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Creating jobs and sustainable livelihoods in a changing world

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Acknowledgements

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Introduction

The jobs and livelihoods sector has undergone a significant transformation over the past decade and is expected to see even greater shifts over the coming years. **Population shifts given the youth bulge, climate, conflict and urbanization** are driving challenges overall while **the changing nature of work** in the form of automation and digitization is negatively impacting lower value-added manufacturing and emerging digital jobs. The most critical factor is the evolving population dynamics, with growing populations and jobs systems that cannot accommodate the high influx of workers. Major shifts include:

- As the global population grows to over eight billion, trends point to over one billion people entering the job market over the next 10 years, with expectations that the current unemployment rate of 200 million will grow and that more people will be underemployed, have vulnerable employment, or stop looking for jobs. The majority of these challenges will be concentrated in Sub-Saharan Africa and South Asia as well as amongst young people.
- Especially in Africa, the Middle East, and South Asia, the youth bulge is expected to create a significant number of young adults that will find themselves without a job. Globally the rates of youth unemployment are staggering, with a quarter of the world's young people, some 350 million, under or unemployed and not in school,[1] with an expected trend over the next 10 years towards over 620 million young people expected to be unemployed or in training.[2]
- Many economies and markets still struggle to recover from employment impacts of the global financial crisis and recession of 2008. Young people were disproportionately affected by the worldwide economic slowdown. Studies have shown that in the Eurozone, at least half of the ensuing record youth unemployment could be attributed to reduced output.[3] Similarly, as young people comprise a large share of contractual, seasonal, part-time workers, they are more likely to be made redundant or see these kind of jobs vanish as employers downsize or vacate any expansion plans.
- Climate change and conflict are further putting pressure on job systems by driving people to migrate while local policies in host countries do not allow them to hold jobs.
- Productivity gains,[4] capital markets,[5] and accounting practices reward capital investment rather than labor expenses.

[1] Jamie McAuliffe Aspen Paper on Youth Employment
[2] S4YE estimates and report
[3] Lundberg et al 2014. Studies (IMF Banerji 2015)
[4] IMF Blog, April 2017, Drivers of Declining Share of Labor
[5] Jerry Davis, Brookings, 2015

These shifts are expected to exacerbate the youth employment challenges and the current over **210M people out of work and over 1.4 billion people** in vulnerable and poor quality employment, with disproportionate negative effects in Africa and South Asia.[6] It is becoming more apparent that economic growth will be insufficient to address these jobs challenges, and in fact, income inequality often worsens with economic growth.[7]

In response to these challenges, there has been active encouragement in job training to skill up job seekers and match them to jobs. Furthermore, over the last several years, there is a significant shift to broaden definition of jobs from this purely wage-related labor approach to also include the scaling and fostering of entrepreneurship across the value chain from livelihoods/economic inclusion, including in the informal sector, to micro/moderate and high growth ventures as a key driver of job creation. In general, the **segmentation of <u>target populations, stakeholders and importantly interventions</u>** falls into three specific groups[8]:

1. **Sustainable livelihood development / "Economic Inclusion":** A focus on a package of interventions that enable sustained income and asset gains for the extreme poor and vulnerable populations, including improving the poor quality of the outcomes which requires building of ladders to jobs and markets. This group is focused on the poor and vulnerable populations such as some segments of smallholders, refugees, and youth.

2. **Access to markets, capital and training for entrepreneurs:** Working with enterprises from micro and small businesses to break-out scale entrepreneurs and help drive sustained business growth by enabling access to markets, capital, and entrepreneurship training. This grouping also includes working with intermediaries that aggregate support for smallholders.

3. **Job training and placement (wage related labor)** to align **supply (education and training) to real demand** from companies and governments and to create **market clearing mechanisms** that match job seekers to jobs. This approach includes ensuring that employees continue to improve their skills and are able to find and maintain quality jobs.

[6] ILO, Trends and Outlook 2017
[7] Ibid.
[8] Alice Gugelev, GDI 2017

VALUE CHAIN OF JOB CREATION

Sustainable livelihood development		Access to markets, capital & training			Job training & placement		
Ultra poor	Vulnerable populations	Subsistence entrepr-eneurs	Aggregated entrepr-eneurs	Break-out scale entrepr-eneurs	Supply	Inter-mediaries	Demand
• Those living on less than $2/day • Food insecure	• Women • Refugees • Youth • Indigenous • Disabled	• Roadside stalls, small shops with Inventory, farmers with land/assets	• Aggre-gators/co-ops • Micro-work through aggre-gation sites	• Processors, manufacture facilities, FinTech • More employees	• Training programs • Education/ vocational programs • Wage & condition improvement	• Job matching programs • Think tank jobs research to direct investments	• Corporate, government employment • SME employment • Internships • Apprentice-ships
GOAL: Sustained income & asset gains/self employment and ladders to jobs & markets		**GOAL:** Drive sustained business growth, reduce vulnerability (micro-entrepreneurship, aggregated small holders and SMEs)			**GOAL:** Align skill development/demand for quality jobs (wage-related work)		

It is the clear focus of the World Bank and global governments that jobs and livelihoods are the most critical pathway to eliminating poverty (Sustainable Development Goal 1) and driving sustainable economic growth (Sustainable Development Goal 8). The focus of this paper is to bring forth opportunities that have the potential to transform systems to create sustainable jobs across the value chain despite the aforementioned challenging dynamics of shifting populations and evolving nature of work.

Sustainable livelihood development

When considering sustainable livelihood development and economic inclusion, the core focus is on the extreme and moderate working poor. This group is often defined as those as vulnerable or with very poor-quality jobs. The target population here also includes those that are unemployed but have the potential to work but would likely find informal or poor-quality jobs.

On the critical journey towards reaching the SDGs and addressing the most significant and hardest to reach people towards employment opportunities, this segment is the most significant, as "almost half of all workers in emerging countries are still in vulnerable forms of employment, and almost four out of five workers in developing countries are in this employment category. Furthermore, the total number of workers in vulnerable employment is projected to grow by 11 million per year."[9] While emerging countries are experiencing rapid reductions in both the rate and the number of working poor, progress in developing countries is too slow to keep up with population and employment growth. This will make it difficult to achieve the ambition of eradicating poverty as set out in the Sustainable Development Goals (SDGs), notably SDG 1.[10]

Accepted segmentation by the World Bank, ILO, and most agencies of this group is by daily income with two sub-segments of <1.90 per day and 1.90-3.10 per day.

a. Identifying the problem

Exhibit 1: Unemployed and vulnerable
In millions of people (2018 predicted ILO estimates and growing)

Region (excluding high-income countries)	**Unemployed**	**<$1.9/day Extreme working poverty**	**$1.9 – 3.10 Moderate working poverty**
Sub-Saharan Africa	**30.1**	**261.6**	**119.4**
Northern Africa	**9.2**	**21.7**	**12.3**
Latin America & the Caribbean	**27.1**	**93**	
East Asia & Pacific	**86.5**	**963.8**	

[9] ILO 2017
[10] Ibid.

