

# Making growth work for all

*Expanding opportunities for women and youth*

In many parts of the developing world, inequality continues to grow even as rates of absolute poverty decline. This growing divide threatens social stability and progress on global development goals. Inequality can also dampen growth. There is a pressing need for employment and investment strategies that will benefit women, the poor, youth, and other groups who have traditionally been excluded from economic gains. Governments need solid evidence and expertise to develop these strategies, and to equip their citizens for economic changes underway that demand new skills and competencies.

## Supporting solutions for inclusive growth

Through its Employment and Growth program, Canada's International Development Research Centre (IDRC) seeks to build the evidence base that countries need to create policies and programs that benefit the poor — particularly women and youth — while growing their economies. This will ultimately help countries achieve more sustainable and equitable growth, consistent with Global Affairs Canada's priorities and UN Sustainable Development Goal (SDG) 8: Decent Work and Economic Growth. We support applied research on solutions that can unleash women's economic potential; equip youth for employment and entrepreneurship; widen access to social benefits and financial services; maximize



**Strengthening labour standards is an important aspect of providing better, safer jobs for women and youth.**

space for women and youth in value chains; and harness innovative business models to generate opportunities for vulnerable groups.

We are also supporting a new generation of research leaders in economics by investing in training and professional development for early to mid-career professionals. For example, the Interuniversity Postgraduate Program in Economics in Francophone Africa has graduated more than 2,000 master's and PhD graduates in 18 countries since its inception in 1994: more than 95% remain in the region. Past awardees include a recent Chief of Staff in the President's office in Congo and a General Secretary of the Social and Economic Council in Gabon.

### Inside:

- Expanding opportunities for youth
- Empowering women in the economy
- Widening access to financial services
- Making value chains work for the poor
- Exploring innovative business models

We also support young post-graduate researchers, including those from fragile and conflict-affected states, through the African Economic Research Consortium and the Partnership for Economic Policy.



**Generating job opportunities for African youth is critical considering that nearly three of four Africans are under the age of 30.**

Partnership is key to our approach: we look for opportunities to foster innovation and collaboration between researchers, the private sector, civil society, and government organizations. For example, we have joined forces with the World Economic Forum to help regional leaders identify concrete ways to grow their economies while tackling inequality. A 2017 call for case studies on effective public and private sector approaches will feed into a digital knowledge bank to inform inclusive growth strategies.

### Expanding opportunities for youth

According to the International Labour Organization (ILO), some 156 million working youth in emerging and developing countries live in extreme or moderate poverty. The challenge is acute in Africa, where the population of youth aged 15-24 is expected to swell by about six million each year for the next decade. Finding gainful employment for these youth is a global challenge, with implications for growth, migration, and regional stability.

In Francophone Africa, a research team led by University of Yaoundé II is engaging local experts and national employment agencies in Cameroon, Chad, Côte d'Ivoire, Democratic Republic of Congo, and Senegal. The effort examines whether employment services are accessible, visible, and effectively reaching young men and women. The aim is to strengthen job placement services and encourage employers to use them.

Current explorations with IDRC's Governance and Justice program focus on the nexus between unemployment and violence that threatens social cohesion in several regions. A background paper and a series of regional consultations undertaken in 2016 mapped existing research on youth economic vulnerability, exclusion, and violence in developing countries which is leading to new programming that offers policymakers gender-sensitive approaches to constructively engage and employ youth.

Youth in Latin America have been largely excluded from the benefits of growth, with more than 20 million not

currently in education, employment, or training. New research led by Espacio Público will shed light on youth motivations, interests, and aspirations to guide policy responses to the youth unemployment challenge in Brazil, Chile, Colombia, El Salvador, Mexico, Paraguay, and Uruguay.

In Myanmar, IDRC is working with Business for Social Responsibility (BSR) to help promote production and foreign investment, while addressing severe problems of child labour and the country's low levels of education. A 2016 report by BSR on the garment industry, produced with input from major fashion brands and other stakeholders, lays out a series of recommendations. It calls for clear laws and regulations; prioritizing education for children below working age; ensuring adult livelihoods can support households; and more inclusive monitoring and enforcement of child labour regulations.

### Empowering women in the economy

In countries rich and poor, women's economic participation lags that of men. In addition to impoverishing women and their families, this gender gap undermines growth. The ILO and Asia Development Bank have estimated, for example, that economies in East Asia and the Pacific lose US\$42-47 billion each year due to women's limited access to employment.

Through the Growth and Economic Opportunities for Women (GrOW) program, jointly supported by IDRC, the United Kingdom Department for International Development, and the Hewlett Foundation, researchers are exploring ways to unleash women's economic potential in 50 countries. In Bangladesh, GrOW research on the work and education impacts of child marriage suggests



that even small incentives, such as a modest cooking oil subsidy tied to school attendance, can delay marriage, which in turn can improve girls' longer-term education and employment outcomes. Girls aged 15-17 whose families received \$16 per year in cooking oil if they stayed unmarried until age 18 were 25% more likely to complete secondary school.

