

Policy question 34

How can cash transfers and additional programmes like agricultural interventions reinforce one another in their efforts to improve social protection?

Featured answer

INCLUDE Secretariat

2018-06-06

Leading up to the Social Protection conference hosted by the Economic Policy Research Centre (EPRC) and INCLUDE on 21 June, we would like to have your input on the potentially complementary nature of social protection programmes and other interventions (cash plus). The ILO recently published their results on the Local Economic Impacts and Cost-Benefit Ratios of Social Protection and Agricultural Interventions in Malawi, where the allocation of money for social protection is being debated regarding cash transfers and agricultural interventions. Another article by the International Food Policy Research Institute, discusses the complementary potential of cash transfers and community based health insurance programmes. We would like to invite you to join this debate by explaining your answer to this question.

Reactions (3)

Roeland Hemsteede - University of Dundee

2018-06-08

I think the study mentioned already gives quite some ideas on how these programmes can reinforce the impacts they seek to achieve (see also <https://www.youtube.com/watch?v=meduqMVPquc> for a more extensive discussion of this research).

What I believe however warrants specific attention - and which is ignored in the policy brief - are some of the constraints facing integration/complementarity of programmes in Malawi.

1) Social protection, and especially the Social Cash Transfer Programme (SCTP), in Malawi is extremely dependent on donor funding. This has a direct consequence for the ownership government has over these interventions - and crucially thereby the political support for them. When the politicians in Malawi do not feel they 'own' the programme then an evidence-based advocacy programme will have limited impacts on their willingness to provide funding for it from Malawi's own budget. This, in turn, means that the enduring success of such interventions will depend on the continued support of donors which is a risk for sustainability. Moreover, at community level one often finds resentment towards so-called "double dipping" whereby the same household benefits from multiple interventions. One has to recognize that poverty in Malawi is extremely widespread with some districts facing poverty levels of above 80% of the population. Meanwhile, the SCTP only targets the 10% of the people meaning many other people in that same community are left vulnerable. As a result, anecdotal evidence suggests, that inputs such as seeds or fertilizer are sometimes sold off to meet more immediate needs which can undermine the effectiveness of such agricultural interventions. This is not even considering the implementation problems and 'leakages' within the FISP programme that can have a detrimental effect on its (potential) impact. The widespread poverty also means that at a community level 'informal redistribution' can take place as a result of local power dynamics and perceptions of deservingness. A purely 'technocratic approach' to targeting beneficiaries - such as currently being rolled out through the Unified Beneficiary Registry might not fully capture such dynamics even when 'community validation' of beneficiaries takes place.

As such, I would argue, it is essential for any attempt which aims to have programmes reinforce and

complement each other to consider the political environment in which they are placed, both on a national AND on a local/community level.

2) Coordination. Malawi's new National Social Support Programme encompasses a wide range of stakeholders including government actors, civil society, and development partners/donors. And while there are several coordination mechanisms in place, in practice a silo'd approach continues to exist in some parts of the programme. Some donors will - for reasons that are understandable depending on your perspective and objective - prefer to focus narrowly on an intervention which they support while resisting changes to the wider social protection environment that might pose a risk to the success of their intervention. This means that efforts towards integration and complementarity of social protection - which by definition supersedes narrowly defined programmatic boundaries - will face coordination and, importantly, funding challenges. Here, and this may sound obvious but is in practice not always easy to achieve, it is crucial that the Malawian government shows strong leadership (and yes, that probably also means commitment of financial resources). An integrated/complimentary approach also requires that organizations (both within and outside government) are willing to 'take one for the team' and perhaps relinquish some of their own influence/visibility which can be a challenge when careers (and funding) depends on one's ability to demonstrate tangible results.

There is of course much more to say but I find it important to not only focus on the 'technical' side of building complimentary interventions because if the history of development has taught us one thing it is that technical or 'evidence based' interventions do not operate in a political vacuum. As such, explicit consideration of the political environment and the coordination challenges (which are in essence largely political in nature) is imperative.

Nicky Pouw - University of Amsterdam

2018-06-15

Current evidence from Ghana shows synergy effects between different social protection instruments are weak to negligible (see:

https://www.eadi.org/typo3/fileadmin/user_upload/SHPIG/SHPIG_Policy_Brief_No_2_July2017.pdf)

In order to create synergy effects Ministries need to move beyond 'silo-based' thinking and collaborate across departments and beneficiary groups. At the same time, the transaction costs of the poorest to access social protection need to be reduced (travel & waiting time, fees payment, social costs). Last but not least, evidence from Kenya shows that the interactions between traditional authorities and formal institutions on the ground need to be much better understood (see: <https://www.h-brs.de/en/izne/news/izne-working-paper-nr-18-2-and-18-3-published>). The two can compete or accommodate while pursuing divergent interests and negative impacts on the poor. The two can also substitute or complement each other by pursuing converging interests, with positive impacts on the poor. Through an inclusive development lens the multi-dimensional wellbeing impacts on households and communities can be clearly revealed (see: <https://pub.h-brs.de/frontdoor/index/index/docId/3662>)

James Fasakin - Department of Agricultural Economics, University of Ibadan, Nigeria

2018-09-05

This can be achieved if cash transfer is done through cooperative society. Rural farmers work together in a cooperative setting, with local opinion leaders. They are protected socially by the strength of social capital existing among them. Level of trust will definitely increase, since it has been tested and is verified to be a social tool.

Policy question 33

What does your organization do to promote equal economic opportunities for women and girls and what are key factors in, and examples of, achieving results?

Featured answer

INCLUDE Secretariat

2018-03-07

This question is launched on the occasion of International Women's Day 2018 and the online consultation by the Ministry of Foreign Affairs on the renewed policy on Foreign Trade and Development Cooperation.

Our QoW reflects an element of their consultation regarding the question: "Where in production, trade, and investments do you think lie opportunities to generate progress in societal challenges (such as better working conditions, higher wages and increased opportunities for women and youth) and/or environmental challenges (such as water, climate and biodiversity)?" This question is related to Sustainable Development Goals 5 and 8: 'Achieve gender equality and empower all women and girls' and 'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'.

We are interested in examples on what your organization does (or is planning on doing) to promote equal economic opportunities for women and girls, and what you have identified to be key factors in doing so. All contributions to our Policy question will be considered and used to provide an answer to the question raised in the online consultation by the Ministry of Foreign affairs, employing our role as a platform to inform policymakers.

To learn more about subjects related to women's empowerment, female entrepreneurship and challenges identified in African countries on this, we recommend you to read the following: Dossier on women and inclusive development and watch the video by the Economic Policy Research Center (EPRC) on 'Identifying challenges for Ugandan women in entrepreneurship'.

Reactions (3)

Uthara Narayanan - Buzz India

2018-03-20

We evoke the @SelfShakti (power within) in women to become problem solvers by making knowledge, skills, and tools available around leadership attributes, financial skills, and business acumen.

Adel Zolail - Water and Environment Center - FBLN - Yemen

2018-03-27

Dear Sir/Madam,

Thank you a lot to share me within your idea about the equal economic opportunities for women and girls.

In my opinion, I think the organization can do many things to achieve the economic equality for women and girls such as:

Making a study to analysis the problem reasons.

Raising awareness about the importance involving the women and girls (Gender) at various economic and opportunities

Increase capacity building programs for women and girls.

Support the programs which aim to improve relationship between the women, girls and men depend on respect and cooperation.

The key factors which play a role in involving the women and girls are:

The education level.

Customs and traditions

Availability of natural and economic resources

Appropriate conditions in the area

Economic and social situations for women and girls.

Best Regards

Adel

Donald Kasongi - Governance Links Tanzania

2018-03-28

In its classical sense , empowerment should be felt and demonstrated by those "empowered" and not those supporting or facilitating processes for which empowerment is an outcome. Economic empowerment of women and girls is rooted in the continuum from life skills to economic skills.

Being development facilitators , we have learned that the bottom line is to determine the strength of life skills which is the foundation for self-realisation and determination. This is done by conducting some rapid assessment and in some cases a full baseline study. However well established, life skills should be strengthened alongside other interventions. Once life skills support has been rolled out , planning for economic empowerment is gradually introduced. Economic empowerment begins by identifying existing as well as potential economic opportunities/resources on one side and the capability of women and girls to utilise such opportunities/resources on the other. The relationship between the two progressively guides our support for economic empowerment. Subsequent interventions are linked to sustaining the support through collaborations with public and non-state actors in the local context

Policy question 32

How do shrinking civic spaces affect the mission(s) of civil society organizations?

Featured answer

INCLUDE Secretariat

2018-02-19

INCLUDE launches this Policy question to facilitate a debate around the research programme 'New roles of CSOs for inclusive development'.

The Dutch Ministry of Foreign Affairs, NWO-WOTRO Science for Global development, and INCLUDE have joined forces for six research groups to investigate *if* and *how* the assumptions underlying the framework 'Dialogue & Dissent' play out in the power and stakeholder context in which civil society organizations operate. The Dutch Ministry of Foreign Affairs will use the knowledge generated as input for the design of the next civil society policy framework from 2019 onwards.

We invite you to contribute to this question. To get started, here are some related articles from INCLUDE's Knowledge Base:

- <https://includeplatform.net/knowledge-portal/ngos-states-donors-revisited-still-close-comfort/>
- <https://includeplatform.net/knowledge-portal/shrinking-space-framing-paper/>
- <https://includeplatform.net/knowledge-portal/surveillance-state-control-ethiopia-civil-society-assault-repression-responses-russia-egypt-ethiopia/>

Reactions (4)

Yannicke Goris – The Broker

2018-02-22

To begin formulating an answer as to how shrinking civic space affects civil society organisations (CSOs), it is important to unpack this notion of shrinking civic space. A multitude of dynamics and actors are at play that influence the openness of civic space and may pose a threat to the room available to civil society. Such dynamics include, but are not limited to 1) structural barriers, like globalization and financialisation; and 2) practical measures and mechanisms, such as (counter)terrorism, legal and financial barriers, censorship and fake news, and bureaucracy and corruption. [For more on these measures see for instance: Tayler, L. (2017). Overreach. How new global counterterrorism measure jeopardize rights]

While a broad understanding of shrinking civic space can lead to a variety of answers, by focusing on particular aspects/dynamics that cause this 'shrink', it becomes easier to determine how these might affect a CSO's actions, decisions and mission. To clarify my argument, but without addressing all different dynamics, I will zoom in on one example: the effect of financial barriers.

Because CSOs are often dependent on external funding for their continued survival, measures that restrict access to resources are particularly effective tools for actors seeking to put a stop to their activities. Some governments have, for instance, used the guidelines of the Financial Action Task Force (FATF) as justification to implement legislation that makes it practically impossible to transfer resources to CSO operating in conflict areas. Faced with such obstacles, CSOs are forced to look for other sources of funding, or other methods of procuring the funding from existing donors. This may require re-location, innovative use of new technologies (including cryptocurrency), adopting more illicit ways of transferring money, or, in some cases, ceasing activities completely. Focusing on the mission of CSOs – understood here as their goals and approaches – financial barriers can

result in a re-directing thereof. This redirecting may take the form of (for lack of a better word) 'self-censorship' - that is, organisations adjust their goals and approaches to ensure they do not fall victim to governmental 'bullying'. Conversely, organisations may redirect their actions to address the unjustifiable measures taken by their governments and become more reactionary than they were before. [For more on how funders and CSOs can work together to contest the closing space for civil society see: ARIADNE Network. (2015). Challenging the closing space for civil society]

As said, this description of one particular barrier and possible effects and responses is but one example of the way in which shrinking civic space can affect CSOs. For a more detailed discussion of dynamics that cause a shrinking civic space, I can highly recommend the annual State of Civil Society Report by CIVICUS. When taking a close look at ways in which CSOs respond to the many obstacles that are put in its way, one cannot help but be impressed by their creativity and resilience. For inspirational responses of civil society across the globe, please take a look at our publication *Activism, artivism and beyond*.

Joyce Hamilton - COC Nederland

2018-02-23

LGBTI organisations are often disproportionately affected by measures of governments that try to limit space for civil society. In many countries they already operate in a context where same sex conduct is criminalized, other laws used against LGBTI people such as on cross-dressing, public disorder, vagabonding or debauchery, and there is no access to justice or legal protection. This makes LGBTI organisations or their work illegal or close to impossible to register. Human rights defenders are in constant danger of harassment, extortion or intimidation by the police. Organisations are often having to rely on international funding and support for their very existence.

Scapegoating and targeting of LGBTI people and other marginalized groups (eg. ethnic or religious minorities) to set an example for any voices of discontent and organisations working contrary to the political or societal status quo, eg. Egypt, Indonesia. This is often linked to trying to divert attention from failing government (eg. corruption, economic malperformance, scandals) and to create an external enemy that brings people together again and / or linking to moral issues (eg. 'moral decay', traditional values, Western influence, unjust international inequality between states, national sovereignty).

Concrete examples of how LGBTI organisations are affected:

- Threats of or actual steps towards recriminalisation of same sex consensual sex / relationships, eg. anti-propaganda legislation, proposals for increased punishment, such as in Uganda, Lithuania, Indonesia and Kyrgyzstan.
- Legislation on NGO registration, receiving funding from abroad, limiting travel, eg. Hungary, Ethiopia, India and Uzbekistan.
- Police raids of workshops, offices or meetings eg. on HIV prevention, strategic litigation meeting in Tanzania. Intimidation, torture, maltreatment and violent attacks, eg. forced anal examinations, listings of LGBT people, such as in Chechnya, Azerbaijan, Indonesia and Tajikistan.
- Digital surveillance or attempts to control social media and digital communication (e.g. set up own version of Facebook, closed internet) by governments have a significant impact on LGBTI communities and organisations limiting their scope of work and outreach, as they heavily rely on internet as an extremely important alternative to dangerous face2face meetings. In some countries police, security services or vigilante groups infiltrate gay dating apps for entrapment, arrests or extortion.

COC provides programmatic support to LGBTI organisations in 32 countries in different regions and supports LGBTI organisations from many other countries to use international and regional human rights mechanisms to have their voice heard and hold their governments to the international legal obligations they have signed on to. Capacity building and support are focused on movement building and strengthening national lobby and advocacy of LGBTI organisations. These are mid- and long-term investments to create change for LGBTI people, tackle discriminatory laws, policies

and practices, as well as contribute to an enabling environment in close coalition with other human rights and social justice movements.

Barbara Oosters - Oxfam Novib

2018-02-26

Oxfam experiences shrinking civic space daily in our work on land rights, gender justice, youth as active citizens, and economic inequality. Staff from partner organizations are arrested and sentenced because of their courage to defend, for example, the land rights of poor farmers in Cambodia. We have seen activists – often partners or allies – in countries such as Honduras, Cambodia, Bangladesh, and Mozambique – assassinated for the views they espouse and the principles they stand for. Laws and other legal documents have been adopted in Egypt, South Sudan and other countries that severely restrict Oxfam's and our partners' space to operate. We have become unable to transfer funds to local partner organizations, especially to the most outspoken and transformative ones, and have seen their staff having their personal financial assets frozen. We have experienced being questioned by police about who we and our partners speak to, and about what – just to remind us we are being watched. We have witnessed anonymous phone calls threatening life and family in response to uncovering sexual violence. To continue speaking out in such circumstances requires huge courage and support. But it takes a toll – as it creates an atmosphere of fear, it can lead to self-censorship, meaning we are less outspoken than we would like to be.

As a response Oxfam created in 2017 a coherent framework for enhancing deliberate and effective actions to protect, strengthen, and/or adapt to changes in civic space across programs and campaigns; while building on and strengthening initiatives around civic space that are already taking place. It was drafted by a Working Group of Oxfam affiliates and country teams, responding to many countries requesting greater clarity and exchange on how shrinking and shifting civic space affects our work and how we can respond to this trend; either with dedicated, stand-alone strategies or as part of our ongoing work. While civic space plays out differently in different political and social contexts, we have identified key changes that cut across many countries.

These changes are:

(1) Oxfam will influence attitudes to civic space and civil society everywhere we work.

We think it is of utmost importance that citizens and government officials recognize the value of civic space and the important role of civil society. That said, it is not just about 'civil society'. Civic space is for every citizen who wants to speak out – and therefore it is crucial that not only organized civil society stands up to defend that space.

(2) We will contribute to civil society remaining influential, even in contexts where civic space appears to be shrinking.

This includes being more accountable to local constituencies, connecting with citizens, having better risk management and protection strategies in place, and developing proactive strategies to strengthen or protect civic space in broad-based coalitions that go beyond divides of human rights and development organizations, involve social movements and informal citizen groups and reach out to citizen activists.

(3) We will build political support for improved legal frameworks for civic activism.

More open laws and policies form a key part of the enabling environment for civic action. Reforming laws, or opposing efforts to tighten existing laws, requires strategic coalition-building with allies inside government, the media, private sector, international donors and others. In our experience, legal and political advocacy on civic space uses the full continuum of internal and external influencing approaches.

(4) We will urge a critical number of regional and global actors and institutions from the Global North and South to actively uphold global norms on civic space.

We will make the case in international fora and platforms that civic space is an indispensable

condition for achieving the SDGs, overcoming extreme inequality and building more peaceful societies. We will work to increase transparency and strengthen monitoring of how governments, donors, and other key actors are keeping their commitments, to strengthen accountability for norms of civic space that actors have signed up to.

In the coming years Oxfam will focus on implementing this strategy by taking action on three collective priorities: country-level strategies; global voice and thought leadership; and adapting Oxfam's own internal systems and standards.

In April 2018 Oxfam will publish an external policy paper on civic space.

See also:

<http://oxfamblogs.org/fp2p/what-is-really-going-on-within-shrinking-civil-society-space-and-how-should-international-actors-respond/>>Green, D. (2017). What is really going on within 'shrinking civil society space' and how should international actors respond?. From Poverty to Power blog.
Mehta, A. (2016). Dissent, exclusion and action. In: Civicus (2016). State of Civil Society Report 2016, pp.128- 134. Retrieved

www.civicus.org/documents/reports-and-publications/SOCS/2016/Dissent,%20exclusion%20and%20action%20.pdf

Ferreira, C. (2016). The Risks of Defending Human Rights: The rising tide of attacks against human rights activists in Latin America. Oxfam.

www.oxfam.org/sites/www.oxfam.org/files/bn-el-riesgo-de-defender-251016-en.pdf

Jur Schuurman - unattached

2018-02-26

With regard to both the formulation of the policy question and the contents of the recommended reading, what is absolutely amazing is the total absence of even an attempt to define civic space and to measure whether it is actually shrinking. This should have been the first step of all: providing a definition of civic space and some facts about its alleged reduction in size.

My amazement is all the stronger considering that such a definition and its operationalisation exist. CIVICUS (also mentioned by Yannique Goris, above) has developed a methodology called the Monitor ('Tracking civic space' -!), and publishes findings by country over time. Contrary to the authors of, for instance, the 'framing paper', CIVICUS has elaborated clear criteria that enable defining each country's civic space as belonging to one of five categories, from 'open' to 'closed'. But strangely enough, CIVICUS' wealth of material is completely ignored in INCLUDE's presentation of the topic and in the recommended papers. I can only wonder why.

In sum, a missed opportunity to INCLUDE the basic and most telling facts in the debate. Now it's all opinions. Nothing wrong with them, but without the pertinent facts they do not lead us anywhere.

Policy question 31

How can European policies for youth employment in Africa be better aligned with irregular migration policies?

Featured answer

INCLUDE Secretariat

2017-06-19

At the INCLUDE conference 'Boosting youth employment in Africa – what works and why?', it was concluded that the mainstreaming of youth employment within existing development policies and effective coordination at the national level are important ingredients for the success of youth employment policies. At the same time, the urgency of the issue is stressed in relation to large irregular migration flows from Africa to Europe. With many casualties along the routes, irregular migration is an issue of high importance to European policymakers as well. This policy question explores how the two types of policies can benefit from each other, and if they can be aligned to achieve parallel objectives.

Reactions (3)

Paschal Mihyo - African Institute for Development Initiatives , Dar Es Salaam, Tanzania

2017-07-13

The urge to leave the continent in search of jobs and other opportunities is more pronounced in least developed countries on the continent. Even though in some middle income countries such as Namibia youth unemployment rates are high the push factors for migration are lower. The best contribution from the EU to stem the tide of irregular migration would be to support economic transformation through dynamic investment in productive industries, offering better prices for commodities and going for value addition. This requires joint investment in skill formation and increased presence of European higher education institutions in Africa instead of providing scholarships to students to study abroad. The development of technological capability through better terms for technology licensing coupled with commitment on the part of governments in the region to protect intellectual property would help to increase production and economic growth, provide jobs to the youth and give them incentives to stay and work at home.

Hector Niehues-Jeuffroy - GIZ

2017-10-29

If European youth employment policies in Africa are indeed to contribute to a reduction of irregular migration, they need to create employment in those sectors and for those strata of African societies that are most prone to irregular migration. Contrary to conventional wisdom, these aren't the poorest of the poor, as these typically lack the resources required to migrate to Europe. Instead, youth employment policies should focus on a mix of

private sector development initiatives (including entrepreneurship education, microfinance, and technology transfers - e.g. via North-South joint ventures),
enhanced labour market intermediation (e.g. reliable regional employment dialogues, placement services, and evidence-based labour market policies),
improvements of the education system (e.g. making it more demand-oriented), and
avenues for regular *temporary* migration to Europe for overskilled individuals from Africa (preferably linked to a development tax scheme with deductibles for remittances).

Dr.Emmanuel T. ZAGBLA - African Institute For Strategies Studies (AFISS)

2017-11-23

The main problem in Africa is Democracy. But I would like to ask another question: Is the EU really willing Democracy in Africa? This question is fundamental to resolve the ongoing problem of Mass

migration in Africa. "Democracy " is something we need to understand, even though it's not easy. The kind of Democracy depends on the country we are taking in consideration. So, let's take two countries: Benin and France: are we going to consider the same kind of Democracy in two different countries? France is an industrialized country while Benin is an Agricultural one. So the kind of Democracy will depend on the need of each country. We can use the same context in Eu- Africa's relations. Are African countries able to do whatever they want for their own Development in order to create Jobs for youth? If so, the Eu must help to enforce Democracy in Africa. We know that Eu-Africa's relations are very complex and we can't debate on this here. There is another simply way for Eu and Africa to undertake.

Since there are so many European Companies working in Africa, it's important to create an Organic link between Co-operation to Development and Immigration administration. In other words, European Companies in Africa must give opportunities to African migrants (regular or not) to work in these companies. That could be also a solution to stop mass migration.

Policy question 30

What are promising examples of cash transfer programmes that improve employment opportunities for youth?

Featured answer

INCLUDE Secretariat

2017-05-29

In its Policy question series in preparation for the 30 May conference 'Boosting Youth Employment in Africa – What Works and Why?', INCLUDE has facilitated the debate around several policy suggestions for promoting youth employment. In its synthesis report drafted for this conference, it is argued that (conditional and unconditional) cash transfer programmes can benefit employment opportunities directly and indirectly. Hence, the final Policy question in this series focuses on the benefits of cash transfers, and asks what promising examples of such programmes exist.

Reactions (2)

Shafii Mohamud Egal - Master program Student of Ethiopian Civil Service University

2017-06-07

Remittance create huge jobs for youth special those who less level of their education, including Tailor, cash Counter, Cash sender, Cash receiver managing, wash mans, cash transfer, communication center Etc.

Donald Kasongi - Governance Links Tanzania

2017-06-14

The rationale for cash transfer was to address vulnerability, based on the thinking that conditional cash transfer will justify focusing ,targeting and providing means for learning on what works .In practice , a wide range of narratives have emerged about what and how cash transfer can be a vehicle for broader poverty reduction. Pressure has been mounting on policy makers and cash transfer practitioners to prove that it can be broadly used to drive pathways for poverty reduction. However, the emerging evidence is problematic, mainly because of (1) lack of clarity on the cash transfer scale between conditional and non-conditional cash transfers -we seem to bundle all the cash transfers into one basket ignoring the differences (2) The varying objectives of the typologies of cash transfer (3) diversity of context makes it difficult to inform generalisability.

In my view , we at a point of learning of how cash transfer relieves groups in vulnerability .It might be too dangerous to assume that investment into cash transfer can have readily have spill-over effects benefiting the youth. We should take time to rigorously understand how cash transfer can have knock on effect beyond the vulnerability cycle. We have learnt too many mistakes of prescribing an approach before deep diving to understand how it works.

Policy question 29

What are promising examples of programmes that enhance productive jobs for youth in conflict sensitive regions?

Featured answer

INCLUDE Secretariat

2017-05-08

In preparation for its conference 'Boosting youth employment in Africa – What works and why?', INCLUDE facilitates several discussions on how to promote jobs for youth through its Policy question. As some have outlined, employment creation in fragile or conflict sensitive regions provides many challenges, particularly in terms of sustaining job opportunities in the long term. What are these challenges, and which programmes exist that have succeeded in facing them? [A list of related INCLUDE publications and resources will become available soon]

Reactions (3)

NSENGIYUMVA DESIRE - ASSOCIATION POUR LA REINTEGRATION ET L'ENCADREMENT DES JEUNES RAPATRIES AREJR BURUNDI

2017-05-12

Is a big challenge in my country Burundi. I think that the big problem is that the Burundian youth doesn't have a good vision and opportunities to learn how they can make their own business (creativity)

Program : It is better to elaborate a program for to build the youth capacity on Entrepreneurship and to learn them how they can How to mobilize funds for their own projects.

We have the experts and private society for help them but right now the youth doesn't have money for payment to consultant.

Laura Ralston - World Bank

2017-05-15

We review the evidence on what interventions work at raising the incomes of poor living in fragile states, and whether stimulating employment promotes social stability. We find that skills training and microfinance have shown little impact on poverty or stability, especially relative to program cost. In contrast, injections of capital cash, capital goods, or livestock seem to stimulate self-employment and raise long term earning potential, often when partnered with low-cost complementary interventions. If targeted to the highest risk men, we should expect such programs to reduce crime and other materially-motivated violence modestly. Policymakers, however, should not expect dramatic effects of employment on crime and violence, in part because some forms of violence do not respond to incomes or employment. Our analysis also finds that more investigation is needed in several areas. First, are skills training and other interventions cost-effective complements to capital injections? Second, what non-employment strategies reduce crime and violence among the highest risk men, and are they complementary to employment programs? Third, policymakers can reduce the high failure rate of employment programs by using small-scale pilots before launching large programs; investing in labor market panel data; and investing in multi-country studies to test and fine tune the most promising interventions.

Gabriele Simeone - The ONE Campaign

2017-06-19

Hi Laura – I am Gabriele from the ONE Campaign, I am Policy Manager for Inclusive Growth. I read the paper you linked and I'd like to discuss with you how we can transform it into concrete policy asks for the G20 governments. Would you like to contact me?

gabriele.simeone@one.org

Best, Gabriele

Policy question 28

What are some promising examples of youth employment programmes that effectively deal with the specific constraints on private sector involvement, such as lack of financial incentives for companies?

Featured answer

INCLUDE Secretariat

2017-04-18

In INCLUDE's one pager 'What works to engage the private sector in youth employment?', several constraints have been outlined regarding the engagement of private sector actors in youth employment programmes. Some of the recommendations to overcome these are:

Making programmes more demand-driven, through timely engagement of companies in its design.

Adequate planning and comprehensive strategies for public-private partnerships are essential.

Setting up training consortia to create trust and commitment among private sector partners.

This Policy question serves to identify how youth employment programmes in Sub-Saharan Africa attempt to overcome the identified constraints and which challenges remain.

Related INCLUDE publications and knowledge base items:

The INCLUDE one pager 'Focus areas for private sector engagement in promoting youth employment'.

The INCLUDE one pager 'What works to engage the private sector in youth employment?'.

'The Private Sector and Youth Skills and Employment Programmes' by Glick, Huang & Mejia.

Reactions (1)

NSENGIYUMVA DESIRE - ASSOCIATION POUR LA REINTEGRATION ET L'ENCADREMENT DES JEUNES RAPATRIES AREJR BURUNDI

2017-05-12

A joint program of youth mobilization and training of young people on entrepreneurship between the public and private sector could contribute to the reduction of young unemployed. Young people must learn how to exploit their opportunities without waiting for work but by creating their own businesses

Policy question 27

In African cities, are urbanization and a growing middle class creating sufficient demand to enhance productivity through agribusinesses and, if so, what are promising examples of such agribusinesses?

Featured answer

INCLUDE Secretariat

2017-04-04

The emerging middle class and urbanization provide reason to think the demand for agricultural products in cities is rising. On the other hand, higher-educated youth are often limited in finding quality employment in cities. As part of Africa's agricultural transformation, agribusinesses are often proposed as a promising future for youth. Yet, it is important to first identify if the demand for products of such businesses exists and which constraints hinder the emergence of new agribusinesses. This policy question attempts to do so, while also collecting promising examples of young agripreneurs.

Some related INCLUDE publications or resources in INCLUDE's knowledge base:

Report of the INCLUDE-AfDB panel 'Jobs for women and young people: the transformative potential of agribusiness'.

INCLUDE one pager: 'Agricultural transformation and agribusiness in Africa: how can jobs for women and youth be created?'.

Report by Nteranya Sanginga (IITA): 'Youth in agribusiness within an African agricultural transformation agenda'.

Reactions (3)

Jur Schuurman

2017-04-05

Many sources coincide in stating that demand for food will increase substantially, for the simple reason that population growth (and urbanisation) will be so massive that, even if quality employment is not created at the same pace, we are speaking of so many (more) people that there are no two ways about it, and that more food, also processed, is needed. A 2015 report by the Joint Research Centre of the European Commission quotes a number of authoritative sources (FAO, OECD) and summarises one of the major expected (and needed) shifts in food security policy as follows:

"Current food security policies that focus on targeting those pockets of food insecurity, where hunger and malnourishment persist, will need to be revised. While such policies are certainly worthwhile and commendable, they somehow tend to miss the bigger picture – namely, that food security will increasingly be considered as securing food supply in response to a new and emerging demand." (p. 4)

Regarding new agribusiness, the most inclusive option is for this to be set up by farmers' organisations: it will be located near the actual agricultural production, it increases control of farmers over other (higher) links in the value chain, thus diminishing rural-urban inequality, and it creates employment for those farmers that cannot make a living with their too small plots, without them having to migrate to far-away big cities. This point is elaborated here.

NSENGIYUMVA DESIRE - ASSOCIATION POUR LA REINTEGRATION ET L'ENCADREMENT DES JEUNES RAPATRIES AREJR BURUNDI

2017-05-12

Most African countries depend on agriculture, and young people must start farming to set up their own projects. The development of modern agricultural methods the transformation and conservation

of agricultural products is an approach in response to the reduction of the rate of young unemployed.

Lisa Freiburg

2017-05-23

The growing middle-class creates opportunities for agribusinesses to innovate their products. With more money in their pockets, the expectations of what products look like and taste like are becoming higher; more people are happy to pay for better quality products. In Ghana, you see a growing demand for organic products because it is also considered more attractive among the wealthier communities. Many people are okay with paying a higher price and there's a desire to associate oneself with attractive brands and pretty packaging. All this creates opportunities for young people to venture into food processing businesses. It does not necessarily require a lot of start-up capital as much of it can be done from the home; e.g. making juice; fruit salads; pickles etc.; making it even more attractive to young people, as farming is a far more intensive activity.

Some of the hindrances are the strict rules and regulations on food safety, making it difficult for such businesses to grow out of the informal sector.

Policy question 26

How, and in which sectors, can formal wage employment for higher-educated youth in urban areas be promoted — and what are some promising examples?

Featured answer

INCLUDE Secretariat

2017-03-20

In addressing the youth unemployment in Sub Saharan Africa, INCLUDE distinguishes between several types of youth (and the separate sets of issues relating to their unemployment) in its Policy question-series. The first concern for higher-educated youth in urban areas is the skills mismatch: although this group has benefited from primary, secondary and sometimes tertiary education, their skills do not always match with demands of employers in formal sectors. Therefore, currently many youth seek refuge in the informal sector under fragile and uncertain circumstances. The question is: how can formal wage employment for this group be promoted and what are promising examples for policymakers to learn from?

Some related INCLUDE publications or resources in INCLUDE's knowledge base:

'Meeting the youth employment challenge in Africa: six myths'

'Agriculture in Africa: telling myths from facts: a synthesis'

'Understanding youth: Towards a psychology of youth poverty and development in Sub-Saharan African cities'

Policy question 25

How can a universal basic income contribute to poverty alleviation and other elements of inclusive development in Africa and what are its limitations?

Featured answer

INCLUDE Secretariat

2017-03-07

Recently, the discussion on introduction of a universal basic income (UBI) by national governments to reduce poverty have heated up. While experiments on UBI's are ongoing in Western countries, the discussion on its introduction in emerging economies has started to rise (for example: see [here](#)). What does this mean for Africa and its inclusive development? Can UBI be a successful tool for poverty alleviation and leaving no one behind? Or do the high costs for governments leave a burden too high for African countries, particularly given the differences in institutional capacities? And what exactly is the complete range of advantages and disadvantages of this basic income? Answer these questions through INCLUDE's policy question.

Some related publications:

'Social protection as a global challenge'

'Getting basic income right'

'The largest basic income experiment in history is coming to Kenya'

Reactions (3)

Shanta Devarajan - Chief Economist, Middle East and North Africa Region - World Bank

2017-03-09

From Mongolia to Finland to India, we are seeing heightened interest in the idea of a universal basic income (UBI)—an unconditional cash grant given to every citizen, regardless of their employment status or wealth. The idea is controversial, receiving criticism from many quarters including Future Development. I happen to be an advocate. To sharpen the debate, it's useful to distinguish three separate arguments for UBI.

1. Efficient use of natural-resource rents. Most of the oil-rich countries in sub-Saharan Africa suffer from poor public-spending outcomes. Gabon and Equatorial Guinea, with per capita incomes of \$10,000 and \$20,000, have some of the lowest child immunization rates in Africa. The leakage rate for non-salary public spending in health in Chad is 99 percent. One reason is that oil revenues go directly to the government without passing through the hands of the citizens. As a result, citizens may not know the magnitude of oil revenues. Furthermore, they may not have an incentive to scrutinize how the government spends the money since they don't think of it as "their money" (even though it is).

If instead the oil revenues are transferred directly to citizens, with government having to tax them to finance public spending, at least two changes happen. First, citizens will now know the magnitude of oil revenues. Second, they have a greater incentive to monitor how their tax money is being spent. Even without these changes, a simple transfer of 10 percent of oil revenues could effectively eliminate poverty in several oil-exporting countries.

For the high-income countries of the Middle East such as Saudi Arabia and Kuwait, the argument is slightly different. They are currently transferring oil revenues through subsidies and public-sector employment (about 95 percent of the male labor force in Kuwait works in the public sector). This has to be one of the most inefficient ways of transferring oil revenues. The subsidies, especially energy subsidies, distort incentives and corrode the economy. The large public sector means that most of the labor force is engaged in low-productivity work. A program that reduces or eliminates

subsidies, cuts public sector employment, and distributes oil revenues as cash transfers—something Saudi Arabia is planning to do—would enhance efficiency while still sharing oil revenues with the population.

2. Improving the welfare of the poor. Countries like India have a host of subsidies and transfer schemes aimed at helping poor people. Many of these programs fail to reach the poor. The leakage rate of India's Public Distribution System has been estimated at 40 percent. Replacing these inefficient subsidies with cash transfers would ensure at the very least that the poor are getting the intended monetary benefit. But it could also be empowering. Subsidizing food or fuel or water implies that the poor have to consume these commodities, even if the quality is very low, to receive the benefit. By contrast, a cash transfer means that the poor person can choose how to spend the money. If the quality is poor, they have alternatives. There is also the question of whether the transfer should be universal or targeted to the poor. While targeting is preferable in principle, in practice there are so many problems in identifying the poor that a universal scheme may do just as well. Finally, thanks to technology, these cash transfers can be implemented at low cost. India's Aadhaar program, which issues universal ID cards that also serve as cash cards, covers a billion people, including 93 percent of the adult population.

3. Adjusting to labor-saving technologies. Advances in artificial intelligence, robotics, and other technologies have called into question the future of work. The dilemma is that with these technologies productivity will increase but many people will lose their jobs (self-driving trucks are an example). Managing this transition is difficult from an economic, political, and moral viewpoint. A system where part of the increase in productivity is taxed, and then distributed as cash transfers to all citizens, whether they are working or not, could help resolve some of the tension. The programs being piloted or proposed in Finland, Switzerland, and New Zealand are essentially aimed in this direction. They challenge the basic notion that you earn your income by working in a job. While this notion has been around at least since the Industrial Revolution, perhaps it needs to be revisited in light of rapid changes in technology. We could envision a society where productivity is high enough that everyone receives a basic minimum income, and people choose to work on whatever they're good at (including not working at all).

When three, separate arguments lead to the same conclusion, perhaps universal basic income is an idea whose time has come.

This reply has been published as a blog post on the website of Brookings earlier.

Keisha

2017-03-14

A provocative insight! Just what we need!

Hector Niehues-Jeuffroy - Erasmus University Rotterdam

2017-03-16

How would the cash transfer be realized if natural resource revenues are to be transferred directly to the citizens instead of being collected by the state? Would companies even be able to perform such a role and would they want to, considering that it entails a lot of administrative work? Could there be a role for development agencies here in the form of "neutral intermediaries"? Could the first change that you anticipate not be achieved more easily, e.g. by requiring the government to regularly publish information on natural resource revenues and their planned allocation in (national and regional) newspapers? The answers to these questions don't seem obvious to me.

Policy question 24

How do political economy factors explain differences in the integration of social protection programmes in national social and development policies in African countries?

Featured answer

INCLUDE Secretariat

2017-02-20

Social protection programmes are on the rise in Sub Saharan Africa. Yet, to what extent these programmes are integrated in nationally coordinated policies differs per country. Some countries, such as Ghana, Kenya and Zambia have more advanced coordination, proper integration into legislation and wide coverage amongst the country populations. Others have smaller programmes, which are often more donor-driven.

There is increasing attention for the 'politics of social protection'. This policy question serves to identify which political economy factors come into play when attempting to integrate social protection into national policies.

Some related INCLUDE publications or resources in INCLUDE's knowledge base:

'From Evidence to Action': expert opinion by Benjamin Davis.

'Gender and Social Protection': article by Thakur, Arnold and Johnson.

'Leaving no one behind through social protection': INCLUDE seminar report.

Reactions (8)

Mayke Huijbregts - UNICEF

2017-02-22

Provision of Social protection to the poorest and most marginalized members of the population, is a rights based obligation by the State and this obligation often derives from the Constitution and has a basis in international conventions. So for States to commit to establish and finance these programmes, a few pertinent questions need to be answered for them to make such decisions:

- 1) Affordability
- 2) Sustainability
- 3) Scalability
- 4) Dependency

ad 1) For governments to decide to engage, set up and roll out social protection programmes, the first question will be raised by Members of Parliament and the Ministers of Finance. Many SP programmes have proven to be affordable as it is a matter of prioritization by governments on government's expenditure. The poor without an ability to work, such as elderly, children, persons with disabilities, are by nature dependent. It is better for the State to provide for them than that communities carry the brunt to help their neighbours as such support is haphazard, ad hoc and fragmented to prevent the poorest to bring down the economic growth.

ad 2) for Governments to take such decision, they need to make these for a long period of time as social protection programmes need to be developed, rolled out at scale and be embedded in a government budget for a long period of time as their social welfare state obligations. Social protection programmes need to be long term, reliable, predictable and permanent.

ad 3) Governments whilst engaging in social protection programming should aim to reach all eligible

households that are in need of such support to avoid creating inequalities across geographical areas or vulnerable populations. Hence it is important that models are well thought through and designed with the commitment for scale.

Ad 4) Creating 'dependency' is often used as an excuse for governments not to get engaged in social protection as provision of social grants would create so-called 'dependency'. As mentioned before, ultra-poor and labour constrained households are by nature dependent. If not provided for they get at risk of risky behaviours to get an income, such as begging, exploiting children to gather an income, etc. hence better for States to take their responsibility and treat the poor with dignity and provide for them so the poor can take informed decisions on their own interest and needs and use the money in their best interest and for the children in their care. hence instead of creating dependency, it is a cash injection in the economy and an investment in the dignity of the poor to take care of themselves.

Documents from EPRI and ILO can back up the above arguments.

Karen Bett - Development Initiatives

2017-03-07

You make valid points Mayke. I would like to react to point #3 and #4.

On identification of beneficiaries. Data is now a political factor. Is the data timely, accurate, usable and available? If data is not meeting any of these characteristics, often it is not used to identify the beneficiaries with the most need for the SP investments to be targeted towards them nor does it inform decision making. Again, regular collection of data enables monitoring of beneficiaries to ensure those who graduate out of poverty make 'space' for the needy ones to benefit from SP. As far as I know, data in most African countries do not meet the above characteristics, hence at times it is difficult to measure progress or for data to inform decision making. So if data is not in the picture, what other political factors are promoting uptake of SP?