Extreme working poor or ultra-poor: The first segment, or the ultra-poor, are often the hardest to reach and live on less than $1.90 per day. Although the share of the world's poor living in extreme poverty has seen spectacular reductions, plummeting from almost half the global population (1990) to just 10% (2015), there are least 700 million people who still live below the $1.90/day extreme poverty line.[11] These households are food insecure and the hardest to reach around the world. These numbers translate into roughly 200-300 million households or livelihood opportunities (or "jobs") that need to be created to support these households to benefit from sustainable income and asset gains.

Another key consideration to note is that these numbers of extreme poor are focused on the workers themselves, but they are typically supporting large households of 4-5 people.[12] Therefore, the challenges of these jobs impact a much larger group of vulnerable people in the household.

Amongst vulnerable populations, of notable concern are gender disparities in labor market opportunities, where in many instances participation rates among women remain well below those for their male counterparts, and, when they do participate, women face a higher likelihood of being unemployed or in more vulnerable forms of employment. Indeed, vulnerable employment is consistently higher for women across Africa, Asia-Pacific, and the Arab States.[13] Moreover, the challenge is particularly urgent for youth as the emerging markets in places such as Sub-Saharan Africa continue to report the highest rate of youth working poverty globally, at almost 70 per cent in 2016, while facing rapid growth in the number of youth in the labor force.[14]

There are two other at risk groups falling into the vulnerable category, specifically indigenous and refugees. There are approximately 370 million people that are counted within the indigenous populations around the world and are often disproportionately impacted globally, facing unemployment at 3-5 times higher rates than other groups.

Often, due to discrimination, remote locations, and quality of schooling, indigenous groups have a hard time emerging from conditions of extreme poverty. It is common for **refugees and migrant workers** to fall within the group of ultra-poor.

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[11] World Bank and IMF, 2014, Ending Extreme Poverty and Sharing Prosperity: Progress and Policies, Cruz et al, 2015.
[12] Ibid.
[13] ILO 2017
[14] Ibid.

Despite many of the refugees possessing credentials for advanced work, they often find themselves unemployed due to policy challenges preventing them from working and a lack of credentials to access local credit and training. In a recent ILO report, refugee and migrant workers account for 72.7 per cent of the 206.6 million working age migrant population (15 years and over) and an estimate of 56 million are out of work.[15]

Overall, the challenge is highly exacerbated amongst youth. As described above, the youth bulge, combined with mismatched skill training and education, and evolving nature of work, is expected to result in the gap growing significantly higher than the 350 million young people that are out of work, underemployed, or out of school.

b. Barriers to improving livelihood outcomes

Clearly, growth and better macroeconomic management are necessary preconditions to improve outcomes for the extreme poor and these other vulnerable populations. National social protection systems (in-kind and cash transfer programs, social insurance, labor policies) reduce vulnerability and build resilience of the poor. But these are not enough to eliminate extreme poverty. Governments and the development community must find ways to help as many poor households as possible improve their livelihoods. Income earning and asset building are essential to pathways out of poverty and into sustained upward mobility. Specifically, this segment needs a "big push" to escape the classic poverty trap; while the majority and perhaps as many as three quarters of extreme poor can and will work, they lack productive assets, adequate skills, and market access, and must resort to whatever work they can find to support the household.

The clear message is that the majority of livelihood development strategies do not reach the extreme poor and have not proven to have their intended impact. The reality is that it is "really hard to reach the extreme poor and most products that have been adapted such as smaller loan products have not been effective."[16] Although many programs have been effective, such as micro-finance and small-holder farmer financing when done right (see CSAF in next section), these benefits are being captured by the less poor and those further away from extreme poverty. In order to achieve SDG1 and SDG8, a solution does need to be found for both the 780 million extreme poor, as well as the vulnerable populations that have minimal resiliency to survive any micro or macro shocks.

[15] ILO Estimates on Migrant Workers
[16] Interview, Joanne Carter, CEO of RESULTS (leader of the microcredit summit campaign, Uplift, etc.)

c. What works and what doesn't

For decades, the development sector has touted the use of microfinance and micro-credit to bring people out of poverty. However, "it has been proven that these tools are not effective at reaching the poorest families and have not improved livelihoods at all of the very poor people. Furthermore, while food subsidies are not enough, conditional cash transfers proved to be very effective at improving food security for extremely poor families and improving health/education outcomes for next generation, but not effective at improving livelihoods for adults in the family."[17]

Micro-credit: One of the most well-known approaches to poverty alleviation is micro-credit, through which poor individuals, usually in a group setting, receive a small loan to buy inputs for or otherwise grow an existing business. While micro-credit had much early success, as it expanded, it was increasingly accessed by people who were unable to repay the debt, leading to crises in multiple countries.[18] Rigorous evidence from a half dozen studies found only "modest positive, but not transformative" effects on the poor.[19] These studies also suggested that better-off and more resourced borrowers tended to do better than poorer program participants, as well as finding limited demand for services in some markets (which would be consistent with the graduation premises that extreme poor households need productive assets, skills, and market linkages to succeed with improved livelihoods, and that the extreme poor might also lack the confidence to borrow or face specific sociocultural barriers in accessing microcredit programs.) Indeed, BRAC originally created the graduation approach out of its own evidence and evidence form others markets that strongly suggest that microcredit was not serving the very poor.

Conditional and Unconditional Cash Transfers: CCTs and UCTs (including universal basic income) represent another well-known category of anti-poverty intervention, aimed at assuring a basic living standard by providing regular (although often quite modest) consumption support. As stand-alone interventions, CCTs seek to fight intergenerational poverty by assuming that healthy and well-educated children will have more opportunities and possibilities than their parents. Evidence has shown that CCTs help mitigate poverty through the redistribution of resources, help households to invest in their future, and manage risks.[20]

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[17] Interview, Frank DeGiovanni, head of financial inclusion Ford Foundation (left in 2016)

[18] https://www.cgap.org/sites/default/files/CGAP-Focus-Note-Andhra-Pradesh-2010-Global-Implications-of-the-Crisis-in-Indian-Microfinance-Nov-2010.pdf; http://www.microfinancefocus.com/6-microfinance-crises-sector-does-not-want-remember

[19] https://www.aeaweb.org/articles?id=10.1257/app.20140287

[20] https://siteresources.worldbank.org/SPLP/Resources/4616531207162275268/For_Protection_and_Promotion908.pdf

However, while CCT programs have an important effect, especially related to the increased consumption of participating families, there is no evidence for economic inclusion in the form of increased income, savings, consumption, assets building, empowerment, self-esteem, and better health (mental and physical).[21] In addition, the cost is often greater for providing a sufficient package to extremely poor households, such as providing adequate consumption support to allow the household to divert energy to income-generating activities, adding a further barrier.

