

Program Brief: Recovery and Advancement of Informal Sector Employment (RAISE)

Nazia Moqueet

April 24, 2022

Abstract

The urban youth population in Bangladesh faces numerous challenges including low educational attainment, low income, limited exposure to the labor market, and lack of skills training. Few social protection programs address the heterogeneous vulnerabilities of the youth, leaving this segment of the population largely neglected and excluded from mainstream services. The COVID-19 pandemic has exacerbated the socio-economic prospects for the youth in Bangladesh. In response, the Government of Bangladesh launched the World Bank-financed Recovery and Advancement of Informal Sector Employment (RAISE) program in 2021. RAISE aims to provide services that can improve earning opportunities for 375,000 low-income urban youth, micro-entrepreneurs affected by COVID-19, and returning migrants. The program provides economic inclusion interventions through various combinations of business and life-skills training, apprenticeships, access to micro-credit, and reintegration services based on the profile and needs of beneficiaries. This policy note draws on lessons from global economic inclusion programs to illustrate the rationale and design considerations in the RAISE program. In addition, it provides recommendations on key areas to track in the impact evaluation, which will be critical in identifying the most effective approach for youth populations and providing lessons on cost-effectiveness for national scale.

Despite significant economic growth and human capital development in Bangladesh, urban youth living below the poverty line have limited employment prospects and are excluded from mainstream social protection services.

Bangladesh has made significant progress with a sharp decline in poverty from 49 percent in 2000 to 24 percent in 2016, reaching lower-middle income status in 2015.¹ Employment rates for the working age population increased annually by 2.4 percent during this period, with female employment rising at double the rate, as a result of growth in the readymade garment (RMG) industry.² Migration contributed to this economic growth, with over 700,000 Bangladeshi workers overseas annually between 2016-2019 and remittances accounting for about six percent of the country's GDP in 2019.³ High remittance inflows and export revenues contributed to substantial international reserves, equal to six months of imports by April 2020. During this period of rapid economic growth, Bangladesh experienced increased vulnerability to climate change and rising urban poverty, which were further exacerbated by the COVID-19 pandemic.

The COVID-19 pandemic reversed the gains in poverty reduction for the first time in two decades and resulted in devastating economic loss, particularly in urban areas.⁴ Pandemic-related lockdowns and falling demand led to losses in livelihood and income, with an associated rise in economic inequality and a four percent spike in poverty rates.⁵ Remittances declined by 25 percent and exports decreased by 83 percent.⁶ A World Bank COVID-19 rapid monitoring survey indicated that micro-entrepreneurs were affected significantly in Dhaka and Chittagong, with 39 percent of respondents reporting uncertainty over whether they would be able to sustain their business beyond a month.⁷ A third of the respondents, majority of them being women, reported job losses due to the pandemic. By June 2020, around 24 percent of female informal micro-entrepreneurs shut down their businesses with only a small portion (27 percent) being able to restart their business after a temporary closure.⁸

Low-income urban youth are particularly vulnerable to the effects of the pandemic due to the unique constraints they face. The youth population in Bangladesh is characterized by low educational attainment with a completion rate of 6.8 years on average.⁹ The rate varies significantly based on income distribution, with around four percent among urban youth in the bottom decile versus 9.5 percent in the highest decile. Urban youth also lack essential non-cognitive or life-skills, such as motivation, that limit their ability to engage in formal wage employment.¹⁰ As a result, over 80 percent of youth in urban areas are either in the informal sector or self-employed with limited income and productivity.¹¹ Wage gaps are substantial

¹ Household Income and Expenditure Survey, 2000-2001 and 2016-2017

² Farole, T., Cho, Y., Bossavie, L., and Aterido, R. 2017. Jobs Diagnostics Bangladesh. Job Series Issue No. 9. World Bank.

³ Bureau of Manpower, Employment, and Training. 2022.

⁴ World Bank. 2021. Bangladesh Economy Shows Early Signs of Recovery amid Uncertainties.

⁵ World Bank. 2021. Bangladesh Overview.

⁶ International Monetary Fund. 2020. IMF Country Report No. 20/187.

⁷ Genoni, M., Khan, A., Krishnan, N., Palaniswamy, N., and Raza, W. 2020. Losing Livelihoods: The Labor Market Impacts of COVID-19 in Bangladesh. World Bank.

⁸ Rabbani, M., Zahan, I., and Martin, M. 2020. Knocked Down, But Up Again: The Case of Female Online Entrepreneurs in Bangladesh. BRAC Institute of Governance and Development.

⁹ Household Income and Expenditure Survey, 2016-2017

¹⁰ Kotikula, A., Hill, R., and Raza, W. 2019. What Works for Working Women? Understanding Female Labor Force Participation in Urban Bangladesh. World Bank, Dhaka.

