The Partnership for Economic Policy (PEP) provided multifaceted and comprehensive support for 65 locally-led projects in 34 developing countries through this flagship initiative from 2012 to 2016.

The support received during the program has led many PAGE researchers to become national experts and their findings used to inform policymaking in their country.

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PAGE research teams were selected on a highly competitive basis, through a series of open calls for proposals that were launched annually: in 2012, 2013 and 2014. While the calls were open to teams from all developing countries, priority was given to those from low-income economies, fragile and/or conflict states (LFCs). Of the 420 project proposals submitted under the three PAGE calls, 152 were from LFCs, and 29 of the 65 projects selected for support were conducted in LFCs.

This page provides an overview of the main features and outcomes of the PAGE initiative, completed by the end of 2016.

65 projects in 34 countries

- 45% in low income, fragile or conflict states
- 48% Africa
- 25% Asia
- 18% Latin America
- 9% Eastern Europe & Middle East
- 34% female team leaders

274 local researchers

- 46% in low income, fragile or conflict states
- 54% women
- 35 yrs average age at project selection

52% researchers experience major career-promoting events

39% events lead to increased involvement in policy processes

Impact

1 in 3 projects result in findings taken up to influence policy

95% teams discuss findings in person with decision-makers

75% teams receive new funding/contracts to pursue related research

69% teams engage policy stakeholders in dissemination of findings

Publications

1 in 5 projects have a paper published in a peer-reviewed scientific journal

65 PAGE project teams published 77 working papers and 54 policy briefs.

Dissemination

- 39 organize national policy conferences
- 27 present at international conferences
- 55% reported in national news media
PAGE themes and toolbox

Among the several peerless features of the PEP research support program is the breadth of policy issues and analytical perspectives that granted researchers can choose to be trained in and apply during their PEP project.

PEP currently has four global thematic research groups (TRGs) that contribute to building the capacity of developing country researchers, while producing locally-relevant knowledge. Each TRG focuses on a specific analytical approach - including tools and techniques - in which PEP-affiliated experts and resource persons specialize.

The 65 projects supported under PAGE were distributed among these four groups as follows:
- Microeconomic analysis: 27
- Macro-micro policy modeling: 18
- Community-based monitoring systems: 14
- Experimental research: 6

In order to ensure the policy relevance and responsiveness of the PAGE projects, PEP called upon a group of five policy specialists and stakeholders from different regions of the world (the PAGE Policy Group) to identify a list of priority issues, under the broad theme of inclusive growth and employment, that are especially relevant to addressing specific knowledge gaps and policy needs in terms of the evidence base.

Priority issues identified for the three PAGE calls for proposals include:
- Providing social protection to the informal sector
- Safety net complementarities
- Youth employment and entrepreneurship
- Employment intensity of non-agricultural growth
- Entrepreneurial risk tolerance by gender
- Discrimination in credit access for female entrepreneurs
- China’s growth: opportunities and challenges for developing countries
- Improving the targeting of public expenditures and social assistance
- Design of minimum wage policies and impact on youth and female workers
- The inclusiveness of growth: the role of labor markets
- Natural resources and employment
- Micro and small enterprises for economic empowerment and poverty reduction

The following section presents general conclusions and findings drawn from PAGE projects across the globe, highlighting specific themes or trends that have emerged from the research teams’ perspectives following the evaluation of their countries’ priority issues.

PAGE policy findings

The impact of migration and remittances on welfare and employment back home

PAGE projects from Cambodia, Kyrgyzstan, Macedonia and Senegal focus on the impact of migration and remittances on welfare and employment in their respective countries, with varied outcomes.

One criticism of remittances is that they can create a “dependency effect” among the left-behind family members who choose to rely on the remittances rather than continuing to look for employment. This is found to be the case in Cambodia and Senegal with households that receive remittances demonstrating lower labor market participation than non-recipient households. In Senegal, however, households with migrant workers tend to spend more on education and health, suggesting that remittances contribute to improving human capital.

The “dependency effect” was not found in the studies from Kyrgyzstan and Macedonia. In Kyrgyzstan, remittances were found to be primarily used to finance current consumption expenditures. Similarly, in Macedonia, remittances serve as an informal source of social protection, increasing consumption and improving health. A second study in Macedonia found that youth living in households receiving remittances are considerably more likely to establish their own business than youth and adults from non-recipient households.

Credit access discrimination for women at the SME level

PAGE projects in Bangladesh, Cameroon, Nigeria and Senegal focused on credit access for women at the SME level. Their findings indicate that female entrepreneurship tends to be hindered more by social and cultural constraints than by limited access to financial services. While no direct discrimination of women with regards to eligibility for loans was found in any of these studies, all findings suggest that the relative difficulty faced by women (compared to men) in obtaining credit to support business activities is due to a variety of underlying social and cultural factors.