On creating dependency. You mention a good point- which I have not read from other contributors-you touch on the beneficiaries. Political economy would apply the laws of supply and demand. Government and donors on the supply side and beneficiaries on the demand side. How do we reduce 'dependencies' from the demand side? I think one way is to put these people at the center of interventions. Is cash the best modality? what else do people need? If cash, is it documented what people actually do with the cash in order to improve service delivery? what else needs to be done? I ask so many questions- but in summary I am talking about feedback from beneficiaries as a key evidence source.

Kate Pruce - The University of Manchester

2017-02-24

In Zambia, social cash transfers (SCTs) have made the transition from being a highly donor-driven initiative to being a predominantly government funded and implemented programme. In 2013 a 700% increase in the government budget for SCTs reversed the balance with donor funding, so the government are now contributing over 80% of the total budget. This scale up has continued and the plan is to reach nationwide coverage by the end of 2017, suggesting that the scheme has reached a point of 'political irreversibility'.

In my recent working paper co-authored with Prof Sam Hickey (available at UNU-WIDER and Effective States and Inclusive Development), we argue that this shift was due to a combination of factors. Efforts by a policy coalition of donors, government officials and civil society actors to build an evidence base for SCTs form a key aspect of the politically-informed strategy adopted for promoting social protection in Zambia. However, progress remained limited until there was a shift in political settlement dynamics which led social protection to become more aligned with the interests and ideas of a new ruling coalition.

Following a scandal in 2013 concerning overspend on agricultural subsidies, then-President Michael Sata redirected funds to SCTs. This was made possible because the SCT programme had been framed as a more effective and pro-poor alternative to the subsidies. The scheme had already been accepted by the Ministry of Finance as a credible means of reaching the poor, and a degree of capacity existed within government to deliver. This suggests that technical evidence can play a role, but is not the only factor in determining whether social protection is adopted by a government.

This Zambia paper is part of a wider project being conducted by the Effective States and Inclusive Development research centre (ESID) comparing the politics of social protection in five African countries: Ethiopia, Rwanda, Kenya, Uganda and Zambia. Papers by Tom Lavers and Benjamin Chemouni on Ethiopia and Rwanda argue that in both these countries social protection is driven by a particular developmental vision and is also needed to build legitimacy of the dominant coalition governments. In the other case studies however, social protection initiatives have been donor-led, often trying to overcome resistance from a ruling coalition with short term political interests based on maintaining a competitive settlement. In these countries, the formation of a transnationalised policy coalition in favour of social protection has been a critical aspect of the story.

To read more about ESID's project on the politics of social protection visit www.effective-states.org

Armando Barrientos - University of Manchester
2017-02-28

The expansion of social protection policies in low- and middle-income countries owes much of its impetus to political economy conditions, especially favourable political conditions associated with economic growth and improved fiscal capacity. Revenues from the exploitation of natural resources result in social protection expansion where combined with programmatic competition among political parties and democratisation (or at least a weakening of authoritarianism). The same applies to spells of economic growth leading to improved revenue collection.

Stephen Kidd - Development Pathways
2017-03-04

Most donor-supported social protection programmes in Africa are tiny, and have little government support because they target those living in poverty. Have a look at this paper here on the political economy of targeting to understand why this is: <http://bit.ly/1StVrZq>

Donald Kasongi - Governance Links Tanzania
2017-03-07

The political economy factors for integration of social protection into national social and development programmes in Africa provide clear analyses : (1)Most programmes have remained pilot schemes depending on "project funding support " and subjected to pressure to demonstrate value addition in the efforts of marginalised and vulnerable groups(2) The programmes do not provide space and incentives for innovation (3) Most schemes are ring fenced and in no way linked to local initiatives for development programming.

Roeland Hemsteede - University of Dundee
2017-03-23

I think* whether or not SP programmes become integrated into national development policies (or not) is aided by (among others) the following two dimensions:

1) The historical emergence of cash transfers in the specific country. With this I mean that countries might have several distinct SP schemes running at any given moment: a public works program, a pension scheme, perhaps some child support programmes or an emergency response provided through cash, etc. As these different schemes originate from different objectives and are often controlled by different actors (ministries, NGOs, etc.) coordination among them lacks. For a proper integration of SP programmes into a development policy one requires that the systems supporting the existing programs are compatible, that there are single registries, etc. This might prove

problematic in countries where current SP programmes are the result of fragmented approaches. 2) Strategic interests of stakeholders can also play a significant role in whether or not programmes are successfully integrated into an overarching policy. Different stakeholders, for example donors, can have a multitude of reasons to advocate for their program to become 'the standard' on which policy is built. These might be ideological (such as whether cash transfers need to be conditional) but they can also have to do with pride and promotion - a donor might for example not be too eager to see another donor 'join' their program if it is considered to be successful. At the same time, government ministries are not always eager to relinquish control over 'successful' social protection schemes, not in the last place when that might mean transferring control of that program to a Ministry that is controlled by a different political party.

Successful integration of SP programmes on the other hand can be aided by a strong and determined political push towards integration (and is of course dependent on adequate funding, capacity, etc.). Another 'political' requirement is a stable government that continues to support the development of an integrated policy on all levels. Once politicians start fearing for their job the focus on good policy is reduced, social protection and development policy are no exception to this. It also requires true cooperation between donors, civil society, government and other stakeholders along with a willingness to look beyond one's personal interest.

* The above comment is based thoughts on my current research in and on Lesotho and as such should not be seen as conclusive or applicable in general but rather as some initial thoughts which can be discussed.

Maria Klara Kuss - United Nations University MERIT's Graduate School of Governance
2017-10-27

So far, many of these answers here have equated the 'integration' of social protection programmes with the 'scale up' of these interventions. But this is not necessarily the same as the Zambian case shows us:

Kate already rightly mentioned that the Government of Zambia managed to increase its budget contribution for SCTs by 700% in 2013 in order to roll out SCTs nation-wide. While many factors contributed to this expansion, the expansion itself did however not mean that the scheme had become 'integrated' into or transformed Zambia's national policy system with its underpinning set of values (or its welfare regime). Instead it opened up a window to renegotiate Zambia's welfare regime.

This is evident by the strong opposition that emerged when it became more visible who would and would not receive cash transfer under the National SCT scheme. The powerful resistance resulted in a drastic change of the SCT targeting approach and thus a fundamental change of its poverty reduction focus. This change appeared to 'integrate' the National SCT scheme into the existing welfare regime of the country and thus made it politically sustainable.

Hence, in order to understand the 'integration' of social protection programmes, it is important to understand the values that are promoted by the intervention and those that are reinforced by the existing welfare regime of a country. A programme which supports similar values as the existing welfare regime is more likely to be 'successfully integrated' into a countries welfare regime. This should however not deny the fact that transformative changes of regimes are possible. But this would require programme designers to anticipate potential opposition and take measures to mitigate against these.

For more insights into the value-systems that underpin different approaches for distributing social protection interventions, I can recommend this article: Kabeer, N. (2014) The politics and practicalities of universalism: towards a citizen-centred perspective on social protection. European Journal of Development Research, 26 (3).

In terms of self-promotion and for more information, look out for my forthcoming policy brief with GIZ: Kuss, M. K. (forthcoming). After the scale-up: the political drivers of sustaining social protection in Zambia. GIZ policy brief. Eschborn: GIZ. Or see my profile and get in touch: https://www.merit.unu.edu/about-us/profile/?staff_id=2125

In terms of legitimacy, my opinion is informed by my PhD research which focuses on the de facto negotiations of Zambia's welfare regime. My understanding of the political negotiations surrounding SCTs in Zambia builds on more than 150 semi-structured interviews with key informants from all level of governance conducted in Zambia in 2016.

Policy question 23

If a Marshall Plan were to be installed for development cooperation between Africa and Europe, what would be required to make this plan inclusive?

Featured answer

INCLUDE Secretariat

2017-02-06

On January 18th, 2017, Germany's Minister for Development Gerd Müller unveiled the 'Marshall plan with Africa' about development cooperation with Africa in the near future. Building on cooperation with African institutions as the African Union, a prioritization of jobs and opportunities for youth and a focus on the impact of the global political economy on Africa's development, this plan is an attempt to resonate the scale of the European Recovery Plan by George Marshall implemented after 1948, while stressing that this plan is a plan with Africa, rather than for Africa. INCLUDE supports the focus on jobs and opportunities for youth. Yet, what is needed to make a Marshall plan an agenda for inclusive development is more ambiguous. Inclusive development entails the inclusion of the poorest of the poor, the incorporation of the informal sector in enhancing decent and productive employment for all, the availability of affordable safety nets for households and workers, and much more. The question therefore is, how to design and implement a Marshall plan with Africa in order to enhance inclusive development?

Reactions (7)

Hector Niehues-Jeuffroy - Erasmus University Rotterdam

2017-02-07

The same logic of developing a Marshall plan with Africa, rather than for Africa also applies to inclusive development: in order to make a Marshall plan with Africa inclusive, it is not sufficient to make a Marshall plan for those in Africa who face social, economic and political exclusion - you need to make a Marshall plan with those Africans who are marginalized and excluded. The first and perhaps most important step is to give the excluded a clear voice in the creation as well as an ambitious role in the implementation of such a Marshall plan. While government representatives have an important role to play in that context, it is insufficient from an inclusive development perspective to rely solely on their efforts. Instead, stakeholders *directly* representing those groups that would benefit most from inclusive development need to be involved. At an African level, this cannot be achieved unless national stakeholders for different inclusion-related issues cooperate more at the regional or even continental level and establish a set of regional priorities for each issue.

Assefa Admassie

2017-02-11

It is indeed embarrassing to see why others are trying to propose solutions for African problems rather than the Africans being on the driver's seat. Having said that I think, I am not sure why it is called the Marshall Plan. I don't think it is equivalent to the Marshall Plan that played a critical role for the reconstruction of Europe. I think we need to think of another a more catchy and contemporary name for the plan. In addition, I am not sure whether it should really be called a plan since it does not have a time frame and it is not clear how the plan would be financed. For me it is simply a vision document or a long term development strategy. In order for this "plan" to be effective it should be aligned to the Agenda 2063 of the AU. Unless it is aligned to the Agenda 2063 it might be considered as an agenda imposed from outside Africa. So, ownership is important. Otherwise it will be very difficult to implement it.

Bill Duggan - Columbia Business School

2017-02-13

I spent more than twenty years working on African development, ten of those years living in Africa. I fully endorse the shift to local business in African development. But beware. Africa is a far cry from post-war Europe in one key respect: Europe had a thriving local business sector before the war. The Marshall Plan helped revive it. Africa lacks the deep network of institutions that a thriving local business sector both needs and creates.

The new Marshall Plan lists ten “starting points.” They are all fine, in the long run. In the short run, begin with only two:

6. Demanding the right political environment and supporting its development – Sustainable economic development is reliant on the rule of law, on both men and women enjoying political participation and on efficient and non-corrupt administrative structures. Everyone should benefit from economic progress in a country, not just the elites. That is something to be supported and also demanded on a daily basis.

7. Reform partnerships, not a blanket approach – The members of the African Union have committed to specific reforms in their Agenda 2063. We will be taking Africa's commitments seriously and will step up our development cooperation with those partners who implement reforms aimed at good governance, protection of human rights and economic development.

Corruption is the scourge of modern Africa. Individuals and their families in government positions have perfected the art of stealing from public, private and NGO sources. Nobody knows this better than Africans themselves. Read Chinua Achebe's *A Man of the People* if you have any doubt. The history of foreign aid is a series of naïve programs and projects that end up feeding this system of corruption.

Transparency International lists the Netherlands at #8 and Germany at #10 in its worldwide corruption index. Botswana is highest in sub-Saharan Africa at #35. Out of 146 countries, most of sub-Saharan Africa is in the bottom half. Nigeria, for example, is #136. The World Bank's Doing Business index ranks Germany #17 and the Netherlands #28. The highest sub-Saharan African country is Rwanda at #59. Again, out of 190 countries, most of sub-Saharan Africa is in the bottom half. Nigeria is #169.

Stringent program and project financial control is not enough. Every country needs an independent judiciary to punish corruption, an honest legislature to make it illegal, a free press to reveal it, political parties to stand against it, and a cadre of qualified accountants to track every cent. These institutions do not arise overnight. And you cannot simply pay for them with foreign funds. Sub-Saharan Africa must ascend far in both rankings – from Transparency International and Doing Business – before a Marshall Plan moves on to its other eight starting points.

This corruption puzzle is not simple to solve. If it was, someone would have figured it out by now. Please, German Marshall Plan, start with that.

Rolph van der Hoeven

2017-02-22

I fully agree with observations of Assefa on the recently published German Marshall plan for Africa.

Having read the details of the German Marshall plan, I think also that it is not a real plan but an intention document, with no clear funding proposal and no clear means of implementation.

It uses the we form, but from the text it becomes clear that 'we' means Germany or Europe, not Europe and Africa. The document would have been stronger if it was developed with input from African scholars and leaders.

An earlier idea of a Marshall plan for Greece in 2012 was not accepted by the German Government, because the German Government did not want to transfer unconditional funds to suffering Greece.

Yet the essence of the original Marshall plan was to provide war torn Europe with substantial funds (2 per cent of USA GDP) for a rapid reconstruction, carried out by the European countries themselves and tracking progress through the forerunner of the OECD. The proposed plan does not indicate the amount of foreign resources needed, either in FDI or development aid.

As for the content, the emphasis on employment (though rather vague) is of course to be welcomed, as is the call for strengthening domestic resource mobilisation in Africa, and the suggestions to break down unfair agricultural policies of the EU and to end illicit flows and tax evasion. Regarding the latter, no mention is made that in the Financing for Development conference in Addis Ababa in 2015, developing countries were unhappy that Western countries blocked proposals for the UN to get more instruments to deal with this, and continued to favour the OECD for dealing with issues of illicit flows.

It is therefore hoped that this proposal will be discussed with African Governments, scholars and people before it is unilaterally tabled at the forthcoming G20 meeting in the summer.

Desire Assogbavi - Oxfam International
2017-03-03

I have read the "Marshall Plan" proposal and would like to submit the following comments.

The document captures in a very comprehensive but straight way the current contextual analysis on the state of the continent, the real challenges, a range of ideas to tackle those issues and eventual role of African institutions, German government and other European partner could play.

I particularly like the strong connection and alignment of the proposal with the Africa's Agenda 2063 as well as a number of other plans and commitments done by African leaders and institutions mostly the African Union organs trying to take African leaders on their own words and promises.

The 3 pillars chosen are pertinent, the issues of fighting illicit financial flows (IFF) and mobilize domestic resources have been well articulated.

Challenges: 1/ The name "Marshall Plan" for a plan based on "African solutions" can be wrongly interpreted by the African part... and then catalyze some resistance. It can also be simply called "Partnership for a Common Future" 2/ The Plan has not taken in consideration the rapidly growing partnership between Africa and a number of new partners (China, India etc). Those partnerships are less based on democracy, good governance and human rights principles and may present the risk of delay peace and security to happen in order to facilitate the development process. This should not be ignored especially in the areas where dictatorship is still the rule in Africa. A stronger emphasis and investment on people's power to claim their rights must then be considered.

A few updates are also needed: For example, Morocco is now a full member of the African Union after more than 30 years of absence. So the AU now regroups all African countries.

Paschal Mihyo - African Institute for Development Initiatives , Dar Es Salaam, Tanzania
2017-03-08

I agree with Desire that the title 'Marshall Plan' is inappropriate. It promises a lot and the conditions that made the Marshall Plan succeed in Europe do not exist in Africa now. The private sector was highly developed there, the corporate culture was the same and policies were similar. Remember Greece was left out because it had a different political and economic nomenclature. Therefore in short to succeed and be inclusive I suggest the following: Thorough consultations should be held at regional and national level to ensure everyone understands what is going to be involved; The focus

should be at country level-The Marshall Plan was country specific and the UK and Germany got more than other countries; The funds should be by way of low interest loans and not grants; The AfDB should be the intermediary and AU and other regional bodies should not be directly involved; A special fund should be set aside for loans to SMEs via banks at national level; A special facility should be set aside for loans to youth and women's enterprises. In short: no aid but soft loans to productive sectors.

Fatoumata Diallo - West African Monetary Agency, Sierra Leone

2017-03-29

1- Le document est bien élaboré et le fait de prendre comme référence l'Agenda 2063 de l'UA est une excellente chose. Toutefois, je pense qu'on pourrait renforcer le document en cherchant à voir de plus près les agendas des organisations régionales aussi.

2-Je suis d'accord avec Assefa et Rolph par rapport au nom du plan, je pense que cela devrait être pris en considération afin de trouver une autre appellation. On peut bien s'inspirer de certains points du plan Marshall mais donner le même nom à ce document attirerait beaucoup de réticences.

3-On parle de coopération sur la base de valeurs et d'intérêts, de partenariat où l'Europe et l'Afrique gagnent mais le document ne fait pas ressortir clairement ce que l'Europe, en particulier l'Allemagne gagnerait de ce nouveau partenariat. A la page 13 du document en français, le premier paragraphe du point 2.1 mentionne clairement cette idée de partenariat gagnant gagnant. Si nous voulons vraiment changer la donne, en d'autres termes si nous ne voulons pas que ce document apparaisse simplement comme un document sur comment aider l'Afrique, il serait bien de préciser à chaque fois qu'est-ce que les européens (Allemagne) gagnerait à financer ou accompagner tel type d'activité d'un agenda donné. Ce qui permettra aux Africains de se sentir bien afin de s'approprier du document et de pouvoir être dans une bonne position de négociation.

Pour résumer, les intérêts des pays partenaires de l'Afrique ne devraient pas être sous-entendus, ils devraient être clairement mentionnés dans le document. Un exemple : En parlant de la population jeune en Afrique, on devrait souligner le vieillissement de la plus part des populations des pays Européens et donc faire ressortir le fait que l'immigration pourrait être une bonne chose pour la main d'œuvre dans certains pays européens.

Autres remarques:

- La première fois qu'on parle de plan Marshall dans le document à la page 4 on dit « le plan Marshall » sans aucune autre précision, cela donne l'impression qu'on fait allusion au plan Marshall qui a été mis en place par les Américains.
- Au niveau de la section 4.4 santé éducation et protection sociales, au second paragraphe, il est écrit « faire reculer la croissance démographique... », je pense qu'on devrait parler de maîtriser la croissance démographique.

Policy question 22

How can the African private sector best be represented in policy dialogues on private sector development?

Featured answer

INCLUDE Secretariat

2017-01-23

As public-private partnerships arise around the world in policies on economic development, the question remains how these partnerships can best take shape. Recently, the OECD published its report 'Private Sector Engagement for Sustainable Development: Lessons from DAC'. In this policy question, we zoom in on the representation of the private sector in these dialogues.

How to recognize the most important partners and who should represent them? How to develop sustainable dialogues with equal representation?

The INCLUDE knowledge base contains several resources on private sector engagement worth reading:

- 'Mobilising the private sector for sustainable industrialization'
- 'SDGs changing the way we engage with the private sector'
- 'Engaging the private sector in skills development'
- 'Focus areas for private sector engagement in promoting youth employment' (INCLUDE one pager)

Reactions (8)

Sebastian Grosse-Puppendahl - ECDPM

2017-01-25

These are pertinent questions that deserve more attention i) in translating policy into practice and ii) bring more knowledge insights into policy making!

At ECDPM we have been working on private sector engagement for some time now and particularly looking at amongst others EU business matchmaking, where particularly local private sector associations, chambers of trade, commerce and industry, and other private sector organisations play an important role.

By providing feedback and insights on local needs and priorities, they can inform debates, policy making and instruments design, especially PPPs and other public support programmes for the private sector, in order to have a better inclusion of the African private sector (views).

Examples for such success are Nigeria and Cameroon, which recently joined the EU Enterprise Europe Network (EEN) and where their feedback and dialogue with European actors certainly helps to have more balanced and nuanced debate and policy outcomes.

Hans Determeyer - BEST-Dialogue (Business Environment Strengthening Tanzania - the Dialogue component)

2017-02-06

A much appreciated policy question. This in a reaction to Sebastian (ECDPM) and also Kiringai Kamau's (VACID-Africa) contributions, which I support:

The institutional fabric of the private sector in emerging economies is understandably still limited. After all, it is not really that strong in many of the already more industrialized - or

maybe rather, more instituted - societies.

In emerging economies, this phase of institutional weakness is not unique. Other essential components in the societal fabric, such as health and education sectors, were also extremely weak or non-existent at the onset. But decades of development aid have supported the emergence of structures for both components on which new technology solutions can now be built. That is not the case for the organized private sector. Support for the institutional and organizational development of this essential societal component was largely non-existent or remained very modest over the past 50 years. We witness the resulting political economies.

The point I wish to make here is the unrealistic expectations in the relatively recent paradigm shift to private sector driven development (psdd). Unless structural support is provided to strengthen representational bodies "in the South", the demand and the expectations raised will weigh as a burden on the shoulders of what little structure one may see in emerging economies. Most of these economies are too small to provide, through membership income or by way of service provision, the resources needed to properly staff their entities at the competency level required to effectively handle the demand - and to meet the intellectual challenges at any of the negotiation tables. Where are the think tanks? Even information management is in its infancy.

This is probably not a good time to raise the issue, but that does not make the issue disappear.

Sinking funds will be needed to support the process of private sector representational institutionalization if we wish any of the good intentions related to the current wave of psdd to land and root productively. Less than that will likely cause a continuation of inequality, misappropriation, frustration, exclusiveness, disillusion - adorned with some good examples here and there to quench the thirst for justification of international development policy.

The political economies that emerged across the Cold War and the past decades of its aftermath are complex, with many vested interests, sensitivities and inequalities. The dialogue simply needs very senior people, which are rare to find and expensive to hire and retain.

Societies don't drop from clear blue skies, they are built by humans through trial and error. It took most of the advanced economies centuries to get anywhere near some sort of representational balance (and we currently witness how brittle such balances remain). So what makes us expect private sector driven development can be "done" in less than a few decades without the substantial flanking budgets needed to make sure it has any chance of moving, preferably in an acceptable and fruitful direction for all?

There is a need for resources and a learning environment to make it happen in the countries targeted. There are no shortcuts, it was left aside for way too long.

Agnieszka Kazimierczuk - African Studies Centre

2017-01-26

The lack of trust between DAC member countries and African private sector that impede the creation of innovative partnerships due to high risks of such ventures may be levelled out by their greater inclusion in the whole process already from the stage of drafting the policy and instrument development. This is why this question is of the highest importance but how to decide who should be represented and by whom is difficult to answer.

The first thought that comes to mind is to include the existing 'general' African business networks (such as i.e. Kenyan Association of Manufacturers (KAM) or national chambers of commerce),

which are well embedded, connected and aware of their national political systems and use their established membership base to identify current problems, needs and the potential of the local private sector. I am therefore happy to hear that EEN has now two African members. This look to me as a step in the right direction and more similar inclusive initiative should follow.

Sector-specific associations, especially from sectors that are of particular interest and value for the commercial exchange between the two countries, should be considered as important partners to consult and involve as well.

It will be very difficult, in my opinion, to engage with individual African companies. The process risks to be dominated after all by the big and influential multinational companies already involved on the political level through their strong lobby groups.

The lack of active engagement of the African private sector in the dialogues on private sector development in Europe and other OECD-DAC countries is problematic. Such exclusion explains why most of the OECD DAC members' private sector engagement mechanisms are still tied to their own private sector, and even if such links with the domestic private sector are not compulsory, the DAC members have a tendency to work with and through their own private sector to minimize the risks of the collaboration and build on already established trust between themselves. This shows that the domestic commercial interest of the DAC countries remains the dominant motive behind their private sector engagement in development cooperation, which is in contradiction with the assumed development outcomes and their commitment to aid effectiveness principles. If we are serious about engaging the private sector in development, we need to find a way to include the African private sector in the process as well.

Andrew Dibo - Agricultural Consultant

2017-01-27

The private sector is a heterogeneous group of actors with different requirements and capabilities. Effective engagement of the private sector therefore requires identification of the issues at hand and the appropriate private sector organization that would effectively contribute to the dialogue based on experiences and expertise. There must be a conducive environment for engagement and active participation of all the collaborators. Where long term engagement is desired, the role to be played by each partner, timelines and outputs should clearly be defined.

Agnieszka Kazimierczuk - African Studies Centre, Leiden University

2017-01-30

Dear Mr Dibo,

Thank you for your reaction. Do you have any suggestions how such process can be put in place and how and who should lead it.

I fully agree about the importance of creating conducive environment for a fruitful collaboration – but how to facilitate establishing of such environment, especially in the African context remain a question. Do you have any concrete examples you could share where it did happen/is happening?

Thank you in advance for your reaction.

Kiringai Kamau - VACID Africa (www.vacidafrica.or.ke) and Center for Agricultural Networking and Information Sharing (CANIS) of the UoN

2017-01-27

This is my first interaction with this forum having been invited to participate by Frank van Kesteren. Inclusive development of policies is necessary in Africa where much of the policies have been pushed for by non-African interest as averred by Agnieszka Kazimierczuk. It is noteworthy that even

the local private sector that join the membership organizations are as much removed from the large majority of smaller businesses which drive the larger part of the economy.

Knowledge on the BIG picture of what unity in associations can achieve in Africa is not shared and because majority of those 'entrepreneurs' that have made it never had very formal education, schooling them into thinking associations and what can make them play a policy advisory role in groups does not in make much sense. There is need therefore to address the challenges that make small businesses remain small to the point when they hear the private sector mentioned, they see the multinationals and the more resourced large corporate institutions as the targeted institutions.

The critical challenge in any organizational set up in most of Africa is Knowledge on what and how to set up a framework of engagement with the government and related policy institutions including those institutions and development partners that set the international development agenda.

Coming from the foregoing understanding and having witnesses what the Structural Adjustment Programmes that intended to leave business to the private sector only to pave way for the multinationals to exploit African economies with an insatiable appetite, I have participated in developing some of the small businesses and agribusinesses that can be used to guide policy. Indeed, I have been a policy advisor to illuminate some of the ways policy can be inclusive. The question however remains if development partners can truly have a developmental agenda that is removed from egoistic interests veiled as development support. Can institutional thinking within the purview of inclusiveness be the driving agenda?

Once this question is addressed a knowledge platform as this would make sense, otherwise it becomes or remains a bridge to entrench the status quo...

Marcel Vernooij - Sustainable Economic Development Department, Ministry of Foreign Affairs, The Netherlands
2017-01-30

With our programs for sustainable, inclusive economic growth in developing countries, the Dutch government promotes a good business climate and stimulates entrepreneurship in Africa. The activities that we support are driven by and implemented in close cooperation with local companies, governments, civil society and knowledge institutions. This is a key asset of all of our work. Also, we support organizations focusing on local companies, such as: Dutch Employers Cooperation Program, Agriterro (for farmer coop's & farmers), PUM (advice to 1710 entrepreneurs in 73 countries in 2015), Centre for the Promotion of Imports from developing countries CBI, and fund partners of the Dutch Good Growth Fund.

We work with Dutch companies with innovative solutions to local challenges in developing countries. Also they often have local partners.

Illustrative: in 2015 2,105 companies received support for their business plans to invest or trade in developing countries: 3/4 were local companies. We value the regular feed back given by such companies; it's a misperception to consider our policies to be developed in isolation from them.

Marcel Vernooij
Sustainable Economic Development Department, Ministry of Foreign Affairs, The Netherlands

Agnieszka Kazimierczuk - African Studies Centre, Leiden University
2017-02-15
Dear Marcel,

Thank you for your reaction.

Is it possible for you to give some examples of the local companies, governments, civil society and knowledge institutions that the Dutch government consults while designing your

activities in the area of private sector development in developing countries. It will be enriching to learn more how such process of consultations is implemented, how their feedback is being evaluated and most importantly – how did you chose to consult these (and not other) partners.

In your statement you mention Dutch Employers Cooperation Program, Agritererra, PUM, CBI and fund partners of the Dutch Good Growth Fund – do you also support similar initiatives in Africa? If yes, what was the crucial argument for choosing them? If no, would there be an idea to do so?

Policy question 21

What are the roles of government and private sector actors in enhancing productive employment, and how can they best be stimulated to do so?

Featured answer

INCLUDE Secretariat

2017-01-09

Who creates decent jobs? Although it is commonly asserted that the private sector creates most jobs and that private-public partnerships are required to optimize employment, it is less certain who is the main actor to focus on in promoting decent and productive employment in Africa. Some argue that governments play active roles in creating demand (local procurement, protectionism, etc.) and supply (quality education, social services, etc.) of labour, while others argue for a more facilitative role through creating a favourable business climate. This policy question attempts to gather viewpoints and knowledge around this debate.

Reactions (3)

Reinier van Hoffen - www.uraide.nl

2017-01-18

Some time ago I wrote a reflection on this question at The Broker. Still relevant given the fact that the issue has been tabled at a breakout session during the upcoming Future Force Conference. Would welcome some additional remarks and reflections that would help further this debate. Can business leaders rule the world? Or do they do this already and does it only become more visible with people like Trump in the driving seat.

INCLUDE Secretariat - INCLUDE

2017-01-18

Thank you for your reply. The questions posted in your article 'The world is not manageable' published by the Broker are indeed still very relevant. Kellerman's point of spoiled efforts on leadership has received little attention in the debate on inclusive development. The question is what this means for this discussion. Given that you published the article 4 years ago, could you elaborate on how you see this discussion today?

Donald Kasongi - Governance Links

2017-01-18

The fundamental narrative about Public Private Partnership argues that government representing the public should acknowledge the contribution of non-state actors in mobilising resources and ultimately creating jobs. The simple rule following this narrative is that all actors in a specific context have to work together based on their differential competencies and comparative advantages in contributing to creation of jobs through a combination of resources. The combination involves financial capital, human capital and policy regulation. It is therefore important for public and private actors to work together to define the contextual potential for jobs and subsequently examine the productivity and decency of the jobs to be created.

Policy question 20

To what extent is industrial sector development needed to provide large-scale and high-quality employment for youth and women, and which subsectors are most amenable to this transition?

Featured answer

INCLUDE Secretariat

2016-11-22

In preparation for its 'round table on productive employment', INCLUDE explores which sectors have the highest potential to enhance inclusive growth and productive employment in Sub Saharan Africa. A key issue in the discussion on Africa's economic transformation, is how to balance policy focus between sectors, including the development of the industrial sector.

Reactions (6)

Paschal Mihyo - African Institute for Development Initiatives, Dar Es Salaam, Tanzania

2016-11-24

First and foremost it is important to bear in mind that industrialization per se does not hold the key to employment creation for the youth and women. This is because if the new industries will be high tech and requiring skills that young people do not yet have, they may create just a few jobs that will be taken by the experienced workers and most likely men. For the new industrialization drive to help in job creation for women and the youth it has to have the following elements:

a) It has to support linkages with other sectors especially those in which women are very much involved- agriculture especially crops grown by women and youth such as fruits, vegetables, seeds etc.

b) The new industries need to use technology that is gender sensitive and user friendly taking into account to a large extent the physiological and biological endowments and features of most women including pregnant women.

c) They have to have linkages with other sectors such as services. For example pharmaceutical industries have larger linkage advantages. Export promotion industries though important tend to have limited linkage advantages.

d) Employers have to be ready to train women and young people through boot camps and make the trainees pay after they recruit them Skill deficiencies that discourage FDI in most countries cannot be removed by the current training programmes in universities and polytechnics

Emuria Stephen - Ministry of Trade, Industry and Cooperatives

2016-11-28

Industrialisation in Africa and more so Uganda which is predominantly agricultural Country needs to focus on agricultural transformation that has been overcome by urbanisation challenges that include among others;

rapid urbanisation without industrialisation created by migration of youth from rural areas, agricultural share of employment declining from 74% to 69%, the deplorable living standards mostly children living in chronic hunger and stunted growth, a country with hardly no food exports and value addition and still imports food yet food processing and marketing are drivers of growth

Africa Development Bank Africa Agricultural transformation implementation plan 2015-2025

identified key agricultural commodities and agro-ecological zones for investment to promote industrialisation and investment in achieving self-sufficiency, move the chain in export oriented commodities and create food secure basket.

Extent of Industrial Sector development - Africa potential for industrial development will mainly rely on, growing investment in 50 out 54 African countries mineral resources are un developed, growing production with 60% of global arable land is uncultivated, growing trade share of exports with LCD share as low as 0.81%, growing markets driven by demography and incomes and growing income in middle incomes 60% population are youth.

Aram Belhadj - University of Carthage

2016-11-30

Definitely, Industrialization is among the most interesting thing that would insure the emergence of Africa. Until now, Africa is considered as an Agriculture continent and we have to insure the transition to an industrialized one, capable to boost growth and create sustainable jobs.

We all know that in the 60's, many African countries have the same GDP as Korea or Singapore or other Asian emerging countries. Now, the gap is huge between these countries and Africa, and among the reasons that explain this gap is Industrialization. Korea for example have indeed succeed to build a high value added industrial sector through a very smart industrial Strategies.

Africa have to prepare its economic transition process through implementing daring industrial policies and targeting specific sectors. Put differently, African countries should better mobilize their resources, improve their business environment, build sound macroeconomic stability, insure good governance and enhance human capital to attract the adequate foreign direct investment from abroad. In the same vein, they have to give up inefficient financial and trade policies and pay more attention to bilateral and multilateral Partnerships with their African homologues.

Africa has huge potential in natural resources, primary commodities and services sector. Therefore, a reallocation of resources from less productive to more productive activities and a targeting of niches with high value added in the tertiary sector would be very useful in building Industrialization process: Agro-industry, Agro-business, transport, logistics, etc are indeed very attractive activities in Africa...

Samouel Beji - University of Sousse (Tunisia)

2016-11-30

I do think that the economic salvation of Africa passes undoubtedly by the emergence of a reliable industrial sector. Indeed, the common feature that characterizes all African countries whether they are in the south or in the north of the continent is their backwardness in industrial development compared to other Asian or Latin American developing countries. If we want to explore the reasons making the success of what we usually call "Asian Tigers" we find that the launching point of those success stories was an industrial revolution made in the 1960's and essentially based on policies of import substitution (South Korea, Singapore, Taiwan, Malaysia). After the success of this first wave, they pursue the momentum by implementing export promoting policies in the 1970's which was behind the quantum leap they made and put them to become the rich countries that we know nowadays. The promotion of industry was the linchpin of such radical and successful transformation.

Furthermore, the importance of manufacturing is explained by its capacity to boost growth by improving the employment especially among young and educated population. Their qualification is crucial in absorbing the new techniques requested in the implementation of infant industries. In addition, the transition from an agricultural-dominated economy (which is the case for most of African countries) to an industrial economy enables the diffusion of a technological know-how imported from abroad which would play the role of positive externalities for services and

even agricultural sector. At this point, much remains to be done in agri-food industry given the natural endowments in Africa.

David Luke - African Trade Policy Centre, United Nations Economic Commission for Africa
2016-12-01

Structural transformation of African economies through industrialization will be key to achieving economy-wide productivity improvements and sustained economic growth. This industrialization however must be supported by complementary interventions to ensure that it creates jobs, reduces inequalities and drives poverty reduction.

The United Nations Economic Commission for Africa (ECA) Economic Report on Africa (ERA) 2015 establishes a clear case for increased and improved use of trade and trade policy as tools for industrialization. The CFTA offers a crucial opportunity for Africa to industrialize. Why is this? Intra-African trade is more diversified and sophisticated than Africa's trade with other trading partners. In 2015, manufactured goods accounted for 42.8 percent of intra-African exports compared to only 19.0 percent of Africa's exports outside the continent. ECA modelling exercises indicate that establishing the CFTA has the potential to boost intra-African trade by 52.3 percent between 2010 and 2022, compared to a baseline without the CFTA. Trade in industrial products is expected to receive the largest boost. The CFTA is also important for Africa's industrialization because it will create a single African market of over a billion people and a GDP of over US\$ 3 trillion, which promises to enable sufficient economies of scale and attract investments into the continent.

Industrialisation through trade will create gains at the aggregate level, but it is important that this process is managed in a way so that marginalised Africans, in particular women and the youth, are also able to benefit. This will require a pro-poor CFTA agreement in-line with Africa's industrialization agenda, but also supportive measures and interventions to ensure that vulnerable groups are able to take advantage of such an agreement. Industrialization will not automatically create decent employment for women and the youth.

On average, women are more likely to be employed in low-skilled, low paid, informal and unstable forms of employment. Existing gender inequalities in access to assets and opportunities constrain women from participating in certain types of economic activities, including industrial and trade activities. For example, (a) unequal access to productive land and capital mean that women face additional hurdles in setting up enterprises; (b) inadequate education and training for women may mean that they lack the know-how to produce and compete competitively; and (c) a lack of access to facilitating resources (infrastructure, informal, technology and networks) can cut women off from market opportunities. Women's economic activity in Africa is concentrated in the agricultural sector (usually subsistence), since female domestic responsibilities make agriculture an "easy" option. African member states will need to adopt gender mainstreaming as a central pillar of their trade and industrialization agendas, to ensure that women can take advantage of the industrial market opportunities created by the CFTA. Supportive interventions are needed such as initiatives to enhance female access to education and training and credit, for example.

Given Africa's demographic structure, an expansion in the number of youth entering the labour market is inevitable. Africa's youth are also increasingly educated and therefore offer an important labour input for industrialization. It is important that a sufficient number of jobs are created to absorb the growing number of youth into the labour market. To achieve this, skills development is crucial. For the youth to significantly benefit from industrialization, their skills must be well-matched to the demands of industrial firms. Prioritising the expansion of technical and vocational training will be key to this, along with creating industrial placements for students and school leavers. The youth, like women, tend to have low bargaining power in the labour market, which increases the likelihood of being employed in low-paid jobs and under poor conditions. If the youth are trained in new and modern skills crucial to industrialization, this will help to improve their position in the labour market. The agricultural sector offers significant opportunities for ensuring inclusive industrialization. Agriculture accounts for 32 percent of GDP and employs 65 percent of Africa's labour force.

Subsistence agriculture dominates in Africa. There is significant potential for transforming the sector into one that is market-oriented and focussed on agro-processing and food production for export. Since female employment is concentrated in the agricultural sector, this should help to enhance the quality and returns of their employment. The youth will be able to benefit from this transition if trained in business and technical skills important to the effective functioning of agro-industries. Countries tend to successfully diversify by moving from products they already produce to other more sophisticated ones that require more productive knowledge. Given Africa's productive structure and capabilities are currently dominated in agriculture, agro-industry therefore provides a natural stepping stone to more broad-based industrialization.

Donald Kasongi - Governance Links

2016-12-29

In the 4th global industrial revolution, Africa's position is evident, if we agree giving it the necessary attention to feed the agro-based small and medium scale industries. For employment guaranteeing industrialisation, however, Africa's transition to industrial agriculture requires investment than never before, considering that agricultural productivity has been declining and climate change deepening the uncertainties. The agriculture-industrial linkages are still weak, mainly due to the paradox of investment whereby we claim the sector to be the sustainable backbone of our economies but we invest a token to it. We have left agriculture to take care of itself and allowed corporate appetite to swallow the space of those in agriculture to assert their space for negotiations and decision making.

Africa has to make choices and not doing everything everywhere. There is a compelling argument for examining the agricultural value chains, ensuring that there is readiness at each stage to feed the agro-based SMEs. The rural is waiting for agro-based SMEs, and that is where we have the potential and can make a huge difference in employment, otherwise the false expectation of youth flocking to urban areas in search of employment will keep heightening.

Policy question 19

Under which conditions can government-driven formalization initiatives be beneficial for informal sector workers and what are promising examples of such initiatives?

Featured answer

INCLUDE Secretariat

2016-11-15

In the debate on inclusive development of informal workers, the discussion generally revolves around the question whether to formalize or not. In a recent seminar, co-hosted by INCLUDE, it was acknowledged that this policy option is limited, particularly because of a lack of perceived benefits by informal workers. To identify what these limitations are, and how they can be (partly) overcome, this policy question serves to identify examples of successful formalization policies and programmes.

Reactions (3)

Gladys Mponda

2016-11-17

Government should create public policies to achieve the Recommendation 204 transition from informal to formal with social security. Informal workers should be included in the process. Eg when making Labour laws at a local government level. The ideas has to come from the grassroots level.

Professor Colin C Williams - University of Sheffield

2016-11-19

It is correct, as the above respondent asserts, that the country members of the the United Nations have signed a declaration that supports the formalization of the informal sector. My first question is that if formalisation is not the answer, then what is the alternative. Three possible options exist: do nothing; eradicate the informal sector, or informalise the formal sector. You can read the pros and cons of each option in the following reports:

Williams, C.C. (2014) *Confronting the Shadow Economy: evaluating tax compliance and behaviour policies*, Edward Elgar, Cheltenham

Williams, C.C. (2014) *Policy approaches towards undeclared work: a conceptual framework*, GREY Working Paper no. 4, Sheffield University Management School, University of Sheffield, Sheffield.

Given that formalising the informal sector is the option that most usually has the greatest advantages and least disadvantages, the next questions are whether it is beneficial and how to formalise the informal sector. In answer to the first question, it is not always beneficial. The advantages of formalisation are very often outweighed in developed countries by the benefits of informality. Therefore, there need to be whole raft of initiatives not only to increase the costs of informality but more importantly, the benefits of formality. In answer to the second question, please look at the reports listed below

Williams, C.C., Martinez-Perez, A. and Kedir, A.M. (2016), "Informal entrepreneurship in developing economies: the impacts of starting-up unregistered on firm performance", *Entrepreneurship Theory and Practice*, doi:10.1111/etap.12238

Williams, C.C. (2016) "Tackling enterprise in the informal economy: an introductory overview", *International Journal of Entrepreneurship and Small Business*, Vol. 28, No. 2/3., pp. 139-153.