¹¹ Ahmed, S., and Chowdhury, A. 2020. SME and Youth Employment in Bangladesh. World Bank.

with informally employed youth earning 4,000 BDT (US\$ 46) less than those in the formal sector. The gaps are more pronounced for female youth who are constrained by gender norms, care burden, and lack of security. Youth female labor force participation in urban areas is 32 percent (compared to 67 percent among males) and informally wage-employed female youth earn 13 percent less than their male counterparts.¹²

In Bangladesh, few social protection and livelihood programs are tailored to meet the unique constraints faced by low-income youth working in the urban informal sector. The National Social Security Strategy (NSSS) prioritizes investments in social protection for vulnerable populations, with a focus on urban youth and those facing life cycle risks.¹³ However, vast majority of safety nets in Bangladesh are targeted towards improving household consumption and building resilience to shocks. Low-income urban youth, who face a different set of challenges, including low educational attainment, low access to capital and financial services, lack of technical and life-skills training, require different interventions that boost productivity. Currently, most youth-focused labor market programs are short-term and focus on formal employment, which is often out of reach for those with low educational attainment. While several programs provide apprenticeships and mentorship to youth, they are limited in coverage and are single-instrument interventions. As a result, a large portion of the youth population living in extreme poverty is excluded from mainstream support and form the missing middle segment of society.

Global economic inclusion programs that target youth demonstrate a wide range of socio-economic impacts on earnings, entrepreneurial capacity, self-esteem, and vision for the future.

Globally, youth-focused programs adopt a tailored approach to meet the heterogeneity in youth characteristics and vulnerabilities. A vast body of evidence from economic inclusion programs indicate that there is no one-size-fits all approach, rather interventions that are contextualized to meet the vulnerabilities of the local population are the most effective. In Colombia and Mexico, where gender a high childcare burden restrict female labor force participation, increased access to affordable childcare will be a critical intervention.¹⁴ In Pakistan, women who had access to training centers in their villages were four times more likely to complete training than those who had to travel from afar. In such cases, interventions such as group transportation can be instrumental in mitigating mobility constraints and increasing women's participation in training programs.¹⁵

Youth with low skills and limited exposure to the labor market benefit greatly from on-the-job training and apprenticeships. Research from labor market programs in Chile, Argentina, and Peru indicate that

¹² Bangladesh Bureau of Statistics. Gender-based Employment and Wage. 2021.

Solotaroff, J., Kotikula, A., Lonnberg, T., Ali, S., Pande, R., and Jahan, F. 2019. Voices to Choices: Bangladesh's Journey in Women's Economic Empowerment. World Bank.

¹³ General Economics Division, Planning Commission, Government of the People's Republic of Bangladesh. 2015. National Social Security Strategy of Bangladesh.

¹⁴ Peña-Parga, X., and Glassman, A. 2004. Demand For Child Care And Female Employment In Colombia. *Documentos CEDE, Universidad de Los Andes*.

Calderón, G. 2014. The Effects of Child Care Provision in Mexico. Banco de México Working Papers.

¹⁵ Cheema, A., Khwaja, A., Naseer, F., and Shapiro, J, 2020. Glass Walls: Experimental Evidence on Access Constraints Faced by Women. Princeton University.

providing training support increased employment rates by 0-5 percentage points.¹⁶ Rates were higher for female participants in Colombia and Panama, with employment rates increasing between 6 to 12 percentage points. In Kenya, the Youth Empowerment Project (P111546) (PXXXXXX) demonstrates the positive impact of combining classroom-based technical training with short-term internships.¹⁷ The program targets vulnerable youth aged 15-29 years who are out of school and/or without stable employment. An evaluation shows a 15 percent increase in employment among male youth and an increase in earnings by Ksh 5,000 (US\$ 43) for male participants and Ksh 7,500 (US\$ 64) for female participants.

For youth who are new to the labor market, particularly female youth, provision of life-skills training can lead to improved confidence, problem-solving skills, and work ethics, which contribute to success in the labor market. Relative to their male counterparts, female youth face additional obstacles in labor market participation resulting from social norms, mobility constraints, and low exposure to skills development and training programs. As a result, they require targeted programs to succeed in the labor market. According to survey data, employers report the importance of soft skills such as communication, problem-solving, honesty and integrity, and ability to cooperate with others.¹⁸ Programs such as the Adolescent Girls Initiative (operational between 2008-2015) have been successful in facilitating the transition of young women to productive work through provision of life-skills training and livelihood support. In Liberia, the program increased employment by 47 percent and earnings by 80 percent among women. There is also evidence on shifting attitudes towards gender norms.¹⁹ Similarly, the Jovenes program in Argentina demonstrates positive impacts of technical and life-skills training on earnings and job quality among vulnerable youth.²⁰

