

In Practice

- Brief -

# Scaling Up Economic Inclusion Programs in Urban Areas

By Jorge Avalos, Sarang Chaudhury, Timothy Clay,  
and Puja Vasudeva Dutta

- for -  
Volumes

1 & 2

Urban centers are growing, with two-thirds of the world's population expected to live in urban centers by 2050; nearly 90% of this increase is in Asia and Africa.

A rapidly urbanizing world presents enormous economic opportunities for the poor and vulnerable but also significant barriers to their economic inclusion.

Economic inclusion programs provide an opportunity to meet the urban jobs challenge, facilitate a COVID-19 recovery, and support the inclusive cities agenda. Embedding economic inclusion programs in city-level planning and policy frameworks provides the scope to combine “place” and “people” interventions and simultaneously promote spatial, social, and economic inclusion of the urban poor.

The evidence suggests that urban-scope economic inclusion programs have promising short-term impacts on a wide range of outcomes. Program costs vary considerably but evidence suggests that by leveraging existing government systems, programs can bring down delivery costs.

Signs are promising that these programs work in urban areas but they must be customized to the specific local context.

**Economic inclusion programs** (used interchangeably with *productive inclusion program*) are a bundle of coordinated, multidimensional interventions that support poor individuals, households, and communities to increase incomes and assets while working toward the long-term goal of economic self-sufficiency. Its design recognizes that the poorest and most vulnerable people face multiple constraints.

## The current landscape

Over half of the 219 economic inclusion programs underway operate in urban and peri-urban areas, representing 118 programs in 63 countries.<sup>1</sup>



<sup>1</sup> PEI 2020 Landscape Survey

## Key adaptations to the urban context

Although many aspects of program design remain the same across contexts, programs operating in rural areas cannot be transplanted directly into urban settings. Practitioners looking to introduce new programs or expand existing ones to urban contexts grapple with several operational questions:

Selecting the target group	Tailoring program design to the needs of the urban poor	Tailoring delivery systems to lifestyles of the urban poor	Institutions: Leveraging urban actors and policies
<ul style="list-style-type: none"> <li>Design choices: Who is eligible? Focus on the poor (not just the extreme-poor or ultra-poor)</li> <li>Delivery systems: Beneficiary selection (leverage SSN registries and demand-driven systems such as business plan applications)</li> </ul>	<ul style="list-style-type: none"> <li>Objectives: emphasize facilitating self- and wage-employment and social inclusion</li> <li>Tailor specific components—such as training, coaching, and wage employment facilitation—to the urban context and women</li> <li>Customize the bundle (perhaps a smaller package emphasizing access to information and referrals)</li> </ul>	<ul style="list-style-type: none"> <li>Deliver high-intensity and group interventions (e.g., training, coaching, savings groups)</li> <li>Potential for digital delivery</li> </ul>	<ul style="list-style-type: none"> <li>Embed in urban policy frameworks</li> <li>Align incentives and leverage capacity of local urban governments</li> <li>Potential for partnerships and referrals</li> </ul>
<p><i>-Example-</i></p> <p>In Brazil, an urban economic inclusion pilot selected urban beneficiaries from among people registered in the Cadastro Unico, with priority given to people from household receiving a conditional cash transfer.</p>	<p><i>-Example-</i></p> <p>The Employment Support Project in Azerbaijan highlights the need for shorter-duration training, delivered in smallgroups, and focused on urban livelihoods suitable for both women and men.</p>	<p><i>-Example-</i></p> <p>Liberia's Economic Empowerment for Adolescent Girls Project offered flexible timing for training sessions and were held in the communities where the participants resided, with every site offering free childcare.</p>	<p><i>-Example-</i></p> <p>In Ethiopia's Urban Productive Safety Net Project, city governments identify and plan public works through a participatory process involving local communities.</p>

## In Practice

Click to read the full volumes



[A Path to Jobs for the Urban Poor](#)  
[Operational Considerations for Urban Economic Inclusion Programming](#)