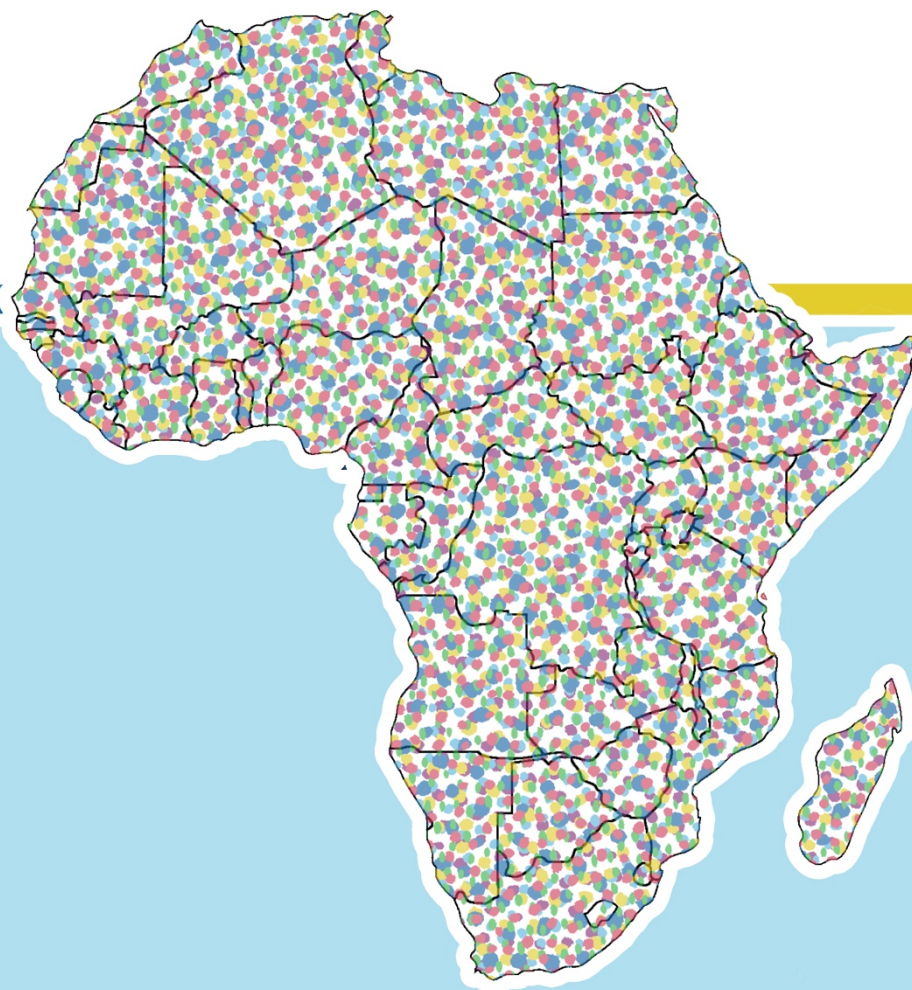




KNOWLEDGE PLATFORM ON INCLUSIVE DEVELOPMENT POLICIES

# INCLUSIVE DEVELOPMENT IN AFRICA

Synthesis report series



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## Acronyms

AU	African Union
BHOS policy note	Policy Document on Foreign Trade and Development Cooperation (The Netherlands)
DLP	Developmental Leadership Programme
HDI	Human Development Index
IHDI	Inequality-Adjusted Human Development Index
IMF	International Monetary Fund
INCLUDE	Knowledge Platform on Inclusive Development Policies
NGO	Non-Governmental Organization
NWO-WOTRO	Netherlands Scientific Organization – Science for Global Development
RIDSSA	Research for Inclusive Development in Sub-Saharan Africa
SDGs	Sustainable Development Goals
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization

## Executive summary

While most African countries have registered high economic growth, a large number of people remain excluded from the benefits of this progress. INCLUDE envisages that inclusive development aims to reduce poverty, both in income and non-income dimensions, and inequality, through improved redistribution on these dimensions. Inclusive development is increasingly recognized as a must, since inequality is rising and the evidence base of the detrimental effect of high levels of inequality on economic growth and social and political stability is increasing. INCLUDE identified six policy domains that are key to reduce poverty and inequality:

- **Economic growth** with structural transformation of the economy.
- **Productive employment**; i.e. more jobs with good working conditions, remuneration and stability.
- **Social protection** for resilience, poverty reduction and sustainable economic growth.
- The provision of **basic services** (education, health, finance, infrastructure, housing, water, etc.).
- **Territorial development and spatial equity** (e.g. between rural and urban areas).
- **Quality and inclusive governance**, especially for poor minorities and other marginalized groups.

These policy domains are clearly interlinked and it is important to identify and empower strategic actors for effective and inclusive design and implementation of policies. Working with strategic actors and investing in these policy domains is however not sufficient. To move beyond pro-poor and pro-growth approaches towards inclusive approaches with more inclusive outcomes requires the consideration of three key areas:

- **Equality**: besides absolute improvements, policymakers should consider the distributional consequences of their policy choices. Evaluation mechanisms should therefore recognize the added value of reducing inequality.
- **Diversity**: considering distributional consequences helps to understand the heterogeneity in access to an realization of development outcomes. To move beyond the mere recognition of heterogeneity towards inclusive action, policymakers are encouraged to develop integrated policies where interventions complement each other to not only create improvements on average, but to also decrease inequality, even if this creates an ‘extra mile’ needed to reach the more difficult to reach.
- **Context**: to move beyond one-size-fits-all solutions, policies need to be aligned with local or regional contexts. Policies that fail to integrate with horizontal and vertical policy frameworks, and fail to identify and include strategic actors, are likely to promote exclusion rather than inclusion.

This report outlines various examples of evidence-based recommendations to consider these three areas.

## 1. Introduction


While most African countries have registered high growth in the last decade, a large number of people remain excluded from the benefits of this progress. The [Knowledge Platform on Inclusive Development Policies](#) (INCLUDE) envisages that more inclusive development requires policies for economic transformation, productive employment and social protection to ensure that vulnerable and poor groups, especially young people and women, benefit from growth. However, such inclusive policies can only be realized if they are supported by coalitions of strategic actors across state and society that can overcome resistance to change among the ruling political and commercial elite. This vision is core to INCLUDE's knowledge agenda, as laid down in the Netherlands Scientific Organization – Science for Global Development (NWO-WOTRO) programme 'Research for Inclusive Development in Sub-Saharan Africa' ([RIDSSA](#)), commissioned by the Dutch Ministry of Foreign Affairs.

At its inception in 2013, INCLUDE defined inclusive development as development that aims to reduce **poverty and inequality**. Inclusive development covers both **income and non-income dimensions of poverty and aims at an increase in the levels of these dimensions, as well as an improvement in their distribution, i.e. the reduction of inequality**. INCLUDE also identified six policy domains that were key drivers of inequality and in which improvements and achievements (which can exist as both an outcome and a process) provide opportunities to contribute to more inclusive development:

- **Economic growth** with structural transformation of the economy.
- Employment policies with a focus on **productive employment**. This goes beyond creating more jobs, and requires good working conditions and remuneration and the stability of income and production.
- **Social protection** to reduce poverty and inequality, strengthen resilience and sustain economic growth.
- **The provision of basic services** (education, health, finance, infrastructure, housing, water etc.), which people living in poverty need to build human capital, engage in productive activities and mitigate environmental health risks.
- **Territorial development and spatial equity**
- **Quality governance**, which entails inclusive governance systems, especially for women, people living in poverty, minorities and other marginalized groups.

These policy domains formed the framework for the RIDSSA programme, which was launched in 2013 and funded 17 research projects under 3 thematic calls: productive employment, social protection and strategic actors for inclusive development. To facilitate and promote the research uptake of the study findings from

the RIDSSA projects and to scale up learning by benchmarking the findings to international state-of-the-art knowledge, INCLUDE synthesized the research findings and thematic lessons in three thematic reports on [social protection](#), [productive employment](#) and [strategic actors](#), and in this synthesis on inclusive development.<sup>1</sup> This synthesis brings together the thematic research findings from the three different calls and connects them to the overarching theme and international discussion on inclusive development. It seeks to capture the emerging consensus on the inclusive development challenges in Africa and the key short-term and long-term interventions (policies and programmes) required to reduce poverty and inequality. It is believed that this will help guide national governments, the private sector, non-governmental organizations (NGOs) and international development partners in making informed decisions on the design and implementation of policies and programmes and investments in Africa. The synthesis speaks directly to the key objective outlined in the BHOS policy note of the Dutch Ministry of Foreign Affairs '[Investing in global prospects: for the world, for the Netherlands](#)', which aims to provide economic opportunities for youth in Africa.

This synthesis report contains two elements. First, a state-of-the-art literature review on inclusive development and relevant development actors or stakeholders. This literature review looks at a selection of recent publications related to inclusive development in Africa. It is not a systematic review, but an exploration of the available literature on inclusive development related to INCLUDE's conceptualization of the term and the relevant policy domains. Second, the report reflects on inclusive development outcomes, particularly their heterogeneity, and the role of different strategic actors in inclusive development processes and the respective policy domains, based on the empirical findings of the RIDSSA [research groups](#). These findings will be indicated in-text with the INCLUDE logo . The discussions in this report are based on the INCLUDE researchers exchange on 5 September 2018, [the INCLUDE workshop for researchers and platform members on 20 November 2018](#), and the INCLUDE conference '[From research to practice: inclusive development for inclusive prospects in Africa](#)', which engaged Dutch and African policy stakeholders, RIDSSA research groups, and INCLUDE Platform and Steering Group members, on 21 November 2018. At this conference, policy stakeholders and research groups discussed the results of four years of research by the RIDSSA research groups on inclusive development in different contexts.

These meetings and this synthesis are based on the guiding questions presented in Box 1 below and is structured as follows. In section 2, '**Inclusive development: a comprehensive framework**', we start by discussing the rationale behind INCLUDE's focus on inclusive development (section 2.1). Supporting

<sup>1</sup> This synthesis has been developed by the INCLUDE Secretariat. Funding from the Dutch Ministry of Foreign Affairs and NWO-WOTRO is gratefully acknowledged.

INCLUDE's observations in 2013, research increasingly identifies the gaps in the distribution of development benefits that remain after sustained periods of economic growth. Within and between countries, improvements in the income and non-income dimensions of wellbeing have been uneven, resulting in deprivations, poverty and inequality. An increasing evidence base is documenting the detrimental effects of inequality on overall development, including on economic growth, social cohesion and political stability, as well as the benign effects of redistribution on economic growth. Inclusive development, as a comprehensive framework that covers inequality and deprivations in all dimensions, offers solutions to this unequal distribution of benefits. We then discuss Africa's development in income and non-income dimensions specifically (section 2.2).

**Box 1: Guiding questions for synthesis inclusive development**

1. How has the discussion on the conceptualization of inclusive development and the identified policy domains for interventions developed in the international literature and international policy arena?
2. What do the findings of the RIDSSA research projects tell us about the contributions of the identified policy domains to inclusive development, as conceptualized by INCLUDE in 2013?
  - a. More specifically, for employment creation and social protection, which strategic actors are key to promoting inclusive development in Africa and why? How have these actors promoted/inhibited the inclusion of marginalized and/or vulnerable groups?
3. What are the outcomes from the RIDSSA research groups on inclusive development as a process and as an outcome, and to what extent are processes and outcomes complementary or mutually exclusive?
4. What do the findings mean for the formulation and implementation of policies that aim to promote more inclusive development? For example, does the evidence generated suggest that it is necessary to redefine or change the priorities of the identified policy domains, or in their linkages, as conceptualized by INCLUDE in 2013?

In section 3, '**Applying the framework**', we look at how the discussion on the most relevant policy domains has progressed and how the RIDSSA research groups have contributed to this discussion (section 3.1). The six policy domains identified by INCLUDE remain relevant, and it is important to recognize their interlinkages. Key perspectives include that 1) the context determines the most productive approach, 2) interlinkages make multiple, integrated approaches most effective, and 3) using the six policy domains for inclusive development requires adopting an 'inclusive development lens'. We then discuss the inherent complexities involved in the achievement of inclusive development, which emerge from debates around inclusive processes and inclusive outcomes, and the difference between equality in access to services and opportunities and realizing equal development outcomes (section 3.2). Heterogeneity in development



outcomes is predominantly created by a lack of the necessary capabilities to make use of equal access to opportunities. In section 3.3, we use the findings of the RIDSSA research groups to reflect on this heterogeneity.

In section 4, **‘Strategic actors for inclusive development in Africa’**, we reflect on the practical matter of working in a particular context with stakeholders. We discuss the complexities involved in identifying and working with strategic actors (section 4.1) and how, beyond institutional capacity, individual agency plays an important role in strategic action. Here, we move beyond asking what works, to explore why things work (or do not work). In sections 4.2 to 4.5 we discuss some specific actors that are relevant to inclusive development policy (governments, businesses, NGOs and academics). For each actor some key considerations are presented. At the end of each section, the RIDSSA research group findings on the role of these actors in the African context are presented.

Finally, in section 5, **‘Conclusions and recommendations’**, we discuss the answers to the guiding questions and offer practical recommendations for developing inclusive development policies for Africa. This includes some specific considerations regarding the context (e.g. focusing on specific sectors), how to include marginalized groups and how to integrate policies and interventions.