Access to micro-credit is beneficial for youth who have high potential, prior experience with entrepreneurship, but face capital constraints. A study comparing micro-credit, in-kind grants, and cash grants in Upper Egypt found that all three interventions led to significant increases in business profits and wage earnings for female entrepreneurs.²¹ However, a cost-benefit analysis shows that providing micro-loans, that are 3-4 times lower in cost than grants, were more cost-effective in generating benefits such as total earned income. The study also found that entrepreneurs with prior business experience and better financial standing were more likely to benefit from micro-credit than those who were not as enterprising. Similarly, a meta-study from Bosnia, Ethiopia, India, Mexico, Mongolia, Morocco, and the

¹⁶ Ibarraran, P., and Shady, D. 2009. Evaluating the Impact of Job Training Programmes in Latin America: Evidence from IDB-funded Operations. *Journal of Development Effectiveness*, 1, (2), 196-216.

¹⁷ Honorati, M. 2015. The Impact of Private Sector Internship and Training on Urban Youth in Kenya. Policy Research Working Paper; No. 7404. World Bank, Washington, DC.

¹⁸ Blom, A., and Hobbs, C. 2007. *School and Work : Does the Eastern Caribbean Education System Adequately Prepare Youth for the Global Economy?* World Bank, Washington, DC.

¹⁹ Adoho, F., Chakravarty, S., Korkoyah Jr., D., Lundberg, M., Tasneem, A. 2014. The Impact of an Adolescent Girls Employment Program: The EPAG Project in Liberia. Policy Research Working Paper 6832. World Bank, Washington, DC.

²⁰ Ibarraran, P., and Shady, D. 2009. Evaluating the Impact of Job Training Programmes in Latin America: Evidence from IDB-funded Operations. *Journal of Development Effectiveness*, 1, (2), 196-216.

²¹ Crepon, B., El Komi, M., Osman, A. 2020. Is it who you or what you get? Comparing the Impacts of Loans and Grants of Microenterprise Development. *Innovations for Poverty Action*.

Philippines indicates that micro-credit benefits households with previous business experience.²² In India, entrepreneurs with prior business experience experienced a 35 percent increase in assets and double the revenues due to greater access to micro-credit.²³

Through its integration of multiple interventions, economic inclusion programs can enable urban youth to build resilience by addressing the multidimensional barriers they face, promoting income generation, and strengthening economic and social linkages.²⁴ Evidence from economic inclusion programs in 37 countries suggest that a holistic development approach has a greater impact on socioeconomic development than single-instrument interventions.²⁵ Global evidence demonstrates a positive impact on youth when interventions are integrated to meet their constraints. In Uganda, a government program that provides youth with grant support for vocational training and startup capital led to an increase in business assets by 57 percent and in earnings by 38 percent.²⁶ Similarly, in Liberia, the Youth Opportunities Project, adopts a productive inclusion approach and provides business and life skills training and agricultural grants to help youth transition to the labor market or self-employment. To date, 12,000 youth have undergone training and have increased agricultural yields in rural areas or established small businesses in urban areas.²⁷

By adopting an integrated approach, The Recovery and Advancement of Informal Sector Employment (RAISE) program will mitigate the multi-dimensional barriers that the youth in Bangladesh face and improve their earnings, skills capacity, and human capital.

In 2021, the Government of Bangladesh launched a five-year program called Recovery and Advancement of Informal Sector Employment (RAISE). RAISE aims to provide services that can enhance earning opportunities for low-income urban youth, urban youth impacted by COVID-19, and returning migrants. The program includes two components: (1) economic inclusion for urban youth with low income and low educational attainment, and micro-entrepreneurs and self-employed youth who have been affected by the COVID-19 pandemic; and (2) support to returning migrant workers for re-migration or re-integration in the Bangladeshi labor market. RAISE aligns with the priorities in the NSSS by providing holistic and tailored support to vulnerable urban youth and improving their labor force participation.

The economic inclusion program (Component 1) will be implemented by Palli Karma-Sahayak Foundation (PKSF) and its network of Partner Organizations. The component will cover a total of 175,000 beneficiaries who will receive interventions based on their profile, needs, and interests. The first set of beneficiaries (150,000) will include youth under the age of 35 with low educational attainment living in

²² Meager, R. 2019. Understanding the Average Impact of Microcredit Expansions: A Bayesian Hierarchical Analysis of Seven Randomized Experiments. *American Economic Journal: Applied Economics* 2019, 11(1): 57-91.