Williams, C.C. (2015) The Informal Economy as a Path to Expanding Opportunities, Report prepared for Centre for Development and Enterprise (CDE), Johannesburg
Williams, C.C. (2015) Informal Sector Entrepreneurship, OECD, Paris.

Mwenya Kapasa - International Labour Organization

2016-11-22

The following conditions should be considered:

Comprehensive diagnosis of national contexts in line with provisions of ILO's Recommendation 204.

This will present an understanding of informal economy, including extent of informality within the different sectors-from a statistical perspective, gender aspects and demographic characteristics.

Assessing extent of social protection coverage of informal workers and appropriate mechanisms that could be used to extend coverage.

Status of legal framework with regards to transitioning from informal to formal.

Inclusion, in national social dialogue by government, of all key stakeholders (employers and workers organisations and informal economy associations-where they are organized).

Policy question 18

What are promising examples of impact assessments of social protection programmes that also cover cost-effectiveness?

Featured answer

INCLUDE Secretariat

2016-11-08

Amidst increasing evidence that social protection works to alleviate poverty, concerns remain about the perceived high cost of these programmes. The INCLUDE research groups on social protection aim to enhance insight into the cost effectiveness of social protection programmes, compared to other social policies. To answer this Policy question, the INCLUDE Secretariat gathered existing knowledge on this issue.

As far as costs and benefits can be expressed in money-metric terms, the cost-effectiveness of a social protection programme can be measured by its 'rate of return' (RoR). A Maastricht University report, addressed by Roeland Hemsteede, drew on simulations that measure the RoR of social protection investments in Lesotho over 15 years. The study found that the Child Grant Programme has greater benefits than costs in the long term (after 10 years), with an average 2% increase in school attendance, 20% decrease in extreme poverty, and 7% decrease in inequality per year. Moreover, it is concluded that standard, universal targeting generates higher returns than targeting (poor) households with children. However, it must be noted that this is a simulation and requires continuous updating as data become more robust.

Furthermore, Ellis, Devereux and White conclude that, in Zambia, US\$1.10 to US\$1.30 is returned for every US dollar transferred. The authors also conclude that "broader measurements of cost-effectiveness are lacking for most of the schemes". Earlier, the World Bank concluded that nominal total income multipliers of social protection investments ranged from 1.08 to 2.50.

Another important publication is the comparison of costs and benefits of cash, food and voucher transfers by IFPRI (2012). This study concluded that the marginal cost of a food transfer is US\$11.50, US\$3.03 for a cash transfer, and US\$ 3.30 for a voucher. This includes the effect on improving all food consumption and dietary diversity outcomes. An important point is made in the conclusion: "*If the objective is to increase the value of food consumption, then there is not a difference between cash or food vouchers. However, if the objective is to increase dietary diversity or caloric intake, then vouchers are more cost-effective than cash.*" However, they add that the results may only apply to urban populations with well-functioning markets and supermarkets. In the absence of markets and if supply is inconsistent, food vouchers may not be as cost-effective as assumed here. The conclusion that cash transfers have a unique advantage, as they provide access to a wide range of goods and services, but with high dependence on the functioning of markets, is confirmed by Bailey and Harvey in their background note for the High Level Panel on Humanitarian Cash Transfers.

The studies mentioned by Roelen and Pellerano show that most cost-benefit assessments find positive results for social protection programmes. Yet, measuring cost-effectiveness remains a delicate issue. Simulations, such as those performed by the INCLUDE research group 'Social protection in Uganda', can be a useful tool. Yet, their outcomes should be interpreted carefully, preferably by taking into account the impact of other social policies in place.

Reactions (6)

Roeland Hemsteede - University of Dundee

2016-11-10

Dear Sir/Madam,

I am not entirely sure if this is what you are looking for but the following study might be of interest to this question: "Estimation of Rates of Return (RoR) on Social Protection Investments in Lesotho" (accessible at <http://www.merit.unu.edu/publications/uploads/1461167192.pdf>). The Study is carried out by Maastricht University so I am sure that it is easy to contact the authors.

"The aim of this study is to estimate the Rate of Return (RoR) on Social Protection Investments (SPI) in Lesotho. The objective of the analysis is to generate evidence to support the advocacy for social protection in Lesotho and to assist relevant ministries in planning the allocations for SP instruments."

Lesotho has several social protection programmes in place, both for children (through child grants) and for the elderly (a universal old age pension) and it hopes to expand the reach of the child grants programme by creating savings. If you would like to know more about Lesotho's approach to social protection please have a look at the aforementioned report or feel free to contact me.

With kind regards,
Roeland Hemsteede

Keetie Roelen - Centre for Social Protection, Institute of Development Studies, UK
2016-11-14

A recent study published in Science exploring the impact of 'graduation programmes' in six countries across the globe also provides useful information on their cost-effectiveness. It is the first multi-site study that provides comparative evidence and analysis of graduation programmes one year after the programme completion, crucially considering their benefits and costs.

Given their comprehensive packages of support (commonly including cash transfers, asset transfers, savings modalities and training and coaching services), it is no surprise that graduation programmes are expensive. Out of the six programmes studied, total costs per household ranged from roughly \$1200 in India to \$5000 in Pakistan. Reasons for the large differences between overall costs include differences in programme design and differences in in-country operating costs.

Yet despite these costs, benefits were found to outweigh the costs for five out of six programmes. Positive impacts were found across a range of indicators, suggesting that the programmes support poverty reduction and building of livelihoods and that results hold beyond the programme implementation period. Benefit/cost ratios (at a discount rate of 10%) of 63% in Ghana and 211% in India indicate that the investment is well worth it. Even in Pakistan where costs were highest, benefits outweighed the costs with a ratio of 88%.

Of course these positive findings should not simply be taken at face value:

- Cost-benefit calculations are made with assumptions and technical manipulations to account for exchange rate differences, inflation and price changes, projected future benefits, among others. Changes in underlying assumptions would certainly the values of the estimated cost-benefit ratios. Sensitivity analysis is provided and should be taken into account when interpreting these numbers.

- While the studies consider impacts one year after the programmes ended, it is debatable whether this gives a firm enough indication of sustainability of those impacts and therefore future benefits. The authors assume a rate of dissipation of positive effects in their calculation of cost-benefit ratios but long-term evaluations following programme participants many more years are needed to actually observe changes over time.

- Although this is a comparative study, it provides a multi-country rather than multi-programme

perspective. It will therefore not provide direct answers to the question of relative cost-effectiveness of programmes or social policies. While randomised control trials (RCTs) are well placed to provide information about impact that can be attributed to single programmes or to programme variations, they are less suitable to provide comparative perspectives across programmes and policies. This requires different analytical approaches, of which micro-simulations such as from Lesotho is an example.

Keetie Roelen

Co-Director Centre for Social Protection, Institute of Development Studies, UK

Luca Pellerano - Technical Advisor on Social Security - International Labour Organization
2016-11-15

Ex-ante micro-simulations can be a useful tool to undertake cost-benefit analysis in a flexible (and cost-effective) manner.

In a relatively simplistic manner the impact on poverty and inequality of a given set of policy options can be assessed by simulating how the income distribution (as reflected in recent nationally representative income and expenditure survey) would change by the introduction of a given social transfer. Depending on assumptions on targeting, transfer size and administrative costs one can analyze the cost-effectiveness of alternative policy options (e.g. %of government expenditure required for a 1% reduction in the national poverty gap, or the gini coefficient). The recently approved Basic Social Security Strategy (ENSSB 2016-2014) for Mozambique includes some analysis of this kind in its costing annex (here for Portuguese readers).

This is of course limiting in many respects: a) transfers don't necessarily translate one-to-one into increased consumption expenditure, as suggested by recent evidence on positive household level multipliers via productive investment, for example for the Social Cash Transfer in Zambia; b) impacts of social transfers are indeed not limited to income, long term benefits are not captured in an ex-ante simulation set-up.

Ex-ante cost-benefit simulation of non-monetary outcomes require more complex structural/behavioral models. This has been attempted for example in the case of the impact of Progresá on schooling/work choice in Mexico, or to assess the impacts of direct payments and alternative transfer mechanisms on production, incomes and welfare in rural Malawi and Ghana. FAO and ILO are supporting the development/refinement of similar economic simulation models in Zambia and Malawi.

An interesting feature of the simpler static micro-simulation approach is instead that it allows to analyse under the same analytical lens both benefit and tax reform options, a systemic view that is very much needed to ensure progressive social protection spending is not offset by a regressive tax system. Watch ongoing work under the SOUTHMOD and Commitment to Equity initiatives.

INCLUDE secretariat - INCLUDE
2016-11-18

Many thanks to the contributors of this Policy question. Their examples show that researchers increasingly recognize the importance of cost-effectiveness assessments. These analyses are particularly important as they encourage evidence-based policies: Policy makers will always have to take costs into account when deciding on how to allocate scarce resources and choose between competing social protection programmes.

Yet, as both Roelen and Pellerano point out, there are some limitations when it comes to the results of these cost-effectiveness assessments. Several aspects make measuring cost-effectiveness a particularly challenging task: 1) Quantifying impact – which includes social change, attitudes and long-term results – is difficult and often open to debate; 2) Researchers must account for a variety of costs: Costs often go beyond mere financial input and multiple parties can have different types of

costs (e.g. donors, governments, implementers, beneficiaries); and 3) When comparing different programmes, especially when they are implemented in different areas or countries, it is difficult to convert all costs and impacts into "common units".

Despite these challenges and limitations, cost-effectiveness assessments can be instrumental in encouraging policy makers to base their decisions on scientific evidence rather than instinct. To get a clear picture of 'best practices' for cost-effectiveness assessments, we therefore invite researchers, experts and other stakeholders to share their experiences in addition to the examples given above.

Erick Nyambedha - Maseno University, Kenya

2016-11-27

The question regarding cost effectiveness of cash transfers is very interesting. For instance, in Kenya, there is evidence that the Cash Transfer Programmes for the Orphans and Vulnerable Children are showing positive impact with potential positive spillover benefits to the communities, through promotion of local trade through income generating activities involving the CT-OVC recipient households and the community. One point raised in a publication by Handa et al, 2014 is a wake up call on the design and implementation of CT-OVC in Kenya. Handa argues that the potential positive spillover effects enjoyed by the CT-OVC recipient households can be disrupted by the delay in the bi-monthly remittances. To me this is a blow to our arguments regarding the cost effectiveness of CT-OVC programme and a pointer that the programme is creating dependency but not promoting inclusive growth. However there is an emerging debate themed From Protection to Production (P to P) which in my interpretation suggests the need to reform the CT-OVC programme to transition both the OVC and their caretakers to be more productive by contributing to strengthening the local informal economy and diversify their own income opportunities for sustainable livelihoods. Can we think of strategies to transform the CT-OVC programme into a framework that gives seed money and capacity building of the vulnerable groups and transition OVC households into viable economic units at that lower level? The CT-OVC design does not answer the question of what happens when the CT-OVC funds no longer flow? Do we then graduate the CT-OVC households to another level of vulnerability. PtoP documents are available at www.fao.org/economic/PtoP/programmes/Kenya/en.

Frank van Kesteren - INCLUDE

2016-11-30

In addition, the following study the cost-effectiveness of 48 social protection interventions worldwide, comparing:

- livelihood development programmes
- unconditional cash transfers
- graduation programmes

The duration of assessments impact the outcomes: graduation programmes appear to be least cost-effective in the short term, but more cost-effective when assessed beyond the duration of the programme.

<https://www.microfinancegateway.org/library/making-sustainable-reductions-extreme-poverty-comparative-meta-analysis-livelihood-cash>

Policy question 17

What are promising examples of development policies and programmes based on recognition and equitable participation of informal workers' organizations?

Featured answer

INCLUDE Secretariat

2016-10-31

On 27 October, INCLUDE co-hosted a seminar at the Dutch Ministry of Foreign Affairs centred around the question: 'How can Dutch development cooperation policies and programmes become more responsive to the informal economy?' Martha Chen, keynote speaker at this event, pointed to several examples of successful support for street vendors and other informal micro-enterprises, through the agency of informal workers' organizations (IWOs). Hence, we need to ask: How can policymakers better design their policies and programmes to incorporate the strength of these organizations?

In March 2015, the Southern Africa Social Protection Experts Network (SASPEN) hosted a conference on the informal economy, highlighting several promising examples of IWOs and their involvement in social and political processes. According to the conference report, these examples include:

- **Alliance for Zambia Informal Economy Associations (AZIEA):** This alliance, founded in 2002, had approximately 25,000 members in 2015 and organizes workers in a variety of sectors. It has managed to be represented in the national parliament, including on established technical committees on market acts, for example. It is influential in the media and is part of many governing bodies of the Zambia Congress of Trade Unions.
- **Federation of Informal Workers' Organizations of Nigeria (FIWON):** This federation, founded in 2010, is a nationwide federation that focuses on advocacy for social protection for informal workers. In Nigeria's policy environment, which is largely hostile and unresponsive to the informal economy (e.g. traditional workers' stalls and other informal work clusters have even been demolished), several of their campaigns have been successful. Most notable are their achievements in lobbying for technical and vocational education for informal workers.
- **Zimbabwe Chamber of Informal Economy Associations (ZCIEA):** This group of self-employed and informal employees was founded in 2002. It came into existence in the aftermath of the collapse of formal setups as a result of structural adjustment programmes. Through activities ranging from lobby and advocacy to education and training, it has been influential in relation to a range of issues, such as developing legal insurance policies. Most notable is their training of paralegal officers to help members understand legal texts.

The question is not so much if informal workers' organizations exist, but to what extent they are recognized in national government policies and programmes. As argued by Adrienne Eaton in her reply, international solidarity can play a role in pressuring governments and creating space for informal workers within the political arena. A promising area for increased cooperation with (and recognition of) IWOs is tax collection. As argued by Kate Meagher, several promising examples exist in Nigeria, where IWOs engage in tax bargaining, for instance. Meagher rightly asserted that "the key to recognition and equitable collaboration is economic and political leverage of informal enterprises". The INCLUDE research group, 'Informal workers' political leverage', investigates opportunities for this in Benin and Ghana.

A substantive overview of the history of organizing informal workers globally can be found on the website of Women in Informal Employment: Globalizing and Organizing (WIEGO).

Reactions (7)

Gladys Mponda - MUFIS

2016-11-02

Workers in the informal needs training on bargaining power, social protection and human rights so that they can demand their rights.

L. Bisschop - Ghent University

2016-11-04

Together with a colleague, I've conducted a comparative study of informal waste management in two cities of the Global South (Accra & Porto Alegre). Our analysis points out that informal waste pickers play a crucial role in the implementation of waste policies in both cities, despite differing economic, social and institutional contexts. The study of the waste management system also points to multiple connections between informal and formal parts of the economy, at local, national and international level. Although the informal waste pickers are integral to the waste management system, their economically disadvantaged position excludes them from the formal labour market. Faced with these challenges, they develop creative solutions to guarantee their livelihood and gain collective voice. Therefore, it is essential for policies on informal economy, waste management and environment to take the intricate dynamics of the work of waste pickers and their interactions into account and to embrace its multi-dimensionality. Policies to provide informal workers with opportunities to develop their expertise into a formal business do not always serve the rights of the most vulnerable and might even have counterproductive effects from an environmental or waste management point of view. Development or poverty alleviation programmes do not always sufficiently take into account the cultural and structural specificities of the Global South nor the complex interactions between formality and informality. Also in developing formal waste management systems, it is crucial to take into account the unique traits of informal waste pickers and their service to the community.

For this answer, I draw from an article that will be published in the spring of 2017: Bisschop, L. & Coletto, D. (accepted). Waste Pickers in the Informal Economy of the Global South: Included or Excluded? International Journal of Sociology and Social Policy.

Adrienne E. Eaton - School of Management and Labor Relations, Rutgers University

2016-11-04

Based on primary research on 9 cases involving different countries in different regions and a wide range of occupational groups and an extensive secondary literature review, my colleagues and I identified characteristics of successful campaigns to improve the conditions of informal workers. We found that a wide array of organizational types can help informal workers exercise collective power including traditional unions, cooperatives, associations or combinations of the three. Similarly these organizations draw on a wide repertoire of tactics including direct actions like strikes and demonstrations. These campaigns also typically include "moral" dimensions or what has sometimes been called "symbolic power: that is, they make claims to rights as both workers and often as important service providers (as the comment on waste pickers makes clear). Perhaps more to the point of the question, we also found that international solidarity often played an important role. That could include direct pressure on employers situated in the same global supply chain; pressure on governments through impending trade agreements and related negotiations; financial support for organizers on the ground; and training of informal workers in leadership, legal rights and even business skills. Finally we note that the needs and organizational structures and strategies of "waged" informal workers often differ from those who are more truly "self-employed." Nevertheless, both benefit from collection action. Some of this research can be found at this link:

<http://smlr.rutgers.edu/content/research-partnership-solidarity-center>. In addition, we expect to have a book coming out from Cornell University Press in the coming months, titled *Informal Workers and Collective Action: A Global Perspective*.

Ratna M. Sudarshan

2016-11-07

The Bidi Workers Welfare Fund (BWFF) in India is an example of a tripartite fund that recognizes and builds upon the strength of organized though informal bidi workers, many of whom are home based workers. A study conducted some years ago demonstrated that children of home based bidi workers were more likely to be in school than the other groups studied, and scholarships offered by the BWFF as a significant part of the explanation

(<http://www.epw.in/journal/2009/12/special-articles/child-labour-industrial-outworker-households-india.html>).

This Fund was set up in 1976, and has been followed by several other Welfare Funds for unorganized sector workers. It is an approach to social protection that was recommended by the National Commission for Enterprises in the Unorganised Sector. While the experience of these various efforts differs, the approach offers a good way for governments to build upon the outreach efforts of organizations of informal workers.

Kate Meagher - London School of Economics

2016-11-08

Numerous promising examples of collaboration with informal enterprise organizations exist in various parts of Nigeria. Many informal organizations are involved in tax collection for the local government, engage in tax bargaining, or collaborate in security provision in local markets. Larger nationally federated organizations, such as Association of Nigerian Market Women and Men, the Nigerian Butchers Association or even the motorcycle taxi association ACOMORAN -- all of which have a predominantly informal membership -- participate in dialogues with the state over policy issues. The key to recognition and equitable collaboration is economic and political leverage of informal enterprises. Where informal actors are well organized, account for a large share of employment, or have some strong formal sector allies, they are in a position to negotiate and collaborate on fairer terms. The best way to ensure equitable participation is to encourage the development of strong organizations -- as the Brazilians did in the case of the MNCR, the national waste pickers organization.

Pat Horn - StreetNet International

2016-11-10

Three programmes in the SADC region by governments directly involving representatives of workers in the informal economy instead of the more established practice of unilaterally developed programmes, after the adoption of ILO Recommendation 204, i.e.

1. Malawi - appointment of General Secretary of MUFIS (Malawi Union for the Informal Sector) as part of the labour delegation on the Tripartite Labour Advisory Council. This recognises that organised informal workers are ready to represent their own sector, as opposed to soliciting formal economy trade unionists to speak on their behalf.

2. Mocambique - extension of social protection system to workers in the informal economy in Chokwe District in Gaza province, with full participation by AEIMO (*Associacao da Economia Informal do Mocambique*) in planning and implementation phases.

3. Zambia - extension of social protection to workers in informal economy with full participation by AZIEA (Alliance for Zambian Informal Economy Associations)

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2016-11-12

Many thanks to all who contributed to this Policy question. The practical examples you have described are providing valuable insight into successful practice, and thereby identify possible pathways for policy makers that seek to more effectively include informal workers' organizations.

The given examples of policies and programmes differed in terms of location, target group as well

as project content. In this regard L. Bisschop (Ghent University) pointed out that, when designing and implementing policies, it is crucial to take into account the unique traits of the targeted informal workers, their needs, demands and specific services to the community. However, based on the answers, a number of practical measures can be identified as 'promising formulas':

- financial support for organizers on the ground
- training of informal workers in leadership, legal rights and business skills
- scholarships to informal workers' children to promote school enrolment
- establish partnerships with informal workers' organizations for tax collection, security provision etc.
- extension of social protection to workers in the informal economy
- including informal sector workers in both design as well as implementation of social protection programmes that target them
- engage (representatives of) informal trade associations in official policy debates as equal partners

In addition to these practical recommendations, two related key issues were raised by multiple contributors: 'empowerment' and 'recognition'. The practical programme-components listed above eventually all serve a larger purpose: They are meant to strengthen existing, or encourage the development of, informal workers' organizations. This is important because, as Kate Meagher (LSE) adequately put it, a strong organization means informal workers "are in a position to negotiate and collaborate on fairer terms". Thus, the official recognition of informal workers as equal partners in policy debates, combined with efforts to empower them to exercise their collective power seem to be the way forward.

Policy question 16

How can the strength of informal segments be captured to contribute towards inclusive economic growth?

Featured answer

INCLUDE Secretariat

2016-10-17

Modernity and innovation have turned African markets into segmented markets, in which modern, export-oriented producers and a traditional, non-programmed sector co-exist. Within this segmentation, the informal economy provides a large share of Africa's produce. Despite their importance, informal segments are often overlooked in macro-economic development policies. Earlier questions of the week on recognition of the informal sector in these policies (i.e. on informal female traders, social protection for informal entrepreneurs, informal workers' legal rights and the recognition of informal workers' skills) have all revolved around the issue of formalization. Formalization is generally considered an important step towards improved livelihoods (see, for example, ILO's Recommendation 204) and is, therefore, the key focus of policy stakeholders dealing with informal sectors. Yet, as outlined in many debates, informal workers face many obstacles in the process of formalization (e.g. high costs and a large amount documentation/bureaucracy). This week's question attempts to overcome this impasse around the question whether to focus on formalization or not. It focuses on grasping the strength of the informal sector, as it is, to unlock its potential for inclusive economic development.

Despite attempts to enhance formalization and increase institutional capacity, and despite an emerging middle class who are increasingly working in the formal economy, a large share of employment is created by the informal sector. For example, of the 841,600 jobs created in Kenya in 2015, 713,600 were in the informal sector. Therefore, the main focus should be to turn employment in the informal sector into productive and decent employment, with long-term prospects. For this, several options should be considered:

- **Establish targeted social protection programmes for informal workers:** Social protection stimulates investment in employability and entrepreneurship. Yet, only seldom is social protection targeted towards informal sector workers (WIEGO, 2015; Orbeta, 2015). This protection should include assistance to female workers in their childbearing years.
- **Recognize the potential of ICT:** Jobs in ICT account for a large share of the growth in employment in Africa. Earlier, it was concluded that the ICT sector has the most potential for the quality employment for youth and can help attract youth working in the informal sector to formal jobs.
- **Link up with labour unions and informal workers' organizations to reach out to informal workers:** Several formal unions are reaching out to informal workers, such as in Benin and Burkina Faso. These unions can help informal workers by ensuring that they are recognized in stakeholder dialogues and by promoting their rights. In comparison, informal workers' organizations may be even more influential, for instance, in organizing informal workers for collective action. However, these organizations are less recognized in political and social dialogues than formal unions. Informal workers' organizations can also play an important role in the early stages of entrepreneurial development, as concluded by the INCLUDE research group 'The IT sector in Kenya', among others.
- **Improve taxation of the informal sector:** For matters of justice and equity, but also to make public investment in the informal sector worthwhile, the contribution of the informal sector (which is minimal) to national tax revenue could be enlarged.

Reactions (8)

Donald Sparks - The Citadel

2016-10-17

By 2035 the number of sub-Saharan Africans reaching working age (15–64) will exceed that of the rest of the world combined. There will not be enough jobs in the formal sector to absorb such a large number of people. The informal sector now employs well over 50% of the labor force. Indeed, in Sub-Saharan Africa it is more likely that large numbers of young workers will be forced to work in low-productivity sectors such as agriculture and informal household enterprises. Large inflows of young people into the informal labor market will make it difficult for countries to generate the investment needed to foster industrialization. In the future, the formal sector must become less formal, and the informal sector more formal. For example, many countries still have rigid hiring and firing regulations that make the labor force very inflexible. Further, there are often needless governmental regulations to limit entry into the formal sector that could be relaxed. Informal sector organizations that help with training and funding should be encouraged.

Assefa Admassie

2016-10-19

In deed the informal sector in developing countries, particularly in Africa is an important sector which cannot be ignored. Millions of people are deriving their livelihood from the sector the majority of whom are either in the youth category or are women. Of course this practice will have significant implications on the performance of the formal sector. So, the informal sector will have to be ultimately formalized and integrated into the formal economic system. But the question is what could be done to encourage the transformation and integration of the informal sector to the formal system. In my opinion, the informal sector operations should be a transitory system and need to be gradually integrated into the formal arrangements. The best way to do this, in my opinion, is through incentives. Rather than criminalizing the informal actors tax and other forms of incentives should be provided to encourage their integration. Recognizing their importance and gradually encouraging them to become formal will help instead of persuasion. In addition, various kinds of support could be given to those operators in the intermediate period.

Ratna M. Sudarshan - independent researcher

2016-10-20

I believe this is a difficult goal unless there is a substantial change in the social status and economic strength of the informal economy. As long as it remains 'below' the formal economy – whether in the attributes and background of those who populate it, or the degree of economic independence it has – genuine inclusion in processes of economic growth might be limited. Education may not bring about much change: (for a review based on Indian experience see ...
ion_in_an_informal_economy_context_and_challenges"
rel="nofollow">https://www.researchgate.net/publication/282184557_Employment-responsive_education_in_an_informal_economy_context_and_challenges). If however, the sources of growth and drivers of growth could be located within the informal economy, might this change the situation?

Racky Balde - UNU-MERIT Institute

2016-10-20

In developing countries, more than 70% of the labor force evolve in the informal sector. The size of the informal sector is growing and it is a stepping stone for many young people and small firms. It is well known that the informal sector is less productive than other sectors. According to Rodrik 2011, this is one of the reasons that explains the variation between Asia and Africa in the contribution of structural change to overall labor productivity. The low productivity of the informal sector is due to the prevalence of low skilled workers, difficulty to access funding for capital investment, and low adoption of new technologies. Many policies focus on the transition of the informal firms to the formal sector. Many studies have shown that when informal firms tend to grow they become formal (Mckenzie and Sakho, 2010; McCulloch and al.,2010). What matters most for economic growth is the increase of the informal sector productivity. Policies could focus in making access to funding and new technologies easier. Moreover, some training programs to increase the learning capability of new technology could enhance the productivity of the informal sector.

Adeline Ajuaye - HIVA-KU Leuven

2016-10-21

Informal sector represents an important part of the economy and certainly of the labor market in many countries especially developing countries, and thus plays a major role in employment creation, production and income generation (Sparks and Barnett, 2010). In Tanzania for example, 40% of all non-agriculture workers are employed in the informal sector which contributes more than 36% to the national GDP (ESRF 2010, Aikaeli and Mkenda 2014). Evidence also shows that the informal economy in the country has been expanding where about 98% of businesses are informal in nature (URT 2007, 2012). The informal business enterprises have created their way of operating that sometimes links them to the formal sector for instance, they form groups and develop contracts and agreements that can be used to access funds from formal institutions and sometimes link them to the industries and formal markets. However, in most cases these operations are not recognized by tax authority systems therefore government loses revenue in the process (about 35-55% of total tax revenue) by not taxing the informal sector (ESRF, 2010); and this delays efforts towards the realization of optimal economic growth. It also limits the coordination and provision of social services such as social security, skills and capacity development to the informal workers because they are not involved (by law) in the national social security schemes and their contribution to voluntary schemes is very low. Therefore, there should be serious interventions to reduce the informality including harmonization of the existing policies, rules and regulations that contradict the formalization process. For example it takes 9 procedures to start a business in Tanzania (WB, 2016) which involve different authorities with several steps and costs; given the currently available technologies the government can streamline the process by making a one-stop desk where the whole registration process can be completed. I believe by simplifying the formalization process the actors in the informal sector will choose to operate within the formal sector and their contribution to the economic growth as well as social security schemes will eventually increase.

Vinicius Ferreira

2016-10-24

The informal sector has a great participation on the labour creation, especially in developing countries. In these informal sector the most representative category usually are small entrepreneurs that are very vulnerable to the flow of National Economy, due to the fact that people buy more when they are in a prosperous time. How most of them are their own boss, giving more flexibility the labour market regulation will not have an effectiveness effect on job creation. So these workers have a quite fragile guarantee of incoming, what suggests they should receive some support, like Social Protection targeted policies and qualification in order to succeed easier

Nancy Benjamin - World Bank

2016-10-25

The performance of informal businesses needs to be supported according to where they are along a continuum of informality. At the most informal end of the spectrum, the most direct approach is to raise the capacity of informal workers, including basic education and some vocational training. Training in business management for SMEs has a more mixed record, but in certain targeted instances it could help.

Policy regarding formalization should focus rather on the large, sophisticated informal firms. These already have the capacity to function like formal firms, and a more rule-based regulatory enforcement could bring them into the base of formal firms and formal tax-payers.

Between the large informal firms that could be formalized and the micro-enterprises that need basic assistance, there is a large segment of firms that are not close to being able to follow formal rules, but that still need public goods and collective services. Important aspects of these firms' performance -- productivity, profitability, employment, longevity -- can be improved along the informality spectrum, without restricting either policy or results to a simple formal-informal dichotomy. For these firms, policy should focus less on registration and taxes and more on what inhibits modernization and access to the benefits of modernity.

Most informal firms would be willing to pay a little more in public contributions if they could be guaranteed an increase in public services. Surveys and interviews tell us that there are many intermediate bargains they would be willing to make. A public-private bargain can enhance both public performance and private participation in the formal regulatory regime, including contributions to public finances.

In the capital markets, it is important to recognize that most formal credit instruments do not suit the high-risk nature of informal businesses, hence the weak response to micro-credit programs and the stronger preference for more personal sources of financing. The high-risk character of informal business income and their inability to forfeit collateral need to be taken into account when finding ways to increase access to credit.

INCLUDE secretariat - INCLUDE

2016-10-28

INCLUDE would like to thank all contributors to this Policy question. Your answers have been very informative for our lunch seminar on the informal sector, which took place on the 27th of October. The discussion on this question so far clearly shows that policies to ensure the informal sector's contribution to economic growth are still mostly thought of in terms of formalization. Alternatives to this route appear scarce and very difficult to achieve.

Dr. Assefa Admassie's contribution reflects the prevalent view regarding the development of the informal sector: Ultimately, the aim should be the formalization of informal businesses and their eventual integration into the formal economy. Independent researcher Ratna Sudarshan points out that an alternative pathway – one that aims for development of the informal sector without necessarily moving towards formalization – would indeed be very difficult to accomplish. Such a pathway requires a radical shift in the social status of the informal economy, because as long as the informal is seen as 'below' the formal, genuine inclusion in economic growth will remain limited.

If one does try to change perspective and think of ways to include the informal sector without moving towards formalization, some recommendations can be made: Policies that focus on increasing productivity - for instances by making access to funding and new technologies easier – as well as programmes that offer training to informal sector workers, could help informal sector businesses to establish linkages with the formal economy without having to formalize themselves.

The contribution by Nancy Benjamin (World Bank) adds another interesting dimension to the discussion by introducing a different way of looking at informal businesses. Regarding a business as 'somewhere along a continuum of informality' helps formulate measures that move firms more towards formality on the informal-formal continuum, but not necessarily aim to push them into the formal region entirely. In similar vein, Donald Sparks (the Citadel) argues that the formal sector must become less formal and the informal sector more formal. By moving the sectors more towards one another on the above mentioned continuum, productive linkages and partnerships can be realized and the large number of informal enterprises can be plugged into the general economy more easily.

Policy question 15

What are successful examples of integrated approaches that support women entrepreneurs to become more economically empowered?

Featured answer

INCLUDE Secretariat

2016-10-10

Several experts (Taylor and Perezniето 2014, Domingo et al. 2015) agree that integrated approaches are needed to support women entrepreneurs to become more economically empowered. In integrated approaches, different stakeholders work together at different levels and combine different interventions in order to achieve a more sustainable result than they could have done if the interventions were implemented in isolation. Recent research emphasizes that interventions to empower women economically should take sociocultural constraints into account. This may be more important than other interventions that are traditionally pursued, such as financial support.

Vargas García writes: “The challenges women entrepreneurs face are embedded in the larger ecosystem of gender discrimination, which includes gender-based violence, legal barriers (e.g. inheritance, property, and customary laws), and care responsibilities just to name a few.” The barriers and inequalities that women face limit the impact and effectiveness of single interventions for women’s economic empowerment. Integrated approaches can address these underlying causes based on the rights of women.

These approaches can be initiated by governments, NGOs and/or the private sector. For businesses, the return on investment in integrated approaches is considered significant.

In the literature and in the discussion on this Policy question, experts have come up with the following measures to address sociocultural factors as part of an integrated approach to women’s economic empowerment:

- Provide access to child care services, for example during work and during entrepreneurship training.
- Increase economic incentives for paternity leave to improve the division of household tasks.
- Improve access to affordable business loans or microfinance for women. As Thierry Kame Babilla writes in the discussion on this Policy question, in Cameroon success is being achieved with a ‘National Agency, which guarantees female entrepreneurs’ debt contracts from the banking sector’.
- Reform the law to give women equal ownership rights of land and other assets.
- Involve men in conversations and policies on women’s empowerment.
- Make policies gender-sensitive.

Examples of integrated approaches for women’s economic empowerment:

- Many entrepreneurship development programmes combine business loans with entrepreneurship training.

– A pilot project that combined vocational training with education on marriage, sex and reproduction among female entrepreneurs in Uganda resulted in increased income generating activities and lower rates of marriage and childbearing at a young age (Bandiera et al. 2015).

– The Integrated Women's Empowerment Programme (2008–2013) combined literacy, skills training and entrepreneurship. The programme, which was funded by the Royal Netherlands Embassy, was a cooperation effort between various local partners, the Ethiopian government and DVV International and reached almost 30,000 women in Ethiopia.

– The Joint Programme 'Leave No Woman Behind' (2009–2012) combined economic empowerment with literacy, reproductive health and behavioural change towards women in Ethiopia. A self-assessment indicates that it led to a change in saving behaviour among the participants.

– According to Doss, Bockius-Suwyn and D'Souza (2012), projects for women's economic empowerment that target women in their roles as farmers, wives and mothers and in their role within the value chain are most effective.

Reactions (14)

Craig Valters - Overseas Development Institute

2016-10-11

There has been a range of research at ODI that will likely be of interest. That includes:

- Evidence review on Women's Voice and Leadership (pp. 61 - 83 on economic empowerment)
- Synthesis report on Women's Voice and Leadership, which references a range of case studies
- Women's economic empowerment: navigating enablers and constraints (website)

Lindy Wafula - Village Ventures International

2016-10-11

Some of the Integrated approaches that we have employed in the economic empowerment of women in rural Kenya include vocational skills training in our Women's Academy. The Women's academy is a women's only centre of excellence where women are empowered with various vocational skills in an environment that is women friendly. Apart from skills training other services include baby care services thus mothers with children can afford to attend their training courses without worrying about care for children.

Secondly, in addition to financial support and access to business capital, women need tools for trade and space for work. Small loans given to women at times cannot cater for tools for trade and space. We have learnt that business incubation that allows women to share business work space and tools for trade for at least 12 months allows for economic growth and development.

Business incubation also allows women entrepreneurs to benefit from peer mentoring and guidance.

Access to affordable business loans for women entrepreneurs should be encouraged by microfinance institutions and banks, however in a global world where social entrepreneurship and social impact are becoming the trend, to overcome socio-cultural constraints "pay it forward with good" credits should be encouraged. That women can receive loans and pay back by credit earned while undertaking a social good project or community service.

Abigail Hunt - Overseas Development Institute

2016-10-12

ODI's evidence shows that the most effective support to women's economic empowerment works across several spheres, which means bridging across policy areas – such as macroeconomic, labour and social policy – which can in practice often be quite siloed or separate.

There are a number of case studies of promising practice related to this in our new report on women's economic empowerment which can be found here: <https://www.odi.org/publications/10483-womens-economic-empowerment-navigating-enablers-and-constraints>

Emmanuel Nwosu - Department of Economics, University of Nigeria
2016-10-12

In Nigeria, various approaches that were used in the past to try to economically empower women did not have any known impact on them. First, most of these interventions were associated with wives of the former presidents such as Better Life for Rural Women, Family Economic Advancement Programme, and so on which were immediately abandoned once that particular regime was over. This made them mere slogans and ways to attract funds from development partners rather than real economic empowerment agenda. Second, none of them was based on any integrated approach but rather isolated and finally there was no study carried based on field survey that evaluated their effectiveness.

However, our recent research shows that formal micro credit can work well to economically empower women if this can be combined with skills acquisition and entrepreneurship training so that once such funds are disbursed the recipients are already prepared to utilise them effectively. This form of credit should be a special targeted intervention that would not require unnecessary demands for collateral and payment of high interest rates but should require women to form special economic groups in their areas of trade.

Karen Kammeraat - Brilliant Entrepreneur
2016-10-12

Our program focuses on the integration of personal/self and business development and until now the results and feedback are very positive. Most of the BDS programs in developing and emerging economies focus on 'technical' aspects like marketing, writing business plans, bookkeeping, etc. These are valuable trainings, but what is lacking is attention for the person. While the person of the entrepreneurs is core and key to the company! Without her, the company would not have existed! So it is good to know your talent, strengths and weaknesses, passion, etc. so that you can work at your optimal capacity in and for your company. Also, working at an issue that has your heart in a way that fits you gives you energy reducing the risk of getting stressed or burnt out.

The integrated approach in our program does not only concern the combination of personal and business development, but also integration of the technical subjects that are mentioned above. We actively involve all kind of BDS providers, from credit institutes to women networks and from export boards to tax offices in our program. Women entrepreneurs are often not aware of all the assistance that is available to them since they tend to work in isolation (also because they are often overloaded due to multiple tasks) and BDS providers often complain that they have difficulties to reach women entrepreneurs. According to us the main problem is not in their programs, but in the way they communicate their programs to women entrepreneurs.

Our target group are SME female entrepreneurs (existing for 2/3 years, at least 3 employees, etc.) who are ready to make a next step. To refer to the original question as put by Include, we do not pay much attention at the start at socio-cultural constraints, since this helps to approach the women without prejudices. Although of course during the training these constraints do come up and then we reflect on how you can use your talent to deal with these.

For more information: www.brilliantentrepreneur.net

Arjan de Haan - IDRC

2016-10-12

As highlighted by others, our work also indicates that as women's constraints are manifold, solutions need to address a variety of factors. Evaluations of credit and training programs show that they can have a positive impact, but these impacts remain limited because of the specific constraints female entrepreneurs face - including for example time and care burden. Value chain (and supplier diversity - see <https://www.idrc.ca/en/article/empowering-women-owned-businesses-india>) approaches have shown promise (and in need of good evidence), particularly in sustainability, as they start from the market access end - but here too addressing multiple constraints continues to be important (organisations like SEWA in India address those from the perspective of women's organisation, including working with corporations).

Eyerusalem Siba - Brookings Institution

2016-10-12

Addressing the hard skill deficit can only go so far without combating the typical domestic and societal pressures that continue to plague women in the developing world.

Some examples of integrated approach in addressing socio-cultural constraints include:

- Designing gender sensitive policies in areas that affect women's participation in labor market, business and decision-making
- building towards culture and value system which rewards balanced division of labor in the household (e.g. Affordable child-care and economic incentives to increase paternity leaves)
- leveraging corporate social responsibility as a pathway for male inclusion in women empowerment agenda
- Increasing exposure of women-led businesses to networks and global best practices. This will potentially have a snowball effect when women-led businesses mentor and invest in future generation of business leaders.
- Of course the hard and soft skills of running a business, access to capital and mentorship are important but their effectiveness will increase when addressing socio-cultural constraints. (Please read more on this here)

Thierry Kame Babilla - University of Yaounde II_CEREG

2016-10-12

With the collapse of commodities prices, resources-rich low-income countries face serious challenges of diversifying their economies and raising output growth. The key issues of these challenges are the financial frictions faced by female entrepreneurs in the credit market. In Cameroon, despite successful achievement made by government in recent decades to close the gender gap in the domain of education, health, employment and political participation, there are still fewer female entrepreneurs relative to male entrepreneurs mainly because of financial frictions.

Three-fold integrated approaches were successful in economically empowering female entrepreneurs in our research. The first concerns the loosening of collateral constraints in the credit market. A National Agency, which guarantees female entrepreneurs' debt contracts from the banking sector, helps to alleviate frictions in the credit market. An ease collateral constraint improves female entrepreneurs sector's productivity and job creation with crowding-in effects in the male entrepreneurs' sector. Aggregate output rises due to an increase in aggregate investments.