## 2. Inclusive development: a comprehensive framework

### 2.1 Why inclusive development?

#### 2.1.1 Trickle-down failure and rising inequalities

Economic growth does not directly translate to poverty reduction. [Foresight Africa 2018](#) found that only two of Africa's top-10 fastest-growing countries are also among the top 10 outperformers in terms of their poverty reduction rate (Rwanda and Chad) and overall poverty levels (Mauritius and Sudan) (Brookings, 2018). **The trickle-down effect proposed in traditional economic models does not hold. In Africa, poverty reduction has been limited, despite significant and prolonged economic growth.** Estimates state that although the poverty headcount ratio declined, as a result of high population growth, Africa had at least 50 million more people living in poverty in 2013 than in 1990. And it is estimated that at least 2.4 million people were added in the year 2017 ([Brookings, 2018](#)). At the same time, the [Human development report](#) underlines that there have been significant strides in global human development in the last 25 years: people live longer, more children are in school and more people have access to basic social services (United Nations Development Programme, 2016a). Life expectancy in Africa has been boosted by six years in the 2000s. Meanwhile, maternal mortality ratios and adolescent birth rates are declining, but remain high, at 551 deaths per 100,000 live births and 103 births per 1,000 women ages 15–19.

It is clear that although average improvements in indicators are common, **the distribution of improved wellbeing has been uneven.** Many groups have been bypassed and this is often not sufficiently visible in global and national statistics. Using the [Inequality-adjusted Human Development Index](#) (IHDI), the [Human development report](#) cites a loss of 33% in human development values due to inequality. This largely concerns women and girls, ethnic minorities, indigenous people, persons with disabilities and migrants. The 2017 United Nations Conference on Trade and Development (UNCTAD) report [Innovation, diversification and inclusive development in Africa](#) specifically underlines that **disappointing progress in the Millennium Development Goals for Africa requires a focus on inclusive development and achieving the Sustainable Development Goals** (SDGs) (United Nations Conference on Trade and Development, 2017).

#### 2.1.2 Economic and social implications of inequality

It is increasingly recognized that the marginalization of individuals and groups and their exclusion from growth and human development creates social and economic **challenges to overall economic growth and development opportunities**, and should, therefore, be addressed. Economic inequality reduces prospects for (sustained) economic growth. In 2015, the [International Monetary Fund](#) (IMF) found that when the income share of the rich increases, GDP growth tends to decline. At the same time, when the income share

of the bottom 20% grows, this is associated with higher GDP growth (International Monetary Fund, 2015). This is corroborated by evidence showing that low consumption is detrimental to market functioning, and inequality often leads to excessive borrowing by low-income households ([Loungani & Ostry, 2017](#)). The 2018 [‘Think Development-Think WIDER’ conference](#) further challenged the assumption that an increase in market supply will automatically generate sufficient demand to support markets and that structural transformation from agriculture to industry will still create sufficient jobs to support economies and societies. Economists now argue that demand is generated in part by global income, which is determined by workers’ wages. When labour shares decline, a smaller share of the value produced is in consumers’ hands. Technological advances, therefore, threaten market demand. From this, it follows that redistributive policies that improve consumer income are good for markets, both nationally and globally. This entails **the potential of ‘trickle-up’ economics created by redistribution**. In addition, there is now sufficient evidence to support the claim that redistributive policies do not come at the cost of less efficiency (Shipp, 2018).

(Growing) inequality not only influences future prospects for economic growth, it also has social and political consequences, including posing challenges to national and global stability (e.g. changing migration patterns and violent extremism) ([African Union & European Union, 2017](#); [De Kemp & Lobbrecht, 2018](#) and Krieger et al, 2019). Underlying such unrest is the fact that:

*...those at the margins, who remain so consistently excluded from the gains of development, will at some point contest the ‘progress’ that has bypassed them. Growing deprivations in the midst of plenty and extreme differences between households are almost certain to unravel the fabric that keeps society together. ([United Nations Development Programme, 2012:6](#))*

This argument is supported by historical as well as more recent cases. In the book *‘Global inequality. A new approach for the age of globalization’*, Milanovic (2016) concludes that the two World Wars were caused by a high level of inequality in the West and were important factors in the decrease in inequality that followed (e.g. through the rise of Russian socialism).

Finally, when it comes to inequality it should be recognized that **income and non-income dimensions are not isolates but closely connected**. For example, poverty, reduces access to financial markets, limits investment and poor health, which in turn reduces productivity and quality education ([Brookings, 2018](#)). Inequality in access to health care services creates similar effects ([World Bank, 2016](#)). In addition, inequality enforces unsustainable consumption patterns, which are detrimental to the environment ([United Nations Economic Commission for Africa, 2015](#)). The [World social science report 2016: challenging inequalities](#) states

that “reducing inequality is a pre-requisite for human rights and justice, and is essential for success in other global priority areas, such as environmental sustainability, conflict resolution and migration” (United Nations Educational, Scientific and Cultural Organization, 2016).

### 2.1.3 Inclusive development: a comprehensive framework for the advancement of society

From the previous sections, it follows that **inclusive development, as an overarching framework, has added value because poverty and inequality, and its income and non-income dimensions, are not isolated. They are connected and should be addressed as such.** The relevance of the inclusive development framework is increasingly recognized, although a clearly agreed-upon widely-held definition of the term is still lacking. Based on a range of findings and reports that indicate that growth processes create uneven economic opportunities, the Asian Development Bank defines inclusive development as “growth coupled with equal opportunities” [Rauniyar & Kanbur \(2009\)](#). However, these authors conclude that the distinction between inclusive development and inclusive growth is not sufficiently clear in most debates. The African Union and OECD’s [Africa’s development dynamics](#) (2018) also use the term inclusive development, but do not clearly differentiate it from inclusive growth. Despite this lack of definition, the increased attention on inequality is prominent in the literature. **Frameworks that focus exclusively on growth or on poverty or on human development indicators are increasingly situated in a broader framework encompassing the inequality dimensions of poverty and deprivation.** In their 2017 report [Starting with people: a human economy approach to inclusive growth in Africa](#), OXFAM states that reducing inequality and eliminating poverty should be the absolute goals of economic policy making in Africa (OXFAM, 2017). In their [Inclusive growth and development report 2017](#), the World Economic Forum (2017) argues that “the ultimate objective of national economic performance is broad-based and sustained progress in living standards, a concept that encompasses wage and non-wage income (e.g. pension benefits) as well as economic opportunity, security and quality of life”. The most cited examples are the [Sustainable Development Goals](#). The development of the catchphrase ‘leave no-one behind’, resulting from diverse multi-stakeholder deliberations, signifies the widespread desire for more inclusive societies (United Nations, 2015). The African Union has recently published the first annual *Africa’s development dynamics report: growth, jobs and inequality* (African Union & OECD, 2018).

INCLUDE’s conceptual framework on inclusive development is grounded in these ongoing debates and also follows the academic debate, which has progressed in recent years and is being explored in different disciplines. This is evident, for example, by a special issue of *Sustainability Science*, which captures perspectives on inclusive development from diverse fields such as finance, fisheries, human rights, humanitarian action, and biodiversity, as well as education and others (Gupta & Pouw, 2017). Inclusive

development contains two important aspects: an emphasis on dimensions of wellbeing beyond income and growth, and a focus on the distribution of wellbeing in societies ([Rauniyar & Kanbur, 2009](#)). Inclusive development policy should therefore focus on the reduction of both **poverty and inequality**, and address both **income and non-income dimensions**. Other important understandings include the **intersectionality of inequalities** in economic, political and social dimensions, and linking **inclusive outcomes with inclusive processes** (i.e. inclusion in decision-making processes) ([INCLUDE, 2013](#)). This report departs from the notion that **using inclusive development as a framework for policies and programmes also requires re-thinking current models** for monitoring, evaluation and learning. These should be focused on gains that not only include growth and access, but also consider equity and redistribution.

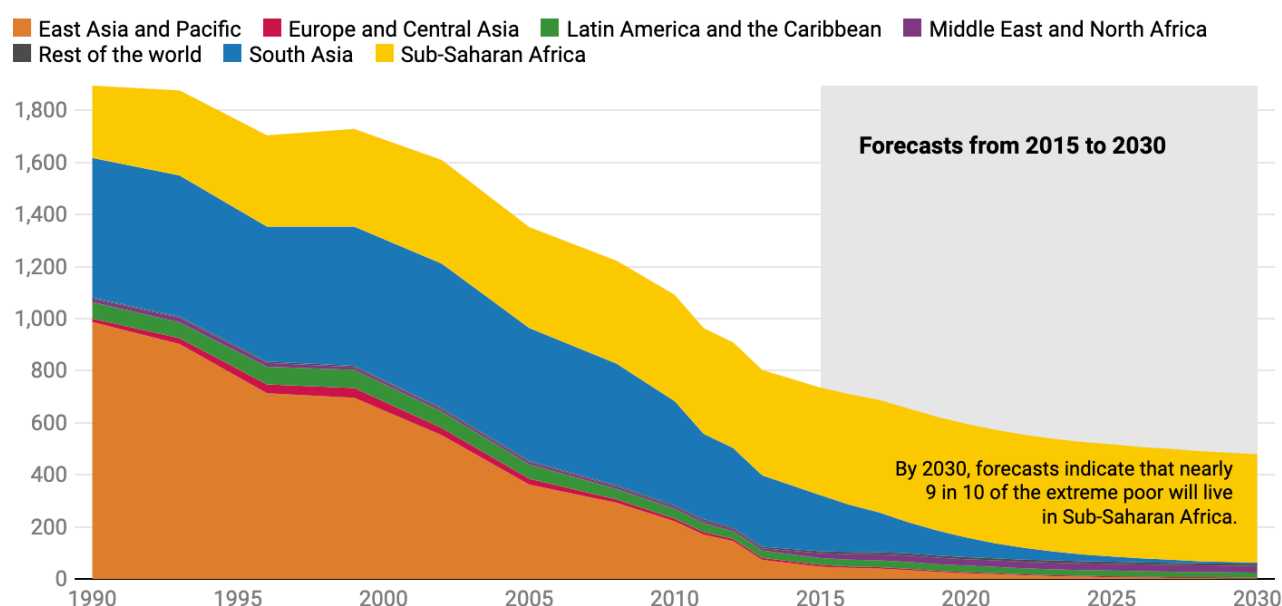
## 2.2 Poverty and inequality in Africa

In recent years, many reports have focused on either or both 1) the dynamics of economic inequality and poverty in Africa, and 2) inequality in terms of its non-income dimensions and wellbeing. In this section we discuss some relevant findings that illustrate the current state of African development.

### 2.2.1 Income dimensions

Under the framework of the Millennium Development Goals, significant progress has been made in poverty and inequality reduction globally. However, positive changes are mainly attributed to Asian countries like China and India ([De Kemp & Lobbrecht, 2018](#); Milanovic, 2016). The [African economic outlook 2018](#), by the African Development Bank, states that although the proportion of poor in Africa decreased from 56% in 1990 to 43% in 2012, the absolute number of poor people has increased (African Development Bank, 2018). Projections by the World Bank indicate that 9 out of 10 of the extreme poor will live in Sub-Saharan Africa in 2030, see also Figure 1.

**Figure 1: People in extreme poverty (millions)**



Source: [World Bank PovCalNet and Poverty & Equity Data Portal](#)

The [African economic outlook 2018](#) also observes that inequality is on the rise. The complexity of economic inequality is acknowledged and being further explored at different levels of scale. For example, UNDP's [Income inequality trends in sub-Saharan Africa](#) emphasizes the influence of both international and domestic processes on inequality patterns: in Africa, increases in foreign direct investment in extractive industries and terms of trade in resource-rich countries exacerbate income disparities (United Nations Development Programme, 2017). The [World inequality report](#) moreover underlines the relevance of considering inequality in all layers of societies, as opposed to merely focusing on global inequality, poverty reduction or the income of the bottom and 'the rest'. So while SDG 10 (reducing inequality) demands that the income growth of the bottom 40% is higher than that of the national average, some argue this may misrepresent important nuances in inequality dynamics and alternative definitions provide important insights as well. For example, in Sub-Saharan Africa in 2016, 12% of national income was received by the bottom 50%, while 55% was accounted for by the top 10% of earners. The report also recommends looking beyond income inequality, to public and private wealth accumulation. Looking at public wealth paints an interesting picture: "Over the past decades, countries have become richer but governments have become poor" (Alvaredo et al., 2018). This limits the ability of governments to implement policies with redistributive effects. The report also looks at tax havens; the wealth held in tax havens is equivalent to more than 10% of global GDP and has increased considerably since the 1970s. (Alvaredo et al., 2018:23).

## 2.2.2 Non-income dimensions

Although it is clear that income and non-income dimensions are connected, their relationship is not always clear-cut and increased income does not automatically lead to advances in non-income dimensions. Non-income dimensions of wellbeing include food security, access to basic and social services, people's participation, environmental sustainability and advances in technology. To illustrate advances in these dimensions of development in Sub-Saharan Africa, we present a selection of developments in non-income dimensions from the [World Bank open database](#) and the [Africa sustainable development report](#) (World Bank; African Union et al., 2017). These indicators show that significant gains have been realized over the past 15 years. At the same time it is clear that serious gaps in non-income indicators of development still exist.