UCTs and Livelihood programs. There is limited evidence that UCTs and general livelihoods programs commonly reach or benefit the extreme poor.[22] More recent research has shown that many of the benefits from CCTs (and UCTs) may not be sustained after program completion.[23] Finally, CCTs do not always reach the poorest, more remote, and most vulnerable individuals and households, especially in countries with less mature social protection systems, less sophisticated national registries and targeting methods, and less fiscal capacity. Similar findings exist for UCTs that are structured in the same way as CCTs (usually small bimonthly transfers to female heads of household) but do not require formal demonstration of having completed the stated "conditions."

Large up-front unconditional cash transfers: There is one emerging unconditional cash transfer program that has demonstrated, through one critical randomized control test (RCT), positive impact after nine months. The cash transfer provided was significantly larger than what governments give out in typical transfers, but the ultra-poor did experience improved income and assets without any adverse outcomes such as purchase of alcohol or cigarettes. However, many questions still remain about this model as it assumes existing delivery infrastructure and often targets the upper bounds of the poor rather than the extreme poor. There are now efforts underway to test the model in the form of a $30M, 12-year RCT to test more aspects of the model, specifically sizes, frequency, and times of transfer. Most likely, the biggest impact of this program will be to allow comparison to other programs to improve accountability and assessments.

Smallholder and value chain developments: Other interventions, such as smallholder and value-chain development activities, also aim to improve the livelihoods of the rural poor (see section on Council on Smallholder Agricultural Finance). These programs, however, tend to focus on producers with less precarious economic situations, who have more land/means of production, are less remote, and therefore are better-positioned to achieve returns from investment and intervention.[24]

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[21] http://www.econ.yale.edu/~cru2/pdf/Science-2015-TUP.pdf
[22] https://www.cgap.org/sites/default/files/Forum-Eliminating-Extreme-Poverty-Dec-2016.pdf
[23] http://documents.worldbank.org/curated/en/495551480602000373/pdf/WPS7901.pdf
[24] See, for example: http://www.cgap.org/sites/default/files/Working-Paper-Smallholder-Diaries-Feb-2016.pdf

These are often classified as the moderate working poor ($1.90-$3.10 per day). There are emerging solutions for these moderate working poor focused on providing all the inputs a vulnerable family needs (seeds, materials, financing) and serves hundreds of thoughts in East Africa. After several RCTs, the model has shown improvements for moderate poverty/low-income farmers but more evaluation and work on sustainability needs to be done. Other solutions that provide support to "aggregators," or the intermediaries that provide support to these smallholders, are discussed in the next section.

Youth livelihoods: Further, most "similar" interventions do not take the holistic approach that is often needed to improve livelihoods for extremely poor and vulnerable segments. For example, evidence from the youth livelihoods field suggests that low-income and vulnerable youth typically require a more complete, multi-sectoral intervention package, including, for example, coaching for confidence building and soft skills training, in order to achieve sustainable results. Finally, evidence on the sustainability of results from these other types of interventions is more limited than the well-documented long-term outcomes achieved through the graduation approach.[25]

Graduation Approach: The "Graduating the Extreme Poor into Sustainable Livelihoods" approach (hereafter "graduation" as shorthand) has risen as an effective means of addressing extreme poverty, enabling poor and vulnerable households to develop sustainable livelihoods and access financial systems, and psychosocial benefits (see Figure 1). Based on a model developed in 2002 by BRAC in Bangladesh, graduation is now used in nearly 50 countries. Graduation consists of a carefully-coordinated, multi- sectoral, "big push" intervention comprising of social assistance to ensure basic consumption; skills training; seed capital or access to employment opportunities to jump-start an economic activity; financial education and access to saving instruments; and coaching or mentoring to build confidence and reinforce skills. The interventions are time bound (generally 18–36 months) to preclude long-term dependence. Continued linkages to market opportunities or the labor market, as well as effective access to social protection systems, are needed to maintain a sustained upward trajectory.

Graduation has been tested in varied contexts over the last 15 years, yielding rigorous evidence of impact on extreme poor households, setting them on an upward pathway and mitigating risks of backsliding. The impacts have resulted in sustained income and asset and consumption gains as evidenced by multiple RCTs in a variety of contexts and have continued seven years after the end of the intervention.[26]

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[25] Sulaiman et al, 2016

[26] Data was collected on current & new graduation programs implemented globally: data was either self-reported by the implementing partner or was collected by interviews with CGAP staff: https://www.microfinancegateway.org/library/status- graduation-programs-2016. The previous factsheet collection exercise, in Dec. 2015, gathered information on 32 programs: www.microfinancegateway.org/sites/default/files/graduation_factsheets_overview_december_2015_.pdf

In 2016, more than 80% of graduation projects had been integrated into the organization's mainstream strategies, reflecting that graduation is becoming an integral part of government's social protection systems and regular NGO and donor programming. Over 1,500,000 households were being reached with graduation programs in 2016, with programs varying widely in size, ranging from a mere 150 households in Nicaragua to 675,000 households (reaching approximately 3-5 million people) in Ethiopia. It is important to note that graduation is in the process of extensions to and implementations with vulnerable populations such as the indigenous in Latin America, refugees as part of a set of self-reliance approaches with UNHCR, and with poor but vulnerable populations to build resilience in Sub-Saharan Africa.

Some of the leading providers of the graduation approach globally include BOMA in Kenya, BRAC in Bangladesh and globally, Trickle Up in India, West Africa and Latin America, Fundacion Capital in Latin America and Africa, Village Enterprise in East Africa, and some of the large INGOs include CARE, Concern, Plan, and Save the Children.