The second approach stands for the elimination of gender-based legal restrictions in business. Gender-related restrictions are numerous in a number of tribes in Cameroon and induces legal impediments to female undertaking economic activities. Law enforceability that guarantee equal rights between male and female regarding family properties, such as land, real estate or shares, allow female entrepreneurs to directly use their families properties as collateral, without the consent of their husband or the head of family, to obtain a loans and run their business, and as result enhance female entrepreneurship.

The third approach refers to the reduction of the intermediation costs. When the banking sector's regulation agency focuses on more targeted policy interventions, exemptions for enormous requirements are granted to female entrepreneurs, and transparency and loans-information sharing are promoted. This policy leads the banking sector to stop implicitly discriminating between female entrepreneurs and male entrepreneurs in the loans negotiation. The reduction of lending costs broadens female entrepreneurs' access to finance.

Fatoumata L. Diallo - Platform member of INCLUDE

2016-10-13

Recent research findings in many developing countries emphasizes clearly that interventions to empower women economically should take into account social and cultural constraints. In other words, female empowerment and entrepreneurship are hindered more by social and cultural factors than by limited access to financial resources. Therefore the question on how to support women to become more economically empowered becomes relevant and should be discussed widely because empowering women has positive impact on economic growth and development.

For successful examples of integrated approaches that support women to become more economically empowered, one can list a pilot project in Uganda (<http://sticerd.lse.ac.uk/dps/eopp/eopp50.pdf>) that attempted to overcome social obstacles that impede women entrepreneurs by combining hard skills of vocational training with education on marriage, sex and reproductive health. Their experience provides evidence for multi-faceted intervention when it comes to female entrepreneurs, as both social and economic constraints play a pivotal role in determining the success of a women business owner. Their finding suggest that women's economic and social empowerment can be jump-started through the provision of vocational and life skills, and is not necessarily held back by binding constraints arising from social norms or low aspirations. The same program has been implemented in Bangladesh where female disempowerment is also a major issue.

There are also some good practices that suggest that men should take part in conversations surrounding gender roles, so as to not feel threatened by shifts in gender dynamics. The benefits of male inclusion are uncharted but it would be potentially great. Providing education to both men and women through gender role conversations and challenging attitudes relating to what is men's or women's role is essential for long-term change. Also teaching men to support their wives' economic pursuits would have generational benefits, as their children are more likely to follow (<http://www.nber.org/papers/w21505.pdf>). Other good practice would also be to work with youth (girls and boys) to prevent discriminatory norms being transmitted to next generations.

Francisco Campos - World Bank

2016-10-13

Integrated approaches are seen as valid solutions to empower women entrepreneurs in developing countries. At entry into entrepreneurship, integrated vocational and life skills training and large grants in the context of a business plan competition are very effective in empowering women. During business operations, combining assistance in formalizing firms with offering business bank accounts has promising impacts on access to financial services (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2579882).

The growth of integrated approaches follows from the evidence that traditional programs such as business training, microfinance, and formalization mechanisms have at best mixed results in isolation. In general terms, we do not really know if these interventions fail to address the constraints they target, if they focus on constraints that are not actually binding, or if they do tackle important obstacles while leaving other jointly binding constraints unaddressed.

In the latter case, integrated approaches would be relevant. Otherwise, it would still make sense for efficiency purposes to focus on disentangling the effects of separate sub-interventions. Considering

the likely importance of social norms in hindering opportunities for women, identifying solutions that can address these can be very critical. The work of the World Bank's Africa Gender Innovation Lab in entrepreneurship aims at studying constraints and finding interventions that can help women overcome obstacles in growing their businesses. Promising ideas are coming from supporting women to enter into male-dominated sectors, increasing access to credit through alternatives to collateral, and training women on non-cognitive skills that can be important for business success.

Thierry Kame Babilla

2016-10-13

For more information in this issue you can read the following papers from our research:

Title: "Macro implications of female entrepreneurs facing financial frictions to access to credit in Cameroon", PEP Working Paper No 2016-02, available at <https://www.pep-net.org/page-macro-implications-female-entrepreneurs-facing-financial-frictions-access-credit-cameroon>, January, 2016.

Title: "PEP Impact Story: from credit-constraint female entrepreneurs to structural transformation in Cameroon", available at https://www.pep-net.org/sites/pepnet.org/files/typo3doc/pdf/promotionnal_material/info-pep/PEP_impact_brief_Cameroon_MPIA_March2016.pdf, March, 2016.

Title: "PEP Policy Brief MPIA No 125: Cameroon", available at <https://www.pep-net.org/policy-briefs>, December, 2015

Nnetu-Okolieuwa, Vivian Ikwuoma - Department of Economics, University of Nigeria Nsukka

2016-10-20

Most research in Nigeria has not been based on an integrated approach. But, there is research going on in Uganda, Kenya, India and some other countries which hope to tackle both female empowerment and socio-cultural constraints. A good example is the introduction of reusable pads where women (students inclusive) are taught on good menstrual hygiene management and are also provided reusable pads. Furthermore, some of these women are taught on how to produce these pads and sell in order to earn a living. Some cultures believe that when men see these pads, they can die, so at times there is no proper disposable pads. These interventions have also taken care of this problem. This has really helped to empower women and also help them manage their health. 'We Keep It Secret So No One Should Know' – A Qualitative ...

INCLUDE secretariat - INCLUDE

2016-10-21

Many thanks to all contributors to this Policy question. Below you can find a summary of the discussion so far, but additional contributions, comments and follow-up questions are still much appreciated.

Most developing countries have witnessed a multitude of uni-dimensional development programs aiming to empower women. These programs, of which Emmanuel Nwosu (University of Nigeria) provided some good examples, largely fail to achieve their goals in a sustainable fashion. Abigail Hunt from the ODI emphasized that it is vital to bridge gaps between policy areas – including macroeconomic, labour and social policy - in order to approach the challenge of women's empowerment from multiple directions. Our contributors have given a number of examples of best practices and successful programmes that have taken such an integrated approach to women's empowerment:

- The Women's Academy in Kenya offers women vocational skills training, combined with baby care services that allow for women to focus on their courses and (entrepreneurial) development.
- The Brilliant Entrepreneur programme emphasizes the integration of personal and business development. As Karen Kammeraat points out, while most programmes in developing economies focus on technical aspects alone, paying attention to women's personal development is key to the long-term success of their company.
- In his research in Cameroon Thierry Kame Babilla came across a number of integrated

approaches that proved successful, as they each addressed constraints that hampered development of female entrepreneurs such as credit constraints, gender-based legal restrictions and high lending costs.

In addition to these (and other) instructive examples, some valuable recommendations were made. Lindy Wafula (Village Ventures International) notes that, in addition to programmes that offer short-term (financial) support, what is needed is a longer-term approach that extends across at least 12 months, which is the 'incubation time' for any business to take off. INCLUDE platform member Fatoumata L. Diallo emphasized the need to include men in the efforts to achieve gender equality and women's empowerment. Although the benefits of male inclusion are uncharted, she argues, "providing education to both men and women [...] is essential for long-term change".

If integrated approaches are to effectively challenge the social and cultural norms that hinder women's development, it is not only vital that both women and men are targeted; to ensure sustainable outcomes, local community leaders should also be included in the design and implementation of programs. As a follow-up to the above discussion we would therefore like to challenge contributors to think of creative ways to collaborate with local communities (and their leaders) towards women's empowerment.

Saskia Vossenbergh - ISS / Royal Tropical Institute (KIT Gender)

2016-10-21

Successful examples of integrated approaches that support women entrepreneurs are grounded in the question: 'what works where and for who'. Not all women entrepreneurs are the same nor do they experience the same constraints and opportunities. Especially female entrepreneurs operating in informal economies need support with overcoming the gendered risks and circumstances under which they operate their businesses. Meaning, challenging those negative norms and rules that legitimize what women can and cannot have, be and do in a society.

A good example is that of EXIM Bank in Tanzania which partnered with IFC to establish a programme for women's entrepreneurship development. It initially started with the provision of business advisory services but realizing that women often shy away from banks due to the misconduct of bank employees, including sexual harassment and the moral judgement of women who apply for a loan or demand services, EXIM Bank staff were given gender-sensitization training and a policy was implemented to encourage a healthy and cordial work environment that is responsive to women's needs. So, next to building the capacity of women entrepreneurs and 'making them more bankable', EXIM Bank's invested in its own institutional ability to better serve and bank women entrepreneurs.

For more good practices see: <https://includeplatform.net/strategies-for-womens-business-growth/>

Policy question 14

What are good indicators for assessing the inclusiveness of businesses, particularly for the inclusion of youth?

Featured answer

INCLUDE Secretariat

2016-10-04

The inclusion of youth in the development of Africa is primarily assessed by their employment rate, as having a job is key to a person's economic and social development. Yet, there is more to inclusion than merely having a job. Employment needs to be 'decent' and productive. The ILO Decent Work Agenda contains four pillars: employment creation, social protection, rights at work, and social dialogue. Statistical and legal indicators of these pillars, published by the ILO in 2008, include:

- Unemployment rate by level of education
- The proportion of own-account and contracted family workers in total employment (as a proxy for informal employment)
- Minimum wage, as a percentage of median wage
- Average hourly earnings and average real wages, rather than nominal wages
- Excessive working time, unusual hours worked and employment injury benefits
- Paid annual leave and maternity protection
- Child labour and forced labour
- The 'precarious employment' rate and job tenure
- Public expenses for social security, pensions and health care (as a percentage of GDP)
- Union density rate, freedom of association and collective bargaining rights.

Apart from these tangible indicators of decent employment, inclusion also entails broader economic and social processes, including a worker's psychosocial development. This means that a sense of ownership, trust and meaning are also important in assessing youth's inclusion. The role of multinational organizations, which play an important part in the inclusion of youth, can be enhanced by improving their embeddedness in the economies they operate in. INCLUDE addressed this issue earlier in Policy question 11. A point that emerged in that discussion was the role of foreign investment: it was concluded that a primary focus on attracting export-oriented investors and cheap labour would not lead to inclusive growth in the long run. Instead, establishing shared values with communities is important.

In a 2012 review, Elise Wach (IDS) discussed some of the frameworks (including the Oxfam Poverty Footprint and the INSEAD report on the Economic Footprint of Unilever) used to assess the inclusiveness of businesses in the Global South. These were both monitoring & evaluation (M&E) and impact evaluation (IE) frameworks. An important conclusion is that formulating indicators for inclusiveness is an iterative process. Relying on predetermined and tailored indicators in M&E frameworks can result in positive and negative outputs being overlooked. Moreover, both direct and indirect impacts should be taken into account. Indirect impacts include the effects of business expenditures and activities, but also the effects of the consumption of products by consumers. Wach's review shows that the inclusiveness of businesses is seldom measured systematically and that doing so is challenging. For instance, assessments should not only look at what would be lost if a company was not there (100,000 jobs in the case of Unilever), but also what could have happened in the absence of these companies (in terms of space for other products and jobs in local markets). Therefore, it is important to explicitly mention the assumptions underlying the assessment performed and to take a pro-poor approach that builds on the causal mechanisms impacting on the development of vulnerable groups.

Reactions (5)

Vinicius Ferreira

2016-10-07

To promote inclusiveness of the youth it would be quite valuable to measure the proportion of them in the total amount of employees. High skilled jobs also need more qualification, then, we should also know if the education that is provided for young people is enough for they achieve successful positions. The ICT sector usually demands constant innovations, that is a good reason to hire young people, because they are more up to take risks and innovative initiatives rather than the elderly. The Government can also inactivate the hiring of the young by giving fiscal discounts according to the amount of young employed by the company.

Wouter Kleijn - KIT

2016-10-11

Thanks for posing this intriguing question! Let me try to answer this from the perspective of someone interested and active in youth (workforce) development. Within this field some of the 'usual suspects' include:

- Increased income
- Increased saving
- # of (young) individuals with new/better employment
- % of individuals with new/better employment
- # of individuals with improved skills

This includes soft skills. Especially as more and more evidence points out that transferable skills such as emotional intelligence are just as important. Problem is, skills are a bit tricky to measure. The literature on positive development indicators provides interesting suggestions for indicators as well.

Of course decent job principles are important. As the concept is quite broad, narrowing it down a few indicators is probably the best way to go about this (satisfaction, wages, etc).

A couple of issues which are relevant as well:

- Try to measure age and gender-dis-aggregated. 'Youth' is not a homogeneous group.
 - Longitudinal studies are needed. What is the long-term impact on employment and livelihoods? Difficult to convince donors funding a 3-4 year project of this however.
 - RCTs. RCTs have been referred to as the Gold Standard. And yes there are some good examples of RCTs. See for example this one from Rwanda (contact me if you need more): <http://idd.edc.org/sites/idd.edc.org/files/RCT%20Report.pdf>
- But RCTs are definitely not always the way to go as they usually imply high costs, self-selection issues, ethical issues and limited external validity.
- One of the major issues, not just in employment but also in entrepreneurship, is working with the 'best'. Selecting job candidates or entrepreneurs that show potential will probably lead to more (absolute) positive outcomes, yet does leave a lot of the most vulnerable behind.
 - Employment leading to options for career development, entering into university as a positive outcome (often not measured as such), employing in sectors that lead to value addition should all be taking into consideration....in a perfect world :)

Addisu A Lashitew - The partnerships Resource Centre, Rotterdam School of Management

2016-10-13

I am currently engaged in an INCLUDE research project on inclusive business models in Africa. So the question of how organizations can become inclusive and engage disadvantage groups such as the youth is a question I am trying to address. I will share a couple of observations.

As mentioned in the text, youth unemployment is a major problem in many African countries. Educational institutes often spawn graduates at a rate far greater than the employment capacity of the market. In many cases, the poor from rural background move to cities without any skills and employment prospect. Youth unemployment is thus a politically sensitive issue that deserves

attention from governments and businesses alike. A case in point is Ethiopia, where enrolment in higher educational institutes has grown in leaps in recent decades, but employment opportunities remain limited. An underemployed and demanding youth population is a big part of the current political upheaval that is shaking the country.

How can the private sector empower the youth and expand employment opportunities? I recently did an in-depth case study of Safaricom, a leading telecom company in Kenya, which is well-known for expanding financial inclusion through the famous mobile money application called M-Pesa. Safaricom recognizes that the youth host a pool of unexploited talent, but this needs to be identified and nurtured. Two critical gaps were identified that hold back the entrepreneurial potential of the youth – first there is limited entrepreneurial knowhow and exposure, and second the youth typically lack the financial clout to start their own businesses. Safaricom responded to these findings by launching programs that fund youth-owned start-ups in Kenya. These programs do not only select talented aspiring entrepreneurs and avail them with seed capital, but also provide training, coaching and mentoring on their way to become full-fledged business owners.

The first of these programs was Appwiz Challenge, which was started in 2013 in partnership with the @iBizAfrica incubator at Strathmore University. Appwiz Challenge is designed to seek out and train developers with interests in mobile-based technologies. Selected candidates participate in a three-month training curriculum that offers mentorship and coaching from industry leaders and leading entrepreneurs, as well as training in entrepreneurship skills. The top three winners of the challenge receive small grants ranging from 9,000 to 15,000 USD for starting up their businesses. Another program launched in November 2014 provides a Spark Fund with a total fund size of USD 1 Million. This venture capital fund aims to support the successful development and growth of high potential mobile tech start-ups in Kenya through a combination of investment, business development support and technical assistance leveraging on Safaricom's unique capabilities, assets and market positioning.

Some of these programs have already yielded positive outcomes, leading to small entrepreneurial initiatives with Safaricom co-ownership, such as an app-based metered taxi business called LittleCab and a logistics service provider called Sendy. Safaricom, however, also realizes the need for broader engagement with the youth to empower, inspire and engage them. Hence the large program called 'Blaze,' with a funding of almost 7 million USD, which aspires to mobilize and inspire the youth to become entrepreneurs. With a logo of "Be Your Own Boss," Blaze organizes summits, bootcamps, events and other youth-empowerment related programs.

The above examples show us that businesses can use multiple ways to engage the youth. What is unique about Safaricom is that it recognizes the youth as an important market segment and invests on them. This pays off financially by strengthening the innovation ecosystem, by building bridges with communities and strengthening brand image. Equally importantly, it contributes to local development and makes a difference among peoples' lives.

Companies do not necessarily need to be large and resourceful to be able to engage the youth meaningfully. Lack of education, training, and employment opportunities in Africa are such big issues that they offer a wide range of business opportunities for smaller businesses. An example is Spring Boarding, a small business in Nigeria where a former colleague of mine has started to work for. Spring Boarding follows a business model of fostering sustainable agriculture by inspiring and coaching young Nigerians to start their own organic farms. Since 2008, Spring Boarding has been training 50 young people annually in a half-year curriculum that involves four stages: Technical and managerial training; Business idea development; Apprenticeship and; Graduation and business launch.

These inspiring examples showcases some of the things that businesses can do to empower the youth in Africa, and reveal the vast opportunities behind the problem of youth unemployment in the

content.

Sydney Machafa - International Youth Foundation Mozambique

2016-10-14

Whilst we can suggest a list of indicators I would like to point out that it may also be good to start from the business inclusiveness intervention strategy being used and the extent of the exclusiveness being targeted. This will clarify the theory of change, the intended outcomes and impacts including the underlying assumptions which will lead to the selection of output, outcome, impact indicators and the appropriate monitoring and evaluation framework. Below are examples of indicators;

- # of youth led business entities supplying services to a specific industry
- # of youth being hired by companies in the value chain

- # of companies in the value chain employing local youth

- # of youth led entities reporting improved revenue due to improved service from suppliers

- # of companies with reference to youth inclusiveness in their operations

- % of youth reporting knowledge of specific business services

- % youth accessing financial services (bank loans etc.)

Understanding the problem and conducting a baseline study is equally important. Unfortunately, there is also a tendency for organisations to select indicators which suit their repetition but which fall short of measuring inclusiveness. Beyond indicators there is also the need to explain causalities. Conclusions on outcomes which are not valid and sound are common. It is unfortunate that the use of the experimental approach to monitoring and evaluation cannot always be used as it is expensive and demanding.

INCLUDE secretariat - INCLUDE

2016-10-14

Many thanks to all contributors to this Policy question for the inspiring and provoking comments. As this is an ongoing discussion, additional contributions are much appreciated. Nevertheless, we summarize the discussion so far as follows:

As Dr. Addisu Lashitew (Rotterdam School of Management) points out, one of the factors contributing to increasing youth unemployment is the growing number of people with a university or tertiary education degree. The market cannot absorb the rising amount of new graduates, resulting in a growing un(der)employed and demanding youth population that may cause political upheaval.

In order to design programs and policies that adequately address this problem, having a clear idea of the present situation is indispensable. Yet, it appears quite difficult to measure the level of inclusiveness of youth in business, because assessing successful inclusion does not end with establishing the proportion of youth on the total amount of employees. Wouter Kleijn (Royal Tropical Institute) suggested a number of additional indicators that could help determine the inclusiveness of businesses with regards to youth. Yet, he also noted that while measuring these indicators it is important to keep some issues in mind. For example, gender differences, vulnerable groups and long-term studies should be included in research if it is to lead to meaningful results.

The establishment of a set of appropriate, standardized and comprehensive indicators to assess youth inclusion in businesses will help both governments and companies to formulate more adequate programs in the future. It remains a question however, who should take up responsibility

for the process of assessment and the translation of research results into programs. Is this a task for governments alone, or do NGOs and private sector stakeholders have a role to play as well?

Policy question 13

What are promising examples of improved employability as a result of social protection programmes?

Featured answer

INCLUDE Secretariat

2016-09-26

Narrowly defined, employability refers to the capacity to gain initial employment, maintain employment, and obtain new employment if required. This entails a focus on individual assets such as skills and education (degrees), as well as on personal circumstances such as access to transport or care responsibilities. From a labour market perspective these are supply side factors. More broadly defined, employability depends on the structural environment (demand side factors). The structural environment includes labour market factors like the amount and type of vacancies, recruitment policies, and enabling policy factors, such as job-matching services.[1]

Social protection programmes can influence both demand and supply side factors. For example, in its Asian Decent Work Decade Kit (2011) ILO argues for a social protection floor that would provide universal basic access to social services to enhance employability. This would include covering minimum job seeking expenses, covering childcare expenses, and ensuring access to health care services and decent living conditions, as well as a minimum level of education. However, there is some debate as to whether or not social protection can have a perverse effect on labour market participation, but the evidence suggests that this is not the case. Promising examples of social protection programmes that contribute to various aspects of employability include the following:

- *Juventud y Empleo* in the Dominican Republic combined vocational training with basic or life skills training and internships in the private sector, with a positive impact on job formality and monthly earnings (respectively a 17% and 7% increase compared to the control group), while also reducing teenage pregnancy. *Projovent* in Peru had a similar positive impact on job formality through skills training. Evaluation over the longer term found an increase in job formality of 25% and an increase in written contracts of 23% compared to the control group. A systematic review of social protection programmes in various countries found that skills development and education programmes such as this had the greatest effect in low- and middle-income countries.
- India's *National Rural Employment Guarantee* increased wages by between 12% and 33% for participants, who used these earnings on food, education, and healthcare and repay debts. In addition, the *Youth Employment Support project*, a public works programme in Sierra Leone, saw beneficiaries' incomes rise by 29%, resulting in increased spending on food and health services and the setting up of new businesses. However, evidence on the ability of these programmes to create long-term sustainable employment is weak.
- *Oportunidades/Prospera* in Mexico has had a positive impact on school enrolment levels and has resulted in significant improvements in nutritional status and better health prevention. On average, young men received 10 additional months of schooling and young women received 8. Moreover, anaemia among children under two declined by 11.8%. Likewise, the World Bank's State of Social Safety Nets 2015 reports that, in Burkina Faso, cash transfers helped increase enrolment rates for primary and secondary schools by 18%, while in Cambodia, secondary school attendance was increased by 26%.

[1] For a comprehensive overview of both individual, personal and structural factors see McQuaid and Lindsay, 2004: 209–210.

Reactions (4)

Franziska Gassmann - Maastricht University

2016-09-27

Contrary to widely held perceptions, social protection does not create negative labor market incentives in developing countries. Searching for employment generates transaction costs, which might exceed the financial resources of a household. Think, for example, of the costs related to sending an application, paying for transport to get to the job interview and the need for decent clothing to make a good first impression. Evidence from South Africa points at a 11% increase in labor market participation in households receiving the social pension (Samson et al., 2004), and in Brazil the Bolsa Familia program led to a 2.6 percentage point increase in adult labor market participation (Oliveira et al., 2007). These are just two examples coming to my mind.

Armando Barrientos - GDI, University of Manchester

2016-09-29

As Franziska's answer notes, the weight of studies on the impact of social assistance programmes on adult labour supply indicate there are at best marginal effects from programme participation. This applies to adults of working age. The situation is different if we focus on children and older people. With variations across countries and programmes, participation in ccts is likely to reduce child labour. Social pensions reduce the labour force participation of recipients, even though in most programmes this is not a requisite for entitlement. Returning to adult labour supply, in a paper on Colombia's Familias en Accion (available [here](#)) we are able to disaggregate adults by gender and family group, and find that single mothers of young children show increased labour force participation. The headline is that households re-arrange their labour resources in response to programme participation.

Valentina Barca - Oxford Policy Management

2016-10-07

While focused on cash transfers alone, our 2016 systematic review of the impacts of 56 programmes across 30 countries on employment outcomes shows that - for evaluations showing significant effects among adults of working age - the majority find an increase in work participation and intensity. In the cases in which a reduction in work participation or work intensity is reported, these reflect a reduction in participation among the elderly, those caring for dependents, or they are the result of reductions in casual work. It should be noted, however, that the majority (just over half) of studies focusing on this impact area did not report significant results. For child labour, there is evidence that cash transfer programmes have played a role in reducing the prevalence and intensity of overall child labour, though more significant effects are found for intensity (hours worked) than for prevalence (whether working/ not working). The evidence also points to cash transfers being able to reduce the need for vulnerable elderly individuals to engage in paid work, allowing them instead to dedicate time to, for example, their own farm or non-farm business. For further depth and details, see full report, by ODI and OPM [here](#) (Chapter 10 on employment).

Overall, this is in line with Franziska and Fernando's take above!

INCLUDE Secretariat - INCLUDE

2016-10-19

Many thanks to all contributors to this Policy question for their informative comments.

A short summary of contributions to the discussion so far finds that the main effect of social protection programmes on labour market participation is a re-arrangement of household labour resources in response to these programmes. For adults this rearrangement is marginal, and can actually increase work participation and intensity. For children and the elderly studies show that labour market participation is likely to be reduced. Other reasons for a reduction in labour market participation include providing care to dependents, or engaging in casual work.

As this is an ongoing discussion, additional contributions are much appreciated.

Policy question 12

What can be done to create more, and more high-skilled, jobs in the ICT sector in Africa?

Featured answer

INCLUDE Secretariat

2016-09-19

Virtually all countries in Africa recognize ICTs as important to job creation. South Africa, Nigeria and Kenya are considered pioneers in the creation of ICT jobs in Sub-Saharan Africa. A recent INCLUDE one pager identified some of the strategies and challenges involved in creating ICT jobs in Kenya. Depending on the distribution and quality of ICT infrastructure and the business climate for ICT companies, different strategies are needed for each country. Interventions should work on two tracks: creating more jobs and creating more high-skilled jobs, such as in designing, engineering and gaming. The gaming industry in Nigeria, for example, has gained global recognition and is generating high value jobs. However, most digital jobs currently require low-level skills, such as for business process outsourcing (BPO). To create more, and more high-skilled, jobs in the ICT sector in Africa, experts have the following recommendations.

Interventions to support businesses to create ICT jobs:

- Invest in a more attractive business climate in the country/region to attract ICT companies and companies hiring ICT specialists (for example, Nairobi hosts regional offices for a number of very large global ICT firms such as Google, IBM or Microsoft).

- In addition to attracting large companies, policies are needed to ensure that more small local companies are hired. Investing in tech startups and supporting them with training and facilities will spur the growth of these enterprises, thereby creating employment.

Nation-wide interventions to create an enabling environment:

- Increase access to ICT infrastructure in all regions. This is fundamental to the creation of an enabling environment for ICT businesses. Increased access to technology will in turn boost demand for ICT services and products among the population, thereby increasing the demand for jobs.

- Digitize government services to create jobs (for example, Kenyan youth were employed to digitize the patient records of the country's largest hospital).

- Transform other sectors of the economy such agriculture and manufacturing, as these sectors also offer opportunities to innovate and create digital jobs.

Interventions to create more high-skilled jobs (by improving the employability of ICT graduates and professionals):

- Governments should increase the digital literacy and ICT skills of the population by investing in education and training. Training should focus on the skills needed for high-skilled jobs rather than low-level ICT services and should go beyond basic skills to encompass innovative approaches.

- Improve job matching between high-skilled ICT graduates/professionals and employers (for example, through online platforms).

Reactions (10)

Grace Nyakanini - Rwanda Development Board

2016-09-20

1. Government should invest in concrete digital literacy programs

2. Government to invest and support ICT in education policies from low school levels eg in primary schools.

3. Government should have policy on digital jobs which will include incentives, tax breaks investment policies to stimulate flow of outsourcing jobs into the country

Agnes Wausi

2016-09-21

Policies on access to jobs that seem almost out of reach for the emerging youthful ICT entrepreneurs. Every multinational should have a local partner in the different tiers of the companies; encouragement of local industry growth by allocating percentage of ICT projects to the local industry.

Capacity transfer policy: For example for every high end contract given out to multinational, there should be several opportunities for the locals.

Ophelia Mascarenhas

2016-09-23

In the first place there should be an assessment of the current and future (next 15 years to meet the country's goal of industrialization and the exploitation of the gas and oil discoveries) demand for and supply of ICT services in the country with particular emphasis on the private sector. The supply side should do a critical assessment of the practical capacity of the graduates put out in the last 5 years with a view to identifying gaps in the curriculum and quality of teaching. This survey should be repeated every three (3) years or less depending on resources available.

Training programs should include practical training through such schemes as attachments to firms that use and need the most modern ICT applications; practical solutions to traditional problems, etc. Emphasis on practice rather than theory.

A number of ICT Incubator Centers should be set up in various cities and towns - beginning with Mwanza, Arusha, Dodoma, Mtwara and, Zanzibar to allow the youth to experiment in developing new programs and applications. The centers should have well trained mentors to give guidance on a friendly co-worker relationship; there could be some incentives but more in kind than in cash (free access to computers and internet connections room to meet with fellow users, some costs of travel. The aim should be for those interested in ICTs to experiment and develop programs and apps that meet current needs. The programs and apps invented should have the prospect of being commercialized.

There should be an annual public event to give prizes to the best ten (10) inventors/ discoveries of new programs and applications.

ICT programs should be taught in schools beginning with at least upper secondary and going down the educational system eventually to include primary education. (Here I am keeping in mind the economic capacity of the country to provide the necessary equipment and quality teachers. There should be a ICT Development Fund to help young persons interested in ICT studies but do not have the means to undertake such studies.

Anna Bon - Vrije Universiteit Amsterdam - Centrum voor International Samenwerking

2016-09-26

High skilled ICT jobs for Africans in Africa are urgently needed, to tackle the huge challenges on this continent, related to e.g. food security and (rural) poverty. Currently, millions of Africans, especially in rural areas, are in need of ways to communicate, share information and e.g. gain access to local markets. To serve these millions of potential ICT users, research & education in ICT, focused on local innovation is needed. Examples of (high-tech) ICT research challenges: voice-based ICTs for illiterate farmers, ICTs in local African languages, ICTs that are inexpensive and affordable, ICTs that work under rural conditions, decentralized networks that work without internet, sustainable local business innovation etc. etc. This type of research & innovation should be done at African and European universities, as a joint effort. This research should involve private sector in Africa (innovative local SME's and innovation hubs) and civil society (e.g. farmer organizations, local NGOS), as a collaborative effort, aimed at solving real world problems.

Useful, context-sensitive ICT solutions can create a new demand for ICT services. This demand will

be answered by a new generation of African ICT specialists and entrepreneurs, who are able to invest their skills and knowledge in their own continent.

Relevant publications:

Nana Baah Gyan, The Web, Speech Technologies and Rural Development in West Africa, An ICT4D Approach. PhD Thesis Vrije Universiteit Amsterdam, 2016. http://w4ra.org/wp-content/uploads/2016/03/Nana_Baah_Gyan-PhD_Thesis-final-05Apr2016-small.pdf

Victor de Boer, Nana Baah Gyan, Anna Bon, Pieter de Leenheer, Chris van Aart, Hans Akkermans "Voice-based Access to Linked Market Data in the Sahel" First International Workshop on DownScaling the Semantic Web, hosted by Extended Semantic Web Conference 2012. http://ceur-ws.org/Vol-844/paper_5.pdf

Francis Dittoh, Chris van Aart, Victor de Boer: Voice-Based Marketing for Agricultural Products: A Case Study in Rural Northern Ghana. Presented at ICTD Conference, Cape Town 2013. <http://w4ra.org/wp-content/uploads/2014/08/Voice-Based-Marketing-for-Agricultural-Products-Final.pdf>

Anna Bon, Jaap Gordijn, and Hans Akkermans, Developing ICT Services in a Low-Resource Development Context. September 2016 <http://w4ra.org/wp-content/uploads/2016/09/CSIMQ-Anna-subm-16Sep2016-HQprint.pdf>

<http://w4ra.org>

Nana Baah Gyan - Central University, Ghana

2016-09-26

I find particularly that, in Ghana at least, ICT education in tertiary institutions is not done to enable/encourage community-inspired innovations. If that is done, it will make its teaching more relevant. I find a certain trend in our cities where young tech enthusiasts who seek to satisfy/fill that vacuum converge at tech hubs to share ideas, often enabled or facilitated by big-software-company-funded competitions and idea pitches. And the reason I think that is happening is because the curricula has nothing on what or how the training students are getting in the schools translates into solving a community problem with ICT. An ICT degree has generally come to mean managing some servers or making sure computers/Web sites/services of corporations work or becoming an agent or a re-seller/rep for a big (mostly foreign) software maker. Many also start private initiatives to sell custom-made software to small businesses but the statistics on that is hard to find and not very many success stories have been reported on that. There is a lopsided focus on ICT use in the big cities. There is very little for instance on, say, ICT4D training in our universities. That has to change too.

EMMANUEL ATHOO - HOMA BAY COUNTY GOVERNMENT -KENYA

2016-09-27

There is need for ensuring broad access to training opportunities, for women and men, and particularly for those groups facing greater difficulties, in particularly youth, however, lower skilled workers, workers with disabilities in order to embrace the ICT even in rural communities. The training strategy for strong, sustainable and balanced growth addresses strategic issues as well as practical arrangements is also needed. As it provides a platform for further exchange of ideas and experiences among a wide range of institutions, enterprises, experts from all countries and this will create jobs in the ICT sector in Africa.

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2016-10-04

According to the contributors to this question, the main ingredient proposed to create jobs in the ICT sector seems to be increased public investment. This includes investments in education programs

in all school levels (including literacy programmes) and ICT hubs. Governments could consider digitizing their services, as this stimulates jobs in ICT as well.

Yet, increasing high-skill jobs is not a matter of more investment. It requires a focus on high-skill jobs in research and education. A focus on innovation relevant at the local (often rural) level. This is mainly the proposal for improvements in tertiary education, which are often focused on urban jobs. Increased cooperation between African and European research institutions could help in this regard, as well as cooperation between multinational companies and local companies.

Edith Ofwona - IDRC

2016-10-04

Over 60% of Africa's population is youthful. The focus should therefore be on young people. We need to develop a "new breed" of young people who are "all rounded" and have the right skills, knowledge and attitude to meet the needs of the market and society, and to have impact.

While the focus would be to create jobs, we should also develop young people who take the initiative to create jobs plus be employable to make a difference in society. Please see this program model and how it transforms young people with over 95% of them creating jobs, getting jobs or going back for further studies. They have achieved this high % over 7 years consistently.
<http://www.kibofoundation.com/>

Edna G. Johnny - University of Nairobi

2016-10-06

The ICT job creation should also look at the gender part of job creation especially for young females who are talented but not see how they fit into this scheme.

Stephen Okumu - University of Bern

2016-10-06

Youths constitute over 60% of Africa's populations. I have a strong belief that Closing the male-female employment gap is good for economic growth therefore inclusion of female or women in ICT sector will be more effective. As more and more women are using technology and related services, for me it makes sense for women to be the ones designing and developing more of the products and services available. Therefore, as technology consumers, young women are important market influencers and accompanied with good political will in Africa's counties then we can have a balanced and all-inclusive jobs in ICT sectors in Africa.

Policy question 11

How can the embeddedness of multinational organizations within local economies be improved to promote inclusiveness beyond job creation?

Featured answer

INCLUDE Secretariat

2016-09-12

The revolt in northern Ethiopia in the first week of September follows a series of protests that commenced in November 2015. Groups of youths, students and small farmers organized around issues such as lack of transparency and accountability in governance, the malfunctioning justice system and government repression. This time, multinational flower companies were attacked in protest against foreign investment in the horticultural sector. Motives and causes appear to be complex and tie into a more general debate on the pros and cons of foreign investment in agriculture, touching on issues like adequate compensation for small farmers who have lost access to land, the distribution of employment benefits, the use of scarce water resources, water pollution, and health risks to workers. This raises the following questions: To what extent are these companies embedded in the economic contexts they operate in? And, how can a focus on (the wide range of dimensions of) inclusiveness improve this embeddedness? In providing recommendations, we distinguish between multinational organizations (MNOs) and governments:

MNOs: Part of the conflict is about the issue of land ownership. In Ethiopia, the land used by Dutch flower companies was previously used for food production. As the employees of flower companies can no longer secure part of their food needs through agriculture, their food security decreases. A promising option might be to provide employees with plots of land for on-site food production. Companies considering this option will need to take measures to prevent encroachment and illegal sub-tenancy. Similarly, MNOs could consider prioritizing workers living in the region for employment.

Another option for MNOs is to stimulate the transfer of knowledge and technology to smallholder farmers in the region to improve their productivity. However, as private sector partners are often reluctant to facilitate these transfers out of fear of producing competitors, this solution may not be realistic. Cooperation between different private sector actors can help to overcome this fear, for instance, through setting up joint training or technology transfer programmes. Badry, in a study on the embeddedness of multinationals in Southeast Asia, concludes that non-commercial partnerships across networks can help generate trust – and this may well apply in Africa. The unfamiliarity of MNOs with local markets can be overcome by efficient knowledge transfers between MNOs (and with other businesses) in different sectors.

Governments: As outlined by the INCLUDE research group ‘Dutch multinational businesses in Africa’, one of the issues is the cooperation between the national government and MNOs. They conclude that, in Nigeria, “inconsistent and erratic government policies, an unorganized civil service, the insurgency in the north-eastern part of the country, and inconsistent and unclear foreign exchange policies, among other things” hamper the involvement of Nigerian farmers in the value chains of MNOs. They argue that the identification of, and cooperation with, ‘real stakeholders’, rather than economic and political interest groups, could improve the wellbeing of business groups through improved political dialogue.

Governments could also focus on wage standards to stimulate the quality of jobs. In Ethiopia, low wages are a major source of conflict. Although slightly above minimum wage, most wages still sit below a living wage. Aligning wages can be a first step towards productive employment in the horticulture sector, and productive employment in general. Another aspect is low job security, which can be improved by national labour regulations.

Generally speaking, it is important for both MNOs and governments to focus not only on employment, but also on all the components of decent employment.

Reactions (3)

E. K. Kirigia - McGill University

2016-09-15

It is unfortunate what has happened in Ethiopia, but the events point to extremely important economic, social and political dynamics in the country. There is not a short answer or a quick technical fix to this. But in light of the policy question, foreign agro-investments in Ethiopia have been the beneficiaries of a favourable State-led development project that is primarily built on resource (land and water esp.) and cheap labour. That local people mainly shoulder the weight of this economic development model, what's to be done transcends foreign investments, and the Ethiopian State has to create conditions favourable for not only the large & medium export-oriented investors, but more so for Ethiopians. For investors, developing strong relationships with neighbouring communities will be vital, and this will include working conditions within the working spaces, and fair and responsible use of resources that communities around are dependent on.

Romy Santpoort - Shared Value Foundation

2016-09-20

There is no simple answer to improve the embeddedness of MNO's or foreign investors into local economies. Although the political context, such as the one in Ethiopia, is hard to manage for foreign investors, a good relation with and embeddedness within the local context is extremely important for the investors and can be realized by the investor first of all by being aware of the local context, hereby being able to reduce risk and to foster embeddedness. This is easier said than done, because the private sector often has trouble identifying local stakeholders, collecting views on an investment and identifying possibilities for collaboration and benefit sharing. I think this knowledge gap between investors and the local context can be overcome through an in-depth inventory of local opinions views on possibilities for collaboration. Recent research I conducted on a Dutch-owned flower farm in Uganda also showed this gap but most of all, showed that bridging this gap and informing the company about the local context and its impact to be very useful in building and improving a good relationship with local employees and surrounding communities. Through such in-depth research and fieldwork, the creation of shared value (value for society and the private sector) can be facilitated. In addition, this research can be very valuable to facilitate CSR practices of MNO's within the local context, which are becoming more and more important. In the long run, this will be most sustainable for all parties and will contribute to improve local embeddedness: benefits, honest wages and adequate compensation for local communities plus a favorable stable environment for foreign investors.

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2016-09-23

Improving the embeddedness of MNOs into local economies requires investments from both private sector companies and governments. According to the contributors to this Policy question, such investments would be worth the effort, not only for the benefit of local economies, but for the MNOs themselves as well.

Above anything, the state is seen as facilitator. That is, through targeted policy governments must create conditions favourable to investors, companies and local employees alike. This would include, for instance, establishing criteria for decent working conditions and setting fixed minimum wages. In addition, governments should steer clear of development models that are primarily built on attracting export-oriented investors and cheap labour as this puts excessive weight on the shoulders of the local population and, in the long run, does not contribute to sustainable and inclusive economic growth.

Investing in the development of local communities may not seem to be the most profitable option for MNOs. However, as Romy Santpoort from the Shared Value Foundation points out, having a good

relationship with and embeddedness within the local economy is becoming increasingly important for MNOs and investors alike. Investments to this end will ensure sustainable and – eventually – more profitable business models in the African context. To realise this embeddedness, strong relationships and shared values with local communities must be developed. This can only be achieved by developing a better understanding of the local culture, market- and employment-demands, for example through in-depth research and fieldwork.

While partnerships between the government and the private sector are also identified as a promising way forward, no suggestions have been made on how such partnerships should work in practice. Finally, to what extent local communities and NGOs may be involved in promoting positive embeddedness of MNOs in local economies remains up for debate as well.

Policy question 10

What should governments and the private sector do to move forward in recognizing and validating skills acquired in the informal sector?

Featured answer

INCLUDE Secretariat

2016-09-05

Most informal sector workers and small entrepreneurs in Africa learn their skills on the job, for example, through traditional apprenticeships in artisan workshops. They generally do not attend formal vocational training, which is designed to prepare trainees for employment in capital-intensive jobs and in the service sector and does not address the specific skills needed in the informal sector. Even young people with higher education usually acquire their first job in the informal sector, where they learn much-needed skills generally not taught in formal education centres. According to Walther 2011, “for many higher education graduates, [...] the informal sector thus constitutes the only way of finding a job”. Education outside the formal system is seen as an “integral part of the overall education system” in many African countries, claims Yang (2015).