**Table 1. Improvements in non-income dimensions in Sub-Saharan Africa**

	2000	2005	2010	2015
<b>Undernourishment (%)</b>	(2000–02) 30.0	(2005–07) 26.5	(2010–12) 24.2	(2014–16) 22.9
<b>Maternal mortality ratio (per 100,000 births)</b>	846	717	624	546
<b>HIV (incidence of new infections per 1,000 uninfected people)</b>	3.87	2.57	1.94	1.48
<b>Prevalence of undernourishment (%)</b>	26.9	22.7	19.8	20.2
<b>Literacy rates, aged 15 and above (%)</b>	56.3	59.0	59.2	63.6
<b>Primary education completion rate (%)</b>	54.3	61.5	67.3	69.3
<b>Life expectancy (years)</b>	50.5	53.1	56.9	59.9
<b>Individuals using the Internet (%)</b>	0.5	2.0	7.0	17.9

The 2016 [Human development report](#) and [Africa human development report](#) are key publications on the development of non-income dimensions (United Nations Development Programme, 2016a; 2016b). In these reports, increased attention is given to the role of inequality. The *Africa human development report* shows that countries with initially low levels of human development are improving faster than others (i.e. Tanzania, Burundi, Mali, Zambia, Niger, Angola, Sierra Leone, Mozambique, Rwanda and Ethiopia). This indicates that they are catching up, although the pace has slowed down since 2010. Ethiopia, for example, had its HDI value grow from 0.283 in 2000 to 0.411 in 2010, and to 0.448 in 2015. It is also important to recognize certain groups within societies. For example, the [Africa Sustainable Development Report](#) for 2017 underlines that despite the significant expansion of citizens' capabilities, many women still face severe deprivations in their health due to factors such as early marriage, sexual and physical violence, and maternal mortality

(African Union, United Nations Economic Commission for Africa, African Development Bank, & United Nations Development Programme, 2017). Combining income and non-income dimensions, African women on average achieve only 87% of male human development levels.

Additionally, it is reported that deprivations often exist in multiple dimensions at once, meaning that marginalized individuals and groups often face numerous challenges at the same time (which tend to reinforce each other): 33.5% of people in Sub-Saharan Africa experience multiple deprivations at once ([United Nations Development Programme, 2016a](#)).

## 2.3 Conclusions

This section has elaborated on why INCLUDE promotes the use the concept of inclusive development.

- The concept of inclusive development has gained momentum in the debate on African development due to recognition of the fact that high rates of economic growth in the past decade, have not translated to proportional reductions in poverty and (financial, spatial and socio-demographic) inequality.
- There is increased recognition that high levels of inequality can hinder (future) economic growth affects social cohesion and political stability, while redistribution does not lead to a reduction of economic growth.
- The added value of the concept of inclusive development lies in its integration of various (income and non-income) aspects of poverty and inequality.



### 3. Applying the framework

#### 3.1 Key policy domains

The concept note developed by INCLUDE at its inception in 2013 identifies six key policy domains that have the most potential to facilitate the (re-)distribution of development benefits to achieve inclusive development. These domains resonate with debates in the development literature and the evidence base on how they work. In this section, we discuss these domains using the available literature and including some relevant examples from the findings of the [RIDSSA](#) research groups. As discussed in the [INCLUDE workshop on 20 November 2018](#), it is important not to treat these domains in silo, but to consider and promote the interlinkages between domains. Local and national **context matters** and policies linking **multiple, integrated approaches** are necessary to achieve inclusive development ([INCLUDE, 2018a](#); [2018b](#)). This is also recognized by, for example, UNDP. In its publication [Humanity divided: confronting inequality in developing countries](#), it states that “only a genuinely holistic approach can fully address the multiple factors that cause inequality and create the conditions for a truly inclusive society” (United Nations Development Programme, 2012). Its [Human development report](#) explains the importance of “multi-stakeholder engagement, local and sub-national adaptations and horizontal (across silos) and vertical policy coherence” (United Nations Development Programme, 2016a), and the report on [Income inequality trends in Sub-Saharan Africa](#) underlines the importance of moving away from ‘silver bullets’ (United Nations Development Programme, 2017) to more context-appropriate approaches. The ultimate goal of reflecting on these domains is not necessarily **to have average investments in these policy domains grow, but to use them more strategically** for the benefit of inclusive development.

##### 3.1.1 Economic growth

**Economic growth** combined with **structural transformation** is key to achieve more inclusive development. The diversification of economies and increased production is essential to improving the capacity for sustained growth and the opportunity for African countries to offer social and economic opportunities to its (young) people. To enhance growth and make it inclusive, economic inclusion in the (formal) economy is important ([INCLUDE, 2013](#)). To date, growth in Sub-Saharan Africa has not provided sufficient (productive) employment. The [African economic outlook 2018](#) states that between 2000 and 2008, employment grew at an annual rate of 2.8%, around half the rate of economic growth. Between 2009 and 2014, while economic growth slowed down, employment growth grew to 3.1% (African Development Bank, 2018), remaining 1.4 percentage points below average growth figures. Without employment, opportunities for income generation are limited and economic development benefits are not shared equally. This increases the incidence of

poverty and income inequality. Low job growth is mainly attributed to the extractive nature of economies, low productivity in agriculture and service sectors and slow growth in industry.

There is no one-size-fits all model for structural transformation of African economies. Considerations regarding the current structure of the economy, the preferences and incentives of local institutions and politics are key to choosing a specific sector to support national growth strategies ([INCLUDE, 2018c](#)). The conventional trajectory for the transformation of the economy, through industrialization, is not likely to take place in Africa in the short term. In fact, some authors argue that Africa is de-industrializing and alternative trajectories should be developed – industries without smoke stacks for example (Brookings, 2018). Others argue that structural transformation of the economy should start from agriculture, a sector in which Africa has a comparative advantage, with agro-processing as a natural transition from agriculture to manufacturing ([INCLUDE, 2018b](#))<sup>2</sup>. Extensive transformation with increases in productivity is necessary on multiple levels.

### 3.1.2 Productive employment

Responding to the ‘jobless’ growth trend, a fundamental topic of debate on African development in recent years has been the issue of employment, and specifically youth employment. In 2013, INCLUDE identified **productive employment** one of its focal points ([INCLUDE, 2013](#)). At INCLUDE’s inception, the urgency of addressing this issue had already become clear, based on demographic patterns (i.e. the increasingly youthful population in Africa), and remains an urgent matter: 43% of the population in Africa is under the age of 15 and 20% are aged 15–24. In line with the International Labour Organization’s (ILO’s) call for ‘decent work’, the term ‘productive’ was added to recognize that not all employment creates the same inclusive development outcomes. A job is considered ‘productive’ if it provides 1) fair remuneration, 2) stability of remuneration, and 3) decent working conditions ([INCLUDE, 2018b](#)). However, considering the large number of un(der)employed youth in Africa, it remains a [challenge for policymakers](#) to decide whether the first priority should be to create as many jobs as possible, or to focus on quality and sustainable jobs.



The inclusive development framework is relevant here, as not all employment decreases inequality. The IMF found that technological advances and increased differences in the wages of people with different skills are important factors in creating inequalities ([IMF, 2015](#)). To illustrate, incomes in Sub-Saharan Africa reach an average of 0.3 times the global average ([Alvaredo et al., 2018](#)). Between 2010 and 2013, in Asia, Africa, Latin America and the Middle East, economies grew by an average of 4.7%, but wages grew by only 2.6% ([Action](#)

<sup>2</sup> Several debates signify the complexity of this domain. A surprising example in this respect is that UNDP could find no clear link between resource dependence and inequality ([United Nations Development Programme, 2017](#)). Another interesting debate is related to the outputs of economic growth (waste). As argued in the United Nations Economic Commission for Africa (2015) report, [Achieving sustainable development in Africa through inclusive green growth](#), growth is only economic growth minus the damage done by development outputs; thus, unsustainable development patterns hamper growth.

[Aid, 2016](#)). We are gradually gaining a deeper understanding of the diverse nature of work (e.g. the size and nature of informal markets, the differences between un- and underemployment, and the increasing number of ‘working poor’) ([African Union & European Union, 2017](#); [INCLUDE, 2018b](#)). In 2015, 32.1% of working men in Africa and 35.1% of working women were classified as poor ([United Nations Economic Commission for Africa, 2017](#)). In [World employment and social outlook: trends 2018](#), ILO projects that the number of people in vulnerable employment will increase by 17 million per year in 2018 and 2019 (International Labour Organization, 2018). This debate is further complicated by the politicized debate around migration and the identification of employment as one of the main ways of decreasing migration flows from Africa.

The [synthesis report](#) on productive employment identifies some relevant sectoral policies that specifically address the challenge of underemployment. Although these are highly context-specific, agriculture (including the rest of the value chain, e.g. agro-processing) and household enterprises are promising sectors to focus on in most low-income countries to achieve short to medium-term goals, as wage employment in industry and high value service sectors will not generate enough employment in coming years. See for example RIDSSA research findings on the [avocado value chain in Kenya](#), [flower farming in Kenya](#) and [cocoa production and food processing in Ghana](#).

INCLUDE underlines the importance of entrepreneurship promotion and, specifically, helping entrepreneurs go beyond survival entrepreneurship to becoming dynamic entrepreneurs, that is entrepreneurs that grow and are able to create employment rather than being self-employed. However, [RIDSSA research findings](#) also highlight that, employment strategies do not need to be aimed at dynamic entrepreneurship or waged work only. In contexts where there is a lack of waged-employment opportunities – which is the case in many countries – policies that focus on encouraging sustainable self-employment are relevant. Such policies, apart from creating new job opportunities and increasing income, can also enhance autonomy and self-sufficiency, non-income dimensions of inclusive development. Key interlinkages between productive employment and other domains include social protection (e.g. unemployment benefits), spatial equity (e.g. rural development) and quality governance (e.g. combining tailor-made supply and demand interventions and building a supportive business environment).

Understanding the context is crucial. The project  [‘Weather index insurance for Ethiopian farmers’](#) for example shows that in Ethiopia where farmers are generally cash constrained, providing input subsidies for poor farmers is more effective to increase agricultural productivity than insurance against a lack of rainfall. As the  [‘Social Protection in the Afar’](#) project showed, interventions that fail to take into account the needs and choices of local populations may run the risk of undermining autonomy. In Ethiopia, for instance, non-

farm households were provided with organic fertilizer instead of food to mitigate their food insecurity. While these households had not chosen to venture into agriculture, this intervention practically forced them to do so, disregarding their self-determination and self-sufficiency.

### 3.1.3 Social protection

In Africa, the coverage of social protection is increasing, but still limited. In addition to employment, lack of access to social protection is mentioned as a key factor in the disappointing progress made in the reduction of poverty and inequality in Africa ([INCLUDE, 2018a](#); [De Kemp & Lobbrecht, 2018](#); [UNECA, 2017](#)). Social protection has gained popularity as a policy tool for inclusive development, and different types and combinations of social protection measures are seen as valuable from both a rights-based perspective and as a ‘business case’ to promote economic growth; hence, it is seen as a ‘win-win’ tool for inclusive development ([INCLUDE, 2018a](#); see also [World Bank, 2017](#); [United Nations Development Programme, 2017](#); [2016a](#)). In its review of the contribution of social protection to inclusive growth, INCLUDE stresses that social protection not only prevents people from falling into poverty (safety net), but importantly it also contributes to economic growth, both directly (i.e. through impacts on savings, productive assets and labour) and indirectly (i.e. through improved employability through education, health and psychological wellbeing, and multiplier effects in local economies) ([INCLUDE, 2018a](#)). The international evidence base documenting these linkages is convincing and growing.

Yet, if, and to what extent, social protection contributes to inclusive growth and inequality depends on various contextual factors. Factors internal to social protection programmes include correct targeting and the size, duration, predictability and regularity of interventions, as well as good coordination with other projects. The project [‘Social and health policies for inclusive growth’](#) found, for instance, that high transaction costs (e.g. registration costs, distance to facilities) prevent poor households from accessing social health insurance. Factors external to the programme include the quality of infrastructure and basic services, access to markets and the quality of institutions, among other things. The project [‘Social protection in Uganda’](#) concluded that a lack of (quality) roads, mobile phone networks and access to markets prevent spill-over effects from taking place in remote areas. Hence, cash transfers did not yield as much additional activities promoting local economies as in areas that are more integrated in the market. Reducing or eliminating these internal and external constraints on programmes can further improve social protection’s contribution to long-term inclusive growth. In this domain, it is especially important to make strategic links with other policy domains in long-term integrated efforts, thereby allowing for the creation of indirect and multiplier effects ([INCLUDE workshop, 20 November 2018](#)).



### 3.1.4 Provision of basic services

The **provision of basic services** (education, health, finance, infrastructure) is important for people to build human capital, engage in productive activities or mitigate risks. In contrast, not providing such services can affect the contract between the state and its citizens, thereby threatening social cohesion ([INCLUDE, 2013](#)). Education is a key area in which the provision of services can yield cross-sectoral effects on inclusion and growth. However, to achieve this it is important to move beyond a focus on primary, and even secondary, education and include on-the job training. Discussions among different policy stakeholders at the INCLUDE conference on 21 November 2018 revealed that to improve entrepreneurship outcomes, education must be tailored to the status of the knowledge, needs and goals of the entrepreneurs targeted (INCLUDE, 2018d). For example, if educational programmes are to contribute to job creation for rural women as well as rural men, a lifecycle approach to learning is needed, as rural women often lack formal schooling. To transform the education system to meet the current and future demands and needs of the labour market, it is essential to include private sector actors and un(der-)employed people in the process.