²³ Banerjee, A., Breza, E., Duflo, E., Kinnan, C. 2019. Can Microfinance Unlock a Poverty Trap for some Entrepreneurs? National Bureau of Economic Research. Working Paper 26346.

²⁴ World Bank. The State of Economic Inclusion Report. 2021.

²⁵ Ibid.

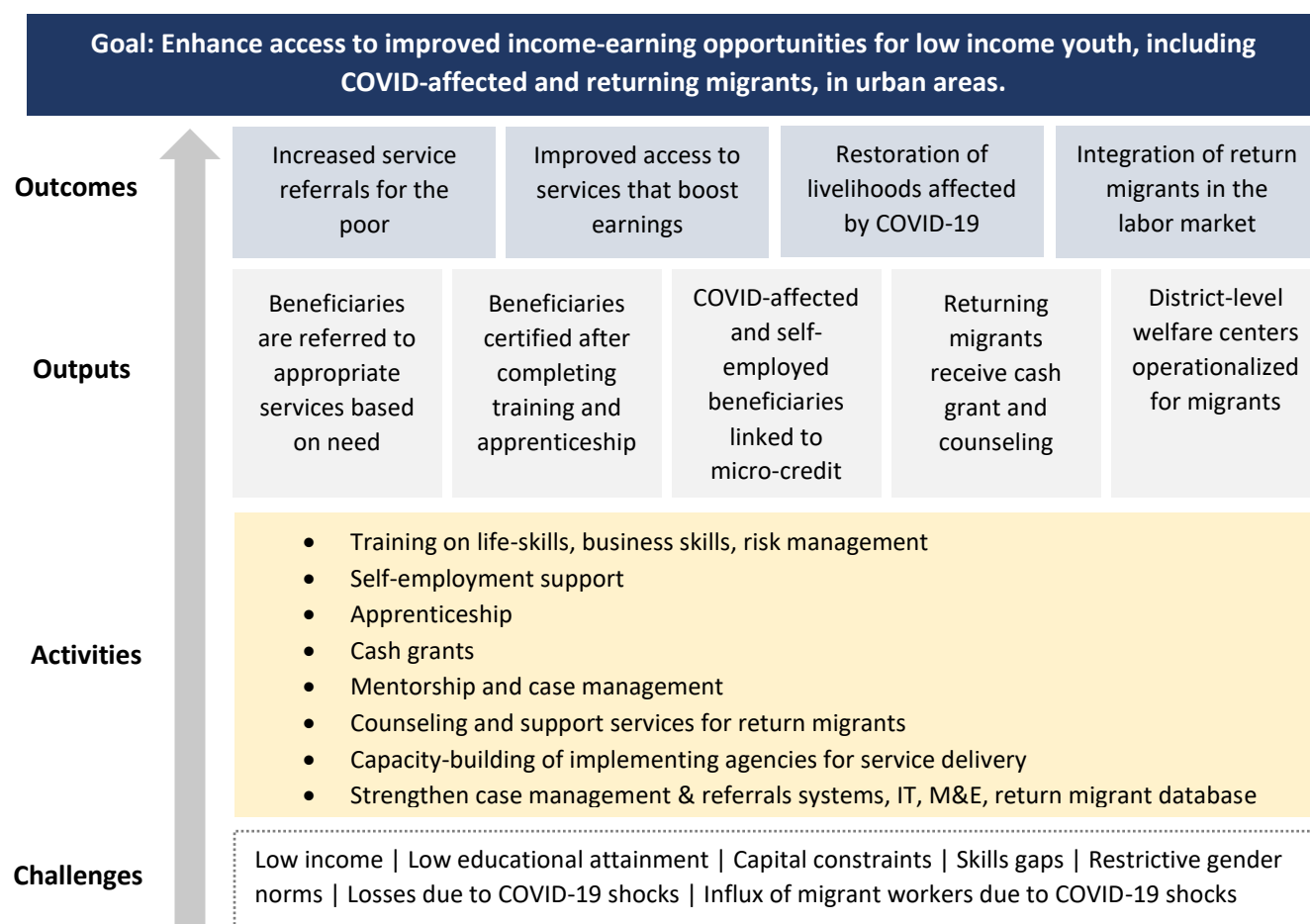
²⁶ Blattman, C., Nathan, F., and Martinez, S. 2014. Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda.

²⁷ World Bank. 2020. Youth Opportunities Project in Liberia Helps Young People Increase their Earning Potential.

urban and peri-urban areas. 35 percent of this group will include women and members of marginalized groups including the Dalit community, persons with disabilities, and residents of char, haor, hill tracts, and coastal areas. Beneficiaries will receive orientation, counseling, and placement in either a 6-month apprenticeship under the guidance of a local master craftsperson or a business training track that provides business management and entrepreneurship development training. The second set of beneficiaries will include self-employed youth and micro-entrepreneurs who have experienced a reduction in income or business closures as a result of the COVID-19 pandemic. This group will receive training and micro-credit support.