Training in the informal sector is based on what workers need to know and is less expensive than formal education. It includes skills upgrading, for example, when new technologies are adopted or new types of equipment or vehicles need to be repaired.

However, as these skills are acquired outside the formal education system, trainees do not receive a certificate or diploma to evidence these skills to future employers. This decreases their chances of getting a job, especially in the formal economy. In addition, the quality and curricula of informal training is not officially assured or monitored and, therefore, such training is not formally recognized or validated. According to Singh (2011), workers without formal certificates are more vulnerable and earn less.

African countries are making various efforts to ensure the quality of informal training. This is important, especially for the recognition of skills of people without much education or when there is a shortage of higher education, such as in Botswana. Experts recommend extending existing interventions to other sectors and countries, and improving the quality and recognition of informal training, including by:

- Addressing non-formal and informal education in national education plans, ministry divisions and dedicated national policies (e.g. in Ghana, Nigeria)
- Improving the quality of apprenticeships and standardizing these trainings (although this may be difficult and expensive for small employers)
- Establishing quality assurance mechanisms to assess the quality of informal education (e.g. in Ghana, South Africa, Botswana)
- Recognizing and validating skills acquired outside the formal education system through national quality frameworks (NQFs), which have been established or are starting to be established (e.g. in Ethiopia, Kenya, Rwanda, Tanzania, Namibia, Botswana), or through other policies (e.g. in Ghana, Benin’s Vocational Skill Certificate and Occupational Skills Certificate)
- Integrating informal sector training into the formal education system or strengthening the connections between the two
- Transforming apprenticeships into dual systems and complementing these with education at a formal institution, either public or private; increasing the financial means for this; and addressing the problems of integrating apprenticeships into the existing education system
- Training master craftsmen to further improve their skills and, therefore, their capacity to train others (as is already happening in Kenya)

– Creating local training committees adapted to local economic needs and opportunities
(These recommendations are based on Yang 2015, Walther 2011, Glick, Huang and Mejia 2015, and Adams, Johansson de Silva, Razmara 2013).

Reactions (9)

Robert-Jan Scheer

2016-09-06

I am by no way an expert in this field, but the way we would handle this back home would be to define minimum skills and introduce an independent exam or test. How you acquire the skills would not matter. You could gradually make the requirements more stringent, or introduce levels. Are there any experiences with this? Big risk of course is fraud and corruption.

Sara Johansson de Silva - International Development Consultant

2016-09-09

In many low and middle income countries, most people work in the informal sector, mostly for themselves or their families. For this reason, and as discussed in our book “Improving skills development in the informal sector: Strategies for Sub-Saharan Africa”, the informal sector is also a major source of skills development in different trades, as young people are taken on as apprentices, or simply learn on-the-job. From a government perspective, traditional apprenticeships have many strong points as a skills development tool: they have an immediate relevance for labor markets and are also self-financed. But there are also drawbacks to skills acquired in the informal sector, for example that the quality of training and access to new technologies is highly varied, and that skills are not easily transferred between sectors, not least due to lack of standardized recognition. Lack of information on the quality, cost and outcomes associated with earnings is holding back the portability and value of skills acquisition in the informal sector. This area holds significant potential for partnerships between government, educational institutions and the private sector. For example, using training vouchers or similar instruments, private (or public) institutions could provide modular, flexible training to informal sector, where the quality of training is guaranteed by accreditation. These instruments can also be used to increase equity in access to skills development by informal sector workers. The relevance of training will be enhanced if private sector enterprises - though e.g. trade associations - and public institutions collaborate around curricula and accreditation requirements. Similarly, providing opportunities for trade testing according to agreed criteria can help informal sector workers obtain official validation of their skills.

Adams, Arvil V.; Silva, Sara Johansson de; Razmara, Setareh. 2013. Improving skills development in the informal sector : strategies for Sub-Saharan Africa. Directions in development ; human development. Washington DC ; World Bank.

<http://documents.worldbank.org/curated/en/736731468194635805/Improving-skills-development-in-the-informal-sector-strategies-for-Sub-Saharan-Africa>

Racky Balde & Micheline Goedhuys - UNU-MERIT

2016-09-09

The informal sector is important in generating skills for uneducated people. For instance, in Senegal, population is weakly educated with a literacy rate around 44.8% (Enquête de Suivi de la Pauvreté au Sénégal, 2011). Despite increasing educational expenditures, 66% of youth do not complete primary school and end up without skills. Nevertheless, many of them learn a job in the informal sector; some of them even acquire excellent skills over time.

However, for these people, moving up to jobs in the formal sector or even changing jobs within the informal sector is difficult, as they do not possess any certificate to demonstrate their skills level to prospective employers. Prospective employers may fail to distinguish between the better and less qualified workers without certificate (Cano-Urbina, 2015), making it more risky and costly to hire workers without formal training. This group of workers is thus often trapped in their initial job, with low mobility and pay.

Policies are needed that facilitate the screening of less-educated informally trained workers. As such, it would help these workers if they could obtain a certificate or proof of their particular skills, by way of signalling device. The literature is unanimous that job market signaling is important (starting with Spence, 1973). A diploma, a certificate or any proof of the worker's ability would increase his credentials with future employers. For that, one should first develop a curriculum for the informal sector articulating the skills needed in each particular area of activity. This could be developed by industry and artisan associations, or it could build on the curricula of vocational training institutes. Second, experts from the formal and informal sector and vocational training institutes should jointly organise tests that informal sector workers can take to obtain a certificate. This would increase informal workers' value in the labour market, facilitate their transition to better jobs and reduce their dependency on the master.

Aminu Mamman - University of Manchester

2016-09-12

I think the starting point for recognizing and validating informal skills is to recognize the value of the sector to the economy. The next step is recognizing the value of each skills to those who consume the skills or the product of the skills. This will then lead to a survey of the customers of the informal skills to determine their level of satisfaction and what they need more to be more satisfied. The outcome of the survey should be evaluated against similar survey of the informal sector. This should be followed by codifying the skills needed and the evaluation of those who have met the standard of the skills required. The final stage will be certification. The role of the government and private sector is to collaborate and own the process. Each sector of the informal sector should organize itself to participate as key stakeholder in the process. They should have a proper structure populated by the representatives of the sector.

Charles Darlinton Afare - Ministry of Education, Non-formal Division, Ghana

2016-09-12

Education remains the hub through which every nation develops its human resource capacities for its growth. There is therefore no doubt that governments have the responsibility of creating an enabling environment for harnessing the potentiality of its citizens. Governments should therefore, facilitate the provision of a policy framework that will mobilize both the state actors, private players and other stakeholders in education to move forward the agenda for an all inclusive education. The policy should among other things define the role of all stakeholders, targets and assessment modes and methods for recognizing and validating Knowledge, skills and abilities at all levels. Such a policy should be clear on the synthesis between formal, non-formal and informal learning and propose the establishment of equivalences within a qualification framework that will form the basis for assessing learning outcomes be it formal, non-formal or informal learning. It is very important to have a holistic qualification framework that will connect the three learning environments for effective grading and switching from one ladder to another. There must also be established clear assessment and validation points on each ladder so as to enable learners prepare adequately for their assessments.

Miriam Katunze - Economic Policy Research Center

2016-09-13

Government and the private sector can recognize and validate skills acquired through the informal sector with the help of local/community leaders. These community leaders, whether local council chair persons or community leaders can be used to validate if a particular person is skilled or not. This is because they spend a significant portion of their lives interacting with people in the informal sector.

Taking the example of acquiring a passport in the Uganda, one is required to receive certification from the local council that he/she is indeed a Ugandan citizen. This certification is usually from the local council. From what i know, this kind of system is working well for the passport office in Uganda and can be borrowed for recognizing and validating skills acquired through the informal sector. As such, the private sector and government may be required to standardize application forms to

include sections, requiring that the job applicant from an informal sector is certified by his or her local council chairman and other sureties in case the local council may connive with the applicant.

Additionally, local council leaders may also keep a database of each resident in his jurisdiction, detailing each resident's skills. As such this database may be made public.

Ms Madhu Singh - UNESCO Institute for Lifelong Learning

2016-09-13

The sectoral approach to skills recognition is driving skills development in the informal sector in several countries. In India, the Skills Council for the Manufacturing Sector is defining and classifying skills standards for common trades such as masons, welders and carpenters, based on industry and client requirements. The main aim of recognition and validation of prior competences of informal sector workers is to relate the worker's skill to a sector standard which is universally acceptable in the industry.

National Qualifications Frameworks in several countries are also catering for the informal sector workforce. In the Gambian context where only half the workforce is literate, the foundational level of the QF acts as a stepping stone into entry-level occupational qualifications, for early school leavers, adults and trainees with a non-formal training background. Second, unit standards, particularly at level 1 and 3 are assessed through practical demonstrations rather than written assignments. And finally skills standards include key skills such as numeracy, literacy, English communication and ICT skills, practical occupational and business skills. Not only are key skills crucial if informal sector workers want to move up the qualifications ladder, but there needs to be a radical change in skills training and assessment, which currently are mostly ad hoc and dead-end programmes rather than stepping stones or pathways to a qualification.

What is important in recognition and skills development programmes for the informal sector is to ensure: (a) low opportunity cost for the worker, (b) the currency of the qualification attained in society and economy, and (c) that all stakeholders have an interest and stake in the recognition process

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2016-09-16

While there is general agreement about the importance of recognizing the skills acquired in the informal sector, contributors to this question have identified a number of challenges that make such validation particularly difficult, including: highly varied quality of training in the informal sector; limited transferability of skills, as they are often very specific and learned 'on the job'; and big risk of fraud and corruption when it comes to official skills-recognition.

To address these challenges and promote the recognition and validation of skills acquired in the informal sector, both governments and private sector have a role to play. In terms of policy, the government is advised to formulate a holistic qualification framework, that allows for skills 'translation'. That is, such a framework would help establishing equivalence between formal, non-formal and informal skills and education'.

Most contributors also point to the potential of partnerships between governments and the private sector. Such collaboration is thought key for successful identification and validation of skills acquired in the informal sector. In addition, with the active involvement of the private sector, one major obstacle – lack of information on the quality of skills – can be overcome. Being involved in the provision of skills-training, -testing, and -validation would give the private sector more security as to the quality of acquired skills. Miriam Katunze (EPRC) further adds that community leaders should be actively involved as well. Their knowledge of the work and education of people living in their communities will be of great value in the process of skills-validation.

Finally, a number of practical instruments and policy-measures have been identified to promote

recognition and validation of skills acquired in the informal sector:

- i. Develop a curriculum that identifies skills needed in particular areas of activity
- ii. Introduce a test or exam, formulated by experts from the formal and informal sector as well as vocational training institutes
- iii. Offer training to informal sector workers, the quality of which is guaranteed by accreditation
- iv. Provide information to companies – in the informal as well as the formal sector – on the value and transferability of skills acquired in the informal sector.

Derek Eldridge - Global Development Institute, University of Manchester , UK

2016-09-19

The issue of the informal sector has constantly worried governments concerned with, for instance, the need for 'tidy' civic spaces, with efforts put in to regulation at the expense of recognising the true value this sector brings---services provided by poor people for poor people. In the context of more jobs being created in this sector than in the formal one, the true worth of what is happening has to be recognised, i.e. the sector is a hive of informal learning as other contributors have already said. In enacting more formal approaches to scrutinise and validate this learning care has to be taken to avoid cancelling its worth, particularly its 'need to know basis' rather than 'what an authority thinks it needs to know'. Obviously improved literacy and numerical skills are needed but learning enacted by self organisation, focussed conversation on learning content and process, observation and progress by mistakes, are some of the most powerful attributes that humanity can have, and this happens day in and day out in the informal sector. The issue is how to make this learning more focussed, effective and evaluated so education institutions can then act in a collaborative manner to support it.

Policy question 9

How can targeted finance schemes be promoted to stimulate businesses oriented towards inclusiveness?

Featured answer

INCLUDE Secretariat

2016-08-29

'Inclusiveness' can be promoted through business in various ways. At the most general level, businesses can provide employment opportunities for the poor, or low-cost products and services for low-income groups. Businesses can also provide training, credit and social services, such as healthcare, water and sanitation. As commercial and social goals can overlap, the 'inclusiveness' of a business is a matter of degree.

As outlined earlier by the INCLUDE research group 'Inclusive business strategies in Africa', finance for business in Africa is often scarce, but is especially limited for socially-oriented businesses, as these are considered the most risky. A one-size-fits-all approach to granting finance may leave businesses that have goals other than providing low-price products excluded. Therefore, the challenge lies in identifying the right financing mechanisms for businesses, depending on their degree of 'inclusiveness'.

The role of stakeholders does not have to be limited to the provision of finance. Governments, for instance, could put in place policies and regulations to incentivize financial service providers to extend credit to inclusive businesses (e.g. by providing fiscal advantages to those who grant such loans).

Apart from this indirect support, direct financial service providers (such as commercial banks, microfinance institutions, private funders) or international institutions (such as the International Finance Corporation and African Development Bank) can learn from best practices in the successful promotion of inclusive business. These include the numerous (trans)national platforms on inclusive business finance.

1. Two best practices for businesses and financial service providers (FSPs) are of main interest: Cooperation between corporations and social entrepreneurs can improve the credibility of social entrepreneurs. Corporations can provide social entrepreneurs with staff and technical and organizational know-how that may otherwise be out of reach. The sharing of knowledge and practices through inclusive business hubs can improve the business models of social entrepreneurs in general.
2. FSPs can make use of innovative finance structures, such as mobile phone technology for transfers and lending and Internet-connected mobile branches for banking, using local outlets in poor communities to improve outreach or setting up shared risk facilities for sectors traditionally considered too risky for investment. As outlined by Stephen Bayite-Kasule, risk assessments conducted by FSPs are often constrained because they identify risks according to market rates. Hence, improved risk assessment models, in which social goals and the externalities of businesses are factored in, may be key to providing equal opportunity for inclusive businesses.

Reactions (5)

Bayite-Kasule, Stephen - Netherlands Embassy, Kampala

2016-09-02

No doubt, targeted finance schemes can catalyze pro-poor and innovative business models which can foster inclusiveness. The extent to which this is attainable is dependent on the "nature of

financial targeting" and how strong the business case is and therefore the likelihood of being inclusive. In many instances, financial schemes are poorly designed due to lack of up-to-date information on the dynamics within markets.

Targeted financial schemes are not any different from commercial loan providers in the sense that they depend a lot on risk analyses-and therefore always want to work with businesses with a high likelihood for "low hanging fruits". This breeds "self-selection bias " and inherently works against inclusiveness. There is a need to develop a clear selection criteria for identification of businesses with a high likelihood of driving the inclusiveness agenda. Critical to note though, is that credit is prohibitively expensive in countries like Uganda, which kills the appetite for inclusive oriented entrepreneurs! My observation is that financial schemes developed to address such gaps often land in the same trap of aligning the credit cost to the market rates (compounding an already worse problem) using the "market distortion argument".

So what are the entry points for targeted commercial schemes? It is critical to map out the role of the poor in value chains for instance on the demand side as clients or on the supply side as suppliers, distributors or wage earners. Often the nature of value chains is overlooked , which is a mistake. It is critical to appreciate whether the value chain is low-cost supplier of much needed inputs or a high input consumer. This then helps to understand how competitive the business case is -and consequently provides a realistic indication of the likelihood of inclusive outcomes.

Include the public sector (consider public private partnerships where possible), it is always very tempting to work with the private sector-and ignore the public sector. It is the easy thing to do but also a big mistake. Improving the business environment by supporting construction of the right infrastructure, having the right trading policies and reducing both Tariff and Non-Tariff barriers facilitates business success. It is practical to identify policy and market failures and creatively address them. This gives inclusion a chance but requires out-of-the-box thinking given the existing implementation risks.

Support SME's with an inclusive business model to grow. We all acknowledge the need to work with formal businesses but the reality is different on the ground in developing economies. Businesses are predominantly informal, not registered and do not keep records. Such businesses nonetheless generate products/inputs and create employment. It is imperative that such business are supported to start/grow if they do exist. A financial scheme devoid of this component may easily fail.

Aim for sustainable financing. This requires that businesses manage their growth trajectory well so that they graduate into other forms of financing available on the market-and with better negotiating power. This should be an objective for a targeted financing scheme.

Lastly, build an evidence/data generation aspect to facilitate impact evaluation. It is not enough to just have data on how many women and youth are benefiting but also critical to observe how the roles of such categories evolve over the program life. Inclusion has a dynamic angle to it, beneficiaries need to integrate vertically in their respective value chains. This is the real desired catalytic effect of target financial schemes, isn't it?

Joy M. Kiiru - University of Nairobi and Partnership Resource Center -Erasmus University
2016-09-02

Targeted finance schemes refer to special financing schemes whose main objective is to boost access to credit by certain enterprises or ventures. These schemes arise out of discretionary public policy or discretionary individual decisions to reach certain enterprises or entrepreneurs with credit. The sectors/enterprises targeted by these "special" finance schemes are deemed to generally have significant importance on the economy. In the case of public policy; targeted finance schemes may be used to promote inclusive growth for entrepreneurial sectors that serve marginalised or just people who are disadvantaged in accessing finance from formal institutions. Inclusive growth refers to economic growth that occurs with opportunities for all economic participants. Hence targeted

finance schemes could also be an opportunity to promote inclusive finance and therefore inclusive growth.

Targeted finance schemes could also be used to promote inclusive businesses. Inclusive businesses refer to private sector approaches that provide goods, services, and livelihoods on a commercially viable basis to marginalised people or people at the bottom of the pyramid. There is therefore a strong link between inclusive business and inclusive growth. Targeted finance schemes for inclusive businesses can be used to improve the productivity of such businesses and hence promote a wider impact of the role of inclusive businesses in improving the wellbeing of bottom of pyramid people. Therefore targeted finance schemes can be useful in redirecting public policy towards inclusive growth by designating resources to businesses that promote inclusiveness.

Targeted finance schemes can also promote inclusiveness in access to credit by bottom of pyramid people. For example, women and youth and other vulnerable groups in society tend to manage undercapitalised enterprises. Under capitalization has a negative impact on productivity and therefore incomes. These schemes may generally include microfinance schemes that lend to poorer people in society, or public funds that aim to improve access to credit by specific groups of people/enterprises among other targeted finances like equity financing, crowd funding and others.

Agnieszka Kazimierczuk - African Studies Centre Leiden

2016-09-04

Targeted finance schemes could be used to promote inclusive businesses by supporting programmes that encourage employability.

Lack of practical skills and skills' mismatch are often mentioned as reasons behind high unemployment rates, especially among African youth. Some multinational companies (MNCs) have already dedicated their own funding to sponsor initiatives that aim at closing the skills' mismatch gap by providing training in the areas where the employment is desirable (and often aligned with the skills demand coming from the MNCs). They are also providing more internship possibilities for the studying youth to help them build needed experience and more practical skills. Lack of them often pushes the youth to the informal sector. There is, therefore, a need to further support such initiatives, especially in partnership with public funding to replicate them beyond large MNCs and offer similar trainings and openings for interns among local (smaller) companies.

The above refers more to the formal sector as well as educated workforce. There is, however, also a major need to promote employability for the unskilled and uneducated workforce – as this will lead to a greater inclusion of the poorer members of the society. This can be done through targeted financing available for further expansion of already established businesses that provide large-scale employment possibilities for the unskilled labour (i.e. floriculture). To make the initiative even more inclusive and sustainable, such financing should be available only for businesses that scored high on responsibility and sustainability scale.

Magezi Stephen - Umama

2016-09-05

The poor who are clients of targeted finance schemes live at the base of the global income pyramid (the so-called 'base of the pyramid' or Bop), lack access to markets providing essential goods and services. This is due to their low and unstable incomes, and to the fact that they often live in places with inadequate or non-existent infrastructure. There is often a lack of market information, for instance about consumer choices and prices. As a result of monopolistic or oligopolistic structures and the lack of infrastructure and consumer protection, the poor often pay a 'poverty penalty' which manifests itself, for example, in higher prices for products and services of a lower quality. .

Many poor people are also excluded from services such as access to credit, healthcare, education or water, when the supply of these is supposed to be guaranteed by public authorities who, for a number of reasons, fail to do meet their obligations. At the same time, due to their limited access to services and input markets, their lack of information about the demand situation, and the deficient infrastructure, people living in poverty are often unable to sell their produce at the right time, in the

right quality and quantity, or to the right people. They therefore have to cope with high transaction costs and low prices when selling their products and services. While it is difficult to supply the bottom of the pyramid with affordable goods and services, or to do business with them as providers of goods and services, it is not impossible.

Targeted finance schemes whose model tends to circumvent existing market failures and inefficiencies to successfully integrate the poor, either on the demand side as clients or on the supply side as distributors, suppliers of goods and services, or employees, should be used as a tool of redirecting public policy towards inclusive growth..

INCLUDE Secretariat - INCLUDE

2016-09-09

“No doubt, targeted finance schemes can catalyse pro-poor and innovative business models which can foster inclusiveness”. Although contributors held some different opinions with regard to the impact, goals and direction of targeted finance schemes, no one appeared to disagree with this statement of mr. Stephen Kasule from the Dutch Embassy in Kampala on the general value of such schemes.

One of the main obstacles for the success of targeted finance schemes is that programmes with a high likelihood of yielding financial, rather than social or environmental, profits will have less trouble acquiring funding and inclusive businesses that appear more risky to invest in – including informal businesses – are denied credit. As this bias works against inclusiveness rather than promoting it, involvement of the public sector to address policy failures, actively direct finance schemes and improve the business environment is vital.

Thus, a combination of public- and private-sector efforts - through Public-Private Partnerships (PPPs) or complementary actions - seems the best way forward to ensure targeted finance schemes successfully stimulate inclusive business. Multiple suggestions have been made as to the actual focus of these schemes. Contributors suggest that targeted finance schemes should:

- target informal small businesses with an inclusive business approach. Since the majority of African businesses is part of the informal sector, it is imperative to support this sector to achieve inclusiveness;
- include credit provision to the bottom of the pyramid (BoP). For example, empowering female and/or young entrepreneurs through microcredits, will greatly enhance inclusiveness and at the same time promote general economic growth;
- support programmes that encourage employability through skills training that is explicitly aligned with the skills demand of the market.

The discussion so far clearly recognizes targeted finance schemes as instrumental in promoting inclusive business, as long as their models manage to circumvent existing market and/or policy failures. However, what remains up for debate is the exact role the involved stakeholders each have to play. In other words, who should do what in promoting targeted finance schemes to enhance inclusiveness?

Policy question 8

What should governments and the private sector do to improve education opportunities for young people aiming to start a business?

Featured answer

INCLUDE Secretariat

2016-08-22

Education and entrepreneurship training are considered a major factor in the development and growth of enterprises (Ulbrich 2015, Barkema 2016). The private sector plays an important role in this by offering skills training. Yet, firms can be hesitant to provide such training, because they may not want to invest time and resources in educating people who may not continue to work for them and who may even become their competitors. For firms, it is often unclear what's in it for them. More information and outreach could increase the willingness of firms to provide training to aspiring entrepreneurs. Alternatives are to provide training through training consortia or workers' associations.

Cooperation between the private and public sectors (such as between firms and higher education institutions) is also recommended. For this to work, cooperation should be organized, well planned and with clear mutual expectations.

For governments and NGOs, experts have the following recommendations:

- Ensure that training programmes are standardized, while not losing sight of individual cases. The extra costs involved for firms should not exceed the financial means of small firms. Provide soft skills training on social interaction, which is often overlooked in business trainings.
- Try innovative ways of teaching business skills to a large audience, such as via mobile phone technology.
- Improve the general education curriculum and promote entrepreneurship within this curriculum, so that young people may be more inclined to grow their business
- Differentiate between support strategies for small businesses started for the purpose of survival and larger businesses seeking to grow.
- Increase awareness of existing support mechanisms for aspiring young entrepreneurs.

A point of discussion among experts remains whether strategies should focus on business education and support for large groups of youth, for example, through regular school curricula, or on training for only a select group of talented young people.

Additional knowledge and experience is needed to take a small business to the next level. According to Kew et al. (2015), the quality of education and training in Sub-Saharan Africa is often insufficient to grow small businesses started for the purpose of survival into larger ones that make profit and employ people. Their study found that youth with low skills levels are more likely to start "small retail-based businesses with no or limited growth potential". Improving the education system is, therefore, also important, as well as encouraging young entrepreneurs to grow their business. Nevertheless, there is less robust evidence that training leads to increased income or profit.

Reactions (8)

Muriel Dunbar - Cambridge Education

2016-08-25

First of all, recognise that education-related support to entrepreneurial young people may not immediately bear fruit and that it may take some time for other aspects of their development to come together before they are able to successfully launch a small business. These include developing technical skills and experience through a period of waged employment, building a business and social network of contacts which will be useful to them in attracting customers, amassing enough financial capital to fund the costs of launching a small business and to compensate for a period of low or zero income. That is not to say that education is not an important component - it is - and young people who have received entrepreneurship training do have a higher rate of success in setting up small businesses than those who have not. However, it may not happen immediately.

Secondly, it is important to recognise that would-be entrepreneurs need help with education in three different areas:

1. acquisition of technical skills directly related to an identified need in the market. The private sector is particularly well-placed to help with this as it may be able to recognise weaknesses or gaps in supply chains which new, small or micro-businesses could fill.
2. acquisition of skills related to small business management and compliance with regulations surrounding the set-up and operation of a small business. These skills generally include finance, marketing, sourcing capital, quality assurance, customer relations etc. The public sector is generally well-placed to help with this and to direct young people to sources of micro-finance, government schemes, counselling, peer-support networks etc.
3. acquisition of the soft skills which a successful entrepreneur will need. These include team leadership, negotiation skills, problem-solving, communication skills and may, for some young people, need to include further developing their core skills of literacy, numeracy and IT. While education in soft skills may start during formal education, it can be enhanced through structured training opportunities in the private sector.

Not all young people have the courage or motivation to start their own business. However, all young people can benefit from education in entrepreneurship, as these skills can be applied even in waged employment. Employers benefit from having workers who understand how businesses operate, who display leadership characteristics, who can propose new ways of doing things or new products and who can take the initiative to identify and resolve problems before they become very large. Education in business need not therefore be confined only to those who may one day set up as an entrepreneur.

Given the need identified above, that young people may be more likely to become entrepreneurs after a period of waged employment, governments and the private sector should consider how education opportunities can be made available to young workers rather than only to young people still in education. Identifying young workers with the motivation and the potential to start their own businesses and then providing them with support in the three areas described above is more likely to result in a high success rate and provide value for money in the investment.

Micheline Goedhuys - UNU-MERIT

2016-08-25

To address this question, one has to take into account that individuals with very different socio-economic characteristics, personality, age, education, gender and family background engage in business start-ups and they do so for different reasons. The entrepreneurship literature broadly distinguishes between 'opportunity' entrepreneurship – entrepreneurs starting a business to seize a profitable business opportunity - and 'necessity' entrepreneurship – people pushed into entrepreneurship by lack of alternatives. When thinking about education opportunities for potential business starters, the profile and motivation of the entrepreneurs has to be taken into consideration.

'Necessity' entrepreneurs are overwhelming in number in developing countries, where the combination of a youth bulge, high levels of unemployment and weaker social protection forces people to establish a business activity to generate income. These businesses are often informal, temporary - until a better alternative occurs, seasonal - when linked to agriculture, or part-time - when entrepreneurs combine various jobs to raise their overall income. This group of people is mostly internally constrained by low levels of education and managerial skills and they could benefit from additional basic educational programs and management training. In many cases business start-up training programs for micro-entrepreneurs are combined with financial support of some sort, which appears to be more successful than separate interventions. Recent evaluations generally find these programs do increase the number of start-ups within a given period of evaluation, but there is doubt about the effectiveness of programs for increasing the likelihood of firms' survival and potential to generate income for immediate owners and growth prospects – which could generate benefits beyond the immediate owners. Therefore, the interventions are justified mainly from a social perspective, and can be carried out by the government and NGOs as part of a policy to reduce poverty or unemployment.

By contrast, 'opportunity' driven entrepreneurs are typically identified as people with higher educational levels and motivation, which start and operate businesses in the formal sector. This group of people can better be reached by introducing entrepreneurship courses in higher education curricula, creating awareness and competences, for instance, to develop a business plan, conduct cost accounting etc. But the development of entrepreneurship courses could as well be an integral part of education policy, where entrepreneurship courses are offered even at lower educational levels to sharpen the entrepreneurial spirit and create a culture where entrepreneurship is perceived as a positive option. Given the evolution of ICTs and other potential catalysts for increasingly linking education curricula with entrepreneurial mentalities and opportunities, this policy option could be promoted and technically supported by donor countries with advanced expertise in this area. Further, the potential of opportunity entrepreneurs could be untapped by a more friendly business environment and the provision of business development and financial services, including business consulting and counseling, technology upgrading and the provision of relevant market information, all areas where private actors can step in.

In every country we also find a specific subgroup of opportunity entrepreneurs, with high ambition to make their businesses grow. Growing firms are crucial for stable formal employment generation, which explains policy makers' interest in what is sometimes called 'high growth' firms (HGFs) and 'gazelles', 'ambitious', 'high-impact' or 'high-potential' entrepreneurs. Various definitions indeed exist to describe entrepreneurs that aim for fast growth, often combined with export ambitions and innovative activity, or those who have already demonstrated such performance. Since innovation is costly and involves risk and uncertainty, innovation policies can play a crucial role in bearing part of the risk and costs, through tax exemptions, grants and subsidies or other forms of fiscal incentives, supporting growth-oriented start-ups. Ambitions in global markets raise the need to create awareness and knowledge about international standards and certification. Industry associations, export promotion agencies, and certification bodies can take the lead in bringing these types of entrepreneurs up to speed. In addition, advice from senior experts and business coaches, sharing industry-specific knowledge on international markets, technologies and management practice, is recommended to provide support tailored to the specific needs of the growing firm.

To conclude, it is important to stress that it is not possible to set clear-cut boundaries between entrepreneurial profiles. The expressions of 'necessity', 'opportunity', and 'high potential' entrepreneurs have to be taken as an attempt to summarize the main characteristics of different entrepreneurial types. In reality, a more fine-grained segmentation of the entrepreneurial population could be helpful for practitioners to tailor educational interventions to the specific need of the various segments. Nichter and Goldman (2009) provide some variables to create such more detailed segmentation. Calza and Goedhuys (2016) discuss some critical issues on entrepreneurial heterogeneity and the design of an entrepreneurship policy.

Justin Flynn - Institute of Development Studies (IDS), University of Sussex

2016-08-25 17:01

In order to address this question, I briefly review available evidence on the impacts of entrepreneurship education and training. Overall, the evidence is mixed, and provides little clear guidance on how to help young people who want to start a business. Some reviews are quite negative. For example, a recent International Labour Organisation (ILO) review of self-employment programmes and entrepreneurship interventions targeted at young people found that they have had little success thus far in creating “good” or “decent” jobs, and that they are unlikely to provide little more than “low-paid jobs with limited sustainability” in the foreseeable future (Burchell, Coutts, Hall, & Pye, 2015, pp. 39-40). Nevertheless, other in-depth reviews and meta-analyses of entrepreneurship (including training) programmes around the world provide some evidence of positive outcomes, though they do tend to reveal mainly mixed results (Cho & Honorati, 2014; McKenzie & Woodruff, 2014). For example, Cho and Honorati (2014) report that programmes which include vocational training tend to have better chances of success, particularly when complemented with counselling or access to finance. This is consistent with findings from others that “comprehensive” models seem to perform better (Fares and Puerto, 2009). Overall, Cho and Honorati (2014) find training, on its own, positively affects business performance especially of young people and those with higher levels of education. However, despite improved business performance, they report that there was “no immediate translation into business setup and expansion or increased income”, particularly for young people (ibid., p. 111).

In addition, the meta-analysis did find that private-sector delivery of entrepreneurship programmes was consistently associated with more positive effects.

From these mixed results two main lessons can be drawn that help to address the question. One is that young and more highly educated individuals are associated with better outcomes of entrepreneurship programmes. This relates to Vivarelli's (2013) “uncontroversial” and “consistent” findings from both developing and rich countries, that education is highly related to positive post-entry performance of new businesses. For example, in his review he cites a study where each additional year of schooling increases entrepreneurial income by 5.5%; and another study finds that university students have the greatest effect on a firm's growth performance. One conclusion is that it might be worth investing scarce educational resources in those individuals who already have the highest entrepreneurial potential, i.e. those who are best educated. This relates to the strategy that might be called “picking winners”, as advocated by, among others, Shane (2009). For those who might still benefit from entrepreneurship training but who do not have the same level of education, McKenzie and Woodruff (2014, p. 75) suggest: “Theoretically, it would be preferable to target firms in which skills are the binding constraint on growth, but there is little evidence to date to determine which firms these are, especially among the smallest firms.” Although these authors are speaking of existing firms, the same logic could be used in relation to individuals, where it might be preferable to target individuals where skills are the constraint on growth. The approach here then would be to assess individuals' skills constraints, and provide them with the appropriate training based on this assessment.

The other lesson from the studies cited above is that, although the mechanism is not particularly clear, private sector delivery of entrepreneurship programmes is consistently associated with more positive outcomes. Thus, Valerio, Parton, and Robb (2014) suggest that public-private partnerships might be an effective way to deliver entrepreneurial education. While the private sector can deliver the training or education, the government could cover (or subsidise) the cost. This is particularly relevant given that attendance rates for free or subsidised training courses can be relatively low, even for programmes where potential participants had expressed an initial interest in participating (McKenzie & Woodruff, 2014). However, it has been shown in the USA and the Dominican Republic that with additional incentives to complete the course, such as a small stipend and a bonus, attendance rates exceeded 90% (Valerio et al., 2014).

Beyond these reviews, the literature covers another approach to entrepreneurship education for young people. Using the example of how one NGO in Uganda and Tanzania operates, DeJaeghere and Baxter (2014) highlight how young people's business ventures can be made much more valuable and potentially successful when budding entrepreneurs consult the local community. Through this exercise, mediated by "Community Development Officers", the young people find out about the types of skills people in the community value, and what demand there is in the market. The interaction fosters trust and adult mentoring, and helps to dispel negative images of youth, such as the notion of adolescence as "the foolish age". This approach of closer community interaction and integration is precisely the model Mabala (2011) suggests in order to empower young people, including through youth entrepreneurship. However, this is only possible if youth departments are better resourced. Indeed, youth departments usually "belong to the ministry with the longest name and the shortest budget" (e.g. the Ministry of Youth Affairs and Sports in Kenya), where even national football teams have larger budgets than entire departments of youth (p. 173-174).

Thus, to summarise, first, there is reasonable evidence to suggest that focusing entrepreneurship training and education on the more highly educated will result in improved business outcomes. Second, fostering greater dialogue between young aspiring entrepreneurs and their communities offers enhanced opportunities for education, skill development and mentoring. Third, the government can play an important role in funding and implementing these approaches, while the private sector can be a good provider of entrepreneurship education.

Maggie Kigozi - Crown Beverages Ltd

2016-08-25

In Uganda, I think business is not optional. We have about 300000 graduates from the various tertiary institutions every year. Only about 50000 will find a job. Government and private sector employ workers on contract basis. Many contracts are not renewed. The pension schemes are not comprehensive and the retirement age of 55 means pensioners cannot live on their pensions and must also start a business. I believe all students should be trained in entrepreneurship skills, financial literacy and specific sectoral skills like agriculture from primary school. A large percentage of students drop out at this level and will therefore have an opportunity to start their own businesses.

Government must ensure that the curricula includes entrepreneurship skills from primary school to university. Government must also sensitise students about how useful business is in that it creates jobs, collects taxes and produces products useful to the community. Government must partner with private sector to provide company visits and internship opportunities in private enterprises. Successful entrepreneurs in communities must be showcased and offer to mentor the youth. Young business owners must be encouraged to share and train the students as peer to peer education does seem to be more effective.

Walter aan de Wiel - IMPACT Booster

2016-08-26

To start with: Teaching how to do business is not done in the setting of a class room. Only through hands-on education and support of potential entrepreneurs, the success rate of these entrepreneurs can be enhanced. That said the education system could however be improved on teaching of soft skills. In the current curricula gaining knowledge is most of the times the main focus. Learning e.g. creativity, asking the right questions, team work and leadership skills are vital to kids coming out of high school. Not only if they want to be an entrepreneur, these skills also help them to find a better fit with the requirements of most companies.

Linnet Taylor - Tilburg Institute for Law, Technology and Society

2016-08-31

This answer comes from a systematic review we recently conducted for 3ie on support to SMEs in LMICs.

The answer below comes from a systematic review (PDF) and from my own research. Overall, our findings indicate that business support to SMEs improves their performance, helps create jobs, has a positive effect on labour productivity, on exports and on firms' investment. Business support refers to indirect types of public support, such as tax simplification; direct business support to SMEs, which aims to address specific constraints (such as skills through training and technical assistance programs); export support is thought to reduce asymmetrical information and open business opportunities in other markets. Value chain and cluster-oriented SME support is theorised to combat coordination failures that prevent firms from acting collectively to expand and improve productivity. Innovation programs help SMEs access resources to invest in new services and products, and finally, credit matching grants can allow firms to get access to resources needed to invest and/or improve cash flows, thus reducing the burden of borrowing costs. We found all these are effective to some extent, but the effect was highly dependent on the investment of time and resources made by the donor - targeted and longer-term support that is responsive to changing economic conditions had the strongest effects. There was also a geographic difference, with the strongest effects found in Latin American countries (the highest-income countries studied). Matching grants programs aimed at promoting both exports and innovation showed positive effects on firms' performance and employment creation, but negative effects on labour productivity. This could be either because business support tends to 'pick the winners' and target firms that would do well even without support, or it could be seen as an indication that SME interventions of any sort act as a 'nudge' to increase performance (or survive). We also found suggestive evidence that matching grant programmes in Africa are actually associated with worse performance by firms, but also have a positive and relatively large effect on employment creation. This is consistent with the hypothesis that African firms' production function may be more labour intensive and that they likely work at a relatively low scale, hence the scope to grow through additional labour inputs. From my own research I have found that young entrepreneurs in Africa benefit from international ties and opportunities for international migration. Cross-cultural learning is key in learning and applying effective management and financial practices. Furthermore, there is very minimal access to loans at a reasonable rate in West Africa (the SME owners I studied were paying up to 45% interest, plus a 33% down payment to the bank as a bribe).

Ingrid Flink - Royal Tropical Institute

2016-09-01

Identify the target group. It is firstly important that the young people you are targeting are defined; what is the "young person's" educational level? Then that way you can understand what their necessities will be in terms of soft and technical skills needed to start a business.

Governments:

- Support the design of sound and interlinked Labor Market Information Systems . Carrying out surveys to companies and business associations helps to receive feedbacks into curricula design and development.
- Public works programmes and other employment benefits
- Provide support services to vulnerable youth engaged in training etc.
- Provision of business and marketing, and financial skills in the educational curricula.
- Recognise and certify skills acquired in informal sector
- Reinforce peer-peer learning. Presentations of success (or failure; lessons learnt) stories of (young) entrepreneurs at schools and universities.
- Set up financial mechanisms to accompany graduates and farmers. For entrepreneurs, to be successful, training by itself is not enough. An integrated approach, which includes both training and access to finance for graduates is advised. Finance can be provided through microfinance, commercial banks, government and development finance institutions. Also community saving groups can provide a useful source of funds to start up business.

Private sector:

- Take their responsibility as an actor in the political economy and provide job and internship opportunities where possible

- Adhere to decent job standards
- The involvement of local industry and professional associations in school's management might also help to ensure greater convergence between the labour market and training offered. It helps aligning programs of study with the needs of local business, identifying businesses willing to engage in work-study or apprenticeship training, evaluating the learning progress and employee's satisfaction. It can also be an incentive to private sources of funding.
- Increase post training support via mentoring. Mentoring young people to start up a business is crucial here (mentoring could come from a successful entrepreneur for example), we should not forget that many startups fail, thus important guidance needs to be there in order to carry out a market analysis (is there demand for their product?), support with business plan, access to finance. Already, early on, young people could be linked to a successful entrepreneur to support them on their way.

Public-private partnerships:

- Set up Business Incubators. Skill development centres can be equipped to become aggregators/Business incubators (e.g. which aggregate and sell products from students/farmers, provide technical and entrepreneurial support, and link up with financial institutes).

INCLUDE secretariat - INCLUDE

2016-09-02

Contributors to Policy question 8 are in agreement about the importance of education and training to stimulate entrepreneurship and growth of enterprises. Most of them also indicate that the provided training should focus on more than business skills alone: technical assistance and soft skills (such as negotiation and communication) are equally important.

Governments and private sector actors play different roles in improving these skills. Governments are mainly considered the most important 'facilitators' and are thought responsible for ensuring that entrepreneurship training is incorporated in regular school curricula. The private sector should actively engage in apprenticeship training, as well as offer training programmes to young people already employed. In addition, public-private partnerships that allow for better convergence between education and labour market demand are seen as indispensable.

While all respondents to this question agree that education is a prerequisite for entrepreneurial success, it is by no means regarded as magic bullet. Evidence on the effectiveness of training is mixed and other support mechanisms must be in place to secure business opportunities for young entrepreneurs.