In 2016, GrOW contributed to the United Nation's High-Level Panel on Women's Economic Empowerment, a multi-stakeholder panel established by the Secretary General to provide leadership on improving economic outcomes for women and girls in support of the SDG 5: Gender Equality. The GrOW team led evidence-based consultations on enhancing the productivity of women-owned enterprises and addressing women's role in the care economy.

## Widening access to financial services

Financial inclusion – improving access to financial services for the poor – can reduce inequality and promote social mobility. When the poor have savings accounts, insurance, and payment services, they have protection against the unforeseen and enjoy greater opportunities.



PROYECTO CAPITAL

*“Now I know how to withdraw my money, I know how to save. ... I'm a stronger woman than I was before.”*

— *Emperatriz Taco, beneficiary of Proyecto Capital*



IDRC

**Policies that take into account unpaid domestic and care work are essential to women's economic empowerment.**

In Latin America and the Caribbean, IDRC's supports Proyecto Capital, an initiative by Instituto de Estudios Peruanos and Fundación Capital that is finding innovative ways to channel cash transfers to the poor and promote their use of financial services. It provides evidence and technical assistance to help agencies design and implement measures linked to social grants that encourage low-income families and individuals to use savings accounts and other financial services. As of 2016, some 1.8 million people in 14 countries had gained access to such services and strengthened their ability to manage their finances.

In Asia and Africa, we are partnering with BRAC, one of the world's largest providers of financial services for the poor, to help it to scale up successful programming. The effort will help BRAC ground its strategies in evidence and rigorously evaluate the impact of interventions designed to boost the livelihoods of the ultra-poor. Women and adolescent girls, youth, and migrant workers will be the main beneficiaries. BRAC, which first launched microfinance programs in 1974 in

Bangladesh, today serves almost 140 million people in 12 countries.

We are also partnering with the Alliance for Financial Inclusion (AFI) to create a new knowledge-sharing platform. With members in almost 100 countries, AFI is the world's leading organization on financial inclusion policy and regulation. Our partnership will strengthen its gender focus and use of evidence, including from IDRC-supported research in developing regions.

## Making value chains work for the poor

The value chains associated with the production, distribution, and servicing of goods and services provide an important opening for small and medium businesses and their workers to benefit from trade.

WEConnect is a global network that links women-owned businesses to qualified buyers around the world. As of 2016, more than 600 businesses had registered in India, with 60 certified to supply large companies. These connections helped generate over US\$127 mil-



**Social enterprises provide opportunities for women and youth to move away from low-income generating activities, while maximizing social benefits.**

lion in sales annually, employing more than 4,600 people. WEConnect plans to replicate the success of its Indian pilot test in another 17 developing countries.

The poor can also benefit from distribution contracts as large firms look for ways to access local markets. IDRC, Citi Foundation, and the Inter-American Development Bank are collaborating through SCALA, a platform launched in 2016 by Universidad de los Andes, that promotes social enterprise and inclusive distribution networks.

*“My job has given me a chance to help others who were in the same situation as me, working on rubbish heaps. Now they’re employed in hygienic conditions and earning a proper wage.”*

— Pushpa Parmar, a former trash picker now employed with a WEConnect registered company selling recycled stationary

These networks commercialize products and services that have social value, while extending business opportunities to women and low-income groups. It will help create business opportunities for 25,000 vulnerable women and youth.

In Asia, manufacturing is a crucial source of employment for low-skilled workers, particularly women. In 2016, Canada’s Minister of International Trade announced IDRC support for research on better employment and working conditions in the garment, electronics, and agricultural sectors. This complements Canadian technical support to the Association of South-east Asian Nations to help member states integrate small and medium enterprises into global value chains. Together with Grow Asia, we will also launch the Learning Partners Forum, a network of experts that will share lessons from agricultural value chains in Cambodia, Indonesia, Myanmar, the Philippines, and Vietnam.

## Exploring innovative business models

The Employment and Growth program continues to innovate, testing new ways and forging new partnerships to support inclusive growth. Recently supported research explores the relevance of new business models that embrace social and environmental objectives along with economic goals. For example, we are developing a research agenda on the potential for companies to build social and economic inclusion — and women’s business leadership — in partnership with Sistema B. This non-profit organization leads a new movement of entrepreneurs in Latin America and supports the global community of corporations called the ‘B Corps’ in pursuing a triple bottom line.

In Africa, creative approaches are needed to generate employment for the nearly three-quarters of the population who are under the age of 30. In Burkina Faso, Côte d’Ivoire, and Kenya, research led by the Centre ivoirien de recherches économiques et sociales is exploring how social entrepreneurship may benefit women and youth — as staff, distributors, or suppliers. Findings will help companies maximize the social benefits of their enterprises while remaining profitable, and help public authorities support the inclusion of youth and other vulnerable groups.

### Employment and Growth

International Development Research Centre  
 PO Box 8500, Ottawa, ON  
 Canada K1G 3H9  
 Phone: +1 613-236-6163  
 Fax: +1 613-657-7749  
 Email: [eg@idrc.ca](mailto:eg@idrc.ca)  
[www.idrc.ca/eg](http://www.idrc.ca/eg)