The interventions for returning migrants (Component 2) will be implemented by the Wage Earners Welfare Board under the Ministry of Expatriate Welfare and Overseas Employment. The program will provide support for reintegration in the labor market or services to facilitate re-migration, depending on the beneficiary's needs and interests. Interventions include psychosocial counseling, referral services, livelihood opportunities through skills development and job placement, and/or cash incentives. The program will also focus on the upgrade of an MIS to improve service delivery to migrants and returning migrants. Tailored interventions such as psychosocial counseling for sexual exploitation and abuse and sexual harassment (SEA/SH) or referrals to gender-based violence (GBV) support services will be provided to female returnees. Figure 1 illustrates the program's theory of change and its various components.

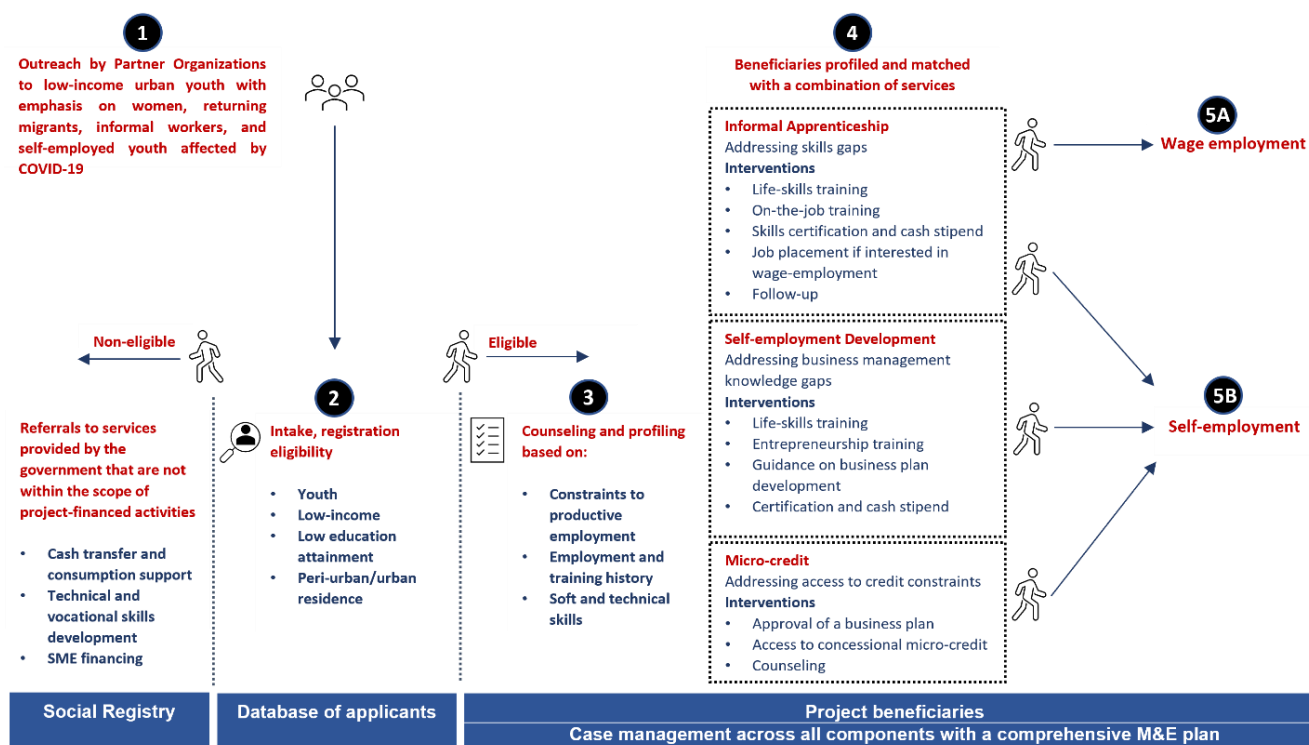
Figure 1: RAISE Theory of Change



RAISE draws on best practices on implementing training, livelihood, and micro-credit interventions from global economic inclusion programs and provides tailored support to youth beneficiaries in Bangladesh.