At the same conference, maternal health was discussed. Here, it is important to specifically target poor women, as providing (free) health services in itself does not guarantee access by all women (this is discussed further in section 3.2). Equity remains an issue in the service provision domain. In the report [Poverty and shared prosperity: taking on inequality](#), the World Bank states that in 21 of 27 low- or middle-income countries, preschool enrolment rates among the poorest quintile are less than a third that of the richest quintile (World Bank, 2018). In addition, poor children have less access to adequate nutrition, health care services, basic water and sanitation infrastructure, and childcare. Further, a third of the countries worldwide that are not making progress in reducing under-5 mortality and expanding immunization are in Sub-Saharan Africa and South Asia. Basic services in early childhood development influence educational attainment, health, social behaviour, and future earnings, and the provision of services, therefore, has important consequences for future adult populations. When modelling the costs and benefits of a cash transfer programme in Uganda, the project [‘Social protection in Uganda’](#) found that the rates of return on educational achievements are positive after 10 years if welfare weights are used, i.e. if redistribution to poor households is considered of high value. Thus, assessing the returns on basic services such as education and health requires a long-term view.

### 3.1.5 Territorial development and spatial equity

To further illustrate the importance of context-specificity, the Overseas Development Institute (ODI) reports that, for example in the case of Benin, ethnicity, living in an urban or rural region, and the geographical location of a region are key determinants of poverty and access to basic services such as electricity and

education (Lynch, Berliner, & Mariotti, 2016). The relevance of **territorial development and spatial equity** is clear. INCLUDE has chosen to focus on the geographic distribution of income and poverty as it is increasingly urgent to address the concentration of poverty and deprivation in specific regions. For example, the [Human development report](#) shows that around 89% of the planet's urban population has access to 3G mobile broadband, compared with only 29% of the rural population (United Nations Development Programme, 2016a). In addition, the rural poor are much more prone to multidimensional poverty and deprivation. Several reports recommend that policymakers focus on the development of rural roads and infrastructure and underline the effect of spatial inequalities in different domains (e.g. [World Bank, 2016](#); [De Kemp & Lobbrecht, 2018](#)), a conclusion confirmed by the projects  '[Social protection in Uganda](#)' and  '[Feeder road development](#)'. On a positive note, spatial challenges can be addressed through proper policies. For example, electrification in rural communities in Guatemala and South Africa has helped increase employment among marginalized groups ([United Nations Development Programme, 2016a](#)). Territorial development is rapidly re-gaining attention. Spatial blindness – or the tendency to conceive development strategies without taking into account territorial dimensions – no longer seems an appropriate way forward. A more transversal approach that factors in the various levels of intervention (i.e. global, continental, regional, cross-border, national and subnational) is required to better apprehend the transformation dynamics and development potential at stake.

Important topics of attention include: 1) Urbanization – rural areas are now surrounded by a growing number of expanding towns and cities, which are becoming a key engine of growth and employment. These new 'rural spaces' are composed of a mix of towns and small cities and their rural hinterland, which implies that rural-urban interfaces are a key area for development using these linkages and exploiting available networks of interdependencies. 2) Growing spatial inequality – national development efforts aimed at connecting to the global economy usually take place in major cities, which exacerbates inequality between globalizing cities and the rest of the country. 3) The limits of centralized approaches – these are often developed in urban centres and work with administrative jurisdictions instead of functional territories. It would be more productive to focus on local strategies and realities through local, sub-national authorities with sufficient embeddedness, autonomy and accountability ([INCLUDE, 2018c](#)).

### 3.1.6 Quality of governance

Finally, INCLUDE identified the **quality of governance**, specifically inclusive governance systems for women, people living in poverty, minorities and other marginalized groups, as an important determinant of inclusive development. A crucial component of this is the rule of law and the level of protection of people's physical security and property, labour and business rights. When countries lack such functional institutions, it often

results in political institutions with a lack of transparency, accountability and respect for the rule of law ([INCLUDE, 2013](#)). This situation especially affects women, the ultra-poor and minorities, and perpetuates national and local political institutions that are not transparent or accountable to their citizens. For inclusive development to be achieved, such governance landscapes need to be structurally transformed ([INCLUDE, 2018c](#)). Debates around the benefits of inclusive processes in creating inclusive outcomes and the shrinking civic space, which is discussed further in section 3.2, reaffirm the continuous urgency of this policy domain. The projects [‘Social protection in the Afar region’](#) and [‘Social and health policies for inclusive growth’](#) show how cooperation with traditional authorities can improve coordination and increases participation in for example social protection schemes.

Attention to governance is mostly focussed on ‘good enough governance’, staying away from public sector reforms with more focused approaches aimed at solving manageable problems, connecting actors to form alliances that can work together, and identifying ‘islands of effectiveness’ ([INCLUDE, 2018c](#)).<sup>3</sup> An important challenge to good governance in Africa is underlined in the [World Inequality Report](#) and concerns the need for domestic resource mobilization. If done through progressive taxing, this is both a tool to fund social policies, and a measure to directly address income and wealth inequality (Alvaredo et al., 2018). The policy brief [What to do about rising inequality in developing countries](#) explains that a broadened tax base, improved tax collection, more use of resource taxes, and expanded targeted transfer programmes have been among the key drivers of declining inequality in Latin America since the mid-1990s (Klasen, 2016).

### 3.2 Achieving inclusive development: inclusive processes, access and outcomes

In the INCLUDE knowledge agenda, inclusive development “occurs when average achievements on income and non-income dimensions of wellbeing improve and inequalities in these achievements fall” ([INCLUDE, 2013](#)). In this section we describe two debates that are relevant in answering the question: *When is inclusive development achieved?* We look at the difference between inclusive processes and inclusive outcomes and between inclusive access and inclusive outcomes. Exploration of these aspects is crucial for development policy and practice and should inform the development of tailor made (and multiple) data and measurement tools for evaluating policy instruments.

#### 3.2.1 Inclusive processes vs. inclusive outcomes

It is important to distinguish between **inclusive development processes** and **inclusive development outcomes** ([INCLUDE, 2013](#)). The essence of this argument is that participation in the design and implementation of policy is necessary for inclusive development to take place. There are two dimensions to

<sup>3</sup> An interesting trend in African governance debates is that of regional integration. The African Union mentions it as crucial in their Agenda 2063. An example is the [Common Market for Eastern and Southern Africa](#) (COMESA), which aims to improve market functioning in its member states (COMESA, n.d.).



this distinction. First, participation in the design and implementation of policy has value in itself and, as such, can be regarded as a non-income inclusive development outcome. Second, participation in the design and implementation of policy increases the chances of realizing inclusive development outcomes, e.g. in terms of higher and more sustained income growth or more equal access to education.

Although ‘social engineering’ is still a mainstream approach to development, heightened attention for topics like ‘shrinking civic space’ and the participatory processes of different stakeholders indicate that participation in decision making is recognized as key to development processes. For example, [Foresight Africa 2018](#) argues that the contract between governments and citizens is an area to watch in coming years, especially when it comes to fair elections (Brookings, 2018). The [Africa human development report](#) identifies political participation, meaning a more equal voice and representation of women in decision making, as one of three main pillars necessary for achieving gender equality (United Nations Development Programme, 2016b). Similar arguments are prominent in debates by NGOs. In the book [How change happens](#), Duncan Green argues there are clear limitations to adopting top-down approach and linear thinking in policy making, supported by experiences that show that change often happens in non-linear and unexpected ways (Green, 2018). Civil society is an important actor to include in such development efforts. In their article [NGOs, states, and donors revisited: still too close for comfort?](#), Banks, Hulme and Edwards (2015) underline the importance of connection to, and ownership by, the grassroots level.

A key question is: How can we improve inclusive development through inclusive processes? In the blog [Inclusive political settlements: who and what gets included?](#), Alina Menocal from the Developmental Leadership Programme (DLP) states that the evidence on participation in political processes is mixed, and participation does not necessarily lead to more inclusive development outcomes (Menocal, 2015). It is not (yet) clear *how* inclusive political settlements work towards more inclusive outcomes. One of DLP’s key recommendations is to explore and understand the trade-offs between inclusive development processes and outcomes in a specific context. In their joint publication [World social science report 2016: challenging inequalities](#), the International Social Science Council, Institute of Development Studies, and United Nations Educational, Scientific and Cultural Organization (2016) argue that collective citizen action opens up space for novel solutions to inequality and may inspire inclusive policy innovation. Despite the complex dynamics of working in a context of shrinking space, civil society has played an important role in political processes. Some innovative examples are presented in the publication by [Goris & Hollander](#) (2017). It is crucial to re-think how we approach inclusive processes and change. The extent to which these can be ‘engineered’ will depend on the context and what is already happening on the ground (e.g. the nature of political spaces and the advancement of public debate).

Discussion among the [RIDSSA](#) research groups at the [INCLUDE workshop on 20 November 2018](#) revealed that non inclusive processes and top-down policies can lead to more inclusive outcomes, for example in the case of social protection. An example is found in the project [‘Barriers to Batwa inclusion in Rwanda’](#), where a strong state adopts top-down, but pro-poor, strategies such as the *Girinka programme* and access to free health insurance. However, inclusive processes were unanimously regarded as inherently better, as they allow for the most marginalized to give their input and may promote their empowerment in the long run. For example, programmes that do not reflect the needs and desires of participants can cause more harm than good. The same project shows that interventions informed by Western logic are unlikely to achieve economic empowerment and inclusion. Notions of inclusion and identity held by the Batwa people appeared to be radically different from common Western conceptions, underscoring the need to consult local communities throughout the project cycle.

Another key question is: Who should be included in process? The project [‘Agricultural partnerships’](#) found that different actors bring with them different priorities and values, the combination of which yields specific development outcomes. For policymakers it is, therefore, essential to ensure the involvement of actors (often NGOs) that emphasize empowerment of or link to grassroots, as these development logics will enhance the likelihood of achieving inclusive outcomes. The project [‘Social and health policies for inclusive growth’](#) shows, for example, that including traditional authorities in decision-making processes can be very helpful, especially if formal institutional structures are absent or lack capacity. However, the research showed that in some contexts the involvement of local traditional authorities can have the opposite effect and hamper progress or prevent certain groups from participating. Real representation is therefore a key element to consider: having all parties present at the table does not automatically guarantee sound representation. The case of the flower sector in Kenya, the project [‘Dutch multinational businesses in Africa’](#), found that many associations have their own internal dynamics, resulting in the underrepresentation of women or the members of the ‘lower’ workforce. Insufficient knowledge and understanding of key issues – including technical matters related to economics and employment – among local communities and, at times, government officials – was recognized as a major obstacle.

Effectively promoting inclusive processes and outcomes requires a thorough understanding of the local political and institutional context. At the [INCLUDE conference](#), held on 21 November, the RIDSSA research groups and policy stakeholders argued that true inclusive processes must run throughout the full programme cycle (INCLUDE, 2018d). Full inclusion may not be possible, but strategic moments in the decision-making process that are most crucial for inclusion and representation should be identified. To promote inclusive governance, policy interventions can play a role in creating space for marginalized people

at the decision-making table. To do so, a first step is to adequately identify who the most marginalized are, and whether and how they want to be included (the identification of strategic actors is discussed further in section 3). Finally it is important to ensure that inclusion in the process is not merely a tick box, genuine inclusion also requires the acknowledgement of diversity in representation ([C 'Agricultural partnerships](#)) as well as in the type of knowledge and experience that is taken seriously at the policy table ([C 'Economic empowerment and sex work](#)).

### 3.2.2 Inclusive access vs. inclusive outcomes

A second debate that is important is that on the distinction between **access to development opportunities** (e.g. services or employment) and **achieving development outcomes** (such as learning and education or income). Inclusive development outcomes are often equated with providing equal opportunities to 'the excluded'. But equal opportunities or access do not necessarily translate to equal outcomes, as the capability to realize outcomes (i.e. to make use of or benefit from opportunities) is unequal in itself. Merely measuring improvements in access to these services leads to a misrepresentation of achievements in inclusive development when improvements in both opportunities and capabilities are not included. In fact, this lack of capability in the context of improved access **may lead to higher inequality**, rather than a reduction of it. Indeed, in the context of improving access to financial services, the [IMF](#) found that financial deepening can also increase inequality (International Monetary Fund, 2015) as low-income households and small-scale firms face challenges in using financial services effectively due to a lack of financial knowledge, complicated processes, onerous paperwork, and other market failures. The [United Nations Capital Development Fund and Mastercard Foundation](#) (2012), therefore argues that beyond improving access, financial education is one of the key ways of improving financial inclusion for youth. The design of financial services must be tailored to the specific needs of the groups it is targeting (Worldbank, 2017).


It is important to realise that existing inequalities exclude. Although inequality in education has declined in the past 60 years, almost 60% of the poorest youth (aged 20–24 years) in Sub-Saharan Africa have fewer than 4 years of schooling, compared to 15% in the richest quintile (United Nations Capital Development Fund and Mastercard Foundation, 2012) and the [Human development report](#) found that in Sub-Saharan Africa, people living in poverty, especially women in rural areas, are far less likely than others to be learning critical skills (e.g. reading, writing and mathematics) when attending school (United Nations Development Programme, 2016a).


### 3.3 New insights from RIDSSA


We saw that policies aimed at inclusive development do not automatically lead to more inclusive development outcomes. **Equality in access and opportunity are not sufficient**, as beneficiaries differ in their capacity to gain returns from new opportunities or access. As a result, interventions often have differentiated effects – there is heterogeneity in development outcomes. This in turn creates new, or reinforces existing, inequalities. The UNDP report [Humanity divided: confronting inequality in developing countries](#) highlights that, in the field of health and education, significant differences are found in both access to services and the outcomes of access. In general, wealth, gender and location are important dividing lines (United Nations Development Programme, 2012), while in some countries, additional dimensions are at play. In the report [Who is being left behind in Sub-Saharan Africa?](#), the Overseas Development Institute (ODI) states for example that in Nigeria, ethnicity is the most important determinant of inequalities in outcomes (Lynch, Berliner, & Mariotti, 2016). How inequality in access to and use of services and opportunities is constituted and can best be tackled is thus highly context-dependent.