Overall, the agenda for the extreme poor is to drive towards empowerment of the poorest and to provide toolkits for governments, agencies, and NGOs to support the extreme poor towards a sustainable pathway towards informal and formal productive jobs. "The best approaches provide governments and their partners a better menu of options, good evidence and clarity in how to implement."[27]

Other vulnerable populations: It is important to note that the Graduation Approach is in the process of extensions to and implementation with vulnerable populations such as the Indigenous in Latin America, refugees as part of a set of self-reliance approaches with UNHCR, and with poor but vulnerable populations to build resilience in Sub-Saharan Africa.

Two other models of note include Give Directly and Once Acre Fund:

Give Directly: Give Directly is an unconditional cash transfer program that has demonstrated, through one critical RCT, positive impact after nine months. The cash transfer provided was significantly larger than what governments give out in typical transfers, but the ultra poor did experience improved income and assets without any adverse outcomes such as purchase of alcohol and cigarettes. However, many questions still remain of the Give Directly model and they are currently undergoing a $30M RCT to test more aspects of the model, specifically sizes, frequency, and times of transfer. The UCT approach seems promising, but much still needs to be tested.

[27] PEI/TU/FC Consortium with Kate McKee, Bill Abrams, Hashemi Syed, and Yves Moury

One Acre Fund: In East Africa, One Acre Fund provides all the inputs that a low income family needs (seeds, materials, financing) and serves up to 450,000 farmers in up to six East Africa countries, with plans to reach one million farmers by 2020. After several RCTs, the model has shown improvements for ultra low-income farmers but more evaluation and work on sustainability needs to be done.

Overall, the agenda for the ultra poor is to drive towards empowerment of the poorest and to provide toolkits for governments, agencies, and NGOs to support the extreme poor towards a sustainable pathway towards informal and formal productive jobs. "The best approaches provide governments and their partners a better menu of options, good evidence and clarity in how to implment."[28]

Intervention	Target Segment	Strengths	Weaknesses	Evidence[29]
Graduation	Extreme poor	Increases consumption, assets, savings, food security	Ideal for extreme poor; provides more services than needed for less-poor segments	• RCTs across 6 sites showed graduation increases adult labor supply by 10.4%; productive asset value by 15%; revenue from livestock by 41.6%; household asset index by 0.26; savings by 156%; and average food consumption by 7.5%. These impacts were still significant 1 yr after all interventions ended (sustained). • 7 yrs after program began in India (5.5 yrs after all interventions ended) graduation had "large, persistent, and often growing impacts" • Long term study in Bangladesh also found sustained impacts 7 years after program began (5.5 years after all interventions ended)

[28] PEI/TU/FC Consortium with Kate McKee, Bill Abrams, Hashemi Syed, and Yves Moury

Intervention	Target Segment	Strengths	Weaknesses	Evidence[29]
UCTs – ongoing (e.g., GiveDirectly monthly transfers)	Poor	Increased food security & risk management	Limited or no improvements in productivity, income generation, enterprise investment; limited reach/impacts for extreme poor	• Short term study showed increase food security index 0.26 stdev; decrease value of non-land assets $92US; no effect on non-durable expenditure or monthly revenue • Medium term study of UCT for adolescent girls found positive impacts of UCT on health during transfers but impacts evaporated two yrs later
UCTs – lump sum	Poor	Increased productivity, income generation, enterprise investment	Limited long-term evidence suggests impacts do not last	• Short term study showed increase value of non-land assets $279US; increase monthly expenditure $21US; increase food security index 0.18 Stdev; no impact monthly revenue • Study comparing graduation with equivalent lump sum transfers found no lasting impacts of cash transfer • Meta-analysis found only two studies with long term evidence on lump sum transfers and both showed declining impacts
CCTs	Poor	Improved health and education outcomes for children, including in the long run	Limited or no improvements in productivity, income generation, enterprise investment; limited reach and impacts for extreme poor	• Synthesis of literature on Prospera finds program increased calorie intake by 3.4% during transfers; had positive impacts on child schooling and health; and had no impact on adult labor-force participation or hours worked • Medium term study of CCTs for adolescent girls found positive impacts on schooling during transfers and lasting reduction in fertility, but no gains in labor market outcomes

[29] Table from Michelle Kaffenberger, CGAP

Access to markets, capital and capacity

a. Identifying the problem

When broadly assessing micro, small, and growing businesses beyond the ultra-poor, there has been significant progress across the value chain. These business suffer from lack of access to markets, financing, and capacity. We can broadly segment entrepreneurship in three key categories:

- Micro, subsistence, and small entrepreneurs
- Aggregators or moderate growth entrepreneurs
- Small and growing businesses

For the micro, subsistence, and small entrepreneurs, these are typically groups that have more food security, some assets, and access compared to the ultra-poor. The profile of this group typically includes the set of micro and subsistence entrepreneurs that are merchants that operate across the developing world and are estimated to be a group of about 180 million that are often financially excluded despite transacting over $6.5 trillion in goods and services per day.

This group of enterprises is expected to grow especially as more of the population moves out of rural settings and into urban and semi-urban centers. Urbanization, lack of rural opportunities, and volatility of rural farming are main drivers of this trend. People living in rural areas and depending on traditional forms of livelihoods, such as farming, form a large part of the population. In absence of opportunities and declining agriculture output, people will move to the cities, resulting in 2/3 of the world's citizens living in cities by 2050. Furthermore, due to climate change, conflict, and lack of planning, many workers are on the cusp of falling below the extreme poverty line and have minimal capacity, assets and savings to see them through crises. The lack of resilience is a significant challenge throughout the developing world and especially prevalent in Sub-Saharan Africa and South Asia. These challenges are expected to drive instability and even greater migration to cities and other countries, thereby putting pressure on local systems.[30]

For smallholder farmers and micro and small merchants, the gap in financing is projected to be in the range of $15-35 Billion, depending on the estimates and reports cited. Along with this financing gap is a need of training and mentorship and access to markets. A core systems-change effort here is to influence governments to provide smart subsidies, intermediaries to help small holder farmers organize and aggregate, financial inclusion, and literacy training for micro and small merchants and restructuring micro-financing organizations and banks to be able to serve micro and small merchants effectively.