Policy question 7

Which actors can play a key role in improving the awareness of informal workers' legal rights?

Featured answer

INCLUDE Secretariat

2016-08-15

The informal sector can be described as a vulnerable sector, where workers lack legal protection, rights to social security, and access to credit, equipment and land. Yet, many government bodies in Africa recognize the large share of informal work in the informal economy. Municipalities can for instance provide leases to designate spaces to informal traders and business owners for instance. Yet, the constrictions in these leases can leave informal traders in a vulnerable position, such as demonstrated in the case of informal traders in Johannesburg. Even when rights for informal workers are promoted, they are not always accessed.

This has two main explanations: first, laws or regulations to protect informal workers are often not enforced. Second, informal workers are not (fully) aware of their rights and, hence, do not appeal decisions made. To identify which informal workers face which constraints, it is foremost important to distinguish the types of workers in the informal sector. Using an ILO classification, we distinguish between i) *owners or employers of micro-enterprises*, ii) *own-account workers* and iii) *dependent workers*. Moreover, workers can have multiple jobs, even with one of them being in the formal sector, and a gender lens is appropriate as women make up the largest share of the informal economy and often work in the worst conditions. The first recommendation therefore is to prevent from using one-size-fits-all approaches and identify multiple actors to pay attention to the specific needs of each of these groups.

As informal workers are often described as vulnerable, the most important strategy is unification. Trade unions can be seen as important actors to improve the organization of informal workers. Despite international efforts, at the national levels there are still ambivalent attitudes towards trade unions. Explanations can be found in the potential conflict of interest between formal and informal workers and the difficulty to organize in the informal sector. Yet, unions can play a major role, particularly for women informal workers. To improve the role of unions, several factors have to be addressed:

First, own-account workers are often ignored by unions, mainly because labor laws often only apply to workers in an employment relationship. On the other hand workers may exclude themselves as they do not identify with the political allegiances of the union. Therefore, it is important to acknowledge that strong organization starts with the local, with the *weapons of the weak*. As argued by Karbeer et al. in the case of informal women workers: “organizing working women has to straddle both the politics of redistribution as well as of recognition”. To be responsive to local contexts, trade unions must acknowledge that progress takes more time than with standardized processes. Finally, democratic functioning and financial self-reliance are important prerequisites for unions to successfully empower informal workers.

Although trade unions are only part of, and highly dependent on, the larger political arena, they can be an important actor to improve the awareness of legal rights among informal workers and improve the enforcement of these rights. When taking into account the dynamics at play in the different levels where they operate (from local to international level) and with a solid political, legal and financial environment, unions can take a more prominent role in protection informal workers.

Reactions (6)

Andrea Floridi and Natascha Wagner - Erasmus University Rotterdam -- Institute of Social Studies

2016-08-23

Promoting the enforcement of informal workers' rights needs joint efforts by several actors ranging from the local government to the private sector, from unions to the informal workers themselves including international organizations and NGOs. However, these actors clearly have different priorities and agendas. Therefore implementing informal workers' legal rights requires that the different actors be brought together at the negotiating table. In our opinion, the role of formal workers' union and informal workers' associations might be particularly crucial.

Formal unions have a clear and defined structure and focus mainly on promoting safeguards for formal workers. Yet, informality is very prominent in Africa. In some African countries such as Benin and Burkina Faso the formal unions also cover informal workers (Tsafack-Nanfosso, 2014). The example of the Nigerian textile union and the Tailors' Union also shows that formal unions can bridge the formal-informal divide (Lindell, 2010). Formal unions can strengthen their position considerably by recognizing informal workers and promoting their rights. That such a process of integration of informal workers into formal networks is not without challenges is undoubted. But we argue that the gains from integration exceed the costs mainly because there is a simple quantity effect. By including informal workers, the unions can increase their number of members considerably, potentially resulting in a bigger say and more negotiation power vis-à-vis the state and the private sector.

In addition there is a plethora of informal associations and networks that tend to be very different from formal unions. They are rather like community-based organizations and might have less clear structures (Tsafack-Nanfosso, 2014). Yet, these organizations are largely influential as they are created by individuals out of need in order to render services to the members of the group. In Africa, community-based organizations play an important role in the daily lives of the people because of the manifold (economic and social) activities they are involved in and the manner in which they extend an individual's social network beyond the family (Wagner and Arcand, 2016). Thus, far from being actors without any agency, informal workers themselves and their associations might play a crucial role for the recognition of informal work. While these informal organizations are often overlooked in the academic and policy debate they are important de facto networks. To date, these associations and networks are the cornerstones for organizing collective actions of informal workers. Existing evidence suggests that these organizations contribute to making the informal workers visible to local governments and conventional labor unions. Moreover, these collectively organized initiatives of informal workers are further on the rise all across the developing world (Lindell, 2010).

Governments and formal actors can no longer ignore these associations. While informal workers might be economically poor, their modes of organization are institutionally rich and diverse. The full potential of these associations might not yet have unfolded. But the possibilities of modern technology and knowledge transmission also reach these associations and news about successful strategies to promote the rights of informal workers spread quickly through these channels. Therefore, we expect that the informal associations will further gain influence and will grow in importance.

Thus, the international organizations promoting workers rights and NGOs engaged in the sector should collaborate with formal and informal worker's associations to further strengthen their role and to make them heard in the political arena. Clearly, there is the danger that informal associations --if left by themselves-- will be overruled by undemocratic processes. Therefore, the international actors should build capacity and give voice to informal associations and formal labor unions that work towards bridging the formal-informal divide.

Robert-Jan Scheer

2016-08-23

Are there any political economy analyses on the subject of labor unions and informality? the introduction suggests a potential conflict of interests? What are these conflicts, how do they work out? And how realistic is it to expect them to play a role for the 'others'?

Ratna M. Sudarshan

2016-08-23

Given the dominance of informal employment in countries such as India, formal unions might accept the need to reach out to informal workers. With women workers in the informal economy there are several additional difficulties. Many women work from home, as self-employed or sub-contracted workers, are not fully captured in national labour surveys, and have a weak identity as 'workers'. Organising efforts often have to start with responding to women's practical and felt needs, include the familial and the personal, and it is a long and slow journey to 'empowerment'. While organising and collective action are integral to the process, the strategies used and the trajectory of change are very different to those seen when workers are organised at a workplace. Hence the crucial role of informal groups and their federations. Some examples of organising women workers is in the edited book 'Organising women workers in the informal economy' about which at <http://press.uchicago.edu/ucp/books/book/distributed/O/bo20842909.html> Sofia Trevino - Women in Informal Employment: Globalizing and Organizing 2016-08-24 23:42

It is our (WIEGO's) belief, supported by extensive research, that the key actors in demanding appropriate legal and policy reforms and the implementation thereof are *organizations of informal workers*. But to do so effectively, they need support to build their internal capacity for policy analysis, advocacy, and negotiating. They also need external allies – like-minded academics, lawyers, planners, trade unions, and NGOs – to provide relevant data, policy analysis, good practice examples, and technical advice. Also, they need government at all levels to listen to their demands and engage in negotiations with them. And they need the private sector to change its public procurement and hiring practices to reflect global norms of decent work. Despite recognition of informal workers' rights in international law and in national Constitutions, on-the-ground there is a widely-held perception that informal workers operate outside the reach of the law. This perception is erroneous. Existing laws, regulations, and policies tend to be outdated and biased in favour of formal enterprises and formal-wage workers with the result that informal workers are penalized or criminalized for not complying with legislation that is not appropriate for their economic activities. Moreover, the promotion of legal rights, the rights of wage workers are usually consigned to ILO conventions and national labour laws – most of which are premised on the notion of a formal employer-employee relationship. However, increasingly globally the employer-employee relationship is often disguised, ambiguous, or triangular – thus making it difficult to identify the employer. Further, many of the working poor, especially women, in the informal economy are self-employed.

The rights the urban working poor need access to are myriad. They need, in effect, the basic right to work – to pursue their livelihoods – without discrimination or exploitation. Most fundamentally, as a key enabling right, all working poor in the informal economy need the right to organization and representation. They need to be able to exercise collective voice, which comes through being organized into democratic member-based organizations, and they need to exercise representative voice, which comes through such organizations being able to participate in relevant policymaking, rule-setting, collective bargaining, or negotiating processes. But the working poor in the informal economy tend to be less organized and have fewer opportunities for representative voice than formal workers.

What is needed, therefore, for the working poor to realize their economic rights? What is needed is a multi-step process that, first, translates the principles enshrined in relevant normative frameworks into laws or policies and, then, translates those laws or policies into urban planning models and implementable schemes. Organizations of the Working Poor – and their leaders – need to be empowered to engage effectively in the whole process from demanding legal reforms, to drafting

specific laws and policies, to developing and implementing schemes.

Below is a list of WIEGO's Network activities in Africa on successfully organizing, collaborating with different actors, and developing inclusive strategies in strengthening the voice, visibility and validity of informal workers. I hope you find these useful!

Please visit the WIEGO site for more information, publications and resources: wiego.org

Relevant to this conversation, on organization and representation:

2008-11: Towards securing the adoption of Convention 189 and Recommendation 204 on Decent Work for Domestic Workers at the 100th International Labour Conference in June 2011. Domestic Workers Platform of demands: <http://wiego.org/resources/international-domestic-workers-network-platform-demands>

Winning ILC Convention 189 & Recommendation 204: <http://wiego.org/informal-economy/ilo-convention-concerning-decent-work-domestic-workers-adopted>

In 2013, the Africa Domestic Workers' Network (AfDWN) was launched with domestic workers' representatives from 17 countries in the region to use collective power to achieve ratification of C189 and improve legislation. AfDWN Declaration:

<http://wiego.org/sites/wiego.org/files/resources/files/Declaration-Africa-Regional-Domestic-Workers.pdf>

2013: Support efforts of IDWN, in the formation of the International Domestic Worker Federation (IDWF). As of 2016, the IDWF represents over 350,000 Domestic Workers in 46 countries:

<http://wiego.org/organizing/idwf-domestic-workers%E2%80%99-federation-born>

Network & CB: Advanced the waste pickers' movement in Africa through a Climate Change Workshop that included South African waste pickers, and mapping activities in Cameroon, Mali, Benin and Madagascar. Training was also provided to the Federation of Informal Workers Organizations in Nigeria (FIWON), whose field workers were then able to map several groups/organization in different Nigerian cities.

2015: Drafted, with more than 100 home-based workers internationally, an historic Declaration for Home-based Workers, set out the challenges and demands of home-based workers on issues from wages to better housing and basic services to social protection: <http://wiego.org/home-based-workers/delhi-declaration-of-home-based-workers>

Home-based workers in FT networks, 2012-15 (FLOW): Ghana, Kenya, Uganda. Network & CB: Launched a Leadership & Business Skills for Women Fair Trade Producers initiative to help women improve livelihoods: <http://wiego.org/wee/fair-trade>

Vyenhoek, Leslie. Bega Kwa Bega: Shoulder to Shoulder, Achieving Their Goals, 2016:

<http://wiego.org/blog/bega-kwa-bega-shoulder-shoulder-achieving-their-goals-0>

LAW

Country study Ghana: Pioneered analysis on how informal workers' demands for rights and protections can be transformed into law, and how to build the capacity of informal workers to engage effectively with the law and achieve legal empowerment:

http://wiego.org/informal_economy_law/country-study-ghana

Country study South Africa: The project partner in South Africa, Social Law Project, University of the Western Cape, worked with street vendor and domestic worker unions and MBOs:

http://wiego.org/informal_economy_law/country-study-south-africa

Vending in Public Spaces and the Law, 2014. This case study is a review and analysis of experiences of Asiye eTafuleni (AeT), a non-profit organisation that focuses on urban design and planning with informal workers, in Durban, South Africa: <http://www.inclusivecities.org/wp-content/uploads/2015/09/IC-Durban-Law-Case-Study.pdf>

Johannesburg Street Traders Halt Operation Clean Sweep, Sept 2014:

<http://wiego.org/resources/johannesburg-street-traders-halt-operation-clean-sweep>

Saving the "Mother Market": Mobilizing Street Vendors in Durban: http://www.inclusivecities.org/wp-content/uploads/2012/07/Dobson_Success_Story_Saving_Mother_Market.pdf

SOCIAL PROTECTION: Alferts, Laura. The Ghana National Health Insurance Scheme: Barriers for Informal Workers. WIEGO Working Paper No. 30. Sept 2013: <http://wiego.org/publications/ghana->

national-health-insurance-scheme-barriers-access-informal-workers

FOCAL CITIES – Accra, Ghana: Information, studies and activities of informal workers in Accra in engaging with city authorities during five years of work and across several sectors:

<http://wiego.org/wiego/focal-cities-activities-and-outcomes-accra>

Statistical Briefs, Informal Employment in South Africa:

http://wiego.org/sites/wiego.org/files/publications/files/Budlender_WIEGO_SB3.pdf

Statistical Briefs, Informal Employment in Kenya:

http://wiego.org/sites/wiego.org/files/publications/files/Budlender_WIEGO_SB5.pdf

Statistical Briefs, Informal Employment in Ghana:

http://wiego.org/sites/wiego.org/files/publications/files/Budlender_WIEGO_SB6.pdf

Informal Economy Monitoring Study (IEMS) on Ghana, South Africa and Kenya:

<http://wiego.org/wiego/informal-economy-monitoring-study-iems-publications>

Informal Economy Budget analysis (IEBA) on Ghana and South Africa:

<http://wiego.org/wiego/informal-economy-budget-analysis>

Six-Segment Model by Status of Employment: <http://wiego.org/informal-economy/wiego-network-holistic-framework>

Corrie Roeper - Mondiaal FNV

2016-08-30

'Informal workers' is a rather general term. It could be about workers who were formally employed, but were dismissed and hired in again as self-employed. This has happened on a wide scale in the cleaning sector in Africa. In such a case the unions to which they did belong have a logical role to defend the legal rights of the workers and the employers to recognize these rights. Unfortunately, most employers want informalisation because they want to get rid of (part of) these rights. It are not only private enterprises applying this informalisation, also (semi)governmental institutions (universities in South Africa) and local government have dismissed many workers and re-contracted them as self-employed.

We have seen some successes of trade unions to safe (some of) the rights of these workers, like in Ghana in the transport sector and for dock workers.

Then there are the self-employed like street sellers, domestic workers, peasants. Self organisation is important, and alliances with trade unions can help in order to get recognition, also in order to get a place in national or local social dialogue fora. Getting access to social security schemes can help these informal workers a lot. At the same time, it makes them more formal. Ghana is an example where National Health Insurance and National Pension Scheme are open for informal economy workers, thanks to Union influence. Traditional self organisation of informal workers is however rather different than Trade Union organisation: leaders are often not elected, there might be written regulations and by-laws. This can create tensions between the self organisations and the unions.

Not all informal workers regard themselves however as workers, their ambition is to be regarded as entrepreneur. Some employ others. Self organisation remains important. In these cases unions play a less important role, employer organisations are a more logical partner.

This is just a short summery of FNV experience over the last 10 years in Africa. I think lots of references have already been given in the comments above. I would also suggest to check experiences of SEWA in India, and the StreetNet International Network.

Christal O. Spel - University of Helsinki

2016-11-09

The good intentions behind the question is quite obvious and commendable, however, it tacitly implies the questionable logic that some identifiable agent is not aware of the 'legal rights of informal workers and making the identified agent aware will lead to or improve the experience of the

informal worker (via having that right). Awareness of rights is much less the problem than substantive implementation of such rights. Hence, if we can turn the focus from the 'problemization' of 'awareness' to the substantive implementation and access, we can begin to address the question.

Therefore, depending on the specific legal rights we are referring to, it is pertinent to wonder if trade unions can adequately or successfully convert awareness to access for the informal workers. Especially if the broader socio-political context remains impoverished and inadequately suited to support the actual benefits of that right.

The other point I will want to raise is the multiplicity of groups or associations in the informal sector that may not be affiliated or related to specific trade unions. Unification at the informal level could mean anything from a non-formalized cooperation, help or support in times of need, to associations formed by friends, family members or colleagues. Notwithstanding, such 'unification' is only as relevant as it could meet concretized specific needs. In addition, a strong and thriving trade union could also tend to develop a hegemonic power relation with its members or rather a disconnection between the 'formalized' union and the estranged informal worker; membership requirements or time may limit level of participation. My study of cooperatives in Lagos, Nigeria, in 2008, indicated membership fees as one crucial factor affecting participation.

Furthermore, awareness of rights tacitly implies either the willingness or the capability to demand compliance. In cases of non-compliance, the route to redress could be long, financially demanding and without guarantees. Often redress may be sought through legal challenge in a court of Law, but the informal worker will have to deal with several outcomes that often act to discourage seeking redress. For example, in South Africa, a positive decision from the court may not necessarily lead to improved experience; employment relationship may be lost, enforcement may require more visits to the courts and long appeals, and time may fail to convert initial victory to substantive benefits.

Having raised the above points, I will be compelled to suggest that support that will benefit informal workers should be directed to the workers. Why? Basically because they are the central agent either in seeking for enforcement or suffering the consequence of backlash from a disgruntled employer. How? Intervention could be developed around specific crosscutting need that have been identified as relevant to the informal workers. In addition, professional organizations that provide intermediary services that help the workers to convert their rights to substantive wins could be supported. The important point is that the informal worker should own or be an active agent in the process of enforcement, should be facilitated once the decision to seek enforcement is made and be protected or supported in the case of unfavorable backlash. In that line of reasoning, the support (international) is skewed towards contributing to the user-developed processes of awareness and enforcement of specific rights.

Policy question 6

How can social protection programmes promote entrepreneurship and how can they best benefit informal sector workers?

Featured answer

INCLUDE Secretariat

2016-08-08

Social protection programmes to promote entrepreneurship

An important issue within the debate on social protection deals with the question to what extent, and how, social protection can increase the economic empowerment of recipients, rather than making them dependent on these programmes. Certain social protection programmes can improve opportunities to start or expand a business, mainly by increasing financial means, and can, therefore, increase the economic empowerment of beneficiaries. Various experts have reported on the ways in which this can be achieved through different kinds of social protection programmes:

Cash transfers

The effect of cash transfer programmes on business and enterprise activity is not widely researched. In their recent literature review, Bastagli et al. (2016) found nine studies on the impact of cash transfers on business and enterprise. The results are mixed: of these studies, “four find significant increases in the share of households involved in non-farm enterprise or in total expenditure on business-related assets and stocks, while one finds a significant decrease”, the authors write.

Enterprise grants

One programme with positive results on entrepreneurship was Uganda’s experimental programme on Women’s Income Generating Support (WINGS), which ran in 2009. This programme provides enterprise grants to poor people, mostly women, in war-affected villages. With encouraging entrepreneurship as its main aim, the programme has contributed to the establishment of enterprises (a 49 percentage point increase), as found by Blattmann et al. (2015).

Conditional cash transfers

Other evidence comes from Brazil, where the conditional cash transfers of the Bolsa Família programme are found to have increased the number of small enterprises. But experts do not agree on whether this increase is due to the risk insurance and the financial support of the transfers themselves, as Lichand (2010) asserts, or if it is mainly due to the indirect increase in private transactions between the cash transfer recipients and other households, as Ribas (2014) found. Nevertheless, Lichand claims that the newly created enterprises “are typically secondary sources of income”.

Public work programmes

In addition to cash transfers and enterprise grants programmes, public works programmes can also improve the opportunities for enterprises, because of the infrastructure that is being built by beneficiaries of the programme.

Other types of social protection programmes, unconditional social assistance and contributory social insurance programmes are mainly established to provide short-term financial support during contingencies and shocks and, therefore, are not aimed at promoting the entrepreneurial opportunities for recipients.

Social protection for informal sector workers

If certain types of social protection programmes contribute to the economic empowerment of beneficiaries, the question is whether this also works for informal sector workers, who constitute a

large and growing part of the working-age population in Africa. Informal sector workers are often entrepreneurs with small informal enterprises, such as street vendors. As entrepreneurs, they take risks, but, unless universal social benefits exist in their country, they are not protected against shocks, as formal sector employees are through social insurance. Informal sector workers can be eligible for some cash transfer programmes, but these do not explicitly insure them against entrepreneurial risks and shocks.

Extending formal programmes to informal workers

For informal sector workers, the issue is not so much about encouraging entrepreneurship, but about protecting them against risks and shocks through social protection. Rather than designing separate programmes for this group, several experts recommend including informal sector workers in social protection schemes for formal sector workers (WIEGO 2016, Orbeta 2015). One of the advantages is that the existing administrative capacity can be used (Orbeta 2015), although social protection schemes that are linked to formal employment contracts cannot be used in exactly the same way for informal sector workers. New contribution and payments structures are necessary for workers who do not have a formal employment contract and do not contribute to regular social protection schemes through taxes.

There have been attempts to adapt formal programmes to the specificities of the informal sector, but, according to Nhongo (2013), “not much progress has been made” and, according to Olivier, Masabo and Kalula (2012), attempts to include informal sector workers in social insurance programmes “have largely been unsatisfactory”. This is also because informal sector workers may consider the benefits too low compared to the costs.

Recommendations

To protect informal sector workers against risks and shocks by including them in formal social protection programmes, the experts recommend:

- Introducing flexible payment schedules to allow informal sector workers with an unstable income to pay more in certain months and less in others (Nhongo 2013, ILO 2013)
- Addressing the work interruptions of women during childbearing years and find suitable maternity protection for female informal sector workers (Ulrichs 2016)
- Determining contribution levels for informal and self-employed workers whose incomes are difficult to measure (ILO 2013)
- Making registration easier and less time-consuming (ILO 2013, Ulrichs 2016)
- Addressing protection for the often risky workplaces of informal workers (WIEGO 2016).

Reactions (14)

Abubakar Muhammad Moki, PhD - Office of the President, Cabinet Secretariat, Republic of Uganda

2016-08-10

How can social protection programmes promote entrepreneurship?

This can mainly be done through provision of productive assets such as goats, poultry, rabbits, improved seeds among others. The productive assets should be provided through organised groups and be applied on revolving basis. These would promote entrepreneurship, production and productivity.

How can they best benefit informal sector workers?

They can benefit informal sector workers by working through existing community groups and association especially those established under cooperative movement principles.

Daniel Opio - Federation of Uganda Employers

2016-08-10

Although various scholars have criticized social protection programmes, on a very high note, the beneficiaries have applauded the government and other stakeholders for such programmes, some community members like the elderly are getting grants on monthly basis to help them improve on their livelihoods while others like the youth are using the funds from the youth fund programme to engage in various enterprises such as poultry, piggery, farming among others.

As for the informal sectors, they have not benefited from the protection programmes since most of them are not registered with government.

Sally Peberdy - Gauteng City-Region Observatory, Johannesburg, South Africa

2016-08-11

This is a complex question and warrants a longer response than this. The informal sector is a complex arena involving a wide range of participants and activities which may involve different responses. Similarly social protection programmes are varied. Social protection can involve child care allowances, old age pensions, medical care, maternity pay, disability pay, unemployment insurance, safety and security. Access is usually determined by access provisions of the country where the entrepreneur lives. In countries where universal social grants are not available informal entrepreneurs may not be able to access benefits like maternity and disability benefits. Few will earn sufficient incomes to access private social grants. Many social protection programmes do not allow for the self-employed to make contributions to boost benefits that may be available to those who are in employment.

Social protection programmes in the form of social grants can provide (small amounts) of start-up capital to informal sector entrepreneurs. They can also enable a small business to maintain and develop itself providing supplementary income as businesses establish themselves. They can also enable business owners to re-invest in their businesses.

Because time away from their businesses is money lost, it can be difficult for informal sector entrepreneurs (particularly sole proprietors without employees) to access benefits which they might be entitled to. This also includes health care where waiting times at clinics and hospitals are long and fees charged may be high.

Research on informal sector entrepreneurs in southern Africa has highlighted lack of access to start-up capital and funds to grow the business as a major constraint for informal sector enterprises. The banking sector does not appear to meet their needs and access to government run schemes is weak.

Although often seen outside the taxation system, informal sector entrepreneurs may contribute to the tax base by (1) paying municipalities for business licenses and stalls and stands in markets; (2) buying supplies for their businesses from the formal sector where VAT or other forms of sales tax are paid.

Sally Peberdy (PhD), Senior Researcher, Gauteng City-Region Observatory, Johannesburg, South Africa

Miriam Katunze - Economic Policy Research Center

2016-08-11

How can social protection programmes promote entrepreneurship?

Social protection and entrepreneurship are two opposing terms with one word in common-risk. While social protection is intended to reduce risk and alleviate poverty, entrepreneurship entails the taking of risk to innovate, be a pioneer or an investor. Literally speaking, social protection can not promote entrepreneurship. However, if it is specifically given to inventors and pioneers of businesses/investments/enterprises, it will act like a compensation for their work, motivate them and motivate others to do likewise.

How can it best benefit informal sector workers?

As Daniel said, informal sector workers cannot benefit from social protection programmes because they are not registered. However, providing the opportunity to them will help them become formal, bringing more government revenue, and provide an avenue for training them.

Marion Ouma - University of South Africa

2016-08-11

The informal sector provides the biggest source of employment in most Sub-Saharan Africa, yet it is the most neglected in the provision of social protection programme. Unemployment is a main problem in Africa and contributes greatly to poverty. Little attention has been paid to the working-age poor in Africa with most programmes targeting the "deserving poor" or those in formal employment. Social assistance programmes have been designed to largely target children, older persons, persons with disability or the very poor while the employed benefit from social insurance including pensions.

The Mbao Pension Scheme in Kenya offers learning in reaching and extending pension schemes to those in the informal sector. Mbao refers to twenty Kenya shillings in Kenyan slang. It aims at encouraging workers who are not in formal employment to save toward their pension from as little as Ksh 20 per day. The scheme is registered with the Retirement Benefit Authority. See <http://www.rba.go.ke/index.php/en/component/content/article?id=56>

Innovation is needed in reaching the informal sector and social protection and especially social assistance programmes need to be broad-based and move away from its preoccupation with the "deserving poor"

Keetie Roelen - Centre for Social Protection, Institute of Development Studies, UK

2016-08-11

Promotion - helping people to move out of poverty - can be seen as one of the objectives of social protection. It is the objective that has gained a lot of attention in the past years, evidenced by the momentum that has galvanised around graduation in social protection and evidence of promotive impacts. A conference on graduation and social protection co-organised by IDS in Kigali in 2014 and FAO's 'From Protection to Production' programme testify to this momentum. The possibility of promotion offers an appealing option for reducing poverty and including those in the informal sector.

I would like to make three comments regarding the promotion of entrepreneurship through social protection:

(1) Coaching and support is crucial. While we know that the provision of cash and assets can promote development of small businesses and stimulate local markets, we increasingly find that training, coaching and support are imperative for creating change. Some refer to it as the 'X-factor' in programmes aiming to achieve 'graduation' or sustainable change in livelihoods. This holds across countries and contexts. Evaluations from Bangladesh to Burundi point towards the importance of training but mostly to regular and personal interactions with programme implementers. Experiments in the UK aiming to lift people out of poverty through a lump sum transfer also show how advice and coaching is crucial for developing viable business plans.

(2) Unpaid care work needs to be taken into account. The existing time burden of unpaid work and care for young or elderly household members - mostly by women - is largely ignored when talking about building livelihoods and promoting entrepreneurship. Social protection programmes can only support entrepreneurship when they recognise that any new business activities are not developed in a time vacuum but will actually add to heavy, important but often and invisible work. Innovative solutions are required to ensure a balance between paid and unpaid care work, which includes options for child care, changing social norms regarding gendered divisions of labour but also

provision of services that reduce the drudgery of unpaid care work.

(3) Entrepreneurship might not be a feasible for everyone. While promotion is an important objective of social protection, we should recognise that entrepreneurship may not be an option for everyone. Children, elderly and people living with disabilities, for example, will not be able to capitalise on business opportunities and will need protective rather than promotive measures. But even for those that are able to work, entrepreneurship might not present a sustainable solution out of poverty. Entrepreneurship requires a certain set of skills but also willingness to take risk, for example. But also it requires functioning markets that can absorb new supply and allow new businesses to thrive. Entrepreneurship should be considered an objective of social protection if such preconditions are in place.

Sergio Falange - Mozambican Civil Society Platform for Social Protection

2016-08-11

Social protection programs is aimed to promote human capital, preventing the situations of risk, protect in situation of extreme vulnerability and to strength social justice of the families.

Based on this principle, by providing assistance to families in poverty through social protection programs, with the clear understanding of program objectives and why the families are inserted, they seek to reproduce the assistance they receive through investment value of the subsidies for small income-generating programs that can support the short, medium and long term: eg. families who invest the subsidy for the purchase of goods and subsequent sale to increase their income - in Mozambique there are cases of elderly receiving the subsidy and purchase cookies for resell to other beneficiaries in the days of payment of the allowance because they know that these groups take long hours in queues waiting to receive the subsidy. By this way this elderly are trying to give move value to their subsidy becoming entrepreneurial;

Regarding the informal sector we assume that the families who are in this sector have a high index of income unpredictability and they don't have how to channel their contributions to future situations of shocks to the state. They have little resilience capacity to shocks that may arise. So the programs of social protection can have the function of protect these groups too.

Daniel Kumitz - Friedrich-Ebert-Stiftung Lusaka

2016-08-11

Let me start by criticizing the question for it suggests that the best way to assist informal workers by way of social protection had to do with entrepreneurship. These are two different things.

Social protection encompasses social insurance and social assistance benefits to provide income security, basic human rights and human welfare. In some frameworks, for example the African Union framework it includes (access to and provision of) social services. Therefore, social protection for informal workers is about providing income security (when informal workers have no income, are unemployed, are sick, get old, have children, sustain employment injuries or disabilities), access to healthcare and general social rights and protection such as occupational health and safety, non-discrimination in access to public regulations and services etc.

The best ways to provide these are highly context specific. Best practices include a mix of (a) organizing informal workers (for example in cooperatives or trade unions), (b) recognition by government authorities (such as municipal councils) and (c) extension of social protection services by (i) formalizing working relationships where possible, (ii) providing access to existing social protection programmes (for instance by subsidizing or allowing irregular contributions or both) and (iii) creating sector-specific programmes.

Entrepreneurship requires three things: Human capital (know-how, skills), financial capital and market opportunities. In many African countries microfinance programmes (by way of grants or loans) are considered social protection as "empowerment" programmes. There is strong evidence

that this has assisted entrepreneurs. There are other but much fewer programmes that provide skills training. Neither can address market opportunities for MSME entrepreneurship, which means the scope of these programmes is quite limited. From a rights-based perspective, these are possibly good (and in case of revolving funds quite sustainable, even profitable) programmes, but not social protection programmes as provided for under international standards.

Vinicius Ferreira

2016-08-12

It is quite common that countries underdeveloped have a more strong participation of the informal sector on the gross national product. Usually, these workers of the informal sector do not have their labor rights guaranteed. On the other hand, entrepreneurship also depends on access to credit, institutional framework and management skills. Then, social protection measures are even more needed, so to provide a minimum live standard that is a pre-requisite in order to encourage entrepreneurship.

In the Brazilian experience of the "Brazil without poverty plan" the productive inclusion is done thought a wider access to education in the urban areas and with rural technical assistance in non-urban areas. Both experiences still seems not enough, because qualification is not a warranty of income. However, education still seems to be the most effective way to build management skills.

Eleasara Antunes - Netherlands Embassy

2016-08-12

Social protection can be important to create a buffer allowing poor households to invest in small businesses, either by providing cash or training. Many small entrepreneurs will use the abilities learned to secure their business and if possible expand. Workers in informal sector are in the margins of formal social protection systems, there are very little incentives to include this group into the formal sector, especially for the workers. The main role of social protection for informal workers should be to provide skills and business development opportunities.

Erick Nyambedha - Maseno University, Kenya

2016-08-15

Social protection programmes can borrow a leaf from the innovative activities of the beneficiaries of CT-OVC who in a small way have invested this little money into the small scale businesses to give them a sense of economic security but without any training/skills in entrepreneurship. Social protection can therefore promote entrepreneurship and benefit informal sector workers by first encouraging the informal sector workers to join what we call *chamas* in Kenya. *Chamas* can be avenues through which social protection programmes can promote entrepreneurship among the informal sector workers in Eastern African countries.

Julian Jamison - Global INSights Initiative, The World Bank

2016-08-18

Thanks for the mention of the Blattman et al. paper from Uganda on the WINGS program, of which I am a coauthor. We have another paper which might be relevant to this discussion, from Liberia: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2594868

In that project we find that at-risk young urban men who are given an unconditional cash grant do attempt to start small businesses (which is great in itself!), but that the businesses generally fail within one year (in large part, we believe, due to highly insecure property rights).

Laura Alfers - WIEGO & Rhodes University

2016-08-25

How can social protections benefit informal workers?

I agree with the statement above by Daniel Kumitz that social protection should primarily seen to be about providing income security, rather than the framing of this question as one of entrepreneurship. Social protections cannot on their own correct inequalities in the global political economy which

disadvantage informal workers (such as limiting their market access).

However, social protections which deal with the structural factors that prevent informal workers from earning more secure incomes are key. Social services are not always included within the definition of social protection, but these are often important in helping informal workers engage more successfully in economic activities. An example here are affordable, accessible, good quality child care services. The available evidence suggests that such services can allow women informal workers to challenge their uneven responsibility for the care of children, freeing them up to spend more time on income earning activities. A literature review from Women in Informal Employment; Globalizing & Organizing (WIEGO) detailing these findings can be found here: <http://wiego.org/sites/wiego.org/files/resources/files/Alfers-Child-Care-Policy-Employment-Lit-Review.pdf> Health services are also important in this respect - without their health workers are unable to make a living.

For informal workers who work in urban public spaces, there is also a need to challenge discriminatory and punitive urban policies which undermine their income security. In this way urban policies and social protection need to be brought more closely into conversation with one another.

Ultimately though how social protections are going to benefit informal workers depends on a variety of factors - the informal economy is not homogenous. There are different work sectors (street trade, waste picking, home based work), there are different statuses in employment (self-employed own-account, casual employee, regular employee, employer of others), and there are different places of work (private homes, streets, landfill sites), all of which will have an impact on which social protections are appropriate and how they will benefit informal workers.

Zeremariam Fre - SPIDA Ethiopia

2016-09-05

In most Least Developed Countries (LDC's), entrepreneurial ability and expansion is hindered because of poor access to finance, lack of initial capital at large, social services and infrastructural development. Thus, social protection programmes are some of the means designed to narrow this gap by strengthening the participation of individuals in the informal sector and improving entrepreneurship at the community level. Such interventions are also designed to facilitate and enhance the participation of youth and women in the informal sector where there is a great demand small start-up capital.

Based on our research among the Afar pastoral and agro-pastoral peoples in the Ethiopian arid lands, fully implementing a Productive Safety Net Programme (PSNP) is very challenging to say the least considering that the PSNP has been designed to suit more sedentary farming communities where the socio-economic environmental and livelihoods conditions are very different to those of the Afar. However, one must also appreciate that the pastoral communities are in a state of transition because of the recurrent droughts and loss of their livestock which have made more vulnerable and prone to destitution, poverty and sedentarization. It is in this context that the current PSNP programme provides the Afar immediate social protection support and becomes also a tool to enhance the forward and back-backward linkages in the diversification of their economy. We have found evidence that Social protection programmes contribute towards household asset creation, enables households transform households' economic activity to a better scheme through asset accumulation and increased savings. Based on the results from our participatory Rural Appraisal work and focus group discussion with community leaders, pastoral community and official, PSNP has a notable contribution to increase the involvement of pastoral households in the informal sector like livestock trading, petty trading, handcraft and participation in min agriculture.

Policy question 5

What are the 3 major investment opportunities in small-scale agriculture that could promote agricultural growth and increased farmer income?

Featured answer

INCLUDE Secretariat

2016-08-01

The reactions provided by experts (which can be found below) show that policies aimed at improving the conditions of smallholder farmers can take a variety of approaches. This variety is reflected in the overview provided here, with recommendations added from several earlier INCLUDE contributions. As outlined by Tekleselassie, the main way to improve the condition of smallholder farmers is to increase their agricultural productivity. Although prioritizing suggestions is beyond the scope of INCLUDE as a knowledge platform, the overview provided here, which is based on expert opinion, contains clear focus areas.

This overview is based on three categories of investment.. The first category is new or increased investment, which includes investment in improving access to technologies. The second is investment in honing existing policies. The final category is investment in policy directions that are interrelated with other policies and, therefore, require a comprehensive approach. For instance, factors such as increasing access to land and providing opportunities for women (see e.g. Melle Leenstra's expert contribution) require policies to be formulated within a broader political framework than smallholder farming.

This categorization of investment is in itself problematic, as new or increased investments are embedded in wider political contexts and should not be confused with 'apolitical instruments'. Rather, they should be interpreted as investments that have the most immediate potential in.

Three sets of investment

1. New or increased investment

New or increased investment should aim at benefiting smallholder farmers by:

- Increasing access to skills training programmes, both agricultural and entrepreneurial
- Facilitating access to credit and linking smallholder farmers with financial service providers
- Providing smallholder farmers with access to inputs such as seeds, fertilizers, storage facilities, irrigation, ICTs, information and other technologies to enhance their productivity
- Increasing investment in basic infrastructure (such as roads) in rural areas to create a level playing field
- Clustering farmer support mechanisms and promoting connections between smallholders and their peers
- Promoting the public procurement of (organic) food produced by small and family farmers
- Developing safety nets for smallholder farmers or improving their access to existing ones

2. Focus areas in existing policies

In terms of existing policies, there are certain areas that investment should focus on to improve the condition of smallholder farmers:

- Although agriculture accounts for a large share of production in Africa, macro-policies should take a broader view and aim to diversify and improve efficiency and access along the value chain.

- Policies improving access to inputs and benefits should employ a gender lens. As women play a key role in (equitable) agricultural growth, the constraints hampering them from accessing land and credit need to be removed.
- Water and land management policies need to use rotation schedules to enhance access and fertility and land entitlement programmes need to incentivize intergenerational transfers.
- Quality standards should be aligned and allow space for smallholders. This includes reducing the number of certifications.

3. Changing narratives and policy directions

Some policies are interrelated investment in these policies requires a comprehensive approach:

- Open to debate is the narrative about industrial, high-input farming and its upscaling. Proponents of 'agroecology' suggest that the latter is more sustainable and inclusive. In line with this debate is the question of whether or not smallholder farmers should 'move out', if they do not 'move up', to release land for large-scale agriculture.
- Smallholder farmers should be recognized as important actors in macro-development policies, as they are more exposed to vulnerabilities as a result of integrated international commodity markets. In addition, they are often seen as beneficiaries, but seldom as key partners, in decision-making processes.
- Allowing processing and value addition to take place in the country of origin creates more opportunities for small businesses and enables the better integration of smallholder farmers within the value chain.
- Taxation should be used to better reflect the real costs (including social and environmental externalities) in selling prices.

Reactions (12)

Niels Louwaars - Plantum

2016-08-02

access to markets is the basis in my view (purely subsistence farming – without off-farm employment – is too risky and not sustainable)
access to credit (on reasonable terms)
supply of adapted inputs (notably seeds)

Agnieszka Kazimierczuk - ASCL

2016-08-02

1. Less labels/certifications. An aligned major standard instead that also recognise small-holders and allows them gradual improvements
2. Value addition in country of origin (esp. processing)
3. Improved post-harvest infrastructure (incl. storage facilities, waste management, transportation)

Diana Quiroz - ILEIA - Centre for learning on sustainable agriculture

2016-08-02

- Organic food produced by small and family farmers and cooperatives in public procurement programmes
- Pricing production based on its real cost (including externalities of industrial production)
- Public policies that promote economies of scale

Selim Reza Hasan - Solidaridad

2016-08-03

Investment in sustainable landscape approach for towards promoting best practices for land and water resources use, climate change adaption and mitigation, biodiversity conservation and empowerment of local communities for improving food security, income and developing resilient livelihoods of the smallholders. The landscape approach need to take into consideration for developing robust infrastructure for creating access to resources, services, quality of inputs and financial capital. This also includes investment in ICT to access to information, technologies and

promotion of diversified, market oriented, climate smart and sustainable agriculture to optimize farmers' social, environmental and economic performances.

Investment in strengthening the supply chain efficiency for improved farm practices, food safety management, trace-ability and governance for developing inclusive supply chains at the domestic and international markets.

Investment in developing coherent and consistent cluster based farmers support mechanisms through provision of extension services, education and training. Contractual arrangement and responsible sourcing is needed so that the smallholders can sell their farm produces to the buyers and exporters.