#### 3.3.1 Heterogeneity and differentiation

The RIDSSA research groups provide insights into how context matters for differentiation and how heterogeneity in the target population can perpetuate existing inequalities or creating new ones. Below are the key findings of the different research groups.

The project  [‘Social protection through maternal health programmes’](#) found that, although Kenya has launched free, public maternity services, women often have to incur additional expenses to access this care. Hence, poor women are often prevented from accessing these facilities.

Similarly, in Ghana, the project  [‘Social health and policies for inclusive growth \(SHPIG\)’](#) found that per capita food consumption increased by nearly 20% on average for those receiving cash transfers in the Livelihood Empowerment Against Poverty (LEAP) programme. For households below the Ghanaian national poverty line, the effect of the cash transfer on food consumption was significantly smaller.

In Ethiopia, the  [‘Feeder road development’](#) project found that rural roads have beneficial effects on access to markets and services. Yet, different segments in society benefit differently. Such differentiated effects may eventually increase existing inequalities.

The project on  [‘Productive employment in segmented markets’](#), documented the benefits for avocado farmers of being included in the international avocado value chains. On average, these farmers received

higher prices for their crops, resulting in higher incomes. In contrast, the price for farmers trading with local brokers depended more on their social connections and the urgency of their cash need, rather than real price fluctuations. As it is usually (older) men who own the avocado trees, access to production in this value chain is not open women and young men. They can only find employment in other segments of the value chain (packaging, transport etc.).

In [C 'Social protection in the Afar region'](#), Ethiopia's Productive Safety Net Programme (PSNP) failed to reach the most marginalized. Women and unemployed youth were not included sufficiently, which lead to even greater disparities than before.

In [C 'Economic empowerment and sex work'](#), the terms 'reintegration' and 'rehabilitation' – which are commonly used in programmes for sex workers – were found to in fact emphasize their exclusion by society and, hence, reinforce the stigma that excluded them in the first place. Additionally, the goal of 'economic empowerment' of sex workers is often taken as synonymous for alternative income generating activities, i.e. to get sex workers out of sex work. This testifies to the underlying assumption that sex workers would prefer to do any other work if given the opportunity. This is a false assumption and denies sex workers' self-determination and agency.

In the project [C 'The IT sector in Kenya'](#), informal or micro-entrepreneurs with the right 'soft-skills', i.e. who reflect on their own role in business failures, and who are able to tap into a business network (rather than a family network), were found to be able to grow their businesses and generate employment.

In Kenya, the project [C 'Social protection through maternal health services'](#) found that health insurance and free maternity programmes increase access to maternal health services, where skilled deliveries increased in all income groups (with a relatively better score in poorer quintiles, but a higher absolute increase in richer quintiles).

A considerable group of rural women in Uganda lack basic literacy and numeracy skills. The project [C 'Empowering female Ugandan entrepreneurs'](#) found that this prevents these women from acquiring the benefits of mobile money transactions and mobile information services. A basic level of literacy was necessary for female entrepreneurs to be able to use mobile technology for financial transactions. Those having received some education were, thus, at an advantage compared to their non-educated, illiterate peers who when using the services often depended on their male relatives (husbands or sons).

In Ghana, the project [‘Agricultural partnerships’](#) found that partnerships in the cocoa sector had impact on the prices, income and services available for smallholder farmers. This benefitted better-resourced cocoa farmers more than poor farmers with a more diversified livelihood. In contrast, an innovation platform in the food sector realized change on a small scale, but of a structural nature. It supported the organization and processing capacity of women.

At the [20 November INCLUDE workshop](#), the [RIDSSA](#) research groups engaged in researching productive employment concluded that the main lines of differentiation in ‘the use of productive opportunities’ were: 1) asset ownership, 2) education, and 3) (level of connectedness to) networks. Discussions among the RIDSSA research groups around strategic action revealed three important drivers of differentiated benefits from programmes and projects: 1) power imbalances, 2) stigma and 3) self-esteem. To address these issues, programmes should be **locally embedded and flexible**. An analysis of local power structures is vital, as they are not always what first meets the eye. Having identified who key strategic actors are, working with them towards a shared goal will help to avoid exacerbating (or creating) tension. Second, to counter stigma it is crucial to establish connections with, and give a platform to, key local actors. One promising option is to work with **individual ‘champions’** who have a vision and are connected to the local community. They can take a lead role in opening the conversation about long-held taboos or stigmas, something which is near impossible for ‘outsiders’ (i.e. programme staff) to do. In all these endeavours, however, caution is called for when particular groups or people are given a stage and treated as representing a whole community. **Establishing a mechanism for sound diverse grassroots participation** should, therefore, be a priority in inclusive processes. Finally, it is important to recognize the ability of individuals and groups to make choices and exercise agency. Members of a targeted population may opt not to participate (e.g. due to personal circumstances, a negative attitude towards the programme or lack of trust), thus creating similar heterogeneous effects.

### 3.3.2 Context matters

To move from equality in access and opportunity to equality in outcomes, additional measures are necessary to reach some groups and increase equity. This is where integrated approaches are a useful policy tool for inclusive development. The most effective composition of such an integrated approach depends on the context. The RIDSSA findings clearly reflect the fact that new **policies and programmes do not take place in a vacuum**; existing (social) policies and practices influence the impact of new policies and programmes. Findings from the RIDSSA projects underscore how this varies according to the specific context.

The project [‘Weather insurance for Ethiopian farmers’](#) found that increasing productivity for smallholder farmers through weather insurance works in contexts where farmers’ decisions are guided by risk, (e.g. in parts of Ghana), while vouchers for agricultural inputs work better for farmers whose decisions are guided by lack of money (e.g. in parts of Ethiopia). When farmers are more constrained by a lack of money, rather than risk aversion, insurance schemes did not have a significant effect on transformation of the smallholder sector.

The project [‘Barriers to Batwa inclusion in Rwanda’](#) found that perspectives on inclusion and exclusion are diverse. For the Batwa in Rwanda, inclusion does not mean recognition of their indigenous livelihoods. Their sense of belonging and inclusion are related to having access to land and productive activities.

The project [‘Post-trauma services for women’s empowerment’](#) found that the impact of a cash transfer scheme increases if the design is appropriate to the local context and target groups. In contexts recovering from conflict, cash transfer schemes have more impact when combined with trauma support.

The project [‘Social protection in the Afar region’](#) documented that cash transfers in arid areas work better when responding to seasonality, and for pastoralists they have to take into account seasonal mobility patterns.

The project [‘Economic empowerment and sex work’](#) found that, in contexts where sex work is criminalized, sex worker activists have to operate in the context of government HIV-AIDS policies. Agendas and modalities for participation, thus, depend on the decision-making processes in the government (with related power dynamics).

The project [‘Social protection in Uganda’](#) found that the individual productive investment potential and spill-over effects of cash transfers to the local economy (the local multiplier) is much larger in communities and areas that are (well) connected to markets. In remote areas, the same amount of transfer has lower multiplier effects.

The project [‘Informal workers’ political leverage’](#) found that, in contexts with several trade unions and (informal sector workers) organizations that have politically-driven constituencies, organizations can stimulate collective action if they function as ‘hubs’, rather than as membership or representative organizations.



### 3.4 Conclusions

Inclusive development is a complex, multi-faceted process of change. Nevertheless, several key conclusions can be drawn based on the synthesis above:

#### Key policy domains: an agenda for inclusive development

- INCLUDE identified six key policy domains that potentially promote inclusive development: 1) economic growth with and through structural transformation, 2) increasing productive employment, 3) providing social protection for all, 4) providing basic services, 5) promoting territorial development and spatial equality, and 6) improving the quality of governance. It is stressed that these pillars should not be promoted in isolation, as inclusive development can only be realized if all pillars stand together to form a solid foundation.
- Recently, the importance of integrated approaches for inclusive development is increasingly being recognized. UNDP's reports, the *African economic outlook 2018* (African Development Bank, 2018), and the IOB evaluation on transition and inclusive development in Sub-Saharan Africa (De Kemp & Lobbrecht, 2018) are some examples.

#### Inclusive processes, inclusive access and inclusive outcomes

- The question to what extent inclusive processes are required to shape inclusive outcomes cannot be answered without a context-specific perspective. Non-inclusive processes often lead to non-inclusive outcomes. Yet, there have been examples of non-inclusive processes that have led to reductions in poverty and inequality. Inclusive processes do not always lead to inclusive outcome, but can unlock new solutions and can be viewed as an inclusive outcome in their own right.
- Inclusive access (e.g. providing access to education for all) does not necessarily promote inclusive outcomes. For instance, providing access to information/assets/services does not benefit all equally, due to inequalities in the sets of skills, experience and knowledge required to use such information/assets/services. It is important to understand how learning takes place and what knowledge and skills can enable inclusive development.

#### New insights from RIDSSA research

The findings of the RIDSSA research groups have shed light on the needs of particular, vulnerable and marginalized groups for inclusive development in Sub-Saharan Africa. Some highlights include:

- Smallholder, poor farmers have additional constraints that are not alleviated by one-size-fits-all programmes.

- Recognition of identity may not be the key priority of all indigenous groups. The Batwa in Rwanda expressed the need for inclusion in socio-economic development to be more important than their identity.
- Sex workers rely heavily on the space provided by governments. Stigmatization and prohibitive laws are the most severe constraints on their empowerment.
- While cash transfers improve social and economic outcomes such as food security, the impact of cash transfers on food security can be lower for poor households than for other households. A thorough analysis of the additional interventions needed, as well as improvement in the coordination of cash transfer programmes, is required to improve the effectiveness of cash transfers for poor populations.
- Without proper infrastructure and market connections in rural areas, trickle-down effects are not taking place. The multiplier effect of cash transfers in integrated, urban areas is high, while the absence of roads, mobile phone networks and markets limits these effects in remote areas.

## 4. Strategic actors for inclusive development in Africa

Development interventions do not take place in a vacuum. As well as the important contextual factors that have been discussed in previous sections, different actors can influence development outcomes. In this section we look at how they influence outcomes and what are some of their characteristics, like roles, responsibilities and incentives. Understanding this is relevant for cooperation between different stakeholders (ranging from equal partnerships to consultation efforts), but also to determine one's own role in a specific context and to align properly with ongoing processes. Accordingly, we look at the nature of strategic action and strategic actors, followed by an in-depth discussion of governments, businesses, NGOs and academics as important players in the inclusive development field. Each of these sub-sections contains a brief overview of the relevant literature, followed by some empirical findings from the RIDSSA research groups.

### 4.1 Institutions and agency

In its concept note in 2013, INCLUDE underlined the relevance of asking questions beyond what works, to instead focus on *why* certain things work (or do not work). Strategic action is defined by INCLUDE as “an intervention undertaken with a long-term goal of contributing to political, institutional and social change” ([INCLUDE, 2013](#)). Actors can potentially be identified as strategic when: 1) they have formal decision-making power and are, therefore, in a position to exercise leadership, and 2) have the legitimacy and force to influence decision making. An important conclusion at the [INCLUDE conference](#) held on 21 November 2018 was that interventions are more likely to be inclusive if they are based on a thorough analysis and understanding of the power structures and political and institutional landscape, which includes the identification of strategic actors who can act as ‘champions’ of inclusion (INCLUDE, 2018d). Whether or not an actor is strategic is also dependent on context (e.g. private sector actors may have more strategic potential in fast-growing economies than in fragile states). INCLUDE emphasizes the importance of looking at a wide range of possible actors and considering the dynamic and changing context that the actor is situated in. It is, therefore, also important to consider which actors may become strategic in the future and who might be useful to support in that process.

In exploring the role of strategic actors, INCLUDE combines an **institutional perspective** (governance is about building effective institutions using blueprints of ideal situations, following a linear path towards institutional change) with an **agency perspective** (agency connects individuals and groups in an effort to affect change; individual incentives and motivations play an important role in a more evolutionary/incremental approach to development). Thus far, the institutional perspective has been more dominant in development literature, the role of strategic actors is often limited to a call for institutional capacity building. Terms like ‘elite

capture’ of policy processes are increasingly mentioned, but the importance of agency is not central and mainstreamed in most reports on inclusive growth and development. Politics is more often mentioned in country-specific studies (e.g. the review of inequality in Mali in the 2018 World Bank report [Poverty and shared prosperity: taking on inequality](#)), but does not feature as one of the main areas of potential change in most key messages or summaries.

An innovative publication in this respect is the research paper by the DLP, [What enables or disables leadership for transformational change in Africa?](#), (Perera, Shearon, Jackson & Lyne de Ver, 2018). Looking beyond the role of organizations in transformational change, the authors explain the process of change as the ability of individuals or group to mobilize people and resources to work together in changing the ‘rules of the game’ for the common development good. Contributing factors include an enabling environment and the ability of a leader to formulate and communicate a comprehensive vision. An interesting example of the role of strategic actors and politics is mentioned by Vandermoortele (2017). He underlines how the SDGs came about through a long process of deliberation among different development stakeholders. The engagement of such a wide variety of stakeholders in the process of formulating the goals is an impressive accomplishment and shows the motivation of working together in partnerships, but at the same time it also resulted in a highly-politicized process. Some argue that in setting these goals, a fragmented political sphere has led to a general vagueness in some of the goals, accompanied by a similar vagueness in the indicators.