[30] ILO. (2016). World Employment and Social Outlook: Trends 2016. International Labor Office, Geneva

The estimated global credit gap for MSMEs exceeds $2.5 trillion, and these credit constraints are most acute in low-income countries. Overall, approximately 70 per cent of all micro, small, and medium-sized enterprises (MSMEs) in emerging markets lack access to credit.[31] For the purpose of the study and analysis, microenterprises were defined as those with 1–4 employees; very small, 5–9 employees; small, 10–49 employees; and medium, 50–250 employees. Informal MSMEs were defined as all MSMEs that were not registered with the municipality or tax authority and all non-employer firms, independent of registration.[32]

Average credit gap per enterprise (USD $)

Region	**Informal**	**Micro**	**Very Small**	**Small**	**Medium**
Latin America	6,497.80	15,762.52	20,564.68	75,281.48	501,227.13
Middle East & North Africa	7,214.73	18,498.13	20,961.88	82,330.23	597,779.88
South Asia	2,551.56	5,538.00	7,564.83	25,401.22	163,332.39
Sub-Saharan Africa	1,517.84	3,007.50	7,309.24	24,578.70	149,059.32

Another study conducted by the Global Development Incubator looked at a sub-segment of higher growth potential enterprises and found a gap of $10-15 billion. In IFC's study, SMEs in developing countries were short about $1 trillion in financing.

Overall, it is clear that financing gaps for entrepreneurs are acute and significant in most of the studies conducted. The higher growth entrepreneurs typically have a much easier time obtaining credit and support from venture capital firms, but still have a difficult time getting significantly more capital due to lack of exits and lack of local business ecosystems. Nevertheless, many of these organizations evolve to access local traditional financial institutional capital or use structured exits to provide a return to their investors while they continue to grow.

The last group of faster growth enterprises have been well served by impact investors, especially in the asset light type sectors of FinTech.

[31] Bell, S. (2015). Small and Medium Enterprises (SMEs) Finance. The World Bank. Retrieved from: http://www.worldbank.org/en/topic/financialsector/brief/smes-finance
[32] IFC Advisory Services (2013). Access To Credit Among Micro, Small, And Medium Enterprises. Retrieved from: https://www.ifc.org/wps/wcm/connect/1f2c968041689903950bb79e78015671/AccessCreditMSME-Brochure- Final.pdf?MOD=AJPERES

b. Barriers to improving access to markets, credit, and training

For micro, subsistence, and very small entrepreneurs, the biggest barriers to greater employment, financial inclusion, and growth have been:

- **Difficulty in obtaining local bank financing:** Many lack the required collateral, track record, positive cash flow / profitability to obtain traditional bank loans. In addition, banks often do not actively seek to serve such businesses, or develop loan products tailored to them, due to unfamiliarity, high cost-to-serve, and perceptions on risk and return compared to alternative options. Where bank financing is available, it is often on unattractive, with inflexible terms and high interest rates. This is especially acute in any kind of investment or capital expenditure as well as working capital for inventory.
- **Lack of financial understanding and market information:** Companies often have basic technical assistance / capacity development needs, such as business or financial literacy, market information, etc. However, rates of return on lending do not cover the costs of technical assistance, and these companies often have limited ability to pay for such services, meaning it is hard to cover the costs of technical assistance without external subsidy.
- **Regulatory burdens:** Oftentimes, traditional lenders and assistance providers ask for onerous KYC (know your customer) requirements as per regulation, and informal or small businesses that do not have time to fill out paperwork cannot meet these requirements. There are also often challenges with lack of rights/titling/asset protection that have been most acute amongst youth and women.

The biggest gaps for the next SME segment are cited to be poor liquidity/exit options, high transaction costs, and limited capacity of the entrepreneurs and investors.[33]

In extensive studies, challenges for SMEs include:[34]

- **Too big and complex for micro finance institutions:** These organizations have outgrown micro financing, typically requiring growth capital over MFI lending limits. Furthermore, MFIs do not have the product capabilities nor understanding of the complexity of these businesses to provide adequate support for growth. Products are often at a high price and for more short-term financial support, whereas zebras require longer-term finance.

[33] GDI and Omidyar Network study
[34] In interviews and discussions with Dutch Good Growth Fund

- **Challenging economics:** For investors focused on this segment, it is a challenge to make their economics "work," due to the unfavorable ratio of transaction costs vs. ticket sizes and high failure rates, acknowledging that views differ on what "attractive returns" to investors are.
- **Lack of Development finance institution support:** Development Finance Institutions (DFI) have historically been major funders of SME funds, but some seem to be moving away from SME fund investments, as many funds have not been able to meet the return expectations of DFIs. Reasons for lack of DFI interest also include not being a pure PE or debt fund/vehicle, long tenor for class interests and further, not meeting investment criteria.

c. Promising solutions for access to markets, credit, and training

Each of these entrepreneurial segments is a different size and scale globally, but one clear distinction is who becomes an entrepreneur out of necessity vs. seeking opportunity. Given the population shifts outlined above, there will certainly be more necessity entrepreneurs in environments where there are limited quality jobs, policy constraints to formal work, and significant resource constraints.

However, with the right tools, training, and access to credit, necessity entrepreneurs can become productively self-employed or even growth entrepreneurs. There are a variety of promising solutions for this next tier of job creation through supporting micro, small, and growing businesses.

Microfinance and micro-credit: On the micro-entrepreneurship side, typically with borrowing from $100 to $5000, there are successful solutions from the world of micro-credit and microfinance. Although there are many detractors regarding microfinance about predatory pricing behavior, it has been a truly transformative movement that became commercially adopted around the world. Many impact investing funds continue to invest the MFI intermediaries that are able to provide microfinance while maintaining profitability. A key lesson for many borrowers is to also seek guidance on financial literacy and ensuring that borrowing is matched to needs such as working capital for inventory. A core test of the efficacy of this model is that significant capital is deployed and that mainstream investors enter the market, both of which has happened in this space.

Borrowing groups and self-help groups: A decades-old innovation of borrowing at the community, rather than the individual level, was pioneers by Mohammed Yunus and continues in many communities until today. The most effective of these groups comes with savings training and financial literacy training.

One of the most long-standing and effective programs is Pradan/TRI India that focused on livelihood development, saturating villages with opportunities, and training on the group community representatives.

Smart Subsidies: A very promising evolution is the concept of the government providing smart subsidies to intermediaries that provide funding to smallholder farmers and aggregators that support smallholders. The idea is that governments will prove out the models and crowd in commercial capital. The team at the Initiative for Smallholder Finance and the multi-stakeholder group of Council for Smallholder Agricultural Finance, along with Root Capital and AgDevCo, are making strides in both aggregation and smart subsidy models.

