflict in Benin is linked to issues such as weak governance, resource competition, illegal activities, inadequate protection of income-generating activities, and limited access to education and health. To address these risks, the program emphasizes the professional and economic integration of vulnerable youth, promotes labor market participation for all, and tailors its strategies to meet the specific needs of target groups. The study informed the development of conflict prevention strategies, allowing for targeted investments in at-risk villages (Rougeaux and Mongan Agbeshie 2024).

### Market Systems

Understanding the market failures that exclude poor women and youth from accessing job opportunities is critical for an effective design, especially in urban areas where the youth population is growing faster than jobs can be created. The Livelihoods Improvement for Women and Youth (LIWAY) program<sup>1</sup> in Addis Ababa, Ethiopia, has adopted a market systems development approach to address the root causes of market failure hindering poor women and youth from accessing job opportunities in urban areas. The program targets the development of four interconnected market systems—labor, micro and small enterprise, medium and large enterprise, and skills—to improve access to better-paying jobs, reduce barriers to business growth, and improve skills development. By forming strategic partnerships with private companies and public institutions, the program aims to address market failures effectively, ensuring local ownership for sustainable poverty reduction and social stability for youth (LIWAY 2023).

### Socioemotional Skills

The gaps in socioemotional skills—skills that enable individuals to accomplish particular tasks, such as recognizing and managing their emotions and coping successfully with conflict—can exacerbate the challenges faced by youth in pursuing job opportunities, particularly in an informal labor market focused on self-employment. A rural Mongolia

project addresses the lack of socioemotional skills among vulnerable youth by integrating entrepreneurship-focused socioemotional skills training into school curricula. The initiative collaborates with local secondary schools, lifelong learning centers, and polytechnic colleges to deliver an innovative curriculum that equips youth with essential skills for entering the challenging labor market.

### Apprenticeships

Apprenticeship programs are a valuable tool for addressing youth unemployment challenges by offering hands-on learning in real work environments. Participants receive valuable industry-relevant skills and experience, significantly enhancing their employability. The Urban Productive Safety Net and Jobs Project in Ethiopia recently introduced a six-month apprenticeship for unemployed youth with high school diplomas or lower qualifications. The apprenticeships are provided by private and public firms, and the youth are given a stipend during the six-month apprenticeship period and for the subsequent 3 months to support their job search. The program also delivers life, job search, and digital skills training and strengthens the job search intermediary services to help youth find jobs.

### Future Directions

Economic inclusion programs specifically designed to tackle youth unemployment have shown promising results in improving access to income through self-employment opportunities. Empowering youth entails addressing capital constraints for starting businesses, providing job market information and career guidance, bridging skills gaps, and leveraging digital tools for skills training. A comprehensive approach is crucial for creating an environment that supports youth in their pursuit of economic opportunities and sustainable livelihoods.

### Note

1. LIWAY is a 9-year program (July 2017 to June 2026) funded by Sweden and the Embassy of the Kingdom of the Netherlands.

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## ECO-AUDIT

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The journey of economic inclusion programs has been remarkable, marked by significant strides in creating job opportunities and building resilience for poor and vulnerable populations. *The State of Economic Inclusion Report 2024: Pathways to Scale* highlights the progress and challenges of scaling up government-led programs, as well as the vital interplay with nongovernment actors and the private sector. The report draws on the 2023 Landscape Survey of Economic Inclusion Programs and on the operational insights garnered through the Partnership for Economic Inclusion's (PEI's) collaboration with its partners, summarizing emerging evidence from government-led programs, highlighting significant knowledge gaps, and offering insights for future programmatic approaches.

This report offers a comprehensive overview of the evolving landscape, global footprint, and key design features of economic inclusion programs. Comparisons with *The State of Economic Inclusion Report 2021* provide valuable insights into shifts and trends over the past 3 years, including those for the economic empowerment of women and youth, for collaborative efforts across different stakeholders, and for resilience to climate change. The current report complements the earlier report by exploring efforts to scale up policy and programming, including progress and challenges around government-led programs and the interplay with nongovernment actors and the private sector. This report analyzes shifts in the global landscape, including the degree to which economic inclusion programs are being customized in vastly different contexts and the growing role of economic inclusion in building resilience and providing job opportunities to the poor population in the context of overlapping crises.

Scaling up programs that empower poor and vulnerable populations to access economic opportunities, enhance food security, and build both short- and long-term resilience can contribute to more-inclusive and more-sustainable growth that leaves no one behind. This report provides policy makers with key recommendations for expanding coverage, strengthening outcomes for women and youth, maintaining program quality, continuing to build an evidence base, and designing programs for sustainable impacts.

Data from the report are available on the PEI Data Portal, [www.peiglobal.org](http://www.peiglobal.org), where users can explore and submit data.



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