Above issues needs multi-stakeholders coordination and support to increase the productivity of smallholder farmers. In Bangladesh, Solidaridad through the SaFaL project supported by the Embassy of the Kingdom of the Netherlands has taken initiative for multi-stakeholders coordination to improve the productivity of the smallholders. The link projects a recent initiative of multi-stockholders coordination for the integration of the smallholders in the domestic and international market. <http://www.solidaridadnetwork.org/news/bangladeshi-leaders-commend-efforts-for-sustainable-trade-in-safe-fruits-and-vegetables>

Edith van Walsum - ILEIA - Centre for Learning on Sustainable Agriculture

2016-08-03

Increasing organic matter content in the soil together with water harvesting techniques, mulching and landscape management techniques are the most effective ways of increasing the productivity and resilience of small-scale family farms. <http://www.fao.org/3/a-i2953e.pdf>

Every technical investment must be accompanied by an investment in the cocreation of knowledge and skills by small-scale farmers (F+M), scientists and other key actors. Link: <http://www.agriculturesnetwork.org/magazines/global/co-creation-of-knowledge>

Giving women farmers a strong voice in dialogues on access and benefit sharing of genetic resources will be crucial for maintaining agrobiodiversity, which is of fundamental importance for sustainable and equitable agricultural growth.

<http://www.agriculturesnetwork.org/magazines/global/access-and-benefit-sharing-of-genetic-resources>

David Betge - FU Berlin

2016-08-03

What has not been mentioned so far is rural infrastructure. From what I have gathered over the years working on land and farming infrastructure like roads, irrigation and possibilities for food storage are among the most important investment opportunities, in particular from the perspective of smallholder farmers.

Issues like credit or the labelling of products are secondary if there is no transport infrastructure. Credit to individual farmers will not be spent on building roads. Market access again is only part of the solution as long as products cannot be stored long enough to be collected and brought to whatever kind of market there is, be it an actual physical market or a wholesaler etc. Additionally, small farmers who also farm to supplement their own food supply need storage opportunities and one solution to that could be centralized storage units for larger communities, where perishable products can be stored (just one example where investment can be directed at). And then irrigation, without sustainable irrigation networks and water storage facilities credits and seeds are also only helpful to a very limited extent in many cases. There seems to be a very strong idea in academic communities as well as among practitioners that the foremost goal regarding agricultural development should be to scale up production because it is believed that small scale farming is in itself unsustainable. But in my view there has rarely been the basic and most necessary infrastructure on a comprehensive scale (of course exemptions apply) in most so called developing

countries, which would have been necessary to make small scale farming work (then again there is also the question of who does it work for? The producers, who might want to be 'food sovereign' in addition to monetary objectives or political and economic actors who primarily want to increase exports and revenue?). So as the basis of promoting agricultural growth and farmer income investment is needed in infrastructure, particularly: roads, storage and irrigation.

David Betge - FU Berlin

2016-08-03

PS. Somehow I couldn't see Agnieszka's and Selim's answers who go in a very similar direction of what I have posted, while Selim's input particularly goes beyond that, which I find very interesting. Even though I would stick to the argument that the three primary investment areas should be roads, irrigation and storage, while I think that the sustainable landscape approach goes beyond such 'basic' measures.

Melle Leenstra - Food Security Cluster, Netherlands Ministry of Foreign Affairs (IGG)

2016-08-03

1) appropriate technologies, 2) skills and 3) land

-First of all it is important for SME farmers to treat their farming as a business: measuring, recording and monitoring productivity and profitability. This should be the starting point for investing in **appropriate technologies** targeting their binding constraints.

-Second it is important for SME farmers to invest in the **skills** needed for farming as a business. Search out and weigh good advice from successful peers, extension officers, media and private sector advisors. Expect farmer to pay for trainings for themselves or for farm managers or workers, providing that those trainings offer return for investment.

-Finally it is important for SME farmers to invest in their **land** (their second most important asset after human resource). Apply appropriate organic and chemical fertiliser to reverse nutrient mining. Follow a rotation schedule that makes agronomic and marketing sense. In addition, engage in succession planning, so that the next generation in the family farm will further grow the farming enterprise rather than split it up into uneconomical plots.

Million Belay - MELCA - Ethiopia

2016-08-04

I have the community in Ethiopia in mind when writing this:

- 1- Training. Focused, repeated, purposeful training for farmers in the techniques of agroecology. This **MUST** be followed with financial support to implement what they were trained for. The financial support may not be hand-out but it can take so many forms.
- 2- For those farmers hooked into high input or industrial agriculture and interested to change, support for transition. This can take many forms including meeting their livelihood goals.
- 3- Diversification. Should be contextual. This can cushion the challenge of transformation to agroecology.
- 4- The big investment should be in changing the narrative. The narrative for industrial/ high input is so powerful and ingrained. Governments should be convinced to allocate money to agroecology.

Mersha - MELCA-Ethiopia

2016-08-05

- Training and technical support for small scale farmers on how to enhance productivity of ecological farming at small scale and the social and economic advantages of being engaged in ecological farming
- Promotion of organic natural food for healthy people
- Diversification of farm products so as to secure increased return for farmers from their small land holdings

Prof. Jane Mariara - University of Nairobi and Partnership for Economic Policy

2016-08-06

- 1). Farmers training/sensitization/provision of agricultural extension services
- 2). Adoption of new technologies
- 3). Institutional development – reduce transactions costs and improve market access

INCLUDE Secretariat - INCLUDE

2016-08-12

Dear colleagues,

Thank you for your many, and diverse, contributions. It is good to see that not only there are many angles used to answer this question, but also to see them based within research performed by your organisations. As you may have read within the 'Featured answer': in compiling an answer to the question, the INCLUDE secretariat has used your various contributions to formulate concrete policy suggestions in different categories. These categories include investments that can be implemented directly, investments that require a specific focus within existing policies, and investments that require a different narrative within development policies. The secretariat will pass this answer on to members of the Dutch Ministry of Foreign Affairs, as input for their strategy on small-scale agriculture.

This could all not have been possible without your contributions. Therefore, we would like to thank all of you once again and we hope to welcome you back on our knowledge forum soon. Please be reminded that this is an ongoing discussion: contributions are still welcome.

The INCLUDE secretariat

Policy question 4

How can we ensure that informal female traders in African countries do not lose out in formalisation processes (including labour market formalisation, trade formalisation, regional integration processes)?

Featured answer

INCLUDE Secretariat

2016-07-25

Several reactions below point out how trade integration and formalization processes put informal traders under pressure. Trade integration is often facilitated by bilateral or multilateral political cooperation to reduce tariffs and other barriers for traders. Evidently, these trade liberalization measures facilitate economic development, but do they facilitate inclusive development? And more specifically, do they also improve the position of informal female traders?

When considering the informal sector, an important question is to what extent formalization should be pursued as a policy option. The ILO's recent Recommendation 204 argues for 'urgent and appropriate measures to enable the transition of workers and economic units from the informal to the formal economy.' However, the thresholds in terms of registration (costs, required identity documents and lack of access to information) can be too high. The amount of documents to be obtained is the main issue. For women, there is the additional threshold of sociocultural barriers imposed by market parties, and even by female traders themselves (self-exclusion). While recognizing these constraints, there are two pathways to ensuring that informal female traders do not lose out.

The first pathway is to harmonize regulations and improve business opportunities for traders through formalization. For cross-border traders, for example between Malawi and Zambia, streamlining national regulations would already be a major improvement. Further, by promoting access to education, financial and business services, markets, infrastructure and technology, the ILO is attempting to promote the transition towards the formal economy.

However, given the differences in the extent to which formalization causes problems between informal female traders, the inclusiveness of this pathway can be questioned. For many female traders formalization is simply not an option. A more suitable pathway can be to move beyond the dichotomy of the informal and formal economy, and accept that the informal and formal sectors interact in a shared space, an arena defined by Floridi and Wagner as the 'borderland economy'. The recognition of formal governments of this shared space is key to unlocking its potential. This includes collaboration between the formal and informal sector, between the informal sector and political decision-making bodies, and between firms in the informal sector itself.

Although these two pathways are separate, governments do not have to opt solely for one or the other. Promoting formalization can go hand in hand with the recognition of the borderland space. But as the average size of the informal economy is close to 40 per cent in developing countries, the pathway towards formalization needs to be pursued with caution. Promoting the use of the unlocked potential within the borderland economy may be more beneficial for the economy as a whole, and is a more inclusive measure for guaranteeing the livelihoods of informal female labourers.

Reactions (6)

Christopher Changwe Nshimbi (PhD) - University of Pretoria, South Africa

2016-07-25

Leave no trader behind: Ensuring that female informal cross-border traders do not lose out in formalisation processes

The violent protests by informal cross-border traders (ICBTs) at the Beitbridge border between South Africa and Zimbabwe in early July 2016 came as no surprise to many who are familiar with the informal economy and its operations in Africa. Informal trade provides employment and generates revenues that contribute to the livelihoods and welfare of the traders, to local economies and, now, the Zimbabwean government wants to tap into and cash in on the proceeds from the sector. Nothing wrong with that. Only that, once again, the government's means of achieving desirable ends is indicative of a draconian, non-transparent, unaccountable and exclusive decision making process.

The legal root cause of the protests at Beitbridge is a statutory instrument (Statutory Instrument 148/2015 or SI148/2015), which, in and of itself, could produce win-win results for government and ICBTs, if executed in good faith. Without going into the details of SI148/2015, I highlight a few things concerning its origin and evolution. This is in order to demonstrate the implications for government and ICBTs as well as help the reader appreciate the suggestions I make later, on how to ensure that ICBTs in Zimbabwe, and indeed Southern and the rest of Africa, do not lose out in formalization processes. Certainly, the Zimbabwean government has erred in the way it is attempting to generate revenue from ICBTs, who it neither nurtures nor creates suitable conditions to ensure they flourish in the first place. Zimbabwe is not isolated in the way it perceives and treats ICBTs. Other African governments, some international financial institutions and corporations, too, consider ICBTs anathema.

Zimbabwe's Ministry of Finance and Economic Development revised the country's traveller's rebate—a duty-free allowance on effects granted to bona fide travellers—in December 2015, in an effort to prevent what it said was travellers' abuse and to prevent losses in government revenue arising from the practice. Before the revision, the rebate had been pegged at US\$300, with a 65% duty charged on goods in excess of the rebate per month. The Minister of Finance argued that people could use the rebate to import goods for resale under the semblance of personal consumption. Consequently, government revised the rebate downwards to US\$200, for travellers using private transport, and removed it completely on goods imported by travellers transporting goods on trailer-drawing commercial transport service vehicles. These statutory changes would also enable government improve revenue collection, promote the growth of and shield local industry from competing imported products, and improve Zimbabwe's Balance of Payments position. The changes, which effectively translated into import restrictions on South Africa origination goods, were implemented on 1 July 2016. Some of the products from South Africa affected by the changes include bottled water, potato crisps, cereals, dairy products, baked beans, body creams and petroleum jellies, furniture, building materials and steel products.

The significance of informal cross-border trade in Southern Africa
South Africa's reaction to these changes says a lot about the significance of, among other things, informal cross-border trade in Southern Africa. South Africa's Department of Trade and Industry (DTI) alleged that Zimbabwe was in breach of Southern African Development Community (SADC) Protocol, and that South Africa would take up the issue at a technical level and raise it at Cabinet and bilateral forums.[1] It would also send a team to Harare to meet Zimbabwean counterparts and discuss more than 100 items affected by Zimbabwe's trade measure.[2] Informal cross-border trade also generates approximately US\$18 billion a year in the SADC region, accounting for up to 40% of intra-SADC trade. This is important for the SADC integration project and many member states, who do not recognize but consider ICBTs anathema engaged in criminal activities. The significance is more for the ICBTs, whose livelihoods and survival depend on cross-border trade.

The informal economy in which the ICBTs operate accounts for up to 70% of the economy in many African countries. The ICBTs take up a substantial portion of that. In terms of composition, the informal trade sector is also dominated by females. Among the wide range of challenges ICBTs face in the course of business, some are peculiar to female ICBTs and are exacerbated by the fact that they operate in the informal sector. Examples of such challenges are harassment, sexual exploitation, physical searches and exploitation by border officials, etc.

Inclusive formalization of informal cross-border traders

Formalization provides an avenue through which female ICBTs can overcome some of the precarious situations they find themselves in, as they ply their trade. How, then, can we ensure that informal, and especially female, cross-border traders do not lose out in formalization processes? Inclusive formalization should start with formal recognition, especially by government authorities, of ICBTs and the critical role they play in creating jobs (especially for women and youths), sustaining livelihoods and the contribution to formal regional economic integration, etc. While taking cognizance of the existence of clandestine, transnational crime and elements who deal in contraband, formal recognition should distinguish such from actors genuinely occupied in the informal sector for survival. Formal recognition, therefore, entails a change in perceptions (especially) held by governments of ICBTs. This should in turn lead to (re)formulation and the enactment of laws that are consistent with the view that ICBTs are agents of development. Some countries are already taking the lead in this direction. Actually, Zimbabwe, as a member of the Common Market for Eastern and Southern Africa (COMESA) has established a simplified trade regime (STR) with Zambia (also a member of COMESA) in which the two have negotiated a common list of goods that ICBTs can trade in across their respective borders duty-free, on goods worth up to US\$1,000. ICBTs clear these goods with customs with little paperwork and at lower processing fees. Legislation based on a healthy view of ICBTs is critical to (re)defining the framework for governing their operations, especially in a regional context.

Regional approaches to regional challenges can produce win-win outcomes

Considering this, two final conclusions about South Africa and its reaction to the import measures Zimbabwe took are worth making. As the dominant economy and regional hub where ICBTs source merchandise, it is high time South Africa revisited some of the ways in which it responds to cross-border movement related challenges that arise in the SADC region. Firstly, the apparent reactive or ad hoc responses to some recurrent regional challenges that could be easier handled through concrete regional governance frameworks or legislations. The way in which South Africa (and other countries in the SADC region) handle undocumented migrants through special dispensations, amnesties and massive deportations, etc. are costlier to the country and the SADC region than enacting a regional migration legislation that would establish a sure way and fundamental guideline for governing migration in the region.[3] Second, going bilateral on issues of regional consequence which, again, if handled by the region would produce a stable and predictable framework of regional governance. Concerning ICBTs, therefore, the questioned could be asked, will the DTI send an ad hoc team to Maputo, if the problem in Zimbabwe and the country's ICBTs moved to Mozambique, or Lilongwe, if Malawian ICBTs were involved, or indeed any other SADC member state? These measures are costly to not only South Africa but also the SADC region and all respective members.

On their part, because many ICBTs are semi-illiterate, they need literacy and numeracy skills. This will help them understand trade and customs procedures, legal requirements as well as know their rights. This can be accomplished even before formalization.

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Paul Lange - Africa Studies Centre (ASC)

2016-07-25

Informal cross-border trade is flourishing throughout the African continent. It is increasingly recognized as a major force in regional trade and integration, and for its potential for inclusive and sustainable development, not least because of the predominant role women play.

West Africa is a particular case as it is considered to have enormous potential for cross-border trade but is largely underperforming. Notwithstanding a lack of reliable data, the cross-border trade that takes place is mainly informal and largely a female activity. Many women are involved in the trade of diverse commodities, including food products in a region where food security is a major concern. However, these traders are generally not recognized as legitimate business people but instead are often viewed with suspicion by authorities and wider society, simply because they travel long distances and spend much time away from home. Furthermore, such women face challenges and risks that reduce the profitability of their activities and undermine the potential of trade as a driver of growth, employment and poverty reduction. Examples of these challenges include inadequate transportation, lack of access to finance, insecurity and harassment, lack of appropriate skills and knowledge, and limited market information.

Traditionally, trade policies and facilitation measures by West African governments (or by regional economic communities such as ECOWAS) and their development partners have been designed with formal trade in mind. Thus, informal trade and the role of female traders has been largely overlooked. This may be explained by prevailing negative perceptions of women informal traders and also by the lack of solid evidence regarding their particular needs, interests and challenges. It is only recently that West African trade policies and programmes are becoming relevant for informal female cross-border traders. This includes the ECOWAS Regional Roadmap on Gender and Trade and the Accelerating Trade in West Africa (ATWA) by the Danish development agency DANIDA and The Netherlands.

Furthermore, the conventional policy response to informality in trade and other economic activities has been formalization, based on the conviction that this will bring economic and social benefits to both traders and the wider economy. Such a response is at odds with the current reality of many sub-Saharan countries in which moving away from informality is not a realistic option for many female informal traders. Women are generally more constrained than men in meeting the requirements for formal trading, and there are often sound reasons that explain why they remain informal, whether by choice or out of necessity. Examples of these reasons may include the challenge of obtaining required documents for which women depend on male brokering, the need to resort to informal payments or the need to travel large distances, which interferes with household commitments. Other reasons for remaining informal may also be related to a lack of financial resources to be able to pay taxes or to upscale enough to survive in the formal sector.

Apart from the need to further mainstream informality in regional trade policy and facilitation measures, it is also critical to design targeted trade facilitation and support measures attuned to the specific needs and challenges of female informal traders. Considering that formalization is probably the desired development objective, such a calibrated agenda should include simplifying trade rules and regulations to reduce the complexity, time and costs of formal trade procedures that could help women traders move towards progressive or semi-formalization.

Inspiration and lessons can be drawn from recent initiatives in other regions of sub-Saharan Africa. For instance, in Eastern and Southern Africa, COMESA has introduced the simplified trading regime (STR) to address problems encountered by small-scale traders who need to prove that goods have the originating status allowing exemption from import duties under the COMESA customs union.

Under the STR COMESA, member states have agreed on a consignment threshold and a list of products that do not require ordinary origin certificates. This results in higher transaction costs but traders can use a simplified customs document. In another example, in East Africa TMEA funded the Eastern African Sub-regional Support Initiative for the Advancement of Women (EASSI) to create several border resource centres that provide assistance to female informal cross-border traders. This assistance includes business skills training and the provision of market information. TMEA has also supported the Rwandan umbrella organization ProFemmes/Twese Hamwe in organizing female informal traders into cooperatives, which target common challenges including lack of finances and gender-based violence.

* This contribution indirectly benefits from a recent scoping study on regional integration and trade in West Africa in which the author took part.

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Zjos Vlamincx - African Studies Centre, Leiden 2016-07-26

The phrasing of the question assumes that female traders are more likely to lose out in formalisation processes than their male counterparts. If we take the case of Ghanaian market traders, however, our research findings indicate that vulnerabilities to formalisation processes do not primarily run along gender lines. Ghanaian markets are organised through commodity-based market queen associations which are overseen by a general market association run by the Queen Mom (ahemafo) and a group of between five to seven leaders, who are also predominantly female (Gracia Clark, 1994). The market queen association manages internal market politics as well as relations with national, regional and district-level government officials and other “outsiders” such as NGOs, trade unions, etc. Due to this position the leaders of the market queen associations are also involved in formalisation processes. History has thought government officials not to side-pass market associations when it comes to market reforms, such as modernization project and fee changes. Today, in Makola market, Accra’s biggest market place, the market association is consulted before reforms take place and they are part of the yearly fee-fixing committee which sets the price of daily

tolls and yearly rents. This participation however does not imply that market traders are free from externalities when it comes to formalisation processes. In fact, their inclusion to a certain extent limits their room to maneuver to critically engage with government officials in a progressive way.

The limitations can be felt in two ways. First, by allowing participation on their terms, the government has embedded market associations into the political “chopping” culture, characterizing Ghanaian politics and society. Power is derived from party connections and those tied to the incumbent regime are “chopping” whilst the rest hopes to see their luck change with a change of government. In this context, the main challenge for formalisation processes is a lack of sustainable political commitment. An initiative taken by a ruling government will unlikely be followed through by the subsequent one if there is to be a change of government. More so because the change of power at the top of the ladder trickles down to the bottom as market politics mirror national developments and power is determined by political partisanship.

Second, the limited participation reinforces a sense of compliance amongst market traders. As one trader put it: why would they ask for more? “at least they are not sitting under the sun”. To understand this discourse we must look at the perceptions of market traders of the government. Accra’s local government is referred to as our “landlord” or our “father”, stipulating a sense of obedience. It is felt that they have no other choice than to accept what the government decides for them. This sentiment stems from a history of harsh oppression which Ghana’s female traders have gone through. During the Rawlings regime traders were blamed for the economic crisis of the country and they were harassed and criticised by large parts of the Ghanaian society, accumulating in the destruction of Makola market in 1979 (Robertson, 1983). Compared to those days female market traders are content with the way they have now in formalisation processes and other market affairs. So, it must not surprise that no unrest arose when Makola market women were left in the dark as to when and how their market would be modernized. They had participated in a workshop organised by the consultants in charge of the modernization project (which can be seen as a way to formalize their activities), but had not received any details about the planned renovations since then. However, underlying the lack of voice from the side of the traders regarding the uncertainties pushed upon them by the local government is a deal sealed between the mayor of Accra and the Greater Accra Market Queen Association; in return for support to the mayor’s modernisation plans for the city the association received a mini-van so it can travel easily to government meetings and NGO workshops[1]. This exemplifies that market women’s main challenge does not lie in their gender but in a lack of envisaging an alternative society in which emancipation is not outlined by clientelism.

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Footnotes

- [1] <http://ama.gov.gh/ama/?first-lady-donates-bus-to-accra-market-women-&page=5549>

Karim Karaki - ECDPM

2016-07-28

A bottom up approach to trade formalisation policies - ‘Nothing for us without us’

Bringing informal activities and trade into the formally recorded economy is both a priority and a challenge for a number of governments, policy-makers and donors, especially in the broader context of regional integration and cross-border trade. Tackling such issues is motivated by a number of potential benefits such as: providing better and more sustainable jobs; broadening the

tax base (domestic resource mobilisation); improving access to business services or; increasing the welfare of marginalised groups which are circumscribed to the informal economy (youth, ethnic minorities, women...), not to mention recording more accurate data on actual economic activity taking place.

In this context, formalisation approaches and initiatives have multiplied: at the policy level, Regional Economic Communities (RECs), such as COMESA or the EAC, have set up the Simplified Trade Regime[1]. At the programme level, initiatives to ease, facilitate and accelerate trade (including informal trade) such as TradeMark East Africa[2] (TMEA) or the World Bank Charter for Cross Border Traders pilot also include a focus on formalisation of cross-border trade.

But to be effective, such policies and programmes need to consider the realities of informal cross-border trade. One of these is the high preponderance of women as cross-border traders. For example, in the SADC region, 70% of the estimated US\$17.6 billion per year informal cross border trade are carried out by women – and 74% in the EAC, even though women predominantly trade low-value and low-profit products; 85% of informal cross-border traders are women in the Great Lake region...

Informal cross-border trade is often the main or the only resource of income for women (World Bank 2012) and plays a major role in sustaining the livelihood for many households in Sub-Saharan Africa, particularly in situations where there is no other income (i.e. absent or unemployed husband). A 2009 ILO report demonstrates its importance, pointing out that female cross-border traders have cushioned the effects of the financial and the food crises in Uganda. That said, female cross-border traders continuously face a set of specific challenges ranging from sexual harassment from both government and customs officials at the borders (Brenton, Gamberoni & Sear, 2013); to high taxation on traded goods; access to capital; corruption and transport costs/safety/inefficiency.

Therefore, the question is, how do formalisation policies and programmes respond to the needs and demands of informal female cross-border traders, if at all? And secondly, how can we ensure that female cross-border traders do not lose out in the formalisation processes?

Although women are key actors in the informal economy, they are often excluded from policy processes which are designed following a top-down approach. These are therefore often disconnected from the empirical reality – not taking into account cross-border traders needs and interests; and gender blind – i.e. not addressing the most relevant, specific concerns of women and men. Those top-down policies can negatively affect human rights, but also the socioeconomic development and hence deepening of regional and trade integration.

Keeping in mind that informal cross border traders make a living because of inefficient borders, more appropriate, well-informed and understood (by informal cross border traders) policies supported by accompanying measures are needed to ensure that women and men's needs and interests are well-included and supported. In this regard, three particular areas stand out: strengthening the link from policy to practice; supporting female cross-border traders; and facilitating policy implementation.

1. Strengthening the link between policy and practice

- There is a need to put in place systems/mechanisms to gather, monitor, assess and use gender disaggregated data collected on formal and informal cross-border trade so as to record, recognise and document the contribution of men and women informal cross-border traders. This would help designing evidence-based policy, which would better include the interests and needs of informal cross border traders. This in turn could lead to the formulation of wider national/regional economic policy for the informal sector.
- Following the motto "Nothing for us without us", (SAT & SACBTA: 2014: 3) coming from the Second Regional Women's Forum for the SACBTA, female participation in policy making should be facilitated and encouraged, so that their specific constraints and challenges can be better

addressed. This is key in times when even male unemployment is growing in Sub-Saharan Africa.

2. Supporting female cross-border traders

- To be efficient, any policies aiming at informal cross-border trade growth and/or formalisation should address the (additional) barriers women face to access resources. This includes:
 - access to information (trade rules, protocols explanation, market information) with clear simplified documents in national languages
 - access to finance (e.g. by helping women meet collateral requirements);
 - access to skills and communication technology
 - access to social and business networks
 - access to better infrastructures with adequate shelter, roads, toilets, water and sewerage, and garbage collection

3. Facilitating policy implementation

- Partnerships between local CSOs, government agencies and private sector could provide an efficient means to reach out to informal female cross-border traders, working on both translating policies to practice, and allowing informal female cross-border traders to benefit from supportive measures towards formalisation, as cited above.
- Institutional arrangements supporting policies should also follow. First, informal cross-border trade is an issue which potentially calls for REC involvement by for example providing (accessible) official focal points at border who disseminate information in an adequate manner, as pointed out by a UNECA study (2009). Such authorities should benefit from capacity building programmes to be able to, and be incentivised to provide the necessary information to informal cross-border traders on the customs protocol and its implication. Judicial and more especially non-judicial grievance mechanisms should also be provided for any informal cross-border traders and especially women, to report, address and remediate any (human) rights abuses (theft, harassment, corruption etc.)
- Informal female cross-border traders association/platforms should be encouraged, providing women with information, and a voice, where they can freely raise their interests and needs,. Where these already exist they should be empowered and trained. Although these associations focus on women welfare, they should equally importantly concentrate on improving women's business skills, providing networking platforms, and creating a collective bargaining power, that would raise women's needs, interests and voices.

But first and foremost, the above should be based on a more in-depth understanding of the incentives and constraints that drive informal cross-border trade in the first place. Clearly, the shortage of other employment opportunities is one factor, but beyond that, what are the specific economic, historical, cultural, institutional and other factors that shape small-scale cross-border trade? Such an understanding might mean that informal practices themselves can be a starting point for improving the fate of small-scale informal traders. With this kind of political economy understanding of the problem at hand, regional and national policy-makers might be better placed to ensure that cross-border trade is inclusive, whether or not it is 'formal'.

[1] Such policies however have proved to have a limited impact on informal trade (K. van Hove, 2013)

[2] TMEA included a gender component to its programme since 2012

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2016-07-28

** This reaction is written in French. Please scroll down for the English translation.

La formulation de la question suppose que les commerçantes informelles des marchés sont plus susceptibles de perdre dans les processus de formalisation que leurs homologues masculins. Or, si nous prenons le cas des commerçants ghanéens et béninois, les résultats de nos recherches indiquent que les vulnérabilités dans le processus de formalisation ne fonctionnent pas suivant le genre. Il est évident que le commerce sur les places de marchés publics est une activité fortement

féminisée dans le contexte des deux pays, notamment aux marchés Mokola (Ghana) et Dantokpa (Cotonou). Il n'en demeure toutefois pas moins que dans chacun de ces plus grands marchés des métropoles de ces pays, considérés à tort ou à raison comme poumon de l'économie informelle, les aspects néfastes de la formalisation sur lequel s'est focalisé la question affectent ces commerçants indifféremment de leur genre.

D'une façon globale, la question de la formalisation dans le milieu des acteurs informels du marché Dantokpa est perçue comme une question sensible, une nébuleuse à l'égard duquel on relève une certaine méfiance des acteurs. Les échanges avec le « simple » commerçant sur la formalisation affiche une tendance mitigée. Leurs réactions vont plus dans le sens d'une quête d'informations sur le processus, ses tenants et ses aboutissants que d'un positionnement sur son opportunité. En d'autres termes, les interrogations demeurent à leur niveau sur ce qui constituera les avantages professionnels réels au-delà des discours de ce changement de leur statut (le passage de l'informel au formel). Mais leur mutisme masque surtout leurs inquiétudes sur les contreparties pour la jouissance de tous ces avantages de la formalisation annoncés pèle mèle (sécurité sociale, accès au financement, etc.) et leurs impacts sur le survie de leurs activités. Des discours de ces commerçants, il ressort qu'ils ont une perception construite beaucoup plus par les bouts de cette dernière catégories d'informations qu'ils parviennent à collecter de part et d'autre et principalement de la part des leaders de leurs divers organisations de travailleurs. C'est donc à partir des discours de ces différents acteurs et des différentes pratiques observées dans le cadre du processus de formalisation observées dans les marchés que nous apportons notre contribution à la compréhension des potentiels changement y afférentes en termes de pertes ou plutôt craintes nourries par les commerçants de marché sur le processus de formalisation.

La description par les commerçants de leurs activités comme un emploi précaire avec des revenus instables dès qu'il est abordé avec eux la question de la formalisation traduit une peur liée à la notion première qu'ils s'en font. En effet, les premières idées qui se dégagent de leur discours ont traits aux formalités administratives et principalement fiscales a effectué suivant les normes en vigueur pour obtenir un statut formel. De manière détaillée, il ressort qu'au delà des taxes auxquelles ils souscrivent auprès de la Société de Gestion du Marché (SOGEMA), ils seront contraint au paiement d'impôts annuels à l'Etat. De leur point de vue, la fiscalité asphyxie l'entrepreneuriat. Ils expriment de ce fait des inquiétudes quant à la survie de leurs activités précaires qu'ils jugent précaires. Ils soutiennent cette position par leur propre expérience ou celle de leurs collègues qui par le passé en ont fait une amère expérience. Pour ceux la motivation qui conduit certains à la formalisation est de mettre en règle leurs entreprises par nécessité pour commercer avec les structures étatiques ou des structures privées qui l'exigent. Beaucoup parmi eux ont affirmé que compte tenu des contraintes fiscales annuelles associées à la rareté des opportunités d'affaires dans le formel, ils font des aller-retour entre le formel et l'informel suivant les années, en fonction des opportunités d'affaires qui se présentent. En résumé, la formalisation présage pour eux un risque de contribution complémentaire de taxes ou impôts. Sur les possibilités de facilitation d'accès au financement que pourra leur offrir la formalisation, ils opposent leurs vécus de l'impossibilité d'obtenir des prêts auprès des banques sans possession de garanties équivalente indépendamment du fait qu'ils sont dans le formel ou l'informel. Dans ce sens la formalisation ne présente pas à leur avis un atout différentiel.

Pour contourner ces difficultés afin d'encourager les petites et moyennes entreprises informels à aller vers la formalisation, l'Etat béninois avec l'appui de la Banque mondiale avait initié le statut de l'entrepreneur en Avril 2014. Cette nouvelle politique implémenté à Cotonou et en partie au marché Dantokpa a entre autre pour but d'alléger le processus de formalisation de ces entreprises et de leur faciliter l'accès au financement. Malgré la participation à ce projet de plusieurs de leurs collègues, les commerçants du marché apprécient cela comme une bonne initiative mais manifestent des doutes sur le fait que cela puisse réellement être généralisé. De leur avis, le choix des bénéficiaires est fait suivant des critères politiques ou en fonction des affinités avec les leaders d'organisations. Ils sont par ailleurs sceptiques sur les possibilités d'être sélectionnés. Certains estiment que cela ne représentent pas le premier projet de facilitation au prêt par à leur profit. Sans

pouvoir identifier les origines des financements, ils présagent qu'ils seront détournés par leurs leaders et les gouvernants (SOGEMA et gouvernement).

L'autre contrainte majeure de la formalisation est celle liée à la gestion de la ressource humaine. Bon nombre d'entrepreneurs informels utilisent les services d'employés informels à statut superflu. Exploités à la fois pour des travaux domestiques et pour le fonctionnement de l'entreprise, ils perçoivent des salaires inférieurs au SMIG. Mieux, en fonction des périodes ou suivant le volume d'activités, les employeurs embauchent ou licencient ces employés avec qui les relations professionnelles n'ont pas de contraintes contractuelles. Cela permet à ces entrepreneurs d'ajuster instantanément les charges de fonctionnement pour assurer la vitalité de leurs activités. La formalisation implique la fin de ces pratiques et conduira à terme à des relations professionnelles plus légales. Le profil scolaire des commerçants montre qu'il s'agit d'une population majoritairement à faible niveau d'instruction ou analphabète. Du côté des employeurs, on note de la réticence vis à vis des contrats écrits, une nouvelle pratique qui bousculera les habitudes. Du côté des employés c'est surtout la difficulté d'accès au travail pour des gens qui sont pour la plupart sans qualification professionnelle qui est enregistré. Par ailleurs, la catégorie de travailleurs qui paraissent les moins exposés mais dont la gestion par les employeurs pourra poser problèmes sont les petits vendeurs ambulants ou à la sauvette. Ils sont très nombreux à être utilisés par un ou plusieurs employeurs à la fois. Se séparer de leur prestations fera baisé les chiffres d'affaires en même temps que leurs formalisation fera explosée les charges de fonctionnement des entreprises. En outre, les commerçants craignent que l'intégration de toutes ces nouvelles charges dans le coût de vente de leurs produits les empêchent de vendre à des prix préférentiels à leur clients béninois et étrangers ; ce qui pourrait affaiblir leurs clientèles. Enfin, le nœud des échanges est sur la gestion de la sécurité sociale de ces travailleurs. La principale question à ce niveau porte sur celui qui paiera la charge patronale pour ces travailleurs aux revenus limités ? Les suggestions ne manquent pas. Un groupe de Centrales syndicales a adressé une proposition au gouvernement dans ce sens. Il s'agit que le gouvernement couvre cette charge par la ligne du budget national réservée aux indigents et aux actions sociales. Mais jusqu'ici la question n'est pas tranchée.

*** English translation (translated by the INCLUDE secretariat by using Google Translate)*

The wording of the question assumes that female informal traders are more likely to lose in the formalization process than their male counterparts. If we take the case of traders in Ghana and Benin, our findings indicate that vulnerabilities in the formalization process are not dependent on gender. It is evident that trading on public markets is a highly feminized activity in both countries, including the Mokola market (Ghana) and Dantokpa market (Benin). The fact remains however that in each of these major markets, which are considered, rightly or wrongly, as the lung of the informal economy, the negative aspects of the formalization affect all traders regardless of gender.

On the whole, among informal actors on the Dantokpa market the question of formalization is seen as a sensitive issue, as a nebula that is perceived by informal traders with a certain degree of suspicion. Exchanges with the "simple" trader on the issue of formalization displayed a mixed trend. Traders seek information on the process, its ins and outs, and they are considering their opportunities in this process. In other words, for them the most important question is whether formalization has real business benefits beyond a discursive change of status (from informal to formal). But their silence especially masks their concerns about counterparties enjoying all the benefits of formalization that are announced in a jumble (social security, access to finance, etc.) and the impact of this on the survival of their business. It becomes clear that that they have a perception built much by the ends of the latter and that they manage to collect information on both sides mainly from the leaders of their various organizations. It is from the discourse of these different actors and different practices observed in the formalization process that we contribute to the understanding of potential changes thereto in terms of losses or rather fears fed by market traders.

When discussing the issue of formalization with traders, the description of their activities as

precarious employment with unstable income reflects fear. Indeed, they link formalization to paperwork and tax requirements that are associated with acquiring a formal status. It is clear that beyond the taxes to which they subscribe to the Market Management Company (SOGEMA), they will be forced to paying annual taxes to the state. In their view, taxes suffocate entrepreneurship. They are concerned about the survival of their precarious and insecure activities. They hold this position on the basis of their own experience or that of their colleagues. Those who have made the transition to formalization have done so because they need to trade with the state structures or private structures. Many of them said that given the annual fiscal constraints associated with the scarcity of business opportunities in the formal sector, they go back and forth between the formal and the informal economy for years, depending on the business opportunities that are present. In summary, for them, formalization inhabits the risk of additional taxes or tax contributions. On the possibilities of facilitating access to finance associated with formalization, they stress that they experience an inability to get loans from banks without possession of equivalent guarantees regardless of whether they are in the formal or 'informal. In this sense, in their opinion, formalization does not present a differential advantage.

To circumvent these difficulties, and to encourage small and medium sized informal businesses to move towards formalization, the State of Benin, with the support of the World Bank had initiated 'le statut de l'entrepreneur' in April 2014. This new policy, implemented in Cotonou and partly on the Dantokpa market, aims to ease the process of formalization of these companies and to facilitate their access to finance. Despite participation in this project of several of their colleagues, market traders appreciate this as a good initiative but express doubts about the fact that this may actually be generalized. In their view, the choice of beneficiaries is done according to political criteria or based on affinities with leaders of organizations. They are also skeptical about the possibilities of being selected. Some feel that this does not represent the first project of facilitating the loan for their benefit. Without being able to identify the origins of funding, they portend they will be diverted by their leaders and rulers (SOGEMA and government).

The other major constraint is the formalization related to the management of human resources. Many informal entrepreneurs use the services of informal employees with a redundant status. Exploited both for domestic work and for the operation of the company, these employees receive less than minimum wage. Depending on the periods or the volume of activities, employers are hiring or laying off those employees with whom labor relations are not dependent on contractual constraints. This allows these entrepreneurs to instantly adjust operating expenses to ensure the vitality of their activities. The formalization implies the end of these practices and ultimately lead to more legal professional relationships. The educational profile of traders shows that they are mostly low educated or illiterate. On the side of employers, there is reluctance to secure written contracts. Formalization will upset this habit. For employees it is mainly the difficulty of access to work for those who are mostly without qualification. Furthermore, the category of workers that may cause problems are small street vendors or hawkers who seem less exposed but who are managed by employers. They are very likely to work for more employers at the same time. Formalization will explode expenses of doing business. In addition, traders fear that integrating these new charges in the prices of their products prevent them from selling these products at preferential prices to their Beninese and foreign customers; which could weaken their clients.

Finally, the node of exchange is the management of workers' social security. The main issue at this level is who is paying the employer's burden to workers with limited incomes? Suggestions abound. A group of trade union centers sent a proposal to the government which states that the government covers this charge from the national budget reserved for the indigent and social actions. But so far the issue has not been decided.

Nancy Benjamin - World Bank

2016-08-01

A good answer to this question would examine everything relevant to formalization processes and how women fare in these elements. Without taking on all of these elements, a couple of points of particular interest to women can be highlighted.

First we can consider the record on formalization itself.

Evidence from OHADA member countries shows, in an experimental program, that the firms most likely to formalize are those that are already closest to formal firms in their operations and scale of business. However, what we know from recent research (Chen et al. 2005, Mbaye et al. 2015, Benjamin and Mbaye 2012) is that women fare poorly relative to all informal actors – in productivity of the firms they manage, in wages they receive, in the precarious nature of their businesses and jobs, and in other quality of job characteristics. Thus women are less represented among the firms most likely to participate and succeed in formalization programs.

Second, we should consider how women are treated by informal institutions. It is well-established that businesses need relationships of trust in order to secure inputs and market products, to get credit, and to protect property rights. When formal systems fail to do so, or are unavailable to informal firms, informal actors tend to develop their own informal institutions among themselves.

How do women fare within these informal arrangements?

Take the issue of credit. All informal business operators (the vast majority are self-employed) say they need credit, find it expensive, and find it difficult to repay. What is of particular interest to women is the limited power of formal interventions to expand access to credit and the extensive use of informal institutions.

The results of surveys of informal businesses in various West and Central African countries show overwhelmingly that these business owners prefer to rely on self-financing or financing from family. Evidence from Investment Climate Assessments (ICAs) and other sources indicate that even when firms – including large, sophisticated informal firms – are eligible for bank loans, they are uninclined to take them, thus exercising ‘voluntary self-exclusion from the formal credit market.’ Even when programs are instituted to increase the supply of micro-credit, the take-up rates are often not strong. And those who undertake such formal loans struggle mightily to service and repay them.

These are all indicators of the fact that these entrepreneurs face very high business income risks. The default risk on loans is high, and while the business owners may have collateral, they cannot afford to forfeit that collateral. Thus by financing through own savings, or by borrowing from relatives, the default risk is somewhat diversified, because relatives are more likely to find some accommodation that does not result in seizing collateral.

In view of the strong revealed preferences for borrowing from people one knows personally and for diversifying default risk, programs to increase the supply of financing should take account of these preferences and adapt to the local business risk. For women in particular, their approach to obtaining credit and their access to family resources should be investigated, especially given their more precarious positions in the informal sector. For small but promising informal firms, a program of grants or matching grants may be more appropriate in the early stages. Matching grants tend to ensure some commitment on the part of the borrower.

Finally, we can consider that security is an issue of particular interest to women. The security situation varies widely across Africa, but women are concerned everywhere. Women in urban areas often run businesses out of their homes, for various reasons -- some for convenience given competing household demands, others due to social pressure or to enhance their security and protect their property. But this can limit their access to markets. Only a secure environment will draw women into the formal market place.

What is clear is that we need to understand more about female actors in the informal sector – how

they manage their businesses, how they get credit, how they see their job options. We should learn which institutions they find the most supportive – including women’s business associations, family, networks and informal credit. And finally, we need to understand that women tend to be at the bottom of the informal sector and may need substantial assistance before they are ready for any formalization efforts.

Policy question 3

What are promising examples of the design and implementation of social protection legislation in African countries?