Financing tools and vehicles: There are a variety of financing tools, vehicles, and networks that are rising to address capital gaps, misaligned risk/return, and time horizon expectations. These include Angel Networks, Early Stage Funds, Mezzanine Funds, Venture Capital Funds, Accelerators, Funds by specific sectors (Agro, Fintech, Energy, etc). Furthermore, there are **emerging blended capital and structured capital facilities** that include guarantees, first loss, secondary liquidity, and SME securitization that are unlocking significant levels of capital and support for SMEs around the world.[35] Many of these emerging funds are focusing on job growth as a key part of the investment thesis. A few of the standouts includes SME Funds (resonsAbility, XSML), Early Stage Long Term Holding Co Funds (BPI, I & P), Accelerators/Investors with Techcnical Assistance (Village Capital, Accion Ventures), New Facilities (Blended Finance, Guarantees, Secondary Liquidity, SME Securitization), and VC Funds by sector (agro, fintech, energy, etc). Another exciting development is the participation of governments in developing loans for youth entrepreneurship and financing; recent examples exist in Tunisia and Brazil.

Impact Monetization and Impact Kickers: An exciting new tool that is expected to focus on job creation is to rewards SMEs for hiring more people. Innovations and pilots are emerging here that could hold promise for governments to reward companies that drive job creation through impact bonds. Bertha Center in South Africa is one of the leading innovators in the space, along with Acumen and Shell Foundation, amongst others.

Access to Markets: Over the last 10-15 years, there has been increasing support for artisans and home or small businesses to receive training and access to markets. There are now a variety of successful networks that are working with artisans, clothing and home goods producers all over the world to make links to companies and stores that are looking for both stylish and meaningful products. Although these remain a niche part of the overall global supply chain, the movement is growing.

[35] Dalberg/GDI Innovative Finance for Development

Entrepreneurship training: There are a variety of accelerators, networks (e.g. Aspen Network of Development Entrepreneurs), and private-public partnerships (e.g. Boost Africa) that are providing training for entrepreneurs all across the value chain. Additionally, technical assistance mechanisms exist to connect corporates to SMEs around the world cost effectively (e.g., Partners in Food Solutions). Several countries are also setting up youth entrepreneurship centers and I-Hub type training centers, specifically in East Africa including Rwanda, Tanzania, and Kenya.

Global entrepreneurship training at the city level and embedding it into school curricula: One high-potential intervention comes from the Wadhwani Foundation, which developed a cloud-based delivery program to support people becoming entrepreneurs. This approach recognizes that the education system is outdated and focuses on developing and delivery of fresh, engaging content with the support of a facilitator rather than a teacher. The sweet spot for this intervention is workers that finish high school but do not go to college and are motivated to engage on more menial jobs. This program educates and inspires people to become entrepreneurs, using cloud-based online delivery of entrepreneurship education (600 institutes in India, >100,000 students).

The biggest challenges that remain in this sector are to move mainstream capital markets towards investing in these enterprises, improving the risk/return economics through efficiencies (IT, risk evaluation) and blending capital, ensuring that there are sufficient access to markets, and matching mechanisms and credit evaluation between investors and borrowers.

Wage-Related Labor

a. Identifying the problem[36]

Global unemployment today is estimated at 200 million, predominantly in East Asia & Pacific, Latin America and Sub-Saharan Africa, although there are also high unemployment rates in several European countries, such as Greece and Spain.

Exhibit 1: Unemployed and vulnerable

In Millions of people (2018 predicted ILO estimates and growing)

Region (excluding high-income countries)	Unemployed
Sub-Saharan Africa	30.1
Northern Africa	9.2
Latin America & the Caribbean	27.1
East Asia & Pacific	86.5

[36] Significant input throughout this section from Nicole Goldin, Senior Economist and author on employment issues.

Skills gap and misalignment are increasingly a central challenge as workers do not have the competencies or abilities employers seek. As described above, the nature of work has changed, and employers are seeking a wider range of 21st century skills that most lower-income educational systems and institutions are failing to provide. These include behavioral and communication skills, entrepreneurial or business skills, computer literacy and digital skills, and even vocational skills that meet harmonized global standards for more advanced manufacturing or trades. Surveys by the ILO for example have found that across 24 countries in Europe, between 25 percent and 45 percent of the employed are either overqualified or underqualified for their job; and across 27 low and middle-income countries worldwide, less than half of employees were considered well-matched.[37]

Information and matching gaps can have adverse effects on both employers and potential employees, and exacerbate the skills mismatch; employees may be unaware of employment opportunities suitable for their skill sets, while employers are unaware of the unique, innovative, and local potential workforce at hand.

Spatial issues in terms of **job accessibility** or getting to work is a challenge faced by many workers. With job opportunities increasingly urban-based, inadequate or unsafe transportation infrastructure further compromises one's access to employment opportunities.

Stigma, incentives, and expectations gaps can limit occupational choices or get in the way of getting and keeping a job. Negative perceptions associated with sectors with significant employment opportunities, such as agriculture and hospitality, may be an even more present challenge for youth in societies where youth are particularly influenced by their parents' beliefs and values or where young women's educational and career options are limited by cultural norms. The gap between employer and young employees' expectations can also be problematic. The way in which the private sector manages its expectations of young employees, and new worker inexperience, impatience, or inflated expectations, are frequently underestimated factors in workforce turnover.

Policy and systems gap refers to the fact that while many programs, while necessary, are insufficient to scale. The extent of the crisis needs comprehensive and integrated policies, institutions and systems that build human capital and strengthens skills, stimulates job creation, promotes youth employment, and supports decent work. Similarly, challenges in building consensus between multiple players with different motivations in the workforce and employment system leads to coordination failure, undermining effectiveness, and scale.

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[36] Significant input throughout this section from Nicole Goldin, Senior Economist and author on employment issues.

[37] 2014, Spareeboom and Staneva

The changing nature of work is another major global trend that is quickly evolving, while the training and education pipeline are lagging behind. The emergence of digital, green, knowledge, and service economies alongside globalized value chains is altering the labor market needs and the future of work. As urban economies are more service oriented, social and soft skills, as well as vocational and professional skills, are even more requisite for success. As markets become further integrated and international and people are on the move, language skills, resilience, and multicultural fluency are increasingly important along with sustained needs for basic literacy and numeracy and technical competencies. However, the traditional systems of training and education are not preparing the workers of the future.

Digitization and automation of high labor intensity jobs that were traditionally filled by the poor and lower-income populations is also putting further pressure on the system. Overall, trends point to jobs that are expected to require higher value-add skills and a significant reduction of available jobs. To succeed in an increasingly digital world facing the Fourth Industrial Revolution, STEM competencies of science, technology, engineering and math are no longer a luxury. The training and education pipeline overall is poorly aligned to job requirements and is resulting in a poorly-prepared population for available jobs, both in technical capacity and soft skills. Even for the Middle East, North Africa, and India, where there are a hundreds of thousands of university and college graduates, it is challenging for them to find jobs. Overall, employers often cite lack of skilled labor as a critical challenge, reflecting a significant skills gap.

b. Barriers to improving jobs outcomes

More specific constraints to employment may arise on the individual level, result from market or government failure, or be a symptom of a weak or unsupportive macroeconomic environment. They routinely manifest as either a supply side barrier (skills gap, individual), demand side barrier (not enough job, business growth), or a failure of the labor markets to clear.