RAISE provides varying interventions to youth depending on whether they are self-employed, affected by COVID, or returning migrants. The target population shares common characteristics such as low income, low education, and limited access to capital and financial services. However, their individual needs can vary based on their aptitude, skillsets, experience, and interests, which require diverse interventions. The program design takes into account this heterogeneity and offers three tracks within the economic inclusion component that are informed by global evidence and local adaptation. The informal apprenticeship track is designed for those with limited technical skills and no experience in self-employment. The business management track targets those who have basic technical skills and experience with income-generating activities but need support to boost their earnings. Lastly, the program provides micro-credit for self-employed youth and micro-entrepreneurs who have experienced closures due to the COVID-19 pandemic. Under component 2, returning migrants receive a different set of interventions based on their skills, needs, and interests. Figure 2 illustrates the different tracks within the RAISE program.

Figure 2: Interventions in the RAISE program



Integration of life-skills training, business skills training, and livelihood inputs to provide holistic support

RAISE will fill a gap in the social protection landscape in Bangladesh where few programs adopt a multi-intervention approach to improve youth labor outcomes.

Existing skills development programs in Bangladesh have been successful in reducing some of the supply and demand constraints in upskilling youth populations, but increased vulnerability of the youth population. For example, the Bangladesh Skills for Employment and Productivity (B-SEP) project, implemented by the ILO, mitigated some of the supply-side constraints by improving the quality and management systems of skills training, expanding the capacity of industries to provide more apprenticeship opportunities, and strengthening the capacity of institutions to reach marginalized populations.²⁸ In 2014, GoB launched the Skills for Employment Investment Program (SEIP) to improve youth capacity, productivity, and ability to engage in the labor market through increased private sector investment. As of 2019, more than 300,000 individuals enrolled in the training programs, with a 60 percent successful job placement rate in various industries including readymade garments, information technology, construction, and hospitality.²⁹ Despite the success of these programs, a large portion of the youth population has limited skills development opportunities and require more multi-faceted approaches that integrate soft skills, mentorship, and livelihood support to bring about sustainable change in productivity and labor force participation.

RAISE combines training interventions with livelihood inputs, based on the evidence-backed approach of providing holistic support to vulnerable populations. Integrating interventions such as life-skills training, business management training, and livelihood support in economic inclusion programs can lead to greater socioeconomic outcomes among participating households compared to stand-alone interventions. In Cote d'Ivoire, the introduction of basic entrepreneurship training in a public works program led to a significant increase in productivity and earnings in non-agricultural self-employment.³⁰ The positive impact of training is even more pronounced when business skills and life-skills are combined and tailored to beneficiary needs. Similarly, in Niger, a government-implemented economic inclusion for vulnerable women tested the difference between providing a full package of services consisting of cash grants and psychosocial interventions versus individual interventions. The impacts on consumption, food security, profits in women-led businesses, and psychosocial well-being were highest when a full

²⁸ Government of Bangladesh, Government of Canada, and ILO. 2017. Major Achievements of the Bangladesh Skills for Employment and Productivity (B-SEP) Project.

²⁹ Lee, S. 2020. Challenges and Opportunities for Transforming Skills Development in Bangladesh: The Case of the Skills for Employment Program. In: Panth, B., Maclean, R. (eds) Anticipating and Preparing for Emerging Skills and Jobs. Education in the Asia-Pacific Region: Issues, Concerns, and Prospects. Vol 55. Springer, Singapore.

³⁰ Bertrand, M., Crépon, B., Marguerie, A., and Premand, P. 2017. Contemporaneous and Post-Program Impacts of a Public Works Program : Evidence from Côte d'Ivoire. World Bank, Washington, DC.

package of services was provided versus standalone cash grants or training.³¹ The Skills Training for Advancing Resources (STAR) program demonstrates the effectiveness of providing integrated interventions such as financial literacy and life-skills training and apprenticeships in Bangladesh. The program led to increased labor market participation by 16 percent and earnings by 23 percent.³² In addition, beneficiaries experienced higher self-confidence and improvement in psychological well-being at the end of the program.

RAISE prioritizes life-skills training for beneficiaries on the apprenticeship or business trainee tracks based on global examples that demonstrate a positive impact of psychosocial components on labor outcomes. Global evidence indicates that programs with life-skills training have a stronger impact on labor outcomes than traditional business skills training, which includes financial management, marketing, resource management, etc. Personal initiative skills are those that focus on developing a mindset of self-starting behavior, innovation, identifying and exploiting new opportunities, goal setting, planning and feed-back cycles, and overcoming obstacles. A personal initiative mindset focuses on entrepreneurial behaviors and teaches entrepreneurs to look for ways to make their businesses stand out, overcome adversities and setbacks, and plan effectively for opportunities and the future of the business. It is based on themes of self-activity, persistence and proactivity. In Togo, a World Bank-financed program targeting female-owned micro-enterprises tested the impact of personal initiative training relative to traditional business skills training. The evaluation indicated that profits increased by 30 percent among the first group compared to 11 percent (statistically insignificant) in the second group.³³ Similarly, in Ethiopia, mindset-oriented entrepreneurship training that focuses on building personal initiative was more effective than traditional entrepreneurship training programs in increasing monthly profits, which was particularly critical for female micro-entrepreneurs who face unique constraints compared to their male counterparts.³⁴