An increasing body of literature argues that change is not a linear process and that (individual or group) agency is essential in the effectiveness of development interventions, and of institutions (e.g. see the book [How change happens](#) by Green, 2018). In [Foresight Africa 2018](#), the Brookings Institute emphasizes that “political rather than economic and social considerations may dictate whether infrastructure projects are executed” (Brookings, 2018). In 2012, UNDP explored the role of politics in [Humanity divided: confronting inequality in developing countries](#), stating that “**political processes largely determine the actual viability of policy options**” (United Nations Development Programme, 2012). It found that most policymakers are aware of the high levels of inequality in their countries and its social and economic consequences. However, most do not see enough political space to address these issues. At the same time, other countries have experienced reduced inequalities by creating that space, so there are opportunities available. Increasing avenues for civic engagement is mentioned as a way of addressing this issue (United Nations Development Programme, 2012).

The INCLUDE synthesis report on strategic actors (INCLUDE, [2018c](#)) focuses specifically on the social and political processes underlying structural transformation. The report underlines the crucial role of power

analysis on all levels from local to global, for any policy or intervention, as power relations influence the role and nature of political alliances. For example, in [the 20 November INCLUDE workshop](#) with the RIDSSA research groups it was discussed that achieving inclusive economic development requires expansion of the economic space for local firms and efforts to engage them in international value chains. International firms could play a role by establishing inclusive partnerships with local enterprises. However, inclusion in the supply chain (i.e. an inclusive process) does not automatically lead to productive employment (i.e. inclusive outcomes). Governments should play an active role in monitoring the inclusion process and setting standards for equitable private sector partnerships. Currently, economic and commercial elite interests often prevail over local needs. Many governments for example focus on high-revenue sectors like extractive industries, even though such activities do not usually generate many employment opportunities.

## 4.2 Governments and the policy context

Governments are key actors for inclusive development. They have a leading role and their legitimacy and credibility are crucial to social stability. For donors, it is therefore important to link up to what is happening on the national and subnational levels, to ensure policy coherence and avoid parallel development systems. Of course, the situation in fragile states may be different and require specific considerations. It is important to recognize that government activities are linked to other policy frameworks through vertical and horizontal linkages. Policies and politicians operate on different levels and scales of government, all making unique contributions to development outcomes in a highly-complex environment. It is, therefore, also key to focus on and understand these linkages and their intersections. In this section we discuss national and international policy frameworks. These frameworks are key contextual factors that influence government policies on different levels. However, discussing the full array of influential policy frameworks is beyond the scope of this report.

### 4.2.1 International policy frameworks for Africa

Global and regional frameworks are important in the formulation of national development goals. Two key international policy frameworks for Africa are AU **Agenda 2063** and UN **Agenda 2030** (presenting the Sustainable Development Goals). These agendas are important reference points that have been developed with the input of a wide range of stakeholders and have many common goals<sup>4</sup>. Although many international

<sup>4</sup> The two agenda show clear similarities in terms of their use of inclusive development dimensions. In both agendas, income and non-income dimensions are important. Inequality also features prominently, although it is less explicit in Agenda 2063. Inclusive processes feature in both agendas. In Agenda 2063, Goal 11 (democratic values, practices, universal principles of human rights, justice and the rule of law entrenched) underlines the value of democratic processes, while Goal 18 underlines the importance of youth engagement and Goal 5 the participation of women and girls. In the SDGs (Agenda 2030), citizen participation is prominent in Goal 16 (promote peaceful and inclusive societies) and is reflected in Goal 10 on reducing political inequality. Both agendas also explicitly focus on inclusive processes at the global level. According to SDG 17, partnerships, trading systems and decision-making

organizations recognize the importance of linking up to local, regional and global policy frameworks (vertical integration), the reference to the Agenda 2063 in the literature is still quite limited. The African Union and UN developed a joint framework for implementation and evaluation of the goals, while other UN programmes like UNDP and the United Nations Educational, Scientific and Cultural Organization (UNESCO) do not explicitly focus on Agenda 2063 as complementary to the SDGs. Dutch and European policy frameworks for Africa also do not focus on Agenda 2063. Comparing the two agendas, as is comprehensively done by the African Union Commission in their [Agenda 2063: general briefing kit](#) (African Union Commission, n.d.) and in the [Africa sustainable development report](#) (African Union, United Nations Economic Commission for Africa, African Development Bank & United Nations Development Programme, 2017), shows that Agenda 2063 diverges in some key areas from Agenda 2030, including: 1) an explicit focus on regional integration, 2) no specific goal related to inequality beyond age- and gender-based inequalities, and 3) an explicit focus on cultural integrity.

#### 4.2.2 National policy frameworks

Two observations are important when working with, or alongside, (national) policy frameworks. First, there are often important discrepancies between policy and implementation. It is, therefore, key to understand the context in which such policies are implemented and by whom. What is written on paper travels through multiple layers and levels of government where individuals and groups with their own access to information and agency influence the process, which is also influenced by the target populations. A thorough understanding of the dynamics of leadership, and the relationship between the institutional and agency perspective described in section 4.1. is indispensable. It is important to look beyond what works, to explore why things work (or do not work).

Another, second dimension of looking at the role of policy and politics is the discrepancy between concepts and their interpretation. Inclusive development is often not clearly defined. To explore this in the African context, we wondered *how widespread is the use of the term ‘inclusive development’ in African policy frameworks and how is it interpreted?* A quick scan of the overarching national development frameworks of six of the focus countries of INCLUDE showed that the term inclusive is increasingly being used in these frameworks, but is often limited to a focus on inclusive growth. Although a focus on inequality (as opposed

processes should focus on including developed countries. In Agenda 2063, this goal is included in Goal 19 (Africa as a major partner in global affairs and peaceful co-existence).

to pro-poor approaches) and development in multiple dimensions does appear to be relevant (e.g. words like ‘shared’ and ‘diversity’), **inclusive development in all its dimensions is not adopted in policy.**<sup>5</sup>

- **Ethiopia’s** [Growth and transformation plan 2 2015/16–2019/20](#) mentions inclusive development once without defining it, but does focus on inclusive growth and how it translates into human development outcomes. Inequality is also underlined, in both its income and non-income dimensions, with an emphasis on gender, religion and nationality (Federal Democratic Republic of Ethiopia, 2015).
- Policymakers in **Kenya** work within the [Vision 2030](#) framework. Neither inclusive development nor inclusive growth are mentioned in this framework, although all dimensions are covered in the three pillars (economic and macro, social, and political). Inequality in income dimensions is least prominent. The political goal is to:
 

*be a state in which equality is entrenched, irrespective of one’s race, ethnicity, religion, gender or socioeconomic status; a nation that not only respects but also harnesses the diversity of its people’s values, traditions and aspirations for the benefit of all.* (Republic of Kenya, 2006).
- **Ghana** developed the [National shared growth and development agenda 2, 2014–2017](#). Neither inclusive development nor inclusive growth are mentioned in this plan, although the words ‘shared growth’ signify a focus on equality. This document follows the main rationale that growth has not created sufficient jobs and decent work; the target is to ensure “that the dividends of growth benefit all Ghanaians, irrespective of gender, location, socio-economic and physical status” (Republic of Ghana, 2014). Human development indicators are also mentioned. Growing inequality in socio-economic and spatial development is mentioned as a key national development issue.
- In 2009, **Nigeria** developed the [Nigeria vision 20:2020](#). It uses the key concept ‘sustainable growth’, meaning “optimizing human and natural resources to achieve rapid economic growth, and translating that growth into equitable social development for all citizens” (Federal Republic of Nigeria, 2009), in which both income and non-income dimensions are covered. Inequality is limited to income dimensions, which are expected to facilitate the improvement of human development indicators.



<sup>5</sup> Further research on this topic would be valuable, but is beyond the scope of this report. For example, this overview does not cover recent developments in mid-term or sector-specific policy papers or other African policy frameworks, which would be essential in a country-level policy analysis.





- In **Rwanda**, the [Vision 2020](#) (latest revision 2012) mentions ‘inclusive’ primarily in the context of identity. The framework does mention equity and equality in opportunity as one of the main missions of the state, but does not explicitly focus policies on marginalized groups, with the exception of a focus on gender equality. The main targets focus on averages, with the aim to reduce poverty, increase life expectancy and increase average per capita income in an effort to become a middle-income country by 2020 (Republic of Rwanda, 2012).
- Similarly **Uganda’s** [Second national development plan 2015/16–2019/20](#), underlines the goal of becoming a middle-income country by 2020. The plan has the theme ‘Strengthening Uganda’s competitiveness for sustainable wealth creation, employment and inclusive growth’. Economic growth and distribution through employment is underlined, and inequality is mainly related to gender and age (Republic of Uganda, 2015).

#### 4.2.3 RIDSSA group findings


In this section we discuss the empirical contributions of the RIDSSA research groups, including some specific examples of how these findings reflect on our understanding of the role of local and national government bodies in development processes.

The project  ‘[Social health and policies for inclusive growth \(SHPIG\)](#)’ shows that national governments are an important strategic actor, as they provide the overarching discursive framework under which all other activities take place. Yet, there is a difference between policy on paper and policy implementation. Both this project and the project  ‘[Social protection in the Afar region](#)’ conclude that the involvement of local bureaucrats and communities is essential for effective implementation of social protection interventions. They underline that traditional authorities can strengthen or weaken the functioning of formal institutions. They can strengthen them through targeting stigmatized or poor groups, providing and collecting information, and setting disputes. They can weaken or hinder implementation through corruption, clientalism and misrepresentation.

The project  ‘[Barriers to Batwa inclusion in Rwanda](#)’ found that there is a clear lack of understanding among the Batwa as to how and why distributive decisions are made. They do not feel involved in decision making and do not feel represented. Moreover, a lack of redress at the local level has contributed to the feelings of unfairness.

The project  ‘[Economic empowerment and sex work](#)’ found that in horizontal partnerships with civil society organizations, it is often the (local) government that decides who sits at the table, under what conditions,

and what knowledge is relevant to take into account in partnership processes. Qualitative and experience-based knowledge, such as contributed by sex worker activists, risks not being taken seriously.

The project  [‘Inclusive business strategies in Africa’](#) found that sometimes an institutional or governance voids, such as the lack of regulation or legislation, is not only a barrier, but can also create opportunities for new and innovative partnerships.

### 4.3 Inclusive businesses

**The for-profit private sector is increasingly being recognized as an important partner in promoting and supporting inclusive development as a part of their business activities** – by offering products and services, creating employment and through social innovations. In its SDGs, the UN wrote: “We acknowledge the role of the diverse private sector, ranging from micro-enterprises to cooperatives to multinationals, and that of civil society organizations and philanthropic organizations in the implementation of the new Agenda” (United Nations, 2015). Increasingly, the for-profit private sector is seen as having **social responsibilities** (i.e. being expected to engage in ‘corporate citizenship’ and adhering to the accompanying rights and responsibilities) (Kolk, 2016). This is significantly different from the view that ‘business as usual’ will automatically result in trickle-down and knowledge, employment and technological spill-over effects (Adeleye, 2015). Important actors in inclusive business in Africa are small and medium-sized enterprises and multinational corporations. Locally-owned businesses and multinationals (i.e. the Dangote Group in Nigeria) have come to play an increasingly important role in determining the business climate and promoting (inclusive) growth and development ([Akinyoade & Uche, 2016](#)). Also, there has been a surge in intra-African foreign direct investment (FDI), which increased by 30% between 2007 and 2015. Another important trend is an increase in the activity of Chinese firms, who use a very different approach to development cooperation. Chinese foreign direct investment in Africa rose from 491 million US dollars to 32.4 billion US dollars over the period from 2003 - 2014. Also, trade between Brazil and Africa grew by 14.41% annually between 1997 and 2012 (Adeleye, 2015).

In the global environment, **changing consumer attitudes open up opportunities for innovation towards inclusive business models**. They create incentives for businesses to engage more in inclusive development as financial gains are threatened when negative effects on the environment and social life become public. Social embeddedness and a sense of communal belonging are an important motivation for social innovation and co-creation. Moreover, the increasingly popular entrepreneurship hubs can provide access to business networks and offer tailor-made training that differentiates between middle-class entrepreneurs, who have the time to build up a business, and low-income entrepreneurs, who have different needs. Embeddedness in society can also provide the means to engage with different stakeholders in co-creating innovation. These, in

turn, can provide benefits beyond profit, like building social capital and improving reputation (Lashitew, Bals & Van Tulder, 2018). Social innovation in a business requires flexibility. Nelson, Ishikawa and Geaneotes (2009) argue (based on the Coca-Cola case study) that it is crucial to keep learning, and continuously improving the core business model.