Much of the analysis, literature and emerging evidence shows that most of the constraints listed in the table below that hinder any worker will be experienced by youth more acutely. It is worth also noting (see S4YE 2015) that the barriers will likely vary by person and place and that many individuals will have further obstacles or have a harder time overcoming them – for example young women, youth with disabilities, or youth in fragile and conflict areas.

GDI and Nicole Goldin recently conducted a study (*NOTE: not published and confidential*) that shows some of the emerging conclusions and trends related to jobs that reflected the mismatch of supply and demand and the focus on supply-side interventions.

Literature Review

20 Sources Consulted

Key Takeaways

- **Contrasting perception** between educators and students
- **Goals misalignment** between employers and youth
- Heavier supply side investment; **demand and market clearing matter as well**
- **There are accelerating opportunities in, and implications of, technology in youth employment** (e.g., automation)
- **Multi-sector/partnership program** design approach
- **Context matters;** challenges for youth vary significantly across income levels, urban or rural, and environment fragility

Landscape Analysis

22 Peer and Benchmark Programs Examined

Key Takeaways

- Dominated by **supply side interventions and actors**
- **There is a lack of coordination** across the broader range of youth employment actors (funders, implementers, researcher)
- National public sector actors are increasingly **reliant on private sector actors**
- **Technology is increasingly widespread** as a delivery tool and platform
- More **direct impact and implementation** interventions
- Movement towards **youth- centered design**

In another recent study conducted by the Aspen Institute (*NOTE: not published and confidential*), Jamie McAuliffe identified the following key barriers (select sample):

- Even the most effective employment interventions are subscale and have not yet developed sustainable business models.
- Global funding for youth employment is largely project- and initiative-driven and fails to cover operational and capacity costs, limiting scale.
- Few global service provider partners exist. Several funders and multinational companies noted the absence of mature, global partners positioned to implement youth livelihoods grant-making strategies across multiple regions. Programs have remained country- or region-specific, or are imbedded in much larger development institutions.
- Evaluations show encouraging results, particularly in low-income countries, but more research is needed.
- No current space brings together developed and developing world models and practices.
- Youth training programs lack consistent metrics that allow cross-organizational comparison and cost-benefit analysis, and data-driven return-on-investment calculations are rare.

c. What works and does not work

In the last several years, a number of papers and projects have determined that most promising interventions and wage-related employment solutions are sub-scale and, although growing, do not have any trajectory towards meeting the magnitude of job seekers coming online.

JOB OPPORTUNITIES

Impact sourcing: Leveraging the lesson off the massive outsourcing companies in India and the Philippines, the last 5-10 years have seen the rise of "impact sourcing" companies. These are companies typically engaging with lower income or disadvantage populations and provide on the job training in digital skills, with notable examples including Digital Divide Data and Cloudfactory. Some of the companies have come together to form the Impact Sourcing Alliance, a network of companies looking to provide training backed by customer demand and sustainable growth. The reality, however, is that all of the companies are at most several thousand employees and often just a few hundred.

Micro-work: Another trend that leverages technology is to work remotely on specific tasks through platforms such as SamaSource, Up Work, Freelancer, and others. Service providers sign onto a platform and market their skills for discrete projects, lasting anywhere from an hour to many months or even years. These platforms have been extremely successful, and tens of thousands of freelancers provider millions of hours of work. These platforms, however, often provide very low price points to providers, and projects often accrue to the same top 10 per cent of the freelancers. Nevertheless, these platforms have proven their stickiness for a subset of the population.

Digital jobs: An exciting vision with the permeation of technology is the promise of digital jobs, whether impact sourcing, micro-work, or a whole host of other possibilities. Despite predictions of millions of jobs, most of the opportunities grew to the tens of thousands. The demand from companies did not materialize and the training and skills required did not match the need.

Sector-based work: There are emerging sectors that typically do not require significant training and are predicted to be significant job creators, such as construction, retail/hospitality and others. Encouraging people to move into highly-growing fields with on the job training is a valuable strategy that can address at least some of the jobs gaps.

Vocational/apprenticeships: Building off of the significant success in Germany and several other European countries, vocational/apprenticeship approaches are emerging as a new and an important answer to job skilling aligned with demand. Programs are in the process of being tested to adopt this approach to new markets and settings, but progress has been limited. (Per McAuliffe, organizations like the *Global Apprenticeship Network* are establishing company coalitions in countries around the world to build new apprenticeship or on-the-job traineeships. Companies such as *Adecco* are dedicating significant resources to building apprenticeship programs in Europe.)

JOB TRAINING

Job training: On the supply side of training, the traditional pitfalls include a significant number of training courses for jobs that do not exist. The market has evolved to connect more closely to the demand side through partnerships with the private sector in curricula, standards or teaching, and increased on the job learning opportunities to better ensure education and training are demand-driven and responsive to the job market and employer needs. Other programs use creative approaches such as such as sports, arts, or service learning to teach teamwork, communications, and other employability skills. Overall, it is critical to ensure that all training and skill development is fully aligned with corporate, SME, or government demand. A range of new government policies have shown promise in addressing the demand side and institutional barriers (as outlined above) which need to be tackled in order to stimulate private sector growth and job creation and encourage the recruitment of youth into formal wage paying opportunities specifically. These include:

- Training or wage subsidies to mitigate the risks associated with young workers (South Africa, Tunisia);
- Public private partnerships, taxes, and other incentives to facilitate increased apprenticeships and entry-level vacancies;
- Trade or macro-economic/industrial policy reforms to spur growth and investment in labor intensive- and youth friendly- sectors.

Corporate training and innovation centers: IBM and many other large companies have started corporate innovation and training centers to more closely align workforce development with actual corporate needs.

Massive Online Open Courses: Incorporating educational technology and platforms, such as MOOCs, interactive apps, and remote classrooms, to extend reach to more remote or out of school learners is the future of training. Digital training is emerging not only for single classes, but also making inroads into Ivy League schools. However, the question remains as to which skills and jobs might be available for these digital learners.