RAISE includes several measures to ensure that its training components draw on global lessons while also being tailored to the local context and target population. As part of curriculum development, PKSF will hire expert firms to conduct a needs assessment and profiling exercise to identify the vulnerabilities faced by potential youth beneficiaries. This includes examining income sources, challenges to entrepreneurial success, level of

³¹ Bossuroy, T., Goldstein, M., Karlan, D., Kazianga, H., Pariente, W., Premand, P., Thomas, C., Udry, C., Vaillant, J., and Wright, K. 2021. Pathways out of Extreme Poverty: Tackling Psychosocial and Capital Constraints with a Multi-faceted Social Protection Program in Niger. Policy Research Working Paper 9562. World Bank, Washington, DC.

³² Das, Narayan. 2021. Training the disadvantaged youth and labor market outcomes: Evidence from Bangladesh. *Journal of Development Economics*, Vol. 149, 102585.

³³ Campos, F., Frese, M., Goldstein, M., Iacovone, L., Johnson, H., McKenzie, D., and Mensmann, M. 2018. Is Personal Initiative Training a Substitute or Complement to the Existing Human Capital of Women? Results from a Randomized Trial in Togo. *AEA Papers and Proceedings*, 108: 256-61.

³⁴ Alibhai, S., Buehren, N., Frese, M., Goldstein, M., Papineni, S., and Wolf, K. 2019. Full Esteem Ahead? Mindset-Oriented Business Training in Ethiopia. Policy Research Working Paper: No. 8892. World Bank, Washington, DC.

literacy, access to basic services, cultural norms that marginalize women, persons with disabilities, and ethnic communities, and social and health challenges affecting the youth. Based on assessment findings and global examples, comprehensive training curricula on life-skills, business management, entrepreneurship development, and risk management will be developed to fill skills gaps among beneficiaries. The program will rely on local expertise to develop the curricula and conduct training workshops to ensure that trainers are adequately equipped to train beneficiaries with low literacy. In addition, these materials will be pilot tested to ensure they are adapted to the local population. For those in apprenticeship tracks, the use of a master craftsman as a mentor and guide will ensure that the beneficiary has hands-on and relevant experience.

Micro-credit for self-employed youth and micro-entrepreneurs affected by the COVID-19 pandemic

RAISE includes a micro-credit and training for self-employed youth and COVID-affected micro-entrepreneurs that has been informed by global and local programs. In Peru, a group lending program for female youth micro-entrepreneurs introduced a business skills training component to address skills gaps. The training took place 1-2 times a month during the group meeting at least once or twice a month. A randomized controlled trial demonstrated a positive impact on business knowledge and practices and increased repayment rates.³⁵ This indicates the importance of addressing both capital constraints and skills gaps to ensure that entrepreneurs are able to build sustainable livelihoods. In Malaysia, providing entrepreneurial training to clients of microfinance institutions led to an increase in business income.³⁶ Evidence from programs such as BRAC's Promoting Business Incubation for Small Entrepreneurs (PROMISE) demonstrates how this integrated model could work in Bangladesh. Through provision of micro-credit, classroom-based training, and mentorship, PROMISE led to an increase in beneficiary earnings and savings by 17 percent and 36 percent, respectively.³⁷ non-economic benefits include improvements in participant communication skills and vision for the future.

Recognizing heterogeneity in the youth population, RAISE will provide micro-credit to beneficiaries with prior business experience to maximize economic outcomes. Evidence from India, Ethiopia, Mexico, and the Philippines emphasize the importance of designing micro-credit interventions based on the level of business experience among entrepreneurs. Beneficiaries with prior business experience are more likely to benefit from micro-credit and increase their revenues and assets relative to those without any

³⁵ Dean, K., and Valdivia, M. 2011 Teaching Entrepreneurship: Impact of Business Training on Microfinance Clients and Institutions. *The Review of Economics and Statistics*; 93 (2): 510–527.

³⁶ Hamdan, H., Othman, P. F., and Hussin, W. S. W. 2012. The Importance of Monitoring and Entrepreneurship Concept as Future Direction of Microfinance in Malaysia: Case Study in State of Selangor. *Journal of Global Entrepreneurship*, 3(1), 25.