#### 4.3.1 Defining inclusive business

As with many development concepts, **the term ‘social responsibility’ does not have a clear definition and is adopted by different actors on different levels**, some focusing on legal compliance and others combining profit with voluntary ethical behaviour or a clear social goal (Kolk, 2016). In recent years, we have seen a surge in the amount and size of corporate social responsibility (CSR) departments in businesses of all sizes and origins. Coca-Cola, for example, uses a model that, in Tanzania and Ethiopia in 2009, accounted for over 80% of the company's product distribution and supported more than 1,000 small-scale enterprises and nearly 6,000 jobs (Nelson et al., 2009). Another way to engage is through **inclusive business strategies that put development challenges at the core of the business model, comprehensively linking the aim of making profit with having social, transformative impact**. This is a move from more reactive strategies to proactive strategies and towards inclusive development; a move from the principle of ‘do no harm’ (which often results in mere compliance with regulations) to an incentive to ‘do good’ ([Van Tulder, 2018](#)). In a UNDP blog, inclusive businesses are defined as businesses that “integrate low-income individuals into value chains in various capacities, be it as consumers, producers, employees and entrepreneurs” (Nagler, 2013). Low-income groups are, thus, provided with income, access to basic goods, services and more choices. As a move away from charity, such businesses still have a for-profit character, but include marginalized groups in the benefits of growth by bringing them into the market. Social entrepreneurship is a business model in which development challenges feature most prominently as part of the core business strategy.

#### 4.3.2 The reality: reactive strategies

Although businesses have made important strides towards playing a more supporting role for inclusive development and show a lot of potential, **most large businesses (i.e. multinationals) adopt a reactive strategy, with profit remaining at the forefront**. However, inclusivity should be at the core of a business strategy, combining profit-making aims with societal gains (Van Tulder, 2018). Otherwise, some additional interventions and/or regulations are required to benefit society. The influence the adoption of inclusive and sustainable business cases has, and the viability of them being included, often depends on the possibility to create value from sustainability or social issues. This approach is usually determined by pressures exerted by different stakeholders (i.e. governments and consumers). Many call for a change in this attitude, where the duties of a company move from focusing on shareholders to duties towards the society as a whole. The

purpose of the business model should then be to create shared value. Here, it is important to recognize that **it is questionable whether the inclusion of marginalized groups as consumers only can be identified as an inclusive strategy**. To affect inclusive development, the bottom of the pyramid needs to be further included in value addition, through productive participation in value chains. UNDP's [Growing Inclusive Markets Initiative](#) (United Nations Development Programme, n.d.) keeps track of, and studies, innovative business models. To aid businesses in the process, there is an increasing body of management tools available to help businesses become more inclusive, like the [UNDP inclusive business in sub-Saharan Africa toolkit](#) (Business Call to Action, n.d.).

One way to include marginalized groups in value chains is to promote local entrepreneurship. In relation to the youthful and growing population in Africa, this is an increasingly popular tool, resulting in business hubs and entrepreneurship training and financing mechanisms for different groups in society, particularly focusing on youth. In turn, these **local entrepreneurs can put inclusive development at the core of their business and create local spill-over effects**. Businesses can play an important role here in providing opportunities to link up to markets, and providing financial resources and training for entrepreneurs ([World Bank, 2017](#)). Some of the main challenges in creating social entrepreneurship opportunities for inclusive business in Africa has been the inability to scale up, a lack of financial support and capacity-building training opportunities (like mentorships), and the unavailability of information to inform strategic choices ([United Nations Development Programme, 2013](#); World Bank, 2017). Also, there is lack of recognition of social entrepreneurs as a group with specific needs, but high value addition for society. However, it is possible to build a conducive environment. An example of a conducive entrepreneurship ecosystem is [The Competitive African Cotton Initiative](#) (COMPACI), which brings agribusiness and textile companies, development partners, and smallholder cotton farmers together to create sustainable and inclusive cotton supply chains ([UNDP, 2013](#)).


#### 4.3.3 Considering the context: partnerships and alignment




For businesses, it is important to recognize how they relate to other stakeholders in the field and what power relations are important. For example, businesses can complement government functioning through service delivery. However, taking over government responsibilities in an institutional void can remove incentives for governments to provide the services necessary to maintain social contract with its citizens (Van Tulder 2018). Partnerships can offer opportunities in dealing with such dynamics. However, they can be difficult to implement – **‘created’ partnerships are not always ‘real’ partnerships**. Studies show that the functions and aims of such partnerships are often unclear, they are often underfunded and not necessarily managed properly. Further, **it remains a challenge to align the motives and strategic preferences of a**


**diverse group of stakeholders** (Van Tulder, 2018). However, cross-sectoral partnerships do enable inclusive businesses to bridge the institutional distance between the company and the community.



#### 4.3.4 RIDSSA group findings


Businesses are an important strategic actor, as they hold power and resources and have the potential to transform societies – whether that be in a negative or positive direction. Business creation can also be an important solution to un- or underemployment. In this section, we discuss some examples of empirical findings from the RIDSSA research groups that support our understanding of the potential role of business in inclusive development.

 [‘Inclusive business strategies in Africa’](#) found that for business models to be inclusive it is important that the business contributes to local supply chains, market linkages and local employment opportunities. They also found that inclusive business models and operations require management skills that are not yet sufficiently developed in many African contexts. The same holds true for services to finance inclusive business models.

 [‘Dutch multinational businesses in Africa’](#) in Nigeria,  [‘Productive employment in segmented markets’](#) on the avocado market in Kenya and  [‘Agricultural partnerships’](#) in Ghana all showed that companies can improve varieties and the availability of seeds and other agricultural inputs and services in markets. This in turn increases incomes for farmers.

 [‘Agricultural partnerships’](#) found that in the food sector, partnerships more automatically work on inclusive development, while in the export sector, explicit consideration of the marginalized is needed to ensure structural and equitable development. Genuine representation of smallholder farmers in partnerships can be challenging in a context with weak farmer organizations (e.g. in Kenya and Ghana) or where political expediency takes precedence.

 [‘The IT sector in Kenya’](#) and  [‘Empowering female Ugandan entrepreneurs’](#) found that entrepreneurship hubs can provide access to business networks and offer tailor-made training, but have to differentiate between f.e. middle-class entrepreneurs, who have the time to build up a business, and low-income entrepreneurs, who need to have cash for food on the table everyday.

Businesses can also play an important role in providing private services. However,  [‘Maternity fee waiver in Kenya’](#) found that the uptake of private, contributory health insurance largely depends on its alignment with public policies and levels of poverty. Since the introduction of free primary care in Kenya, the enrolment in a community-based health insurance has decreased. Moreover, poor women often incur catastrophic

expenses because free public care is not always without additional cost, as was also shown by the project [‘Social protection through maternal health programmes’](#).

[‘Weather insurance for Ethiopian farmers’](#) found that, when not subsidized, the enrolment of poor farmers in weather-index insurance (against low rainfall) quickly drops. In this context, weather-index insurance was a less favourable intervention than agricultural input provision, because farmers were more constrained by a lack of cash/credit than by risk. In situations where poverty is less severe, uptake may be higher.

#### 4.4 Non-governmental organizations and inclusive development

The main focus of NGOs is on supporting and promoting inclusive processes in development planning, implementation and monitoring. Inclusive processes are argued to enhance outcomes, transparency and accountability. Empowerment and advocacy are, therefore, key in their activities. **NGOs can be strategic partners to help connect more directly with local communities, and partnerships can be used by NGOs to increase impact.** From their engagement with communities on the ground, NGOs have the ability to offer a unique perspective on gaps in policy. A study on NGO activities in New York for example showed that their capacity to build coalitions and exert power on different scales and levels makes them effective in achieving policy changes (Chin, 2017). Ongoing changes in the sector offer opportunities for innovation (e.g. in working with complexity and engaging in non-linear change processes and movements), but also present challenges and trade-offs (e.g. in terms of impact assessment, NGO size, and balancing service delivery and advocacy). For example, there is a growing body of literature that offers recommendations for alternative measurement tools (e.g. qualitative methods to explore causality, combining methods that fit the unique context and goals of the initiative, and being open to change when necessary) ([Naeve, Fischer-Mackey, Puri, Bhatia & Yegbemey, 2017](#)). **It is important to recognize the diversity in the NGO sector and in the choices made** (i.e. by differentiating between membership-based organizations and intermediary NGOs, where the former are argued to be more committed to supporting transformational change) ([Banks et al., 2015](#)). Also, NGOs have been looking for new strategies, including the pursuit of their own knowledge production to back up their project rationales. For example, [OXFAM UK’s](#) 2015 discussion paper on development trends and the role of international NGOs explains how NGOs often play a dual role and how service-delivering NGOs can be an important advocate for policy change, also on the global level (Green, 2015).

##### 4.4.1 NGOs and inclusive development

**Many NGOs are primarily focused on poverty reduction (pro-poor approaches) and political inclusion.** For example, [CARE International](#) aims to “work around the globe to save lives, defeat poverty and achieve social justice” (CARE International, n.d.). [OXFAM International](#) states “Our vision is a just world without poverty.

We want a world where people are valued and treated equally, enjoy their rights as full citizens, and can influence decisions affecting their lives” (OXFAM International, n.d.). NGOs usually focus on the needs of specific groups in society, based on i.e. ethnicity, gender or disability. In recent years, the terms **inclusive development and inclusive growth have featured more prominently in NGO publications**. [OXFAM International](#), for example, introduces the concept as a pro-poor approach accompanied by inclusive processes: “Inclusive development is a pro-poor approach that equally values and incorporates the contributions of all stakeholders – including marginalized groups – in addressing development issues” (OXFAM, n.d.).

#### 4.4.2 Representation: accountability and legitimacy

Many NGOs balance advocacy efforts and accountability towards constituents, to more service-oriented approaches and accountability to funders. This affects their ability to provide proper representation for their constituents and influences the nature of their contribution to inclusive development, as **service delivery implies less (deliberate) influence on underlying power relations**. NGOs tend to: 1) favour operational efficiency and policy influence, 2) base their geographic location on donor presence, 3) prioritize service delivery functions in favour of donors, 4) favour accountability and ‘measurable results’ over empowerment, 5) engage in partnerships with states (acting non-politically and requiring more professionalization), and 6) fail to change underlying structures and processes, even when performing civil society functions ([Banks et al., 2015](#)). These trends are often understood as a response to the demand for measurable outputs embedded in funding structures. Indeed, measuring advocacy and empowerment efforts poses difficulties, as they often have multiple objectives, lack reliable data and build on previous (successful) efforts ([Naeve et al., 2017](#)).

#### 4.4.3 Political space and power relations



Another reason many NGOs frame their mission differently and move towards service delivery is **that space for civic action is shrinking**. [The state of civil society report](#) by CIVICUS identifies key trends, including: 1) polarizing politics, 2) personal rule by political leaders, which is undermining democratic institutions, 3) increasing attacks on journalists reporting on corruption and public protests, 4) growing surveillance and manipulation of opinion, which is betraying the promise of social media, 5) the private sector’s growing role in governance, which demands more scrutiny, and 6) the fact that civil society is fighting back and building resolute resistance (CIVICUS, 2018). The report [Under pressure: shrinking space for civil society in Africa](#) shows that these trends are also relevant in Africa (Henrich-Boll Stiftung, 2016). Especially regulatory frameworks have been essential in shrinking space with 1) increasing influence from China, which allows African countries to push back against Western interference, 2) anti-terrorism sentiment and measures,



which affect attitudes towards civil society, and 3) the Arab Spring, which made governments in the rest of Africa aware of the potential power of civil society. At the same time, there are promising examples of a changing landscape that show that shrinking civic space is being challenged in increasingly creative ways. The publication [Activism, activism and beyond](#) introduces a number of such initiatives ([Goris & Hollander, 2017](#)). [The state of civil society report](#) also introduces promising movements that have been able to counteract shrinking civic space (i.e. the 2016 local government elections in South Africa, where the opposition party took major urban centres from the ruling African National Congress) (CIVICUS, 2018). Also, there has been a surge in (interconnected) ‘global movements’ that are connected to the grassroots ([Batliwala, 2002](#))

When working with NGOs, both local and international, it is important **to consider the relevant power relations in a specific context**. For example, there are a growing number of African NGOs that offer opportunities for creating strong connections with local constituencies, but outside funding can disrupt their efforts towards ‘real’ representation and limit their support for mass mobilization. Foreign-funded NGOs dominate civil society and alter its composition. Such NGOs can reduce independence by becoming resource dependent, and no longer dependent on their membership base, which reduces their legitimacy (Jalali, 2013). Indeed, many **NGOs are increasingly criticized for losing touch with their constituencies**. Beyond financing mechanisms, [Elbers and Schulpen](#) (2012) argue that the regulatory framework for NGOs also contributes to this fact: unequal power relations are institutionalized by rules created unilaterally by Northern NGOs, which influence power in day-to-day interactions. Northern NGOs’ norms and values are central, and most NGOs use a similar set of rules for all their partnerships, irrespective of context. To address such challenges in constituent representation, international NGOs should rethink their function in the “development ecosystem” ([Banks et al., 2015](#)). **The role of advocacy remains crucial in facilitating change and deserves attention**. Here, the strength of civil society lies in: 1) holding governments accountable, 2) making states and markets work better, and 3) using the media to influence decision making and public opinion.

#### 4.4.4 RIDSSA group findings

NGOs can act as a balancing power to insist on social responsibility, empowerment (capacity building) and advocacy (information). However,  [‘Barriers to Batwa inclusion in Rwanda’](#) and  [‘Informal worker’s political leverage’](#) in Ghana and Benin found that, in some cases, NGOs may advance their own (donor-driven) agenda that does not sufficiently reflect the needs and constraints of the local constituencies they claim to represent.

The research project [‘Economic empowerment and sex work’](#) found that to make horizontal partnerships between local government, marginalized groups and their representative organizations successful, it is essential to equally value the knowledge and experiences that the different stakeholders bring to the table.

Farmers organizations and cooperatives potentially play an important role of connecting farmers to markets. But this is not always the case. The research groups [‘Agricultural partnerships’](#) and [‘Productive employment in segmented markets’](#) found that farmers organizations can be problematic too; some only serve the interest of elite farmers and issues of trust may affect their functioning.