Job matching / market-clearing: As per Nicole Goldin, with increased recognition of intermediation constraints, a number of practices (often as part of or as a complement to supply or demand oriented programming) are being utilized by public and private sector actors alike to increase wage job quality and/or address labor market failures and lack of alignment between supply and demand such as information, spatial, or expectations gaps. These include 1) making ICT based job platforms more accessible and localized; 2) strengthening public employment services and increasing accuracy and availability of labor market information; 3) expanding micro credentialing to better enable skills signaling and revisiting certification schemes; establishing or reforming regional degree or reciprocity schemes for high migration corridors; 4) providing safe transportation or innovate on ride/bicycle share and sponsored organized in-migration; 5) couple job fairs with career information campaigns and engage parents and school guidance counselors to reduce stigma and encourage wider range of career pathways; 6) promote participation in labor unions by young workers to better advocate for worker rights and conditions and invest in more rigorous evaluation to unpack specific design elements to determine what works for whom, where, and why. One approach as part of the certification movement is to consider solutions that focus on a person's career and evolution rather than just a job.

According to Jamie McAuliffe at Aspen, it is important to note that corporations have also started to make larger commitments to address unemployment, especially for youth. Leading foundations have made youth livelihoods a strategic pillar and organizations like YouthBuild International, McKinsey's Generation Initiative, Education For Employment, Harambee, International Youth Foundation, and a host of emerging social change organizations are testing and proving new approaches to provide pathways from education to employment for unemployed youth.

Nevertheless, as we have seen in the GDI/Goldin study and as McAuliffe points out, "The field overall is emergent with many initiatives still at a small scale, fragmented, and in early stages of development. Only a small number have shown the ability to scale and impact thousands or tens of thousands of participants let alone the hundreds of thousands or millions that the scale of the global youth employment crisis demands."[38]

Place Based Systems Change An emerging approach that has received some traction is focused on context or "place" specific, collaborative in design and implementation, and uses a systems lens to understand the jobs or livelihoods eco-system opportunities most ripe for change.

[38] McAuliffe, Aspen Study

The idea is that a multi-stakeholder initiative will be developed and operate on two levels: 1) local collaboratives of decision makers will identify high priority needs, goals, and strategies related to youth work and outline the policy, funding, and coordination needed to scale economic opportunities for youth in their communities. A trusted local "anchor" institution will help convene the local actors, provide strong data collection and evidence- building, and ensure equitable participation and strong coordination. 2) At the international level, the participating cities will be connected through a global community of practice to facilitate shared learning of effective approaches, tools, and evidence-building. Representative youth leaders from each community will inform a global convening strategy, including the possibility of launching the first Global Opportunity Youth Summit. Additionally, global companies, philanthropies, and international partners will bring funding, expertise, and an advocacy agenda on behalf of youth across the sites. The advocacy agenda could be supported by a global campaign to raise the profile and priority of youth opportunity across the participating cities and emphasize the global forces that are shaping the future of work for youth, including climate change, internal and external migration, and technological disruption, among others.

Further afield solutions but nevertheless critical to consider include: [39]

Universal Basic Income: Recognizing the world has plenty for all without everyone working and that not only are there not enough jobs, but that it is not necessary to have a job, the idea is to set a floor for everyone to have a universal basic income. Although the concept has been around for many years and technically the world's capital supply could support such an approach, the idea of a mass redistribution of wealth will be unlikely to garner the political will any time soon.

Transformation of education systems: Transforming education systems to support jobs of the future, jobs in emerging fields, and overall entrepreneurship training while moving away from the traditional rote classroom learning system is also gaining traction. However, the challenge of actual demand for employees is limited, and therefore, this approach will address only some of the challenges.

Creating jobs through building government capacity (new insight): As most solutions at scale develop, especially those focused on systems change, it is clear that a significant improvement in customer staff and capacity is a critical part of the answer. Through the very nature of increased and improved services, government agencies could see a large growth in employment needs over the coming decade. A recent example includes the Beyond Zero healthcare worker started jobs initiative in Kenya.

[39] Alice G., GDI Ideas and brainstorming (please contact for further information)

Creating a local circular economy (confidential, in process of development): By transforming the economic unit to the city / urban or peri-urban level, a community can move away from ever increasing economies of scale and choke-holds of growing corporations. These new economic units can leverage emerging technologies such as AI/3D Printing and warehouse gardening to create local circular economies, buying locally, and recycling locally. Furthermore, this reduces long supply chains, risk of slave labor, costs, and environmental impacts, while building up local producers, manufacturers, and artisans.

Appendix on financing

Across all of these opportunities, there are further evolving financing tools to support jobs and livelihoods. A simple draft chart for illustration purposes maps out emerging capital pools and innovative tools:

	Typical Direct Grants	Large Grants	Big Bet Philanthropy	Results-Based Financing	Impact Investing/Blending/ Sustainable Investment	Govern-ment Funds
Description	• Innovation grants • Piloting grants • Local and direct scale (direct measure)	•Bilaterals/ NGOs develop job programs in countries and regions • Influence on gov't programs and budgets	• Systems change grants • Global funds • Pooled capital • Need large donors	• Pay for results • Develop-ment impact bonds/social impact bonds • Strong RCT/measurable outcomes • Need investors	• Enterprises generate return and impact • Blended/stacked capital structures • Guarantees/first loss • Fund economics still in process • New models/instruments	• Gov'ts provide large funds and incentives to spur job growth
Grant Size (multi-year)	$50K - $1M	$5 - $20M +	$20 - $100M	$5 – $25M	$50K - $2M (early stage) $5 - $50M (matured)	$100 - $200M total w/ small grants into SMEs
Examples	• Mastercard Foundation, Shell Foundation, DRK/Mulago, Skoll Foundation, Hilton, Prudential	• USAID, GIZ large scale projects in countries • WB in Egypt	• Blue Meridian • MacArthur 100 & Change • Co-Impact	• Village Enterprise • Girls Education India • Fundacion Capital Mexico	• Omidyar • DGGF • Accion • INGOs (MercyCorps, OXFAM)	• Tunisia • Brazil
Jobs Fund Opport.	• Another Job Fund to scale what works • Pool with other donors • $4YE to distribute innovation grants – partner with Job Fund	• Work together with large scale players on national programs	• Systems change approach/idea (e.g., demand-driven corporate partnerships and SME development)	• Look for workforce development bonds, esp. on a large national & city basis • Gov't as ultimate payer – Social Impact Bond • Consider apprenticeships	• SMEs investment & training vs. jobs-related enterprises • Job accelerator funds • Need to find "fundable" opportunities • Jobs "impact kickers" and incentives to create jobs • Corporates that hire more people for decent work	• Gov't to fund large capital pools