³⁷ Khan, T., Rahman, A., and Bhattacharjee, A. 2018-2019. Impact of Entrepreneurship Training on the Livelihoods of the Youth. BRAC Institute of Governance and Development.

experience.³⁸ As a result, RAISE will provide micro-credit to beneficiaries who have operated businesses that were affected by the pandemic. Self-employed youth who are able to develop a viable business plan under the guidance of program staff will also be eligible for micro-credit.

RAISE incorporates a rigorous monitoring component to ensure that beneficiaries who are eligible for micro-credit are able to manage their debts effectively. The program includes measures to protect beneficiaries from over-borrowing and prepares them to manage loans, recognizing that many of them will not have any experience with credit prior to their participation in RAISE. As a pre-requisite to apply for micro-credit, beneficiaries are required to submit business proposals. In addition, Case Managers will conduct regular monitoring to ensure that beneficiaries are able to leverage micro-credit for viable livelihood investments. Training on financial literacy, risk management, and business continuity will further prepare households from falling into unmanageable debt.

Incorporating a gender lens in the program design

RAISE aims to reduce gender inequalities in youth labor outcomes. RAISE draws on lessons from global economic inclusion programs that demonstrate the effectiveness of life-skills training, self-help groups, and sensitization of men, in improving economic outcomes and non-economic outcomes (autonomy, agency, mental health, and political participation) for women.³⁹ The program will address gender inequality through the following measures:

- At the targeting stage, age and educational requirements will be waived for women and members of disadvantaged communities.
- Vulnerability assessments conducted as part of RAISE will identify gender gaps in skills development, social norms that restrict women's labor force participation, and other factors that contribute to gender inequality.
- Training content will be developed based on assessment findings and at a minimum, will include topics such as SEA/SH, which women are more likely to face in the workplace, and gender-specific constraints in negotiation skills and confidence-building.
- PKSf and other implementing agencies will ensure that training logistics are customized to address constraints faced by female beneficiaries. This may include flexible training times, selecting more accessible and safer training venues, arranging for group transportation, and addressing any concerns raised by female beneficiaries. Female micro-entrepreneurs in the community will be brought in

³⁸ Meager, R. 2019. Understanding the Average Impact of Microcredit Expansions: A Bayesian Hierarchical Analysis of Seven Randomized Experiments. *American Economic Journal: Applied Economics* 2019, 11(1): 57-91.

³⁹ Laszlo, S. 2019. The Gender Transformative Potential of Graduation Programs. GrOW Working Paper Series 2019-25 – Research Contribution Paper.

to participate in the training as role models and mentors for interested female beneficiaries.

- The program will rely on any activities and lessons related to affordable childcare in labor market programs that result from the World Bank's work through the Early Learning Partnership and the Gender Rapid Social Response Trust Fund.
- For returning migrants, female beneficiaries will be provided with access to psychosocial counseling for SEA/SH or referrals to GBV services as needed.

Evaluating RAISE can inform national scale of youth-focused programs by providing lessons on cost-effectiveness, gender-sensitive monitoring, and how to design interventions that drive sustainable impact.

With its focus on urban youth and populations affected by the pandemic and multi-faceted program design, RAISE will provide a wealth of knowledge that can influence social protection policy and provide lessons for similar programs. An impact evaluation will be conducted by an independent firm upon completion of three years of implementation to measure changes in outcomes and identify actionable measures to enhance sustainability. The evaluation will supplement the information derived from the monitoring and case management components and add to the growing global evidence on economic inclusion programs in the context of the pandemic. Based on global experience, recommendations for the evaluation design include:

- Given the diversity in livelihoods (self-employment, micro-entrepreneurship, overseas work) and beneficiary profiles (low-income youth, returning migrants) the evaluation can measure changes in economic and non-economic outcomes that can be attributed to different combinations of interventions and beneficiary profiles. These include measuring changes in earnings, consumption, employment status as well as confidence and psychological well-being for each group of beneficiaries and identifying what characteristics drive success.
- With 35 percent of female beneficiaries, the evaluation should capture sex-disaggregated data on all indicators and include non-economic measures of women's empowerment such as changes in decision-making, voice, agency, among others. This will help identify the effectiveness of gender-sensitive interventions such as tailored training content and access to GBV services.
- Measuring program impacts that are specific to marginalized populations such as ethnic minorities and persons with disabilities will be key to ensure that future programs are adequately tailored to meet the unique constraints that these populations face.

- While costing studies exist for global economic inclusion programs, they are primarily for NGO-implemented interventions that vary in scope. A costing analysis of the RAISE program will be critical in identifying the cost-benefit ratio, rate of returns, and break-even point to inform any potential scale-up phases, while providing lessons to governments on designing and implementing effective economic inclusion programs.