#### 4.5 An academic perspective

While the concept of inclusive development has gained popularity in policy and practice, academics have also been engaged in exploring and defining the concept, and understanding the dynamics of poverty and inequality in income and non-income dimensions. The value of academia for inclusive development is twofold: First, **understanding the concept and its historical foundations** supports the move towards conceptual clarity and coherence in the use of the concept in policy and practice. Gupta et al. (2015) explain how inclusive development can be seen as a counter-movement to the neoliberal paradigm, which developed when the results of trickle-down economics proved disappointing in terms of wellbeing and sustainability, and inequality and poverty were found to be on the rise. Second, academic research is a valuable source of information for **identifying what works to promote inclusive development, and why it works** (or does not work) in different contexts. Most publications on inclusive development and/or growth identify key knowledge gaps that require further investigation, signifying the need for knowledge creation and management. More (targeted) data collection, knowledge creation and diffusion are needed to engage in evidence-based, effective policy making, as well as to improve the capacity for knowledge uptake.


##### 4.5.1 Multi- and transdisciplinary research for inclusive development

Although multi- and transdisciplinary approaches are increasingly used, there remain important challenges in building a transdisciplinary framework around inclusive development. In fact, the [World social science report](#) found that many studies on inclusive development adopt a **narrow focus on quantifiable indicators** like income (International Social Science Council, Institute of Development Studies & United Nations Educational, Scientific and Cultural Organization, 2016). Another related challenge is that there is a **lack of reliable data** available especially for low and middle income countries. This makes it difficult to analyse and understand the progress made on inclusive development indicators. Especially important here is that there is a lack of understanding on how different inequalities are related and interconnected and the consequences thereof. Another crucial challenge is inequality in the production of knowledge, where most knowledge is created in


North America and Western Europe (80% in the period 1995–2015). The report calls for **“a research agenda that is interdisciplinary, multiscale and globally inclusive is needed to inform pathways toward greater equality”** (*ibid.*). Their recommendations to researchers include: 1) effectively integrate multiple scientific disciplines, and qualitative and quantitative research designs, and 2) engage in transformative pathways, using transformative knowledge – considering in each context what it covers, how and by whom it is produced and communicated. The goal is to address knowledge-based inequalities, including access to knowledge and building the capacity of researchers and state statistical agencies, which are often heavily under-resourced in developing countries, and create international networks of inequality researchers. As the concept of inclusive development has emerged from different disciplines, it offers an opportunity to **bridge disciplines** (Pouw & Gupta, 2017). Each discipline poses specific questions related to their field of study, which, combined, can offer a more encompassing and broader understanding of the different dimensions of inclusive development, on different scales and levels. Multi- and transdisciplinary research is, therefore, needed for a better understanding of the complex processes involved.


#### 4.5.2 RIDSSA group findings

Academic research has relevance beyond academia and can make important contributions to inclusive development policies and practice, both at local, national and international level. In this section we discuss how the RIDSSA research group findings have made direct impacts in the local context.

Following the project  [‘Feeder road development’](#), the Tigray Bureau of Agriculture and Rural Development incorporated the road water harvesting component of one of the projects as part of the natural resource management practices of the region, which has increased employment opportunities. The Ethiopian Roads Authority also intends on adopting water harvesting methods in future road design.

In the project  [‘Dutch multinational businesses in Africa’](#), the engagement of project researchers with local farmers and Dutch multinational organizations created new connections between different groups and stakeholders. This gave local medium-scale and smallholder sorghum farmers improved market access (especially through their connections with high-level market actors) and an improved place in the value chain.

The knowledge generated in the project  [‘Economic empowerment and sex work’](#), informed training practices for the economic empowerment of sex workers and changed the opening hours of local clinic to facilitate the use of health services by sex workers.

In the project  [‘Agricultural partnerships’](#) in Ghana, innovation platform researchers promoted the establishment of food processing facilities for the cassava value chain development.

## 4.6 Conclusions

Strategic actors are defined by INCLUDE as actors having: 1) formal decision-making power and, therefore, in a position to exercise leadership, and/or 2) the legitimacy and force to influence decision-making. Strategic actors can be studied from an institutional or agency perspective. While the former has gained more attention (e.g. through a focus on existing power-holding institutions and elite capture), the latter has been highlighted in the RIDSSA research projects. Four types of strategic actors are defined and assessed:

### Governments

- Governments are often assessed as a key and leading actor in inclusive processes. Yet, governments need to be seen in relation to their context, including horizontal and vertical policy linkages. Particularly in the context of decentralization, local and regional governments are often overlooked (as confirmed by RIDSSA research) in policy formulation. Similarly, transnational and Pan-African governments need to be considered.
- At various levels, there is a large gap between policy formulation and implementation. Adequate follow up from national to local level and between formulation and implementation is needed.

### Private sector

- The private sector is increasingly being recognized as the most important actor for promoting inclusive development, through its capacity to create economic opportunities. This increased recognition also encompasses an acknowledgement of the social responsibilities of the private sector. This does not however automatically translate to more inclusive development.
- Dismantling the concept of the private sector is essential for understanding its (potential) contribution to inclusive development. The size, origin and orientation of private sector organizations (profit vs. social) are only some of the dimensions that determine the nature of the business.
- Inclusive business means placing development at the core of the business model.
- While several businesses have formulated inclusive objectives, they are often reactive rather than promotive. The promotion of local entrepreneurship can potentially change this.
- Similarly, although partnerships are (being) created, there are often no 'real' partnerships, as they contain power imbalances and lack aligned goals and adequate capacity.

### **Non-governmental organizations**

- NGOs' core activities enable them to making processes and outcomes more inclusive. They can play several facilitative roles such as gatekeeper, broker and watchdog.
- Several trends have influenced the role of NGOs. For example, the changing donor landscape and shrinking civic space have led NGOs to focus more on service delivery and less on advocacy.

### **Academia**

- Academia can help us to understand the concept of inclusive development and identify what interventions work (or do not work) for inclusive development and why. The contribution of academics can help to provide context-specific solutions.
- Research is hindered by a lack of reliable data and a focus on short term outcomes that fail to include the distributional effects over time.

## 5. Conclusions and recommendations

### 5.1 Why inclusive development?

Inclusive development is achieved when improvements are realized in the **income and non-income dimensions** of development and **inequalities** in these dimensions fall. Recent developments in Africa (and globally) show the necessity of adopting this approach. Inequality is on the rise and the detrimental effect this has on economic growth and social and political stability are increasingly being recognized. To avoid such effects **inclusive development has become a must**.

INCLUDE identified six policy domains to reduce poverty and inequality:

- **Economic growth** with structural transformation of the economy
- **Productive employment**; i.e. more jobs with good working conditions, remuneration and stability.
- **Social protection** for resilience, poverty reduction and sustainable economic growth
- The provision of **basic services** (education, health, finance, infrastructure, housing, water, etc.)
- **Territorial development and spatial equity** (e.g. between rural and urban areas)
- **Quality and inclusive governance**, especially for poor minorities and other marginalized groups.

The 17 research projects in the RIDSSA programme and state of the art literature presented in this synthesis study provide a major knowledge base to underline the continued relevance of these domains. Significant strides have been made in recent years towards understanding their inherent complexity and interlinkages. For example, social protection is a key domain that, when properly integrated, can cost-effectively **increase the effect of other development interventions** such as employment programmes or increasing access to health services. We are also starting to understand the role of strategic actors in policy development and implementation, with studies increasingly looking beyond the **institutional perspective**, to the **agency perspective**, revealing the influence of politics on policy making and implementation. This increases our understanding beyond **what works** to **why things work** (or do not work).

The heterogeneity of development outcomes and key development actors as presented by the [RIDSSA](#) research groups point to the importance of using an inclusive development lens in policy making and implementation. Investing in the identified policy domains will not automatically make development more inclusive. Within these policy domains, existing inequalities and power structures may favour one group over the other, resulting in differential outcomes. Without additional interventions, ‘the extra mile’, straightforward investment in these sectors may in fact increase inequality rather than decrease it. The

following sections look at some key things to consider in applying an inclusive development lens before presenting some recommendations.

## 5.2 How to apply the inclusive development lens?

In order to move beyond pro-poor and/or pro-growth approaches, there are some key areas that should be considered in policies to engage in inclusive development. These areas are **equality and diversity** and **context**.

### 5.2.1 Equality and diversity

To promote more inclusive development, it is important that policy stakeholders take into account the **distributional consequences** of their policy choices and programme design. A target population is never homogeneous, some people or groups may benefit differently from an intervention based on individual characteristics like ethnic background, gender, or a lack of education, assets or other resources. This heterogeneity influences differentiated access to and use of new opportunities (including services and jobs f.e.) and may result in people making a deliberate choice to be excluded. These choices can be strategic, but can also be related to dynamics like a lack of trust or low self-esteem. This is where **integrated, multiple policies** can complement each other to not only create improvements in averages, but to also decrease inequalities. Sometimes, trade-offs need to be made in balancing improvements in averages, or decreasing inequality. **Evaluation mechanisms should, therefore, recognize the added value of reducing inequality.** Finally, it is important to recognize that inclusive development can mean different things in different contexts. For some, this can entail being more included in decision-making by the facilitation of inclusive processes, while for others, access to land and resources may be more important. **Inclusive development means recognizing and working with equality and diversity, and equality in diversity.** This means that when working in a policy domain, it is not just about investing more, but applying the inclusive development lens in ongoing and new policy frameworks.

### 5.2.2 Context

Related to this is the recognition that there is **no one-size-fits-all solution**. Change is increasingly being recognized as taking place in non-linear processes that are often guided by unpredictable events. The needs and wishes of populations differ according to the context. In addition, **integration with horizontal and vertical policy frameworks, right to the grass roots level**, is essential. This prevents policies existing in parallel, which increases the complexity of the policy environment, and can, instead, create synergy in the policy environment, strengthening the effect of individual interventions and creating effects that are greater than the sum of the parts. To be effective in a specific context, it is important to partner with local and/or



international partners. It is key to recognize here that **strategic actors can be best identified by combining an institutional and agency perspective. The specific context determines what (types of) actors are best to partner with.** Who the strategic actors are (and what specific populations want or need) may change over time, and are not always easily identifiable upfront. It is important to continuously evaluate which actors are strategic, who might become strategic, and whether needs or wishes have changed. Considering **time frames is also key to working in a specific context.**


### 5.3 Recommendations

Because inclusive development is a broad and encompassing framework, it requires a re-think (or at least a re-framing) of current models for development, implementation and evaluation. To support evidence-based policy making for inclusive development in Africa, we make a number of recommendations that untangle the concept and allow stakeholders to adopt an inclusive development lens in practice, for the development and implementation of new policies and the improvement of existing one.


Recognizing who are the key stakeholders in a **specific context** and to what extent they are **(potential) strategic actors** is important to engage in the most effective partnerships. Recognizing that **full equality in opportunities, capabilities and outcomes cannot be attained**, there are lenses that policy stakeholders can adopt to contribute to more inclusive development outcomes and processes. Below we explore some examples of how to do this in practice, supported by empirical findings generated by the RIDSSA research groups.


To make development more inclusive, **policymakers can:**


- ... **Consider the specific economic sector or geographical area for their programme or intervention**

 [‘Agricultural partnerships’](#) in Ghana documented how innovation platforms that focused on a low remunerative crop were able to increase the agricultural production of the poor and the organization and processing capacity of women, while investment in high value cash crops mostly benefited richer, autochthone farmers with cash-crop trees.


- ... **Take into account the needs and constraints of the more marginal groups in programme design and implementation and the information channels that are used to ‘include’ them**

 [‘The IT sector in Kenya’](#) found that young IT entrepreneurs from the slums can only participate in training programmes and develop a business plan that caters to their direct cash needs (i.e. food on the table), while IT entrepreneurs from a middle-class background can take more time to develop their business.


 [‘Empowering female Ugandan entrepreneurs’](#) found that basic literacy and numeracy courses for rural uneducated women increased their independence in operating a mobile phone for payments and information gathering. This ‘freed’ them from requiring services from intermediaries, either within or outside their household.

 [‘Social protection in Uganda’](#) found that despite increasing connectivity, not all women, youth and other marginalized groups have access to mobile connections. Face-to-face communication (with local government) or simple media, such as radio, can be an effective way of reaching people who are not digitally connected.


- **...Identify strategic actors who can (and want to) make a difference, while critically assessing the extent to which each actor represents marginalized groups.**

 [‘Agricultural partnerships’](#) found that farmer-based organizations in Ghana are not automatically gender and poor sensitive, as larger commercial farmers tend to take the lead in the organization. It is, therefore, essential that the diversity of positions, resources and interests are discussed and explicitly catered for at partnership and organization levels.

- **... Look for opportunities to increase the impact of an intervention within the scope of the project by combining and integrating interventions**

 [‘Feeder road development’](#) found that the impact of improved feeder roads on local economic development can be increased by integrating water harvesting methods and road-side tree planting opportunities to diversify economic activities. Economic activities can be further enhanced for a larger group of people when increased connectivity is combined with the availability of cheap modes of transport.

- **... Promote an inclusive development lens with local government representatives, business and NGOs**

 [‘Economic empowerment and sex work’](#) found that recognition of exclusion by stigma requires a trained cadre who can facilitate the inclusion of marginal groups and promote a mutually-beneficial collaboration that equally values diverse sets of knowledge and approaches.

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