Featured answer

INCLUDE Secretariat

2016-07-18

Although social protection programmes are on the rise in Africa, there are few countries that have developed and implemented legislation on social protection. The need for such legislation is a result of the scaling up and integration of pilot programmes, such as in Kenya and Zambia, which can benefit from a coherent legal framework. In Kenya, article 43 of the Constitution recognizes the obligation of the national government “to provide appropriate social security to persons who are unable to support themselves and their dependents”. Yet, the Utafiti Sera forum on social protection in Kenya concluded that, although 48 African countries have implemented social protection programmes, legislation on social protection is scarce and needs further investigation.

The need for legislation on social protection stems from a universal human rights-based approach to social protection, rather than a market-based approach. Legislation that draws on this approach is social legislation including labour laws and safety standards, out of which policies such as health insurances, minimum wages and pensions follow. Most notable is the comprehensive set of social protection programmes in South Africa, which are government-led and underpinned by a social contract that can be enforced by court. Similar to Kenya, the South African Bill of Rights subjects the state to take “reasonable legislative and other measures, within its adequate resources, to achieve the progressive realization” of this right. This allows citizens to appeal decisions made by the South African Social Security Agency (SASSA) if they are treated unfairly by the grant system.

The case of South Africa shows that effective social protection legislation depends on a constitutional framework, a set of programmes and institutions implementing social protection, and the possibility for citizens to appeal to the rights under the constitution. The combination of the three distinguishes this ‘Southern Africa model’ from the ‘Middle African model’.

The fact that South Africa’s social protection programmes are government-led, and not led by external donors, explains its precedence in legislation. Dependence on external donors problematizes the guarantee of social protection as a national human right. Yet there is another factor even more important—the presence of political will. Increasing the will of political actors, rather than focusing on the technical design of programmes only, is key to implementing effective and comprehensive legal frameworks.

As outlined by Tavengwa Nhongo below, several countries (such as Kenya and Rwanda) are making progress in the development of legislative frameworks. Following their progress is necessary for a more systematic comparison of the success of social protection legislation in sub-Saharan Africa.

Reactions (5)

Franziska Gassmann

2016-07-18

While most countries in sub-Saharan Africa (SSA) have social security legislation governing formal employment related contingencies such as old age, maternity or sickness, only few countries have similar legislation for non-contributory social protection provisions which extend to poor and vulnerable households and individuals. In 2014, 48 countries in Africa had at least one non-contributory social protection program, ranging from unconditional cash transfers to fee waivers

(World Bank 2015). However, many of those are not governed by national legislation. Among the multitude of social protection programs recently implemented in SSA, there is still a tendency towards short-term initiatives often leading to fragmented systems, while the ideal social protection scheme would be institutionalized.

Besides one-off initiatives often in the context of humanitarian crises, existing social protection programs can be divided into multi-year projects supported by the international donor community and integrated social protection schemes. The former, although they may provide regular benefits to recipients, are not grounded in national legislation and as such do not provide a guarantee by law. Social protection schemes that constitute an entitlement to citizens and are guaranteed by law (constitution or national legislation) are still underdeveloped in SSA (Cherrier, forthcoming).

Most progress has been made with respect to the protection of older persons. South Africa and Namibia belonged to the first countries in SSA introducing social pension schemes in the early 1990s. These schemes, introduced after the end of apartheid, provided all older persons with a benefit regardless of race. Shortly after, other countries in Southern Africa followed the example. Botswana introduced a universal pension in 1996, Lesotho in 2004 and Swaziland in 2005 (ILO 2014). Cabo Verde and Mauritius are two other countries that have fully functioning social pension schemes. Lesotho is often quoted as a success story for social protection, showing that social transfers are affordable in countries with very limited financial resources. Moreover, the design and implementation of the social pension was purely domestically driven without donor support (Cherrier, forthcoming). While only 8.4 percent of the older persons benefited from the social pension in 2000, it now covers all people above the age of 70 (ILO 2014).

While social pensions may be attractive for policy makers from a political economy perspective, social protection programs for other vulnerable groups in the population are generally more contested and less often protected by national legislation. Contrary to Latin America and the Caribbean where employment-related benefits are in many countries combined with legislated non-contributory social protection programs that extend to children and their families (ILO 2014), few countries in SSA have similar legislation. Many programs are still in the pilot phase and/or heavily depend on donor support. These programs are rarely anchored in national legislation which would establish eligibility criteria and rights to entitlements (ILO 2014).

Again, a notable exception is the child grant program in South Africa. It was first introduced in 1998 replacing the State Maintenance Grant, which had an extremely low coverage and was rather ineffective in reducing poverty. Over the years, changes have been made to the child grant program, such as raising the maximum age of the child and the income level below which a family is eligible for the grant. In 2012, more than 10 million children benefited from the grant (DSD, SASSA and UNICEF, 2012). A recent impact assessment attributes positive developmental impacts to the child grant. Besides reducing poverty and vulnerability in receiving households, the child grant contributes to better nutritional, educational and health outcomes (DSD, SASSA and UNICEF, 2012).

Even though a majority of non-contributory social protection programs is not yet anchored in national legislation in SSA, many countries have formulated national social protection policies or strategies. According to the World Bank (2015), countries in SSA are the most active in this context. As of 2014, 27 countries already had social protection strategies in place and 15 were planning or preparing a comprehensive strategy document. It shows the increasing recognition of social protection as an important tool in the overall development framework.

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Tavengwa Nhongo

2016-07-18

The concept of Social Protection has gained significant momentum since the African Union's Ouagadougou Declaration on Labour and Employment in 2004. To date, nearly all the 54 African countries are implementing one social protection programme or another. In its State of Safety Nets Report (2015), the World Bank indicates that 40 countries in Africa are now implementing unconditional cash transfer programmes, double the number in 2010. The Bank is providing funding for social protection programmes in 23 African countries. In its 2016 inventory on non-contributory social protection programmes, UNICEF conducted a mapping of 127 programmes in 39 countries in Africa (UNICEF, 2016). This progress has, however, not been matched by efforts to anchor the programmes in constitutive and legislative documents of the countries. Very few countries on the continent have included social protection in their constitutions; developed policies or pieces of legislation on social protection.

This brief will provide a few examples of countries that are making efforts to anchor their social protection architecture on policies and legislation in their countries. This will not include countries such as South Africa, Mauritius and those in North Africa that are much more advanced in the design and implementation of social protection programmes. Also to note that the basis of the brief is the definition of social protection as provided by the SADC Code on Social Security (2007) and the African Union Policy Framework for Africa (2009). The two view social protection as broader than social security since it includes access to social services. To a great extent, the UN Social Protection Floor (2012) falls into this category.

Rwanda

Rwanda is one of the countries that is designing and implementing its social protection mechanisms that are embedded in the country's policies and systems.

Rwanda's Economic Development and Poverty Reduction Strategy (EDPRS) (2008 – 2012), developed through a massive consultation process in 2006 and 2007, provides a medium term framework for achieving the country's long term development aspirations as embodied in Rwanda Vision 2020, the seven year Government of Rwanda (GoR) programme, and the Millennium Development Goals (GoR, 2007). The strategy has three flagship programmes: the Sustainable Growth for Jobs and Exports, the Vision 2020 Umurenge, aimed at accelerating the rate of poverty reduction by promoting pro-poor components of the national growth agenda and Governance, which provides an anchor for pro-poor growth by building on Rwanda's reputation internally and externally (GOR, 2007).

In terms of social protection, the strategy aims at achieving effective and sustainable social protection for the poor and vulnerable groups. Starting with the Social Protection Policy of 2005 and 2006, the Vision 2020 Umurenge recognises social protection as an important vehicle to combat poverty. Programmes designed under the social protection policy provide social assistance to the most needy while supporting the able-bodied to progress out of extreme vulnerability and poverty into more sustainable means of self- support (GOR, 2007). A national social protection strategy has been developed (2010) to ensure the achievement of VUP.

Based on this legislative framework, Rwanda has developed a number of programmes that include the Access to Health care (including the sector-based health insurance schemes known as *mutuelles de santé*) – nearly universal coverage; Access to Education – free basic education; Access to Housing – support programme; a contributory pension scheme; *ubudehe* programme;

Vision 2020 Umurenge Programme; FARG (Genocide survivors scheme); the One cow per poor family scheme.

Rwanda, a country seriously affected by internal conflict, has made serious and rapid inroads into fighting the poverty of its citizens. Social Protection programmes are based on national policies developed through consultative process involving the population at all levels. The Ubudehe approach which benefits from the country's decentralised structure ensures efficient use of resources while enabling the participation of those in the community (Rwibasira, 2010).

Kenya

Kenya is another country making great strides at ensuring that their social protection programmes are based on the country's legislative regime. Since 2004, Kenya has accelerated its focus on Social Protection and has taken steps to institutionalise the mechanisms that are being developed. Following the Livingstone and Yaoundé Calls for Action in 2006, the Government of Kenya (GoK), through the Ministry of Gender, Children and Social Development, initiated the process of developing a National Social Protection Framework. Through the support of development partners, including DFID and UNICEF, the government conducted national-level consultations that led to the development of a Social Protection Policy which was adopted in 2012. One of the key recommendations of the Policy is to establish a legal framework for coordinating Social Protection activities at the national level.

In August, 2010, the GoK came up with a new constitution in which Social protection is an important pillar. Section 43 (3) states: "The state shall provide appropriate social security to persons who are unable to support themselves and their dependants". Sections 53 to 57b address the social protection provisions to children, persons with disabilities, the youth and older persons. In its Vision 2030, Kenya provides for a social protection fund and has a range of flagship programmes aimed at meeting the needs of the poor. In January, 2013, Kenya gazetted the Social Assistance Act which came into force on 25th January, 2013. The Act makes provisions for the delivery of social assistance programmes to Kenya's needy and vulnerable groups. The country is developing a single social protection registry to aid the coordination of all the social protection programmes being implemented in the country.

Based on this, the country is implementing a number of social protection programmes that include a contributory pension scheme administered by the National Social Security Fund (NSSF); the National Health Insurance Fund (NHIF); cash transfer programmes to older persons, persons with disabilities, orphans and vulnerable children and to those in the arid and semi arid areas of the country. On a universal scale, the country is providing free primary education; free maternity care and has innovatively started a scheme to reach the informal sector in its flagship "mbao pension plan" (Kwene and Turner, 2013).

Zambia

Zambia has the distinction of implementing one of the first pilot programmes in Kalomo in 2005 – a pilot that provided valuable lessons in the crafting of the Livingstone Call for Action (2006). It also takes the lead in the number of pilots carried out to determine a number of factors in providing social protection to a cross section of target groups including the poorest of the poor, vulnerable children and older persons.

Since its independence in 1964, Zambia has been implementing a contributory social protection scheme for the salaried workers. It has also implemented a number of social assistance schemes to the needy and vulnerable persons that started with a scheme to War Veterans in 1950 referred to as the Public Welfare Assistance Scheme (PWAS). However, in June, 2014, the country adopted its National Social Protection Policy. The policy's overall objective is to contribute to the well-being of all Zambians by ensuring that vulnerable people have sufficient income security to meet basic needs and protection from worst impacts of risks and shocks. The policy also aims at bringing together the cash transfer programmes and all the other social protection programmes. To this end,

the country has now taken a decision to phase out the pilots and implement a harmonised model which will be scaled up to 78 districts in 2016 (Republic of Zambia, 2014).

Lesotho

Lesotho, one of the poorest countries in Africa has been implementing an Old Age Pension Scheme since 2004. The scheme was introduced much against the advice of the donor agencies who feared that the scheme might not be sustainable but the government went ahead, pitching the scheme for those aged 70 years and above (a bracket they could afford) and paying US \$ 25 per month. The scheme reached 69,046 individuals (3.8% of the population) by the end of 2005 at a cost of US\$ 21 million (1.37% of GDP) (Barrientos et al, 2010).

In 2005, the government passed the Pension Act which made the pension provisions legal entitlements. In February, 2015, Lesotho launched its National Social Protection Strategy (NSPS) which focuses on addressing vulnerabilities through the life course approach. It also seeks to support the implementation and coordination of a number of social protection programmes being implemented in the country.

After some 12 years of implementation, the Lesotho Old Age Grant example is beginning to demonstrate the fact that universal pensions are feasible and affordable even in low income countries as long as the political will exists. The Old Age Pension in Lesotho also demonstrates the ability of such provisions in addressing the poverty of vulnerable groups.

Conclusion

While the subject of social protection has gained currency in recent years in Africa and a number of programmes are being developed, to a large extent, these are not linked to the policy and legislative systems. There are a number of countries that are working to address this and the hope is that the trend will continue – for, it is on the basis of this, that programmes can be owned by governments and therefore, be sustainable.

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Tavengwa M Nhongo, PhD, Executive Director, Africa Platform for Social Protection (APSP)

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2016-07-20

In many African countries, non-contributory social protection policies and services are not yet grounded in a legal framework. Given that social assistance schemes are still expanding, this is not surprising. Yet at the same time, it maintains the fragile basis on which these policies are built and weakens access to entitlements. A strong legal framework for basic social protection programs, such as in South Africa, conveys the vision of society in terms of realizing a minimum standard of living for all citizens and protecting them against risks and shocks. Such a framework also ensures

that the delivery of social assistance and related administrative procedures (such as selection, payments, grievances and complaints) are grounded in a citizens' rights perspective, moving away from traditional charity. In countries where social protection legislation exists or where it is being developed, such as in Zambia, four critical design features have emerged:

- Ensuring linkages between contributory and non-contributory social protection. Since the ultimate aim of social protection is to strengthen the preventive function rather than the protective function of social protection, extension of social insurance coverage under contributory programs is a strategy that would benefit from a strong legal basis.
- Providing broad-based eligibility clauses for non-contributory social protection. In debates about legal provisions for social protection, relatively narrow definitions of population groups eligible for social protection benefits emerge, in particular for those under non-contributory schemes. In addition, the design of non-contributory social protection schemes in many countries is still fluid and decisions about selection evolve as the programs mature. Yet to maintain maximum scope for comprehensive coverage, which is required to encompass the full range of deprivations, risks, and life-cycle based contingencies for the entire population, eligibility criteria should be formulated as broad as possible in social protection legislation.
- Combining a universalism-based approach with progressive realization. This approach recognizes that countries may face resource constraints at particular points in time but can progressively expand policy to achieve comprehensive coverage and access to social protection benefits and services.
- Reflecting institutional arrangements that allow adequate coordination between contributory and non-contributory social protection services. This is critical for efficient, effective, and coherent delivery. Adequate coordination and delivery mechanisms are crucial for ensuring optimal linkages between social protection interventions, creating synergistic effects and efficiencies, and between social protection interventions and basic social services. The functioning of these mechanisms improves when they are established in a legal foundation both at the central and sub-national levels.

Armando Barrientos - University of Manchester

2016-07-27

I fully agree with the comments in the Featured Answer. It is important that social protection provision is covered by legislation: Constitutional recognition of social rights and ordinary legislation covering entitlements and the operation of the relevant agencies. Legislation advances the institutionalisation of social protection and enables accountability. It is the case that South Africa has well developed legislation on social protection. It is an interesting case to study. Jeremy Seekings 2008 article in *Transformation* 68:28-52 discusses how the legislation has enabled an extension of social protection entitlements. See <https://muse.jhu.edu/article/258706/pdf>.

It is important to place social rights in their appropriate context. Social rights are political, not metaphysical. I sometimes worry about the way social rights are used to close debate, on programme design for example.

Markus Kaltenborn - Ruhr-Universität Bochum

2016-08-08

It is very commendable that the INCLUDE platform draws attention to the question whether there are promising examples of social protection legislation in African countries. Indeed there are good reasons why social protection programmes – regardless of their organizational design and their specific content orientation – should be enshrined in a legally binding framework. From an international law perspective it is noteworthy that not only the General Comment on the Right to Social Security (para. 11), but also the Social Protection Floors Recommendation clearly underscores that “(b)asic social security guarantees should be established by law. National laws and regulations should specify the range, qualifying conditions and levels of the benefits giving

effect to these guarantees. Impartial, transparent, effective, simple, rapid, accessible and inexpensive complaint and appeal procedures should also be specified.” (para. 7)

The main arguments in this regard can be deduced from a rights-based approach. In 2012 Magdalena Sepúlveda and Carly Nyst have published a study on this issue which is well worth reading. According to their findings *“a core aspect of the human rights approach is that social protection programmes must be enshrined and defined in national legal frameworks, and supported by a national strategy and plan of action. The most successful experiences of social protection systems are those grounded in legal instruments that create an entitlement to social protection benefits, ensure the permanence of these initiatives, and give rights-holders the legal ability to invoke their rights. The success of systems in countries such as Brazil and South Africa is due in part to the existence of specific legal provisions ensuring the individual’s right to social protection and defining the standards which regulate the involvement of all stakeholders. ... In the absence of a well-established legal framework, programmes are more vulnerable to political manipulation, and the long-term involvement of State authorities in all stages of the programme cannot be guaranteed. ...”* (Sepúlveda and Nyst 2012, pp. 26 et seq.)

So governments in SSA would be well advised to develop legislation on social protection and to adopt an accountability framework which enables the beneficiaries as well as other stakeholders to control the implementation of the law. External donors should not only respect but also substantially support such a rights-based approach, e.g. by providing capacity building with regard to social protection legislation/implementation, but also by helping their partner countries to establish sound and sustainable financial structures for their social protection programmes.

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Policy question 2

To what extent should agricultural transformation policies in Africa focus on entrepreneurship?

Featured answer

INCLUDE Secretariat

2016-07-11

Agricultural transformation can lead to increased food production for the growing world population and the creation of better employment opportunities. Restructuring the agrarian sector requires a focus on activities and interventions that raise productivity and modernize agriculture.

Entrepreneurship as a driver for agrarian growth

As available arable land is limited in most African countries, employment in rural areas can either be created through agricultural intensification or promotion of off-farm labour, such as processing. Research on Ethiopia shows that agricultural growth is driven by technical factors, economic factors and the way farmers manage their enterprises.

Currently, the focus of agricultural policy is on promoting entrepreneurship, which can be defined as the “*recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity*”. Following this definition, supporting entrepreneurial skills and attitudes of farmers encourages them to find and benefit from opportunities provided by markets and service providers.

Entrepreneurship promotion: an inclusive approach?

The fact that only 7% of agricultural production is carried out by hired labour seems to justify the focus of agricultural policies on entrepreneurship. However, family farming comprises 75% of total farms worldwide. Women and youth are rarely the farm owners and have limited access to land, finance, inputs and interventions that target entrepreneurs. According to a study by UN Women, UNDP and the World Bank, exclusion leads to a loss in productivity, which negatively impacts food security and income of female entrepreneurs. Moreover, the case of Rwanda shows that mostly wealthier farmers benefit from agricultural transformation. Thus, a policy focus on entrepreneurship does not necessarily lead to inclusive agricultural transformation.

Promoting entrepreneurship allows farmers to benefit from opportunities. Agricultural transformation, however, also requires an enabling institutional environment for these entrepreneurs including access to markets, finances, technical skill training and inputs.

Conclusion

Entrepreneurship is a key ingredient for agricultural transformation, but it is not the only ingredient. The challenges that smallholders face go beyond the skills and attitudes they have to manage their farms. For instance, scarcity of land and access to remunerative markets are also major restrictions. Moreover, it is important to correctly address the needs of beneficiaries and adjust the definition of entrepreneurship to the capacity and needs of the farmers in order to ensure support of entrepreneurs leads to inclusive agricultural transformation.

Reactions (1)

Julius Gatune

2016-07-07

Agricultural value chains in Africa remain largely fragmented and underdeveloped. There are numerous challenges across the value chains as shown in fig 1. As a result agriculture has not been able to respond to new demand for food. New demand has been taken up by imports which are estimated at about \$40 billion and expected to rise to \$110 Billion by 2025 if trends continue.

Overcoming this challenge presents important opportunities for guaranteeing food security but more importantly for creating much needed jobs. However, this will require significant innovations across the whole chain. While science and technology will be key to improving productivity and functioning

of the chain this is not sufficient. Indeed many highly yielding varieties of seed have been developed but not taken up. The key challenge has not been lack of science but lack of business models to facilitate uptake of innovations and further catalyze new innovations. For instance the uptake of high yielding cassava varieties (Trans Manioc Selection, TMS) was slow because time constrained farmers could not supply extra labour required to process the cassava (cassava must be processed within 48 hours of harvest). The uptake of TMS can only after roadside welders/fabricators adapted grating machines and also provided grating as a service to farmers rather than trying to sell machines to poor farmers. Business model innovation where cassava processors have shared processing facilities has also seen artisanal processors able to create Ready-To-Eat (RTE) cassava product which have seen cassava products compete with imported foods to RTE foods in urban areas. Indeed the key to resilience of cassava as a food crop in West Africa has been business model innovations.

Innovations are key to upgrading Africa's agricultural value chains				
	Production structure	Logistics	Processing	Marketing and distribution
Issues	<ul style="list-style-type: none"> • Low yields <ul style="list-style-type: none"> – Saved seeds – Fake inputs – Low knowledge • Poor quality <ul style="list-style-type: none"> – Lack of equipment – Cheating – Mixing varieties • Labor challenges • Low levels of trust • Subsistence 	<ul style="list-style-type: none"> • High Post-harvest losses <ul style="list-style-type: none"> – Storage, – handling • Information asymmetry • Payment on quantity rather than quality • Costly "First Mile" transport 	<ul style="list-style-type: none"> • No supply guarantees on quantity, quality, or price • High costs (energy, packaging) • Low access to equipment • Low level of product development 	<ul style="list-style-type: none"> • Informal market dominance, thus low value addition • Low product diversity • Low-quality products • Inability to address changing markets <ul style="list-style-type: none"> – Urban poor – Urban rich
Promising Innovations	<ul style="list-style-type: none"> • innovative contracting, FBOs • ICTs e.g. iCow • Franchising models • Inputs as service 	<ul style="list-style-type: none"> • PHL solutions-hermetic bags, gum arabic • ICTs- M-Farm • First mile solutions KokoBoda 	<ul style="list-style-type: none"> • Subcontracting • Toll processing • Mobile factories • Triple helix Innovation systems 	<ul style="list-style-type: none"> • Social marketing/branding • Innovative street selling – Koko King, • Inclusive business
Skills needed to scale Innovations	<ul style="list-style-type: none"> • Agric Sci- agronomy, extn. • ICTs- Apps dev. • Business – franchising, FBO mgt, contracting • Engineering 	<ul style="list-style-type: none"> • Mgt. Science- logistics, • Quality assurance- grading, sorting etc • Extension- farmers support • ICTs- Apps development 	<ul style="list-style-type: none"> • Food science, • Operations mgt • R&D • Quality control • Packaging • Fabrication and repair 	<ul style="list-style-type: none"> • Business development • Branding • Demand forecasting • Extension

Policy focus should be catalyzing and scaling innovations

Value chain studies done by ACET have surfaced a number of potential innovations that can be scaled up. Some interesting innovations that were observed include:

- In Kenya, a business model of franchising and branding small independent AgroVet shops to increase trust has helped lower incidence of fake inputs (a serious challenge that make risk averse farmers avoid high technology inputs), lower cost of inputs (due to economies of scale) and ultimately increase uptake of high quality inputs.
- In Uganda, a symbiotic contracting business model where that processor buys millet grains and the same time also sells livestock feeds (made from by-products of processing grains) to the contracted farmers. The two way relationship creates trust and has seen side-selling by farmers stop. Further farmers have diversified incomes and can thus deal with emergencies and are now less risk averse and thus can invest in high quality inputs.
- In Ghana, a sub-contracting model between artisanal processors and urban based medium scale (SME) processors has seen two key challenges solved. Artisanal processors who are also farmers usually have solved consistent supply problems but are unable to produce to

standards mandated by regulatory authorities due to low knowledge and lack of equipment. SME processors struggle to get regular supply of inputs but are good at production of quality foods and also in marketing and branding. By having artisanal processors deliver a bulk product (under supervision and support of the SME) and the SME handle packaging and marketing a symbiotic relation has emerged where each part focuses on a their key strength. Under this arranged a women processors group in the North Ghana has seen their product being sold in African stores in Europe which serve African diaspora.

- In Kenya, a trader has been able to grow with her suppliers through constantly solving her farmers problems and developing new line of businesses in the process. For instance when she realizes that trucks went empty to pick eggs she saw an opportunity to supply farmers with feed and come back with eggs. When she saw demand for feed was significant she opened a feed factory to supply the farmers. Today the trader is one of the biggest feed manufacturers and the farmers working with her have grown with her.
- In Ghana we are seeing innovative street selling where well packaged breakfast foods sold in attractive street stands are sold to middle class consumers, a class that is usually not associated with consuming street food. This is creating new markets for millet products which have been losing market share as they have an image of food for poor and rural people.

Entrepreneurs thus play a central role in upgrading value chains. Incubating and developing entrepreneurs across agriculture value chain should be a major focus of agricultural policy. The key to developing entrepreneurs able to catalyze and scale innovations will be upgrading of skills across the whole value chain. Skills needed to upgrade value chain go beyond skills in agricultural science. Skills in engineering, logistics, quality control, operations management, marketing are key and must be developed as they are crucial to supporting innovative business models. Skills will be developed through formal schooling, apprenticeships/mentorships and also inclusive business models that allow ideas to flow from big business to small business. This requires rethinking of training models. Key emphasis in schools should be problem solving skills and multi-disciplinary approach in design of curriculum.

The large private sector players can do much to help scale innovations by building inclusive business models that includes start-ups in their supply and marketing chains and thus help further upgrade skills.

Government policy should also have a sharp focus on creating a vibrant agricultural innovation system that link policy makers to researchers and to entrepreneurs. Research is critical to generating new technologies while entrepreneurs are key to developing business models that can see the uptake of new technology. Policy makers are needed to facilitate investment needed especially in public research institutions and also provided needed incentive to private sector to make investment needed to commercialize research.

Dr. Julius Gatune, Senior Research and Policy Advisor, ACET, Ghana

Policy question 1

To what extent are cash transfers effective in promoting women's employment in Africa?

Featured answer

INCLUDE Secretariat

2016-07-01

Cash transfers can have a positive impact on employment and thus also on women's employment. Beneficiaries of such transfers can use the money to buy inputs for setting up or developing a small enterprise or to buy agricultural inputs which can lead to increased productivity, employment creation and better incomes. According to Buvinic et al. (2013), this especially applies to young women. The impact of cash transfers, however, depends on the structure of the local economy.

With a stable source of income, women may feel more secure to take entrepreneurial risks. Their access to credit can also improve, as Miller (2011) found in a study in Mchinji, Malawi, in which business owners felt "comfortable giving credit or loans to people receiving cash transfers". However, very poor households who need the cash for survival may not be able to spend the money on such investments. Moreover, cash transfers for women's employment only work among women who are able to work. Drawing on impact evaluation results of cash transfer programmes in Ghana, Kenya, Lesotho and Zambia, Daidone et al. (2015) note that further interventions are necessary for poor women who cannot work due to their age, health, disability or other reasons.

Cash transfers can also have a positive impact on women's empowerment, even though this is often not an explicit goal of social protection programmes. By increasing women's incomes, cash transfers can improve women's decision-making power on household expenditures, as a study on cash transfer programmes in South Africa and an evaluation of Zambia's Child Grant Programme found. However, according to De la O Campos (2015), "complementary services to ensure that women cash recipients maintain control over their own incomes and decision-making capacity" are needed for this to happen effectively.

On the other hand, Plagerson and Ulriksen (2015) write that cash transfers "can also be seen to support a traditional view of women as caregivers, thus detracting attention from the economic burden that women carry as providers for their households and the barriers they experience with regard to entering formal labour markets".

Overall, cash transfers are ultimately more effective in improving women's employment opportunities when complemented with interventions that explicitly focus on gender roles and other inequalities that contribute to lower opportunities for women in the labour market. Such transfers are also more successful when there are sufficient decent jobs and when women are provided with opportunities for job and business skills training.

Reactions (10)

Eleásara Antunes

2016-07-06

In Mozambique the cash transfer program that promotes employment is fairly new, a pilot started in 2014. From my observation the extent to which cash transfers are effective in promoting women's employment really depends on a number of factors, such as how it is designed, the amount of cash provided to the beneficiaries and the duration of the program and the market conditions.

Nevertheless, I think that the type of intervention is relevant to improve women's employability, especially because a significant segment of women lack the skills to be involved in work that is safe and secure.

Eleásara Antunes, Netherlands embassy in Maputo, Mozambique

Ana Paula de la O Campos

2016-07-06

The shares of people living in poverty and extreme poverty have been on decline for three decades, yet the world still faces great challenges with almost one billion people considered extreme poor and another billion poor. The new SDGs calls for the eradication of extreme poverty and halving the number of the poor by 2030. This is particularly important for Africa as the continent is not advancing in poverty reduction compared to other regions. Yet, African women – particularly female heads of household - seem to be playing a major role in the reduction of poverty in the continent.

Many countries now recognize that social protection measures are needed to relieve the immediate deprivation of people living in poverty and for preventing others to fall into poverty. The social protection sector encompasses initiatives that provide cash or in-kind transfers to the poor, protect the vulnerable against risks and enhance the social status and rights of the marginalized. Throughout the developing world, about 2.1 billion people (a third of the global population) receive some form of social protection, including cash transfers. However, **coverage is lowest in regions where poverty incidence is highest** (see FAO's SOFA report).

Cash transfers (CT) are important poverty reduction schemes currently present in more than fifty countries around the world. In many of these countries, the majority of CT beneficiaries are women. CT programmes often target women or make them the designated recipient. More recently, there has been an increasing evidence that CTs can help recipients further develop their livelihoods, by enabling them to manage risks, build assets and undertake more rewarding income generating activities (see FAO's PtoP project). In this respect, there is also some evidence that CTs can have an empowering effect, particularly for women, in both social and economic realms.

Although the existing evidence so far is quite mixed, it suggests that cash transfers have the potential to increase women's autonomy in economic decision-making within the household, promote their social and financial inclusion, increase their ability to start businesses, and improve their labor status. However, **existing gender roles**, discrimination and other barriers to social and economic capital should not be downplayed, CTs having very limited scope for changing them.

For CTs to have impacts on empowerment outcomes, there is a need for at least three main elements:

- The first one is **gender-sensitive design and effective implementation**. Empowerment outcomes in CTs are influenced by programme objectives – whether the programme explicitly aims to empower women or not – and this can be done through explicit targeting, making women the designated targets, or by ensuring access to cash transfers by both men and women separately.

Reliability of cash payments are a must. How can we expect CTs to transform economic empowerment if cash delivery is unpredictable and unreliable? Or even, never delivered? Outcomes are also dependent on gender sensitization of CT programmes. In several Latin American countries, for example, the role of gender sensitization has been recognized as a way to avoid domestic violence, generated by changes in intra-household power dynamics by the CT.

- The second aspect is related to the enabling environment as well. In our most recent webinar of the gender-sensitive social protection on-line community hosted by socialprotection.org, Amber Peterman from UNICEF's Office of Research-Innocenti discussed the current state of the evidence and concluded that, yes, cash transfers have potential for empowering women, but other elements have to be included in the mix. More needs to be done to **generate complementarities with other programmes** that aim to empower women or even create cash transfer plus programmes. But what that plus must be about? In the same webinar, Markus Goldstein from the Africa Gender Innovation

Lab (GIL) revealed his three ideas for the plus:

- increasing skills for accessing jobs, particularly for adolescent girls
- increasing the capacity of beneficiaries to start new income-generating activities or businesses
- pairing cash transfers with asset transfers.

What is still debatable is whether CT plus models will be able to succeed beyond their piloting as they will require major coordination efforts across different actors for design, implementation, and evaluation. In that respect, governments will have to balance their priorities between the goals of universal and effective coverage of social protection programmes of the poor and the goal of adding complementarities or creating synergies to set more sustainable pathways out of poverty.

- Finally, there is the role of measuring and tracking progress in empowerment outcomes from social protection. As Peterman also says, part of the confusion on whether cash transfers have impact on empowerment or not is due to the **great diversity** in the ways **empowerment indicators are captured**. Initiatives such as the Women's Empowerment in Agriculture Index (WEAI) led by IFPRI and its subsequent modifications and simplifications are proving to be extremely useful for indicator standardization all around the globe and for increasing our understanding on the better ways to capture progress on women's empowerment.

My personal conclusion is that CTs are great tools for increasing women's empowerment, particularly for rural women in Africa, but we cannot focus all our efforts in them. CTs can achieve more in terms of empowerment in countries that already have an enabling environment of gender equality and economic empowerment for women. **Legal frameworks and changing gender-bias** in customary rules and cultural practice through participatory processes continues to have a fundamental role.

Ana Paula de la O Campos, Strategic Programme Advisor on Rural Poverty Reduction, FAO-UN

Julie Newton

2016-07-06

In the 1990s, cash transfers were positioned as the new panacea for securing women's empowerment. Lessons from Latin America yielded important insights for African governments and non-governmental organisations seeking to replicate and scale out many cash transfer programmes as part of a wider effort to deliver social protection. In response, there has been a plethora of studies and evaluations looking at different impacts of design features (conditionality, targeting, etc.) on the effectiveness of cash transfers on different development outcomes such as women's employment, often in the context of studies on 'economic advancement' or 'women's economic empowerment'.

Increasingly it is recognised that whilst cash transfers can support some aspects of women's financial inclusion and help to start small businesses, **they are not enough to change the position of women in the household or advance economic opportunities in the long term**. Rather, the focus should be on developing better integrated social protection systems that combine different instruments (of which cash transfers is one) with a transformative agenda that promotes gender equality and women's empowerment. **This recognises that women's employment is one facet of empowerment, which cannot be tackled by cash transfers alone without addressing structural causes of inequality which exclude them from the labour market in the first place.** Here I summarise some of the key issues discussed in the context of effectiveness of cash transfers in securing women's employment.

Conditionality and targeting

Issues of conditionality and targeting are often highlighted in debates over the effectiveness of cash transfers. Latin America's experience cautions against the risk of conditional cash transfers reinforcing women's roles as primary caregivers (as opposed to their productive roles) because of

assumptions they are more likely to spend resources on children's welfare. Conditionality has also been criticized for its paternalistic view of welfare, particularly how it reinforces the role of mothers as 'agents of the state' responsible for securing important goals for the next generation without any support for their own life options. It also marginalizes men from care responsibilities and ignores women's potential productive roles.

The impact of conditionality and targeting on women's employment in Africa is mixed and context specific. For example, a recent evaluation of the Zambian Government's Child Grant, an unconditional cash transfer targeting women in households with young children, concludes that the positive impact of the programme on increasing savings and diversification into non-farm enterprises traditionally operated by women is attributed to fact that it is unconditional and targeted at women. Yet, it does not tell us about the impact on intra household decision making on labour allocation and the quality of employment opportunities. This highlights the **need for more labour-time use studies** to understand the effects of cash transfers on the work burden of recipients due to change in labour status and programme conditionalities. Similarly with programmes specifically targeting women, there is a need to look at changes in bargaining power and decision making between men and women.

Need for integrated programmes that guarantee attractive wages, decent work and time to work

Cash transfers need to be linked to additional social services and interventions (e.g. financial literacy skills, skill development programmes and extension services) to support women's employment. A recent ILO review of cash transfer programmes from South Africa, Brazil, Chile, India and Mexico shows that skilled employment offers the best chances for women to have the freedom to make choices and increase social status. It concludes that cash transfers on their own are not sufficient without a set of integrated services that simultaneously provide the combination of a) decent jobs b) time to work and c) specialised training or subsidies to ensure wages are attractive. For example, although the Expanded Public Works Programme in South Africa provided skills training in the social sector, it was not able to achieve 60% of women's employment because the project wages were too low and were unable to guarantee prospects for future work after leaving the programme.

Cash transfers refer to a form of social protection either provided by the State or other development actors (e.g. NGOs) to assist vulnerable and marginalised groups to maintain and build productive assets and livelihood activities. They fall into three main categories:

Unconditional Cash Transfers (UCT) where transfers are made without meeting any conditions.

Conditional Cash Transfers (CCT) which involves a transfer on the condition of meeting a specified criterion (e.g. school attendance, clinic attendance)

Labelled Cash Transfer (LCT) where transfers are 'labelled' for a specific purpose, but conditions are not enforced.

Useful resources:

- <https://includeplatform.net/wp-content/uploads/2016/01/INCLUDE-GRF-Newton-Making-Social-Protection-Gender-Sensitive.pdf>
- <http://www.poverty-action.org/study/enterprises-ultra-poor-women-after-war-wings-program-northern-uganda>
- <http://www.eldis.org/go/topics/resource-guides/gender/key-issues/social-protection-and-the-empowerment-of-girls-and-women/cash-transfers-for-gender-equality#.V3EJVfl97q4>
- <http://www.fao.org/3/a-i4726e.pdf>

Elsa Alfai

2016-07-06

In countries as Mozambique cash transfers may contribute to the promotion of employment of women through their involvement in public works activities through the use of intensive manpower.

In my country, Mozambique, we are implementing the Productive Social Action Program where households headed by women are one of the most important target groups. Through the activities in this specific program, the women can be trained; they can obtain skills that give them opportunities for their social and economic inclusion in the labor market. The subsidies allocated as counterparts of their work may contribute to the improvement of their own lives and for their families.

Elsa Alfai, Director of Planning and Cooperation at the Ministry of Gender, Children and Social Action, Mozambique

Erick Nyambedha

2016-07-08

I agree with what other scholars have discovered and posted here on the impact of cash transfers on women empowerment as well as the challenges that the elderly and disabled face in terms of translating the proceeds of cash transfers to productive activities including investments. In a small anthropological study of social protection among the elderly in a small village in western Kenya, we found few cases of abuse of the elderly by either their adult sons when they receive the bi-monthly cash transfers or the local administration mainly the chiefs who exploit them in the guise of giving them security. In another related study in seven counties in western Kenya, we also came across cases of insecurity when the beneficiaries receive the cash transfers. I don't know whether there are such cases in other countries where cash transfers are implemented. I have not come across such cases.

My Question: Do we have evidence of the design of cash transfers also providing mechanisms to address the insecurity that is in some cases witnessed by the beneficiaries in the villages?

Reinier van Hoffen

2016-07-08

Do not expect different results with similar actions. Cash-transfer programs help when food availability is not the problem. However, if cash-transfer programs do not go hand-in-hand with specific programs that aim to change the power-balance. Just a question that is lingering on in my mind: is the sudden availability of more cash not a reason for prices to increase?

Jan Bade

2016-07-11

<http://scholar.harvard.edu/sendhil/scarcity>
may help you understand

Donald Kasongi

2016-07-18

Most of the on-going cash transfer programmes in Africa are conditional cash transfer to vulnerable groups, a typical example being the Tanzania Social Action Fund (TASAF) in Tanzania. Households considered to be in vulnerability are considered eligible for accessing the conditional cash transfer for covering gaps in health, education and nutrition. Despite the emerging evidence from the programme suggesting that conditional cash transfers have overall positive contribution to the resilience of households in vulnerability, it might be too early to celebrate the contribution to women economic empowerment.

Shruti Sharma, Global Subsidies Initiative (GSI)

2016-07-18

Cash Transfers impact on women's empowerment, employment and economic activity have been studied under the literature on gender and energy use; and gender and energy subsidies. There are clear linkages between energy access and gender especially regarding access to cleaner fuels like LPG, solar energy and/or improved cook stoves. Improved access to these cleaner fuels and technology can be made through cash transfers. A new paper from Global Subsidies Initiative (GSI) finds that existing research does point to evidence that fossil fuel subsidies have gender-differentiated impact; but to conclusively prove any hypothesis further research is needed. However, we do understand that mitigation measures like cash transfers (that protect low-income households) have gendered impact. These impacts have income effects, energy use effect and energy supply effect. Under each of these effects, women's welfare, productivity and empowerment can be impacted. For example, if women are made recipients of LPG vouchers or cookstove equipments, it frees up her time for income generating activities.

To conclusively prove that cash transfers can impact women's employment, GSI is undertaking field work in Nigeria to study how energy subsidies and their reform impact women. And what possible mitigation measures (like cash transfers) can reduce the negative impacts of subsidy reform. This study will throw up quantitative and qualitative data to conclusively prove linkages on women's employment and energy access.

INCLUDE Secretariat - INCLUDE

2016-07-22

Dear colleagues,

Thank you all for your replies to the first policy question. This question has been raised by the Sustainable Economic Development department of the Dutch Ministry of Foreign Affairs, in light of the question to what extent social protection programmes should focus on cash transfers or other interventions. Based on your contributions, we have developed the following short summary to answer this question:

The wide range of answers shows the multitude of impacts that cash transfers have on women's empowerment: e.g. increased employability, the use of (clean) energy, social and financial inclusion, and poverty alleviation in general.

Yet, as pointed out by Julie Newton, cash transfers in themselves do not change cultural or intra-household dynamics. The effectiveness of protection programmes as cash transfers therefore mostly relies on making them 'gender sensitive' and complementary towards other programmes. Moreover, to do justice to the 'leave no one behind'-agenda, cash transfers need to be focused towards areas with high poverty incidence.

Please let us know if you have knowledge to be added to this. Also, in case you want to raise further questions (such as the question raised by Erick Nyambedha) or continue the discussion, feel free to do so here.

Best regards,
the INCLUDE secretariat