In Cameroon, the Constitution grants women the right to property. However, tradition dictates that only men can own and dispose of property as they wish meaning that women face significant restrictions to providing collateral when applying for loans. In Nigeria, access to credit is often more restricted for micro and small enterprises and most female-owned businesses fall into this category. Similarly, in Senegal, the researchers observed discrimination against women for senior roles in business, i.e. positions with the responsibility for applying for financial services.

The story in Bangladesh is different, in that the constraints come from within the household, but the outcome is the same. Men tend to benefit significantly more than women from entrepreneurial loans, even when women are the direct recipients. Female beneficiaries allow male members of their households to use the loans for entrepreneurial activities while they allocate their own time to household responsibilities.
Effect of minimum wage policies on labor market outcomes

Advocates for a national minimum wage say it can help create a more equitable society by shrinking the wage gap of low-paid workers, while opponents argue that companies will hire fewer low-skilled workers resulting in increased unemployment. Findings from PAGE projects in Argentina, Ecuador, Cameroon, Bolivia, and Kenya indicate that setting or raising the minimum wage can have positive income and well-being effects, provided it is managed appropriately.

In Argentina, increasing the minimum wage level was not found to reduce employment, nor increase informality. In Ecuador, minimum wage raises were successful in increasing earnings for low-wage workers, and may also be linked to reduced inequality. Furthermore, based on the findings from Cameroon – a wage increase in the informal sector would significantly growth and well-being – the research team suggests that a minimum wage should be established and enforced in the country, including in the informal sector.

On the other hand, Bolivia’s minimum wage policy has introduced biases into the labor market that have negative effects on vulnerable workers, particularly women, in terms of well-being and employment conditions. However, the team’s findings indicate that these issues arise from employers only partially complying with the minimum wage regulations (e.g. raising wages but reducing hours) and that more moderate increases are less likely to result in these negative effects. The findings from Kenya also suggest that the minimum wage needs to be carefully managed to achieve a balance between the demand for higher wages and the negative effects associated with minimum wage increases in the country - such as reduced growth, labor demand, and rural incomes.

Mineral and employment

With many developing countries economically dependent on mining, revenue distribution and international market fluctuations can have widespread and varied effects. PAGE projects in Niger, Mongolia, Colombia, and Burkina Faso investigated the impact of extractive industries on their respective economies.

Two projects were undertaken in Niger, one to look at the labor market and economic development effects of oil and mining sector boom, and one looking at the public spending policies as the extractive industries develop. In both cases the researchers found that Dutch disease can be avoided through the careful implementation of government policy. Without well-targeted investment policies, the rise in mining and oil exports causes a loss of competitiveness in other sectors, stunting long-term economic growth. Well-targeted investments, however, can increase employment, household welfare, and economic development. Similarly, gold mining in Burkina Faso can help to reduce poverty and increase average income. However, targeted government interventions are also needed to prevent increases in inequality and child labor associated with gold mining.

In Mongolia and Colombia, booms in the coal and oil sectors, respectively, can also have positive employment effects, including a shift towards formal employment in Colombia. However, Mongolia remains vulnerable to drops in the world price of metal ore, which would likely mean reduced employment.

Cash transfer schemes to provide social protection to vulnerable populations

PAGE projects in Nigeria, Argentina, and Serbia investigated how cash transfer schemes can be adapted to provide social protection to vulnerable populations in their respective countries and contexts. The findings from all the studies indicate that cash transfers can successfully reduce poverty and increase well-being.

In Argentina, despite fears that cash transfers would encourage beneficiaries to stop looking for work, the findings indicate the opposite, with adult men from beneficiary households becoming more likely to be employed.

A non-contributory cash transfer scheme for elderly citizens living in poor households in Nigeria was found to significantly improve their well-being and that of their households. Similarly, researchers in Serbia found cash transfers that take account of revenues from informal work can improve the targeting and coverage of the social protection scheme and could lead to a reduction in child poverty by up to 1.6 percentage points.

Promoting youth entrepreneurship to tackle unemployment

A common strategy for reducing youth unemployment is promoting youth entrepreneurship, however, there are many reasons why young people decide to start their own business. PAGE projects in Bangladesh, Chad, Ethiopia, Kenya, Pakistan, Argentina, and the Democratic Republic of the Congo (DRC), and Macedonia investigated the factors that encourage youth entrepreneurship.

Findings from Bangladesh, Ethiopia, and Chad indicate that most young people who become entrepreneurs in these countries do so out of necessity, rather than as a profit-seeking activity. Similarly, the likelihood of youth entrepreneurship in Kenya increases among married people, which is attributed to the need to provide for their family. In contrast, coming from a richer socioeconomic background is found to encourage youth entrepreneurship in Pakistan and Argentina.

In the cases of Argentina and Pakistan, entrepreneurship is less out of necessity and is helped by higher levels of education and training. Additionally, participation in entrepreneurial training is found to increase youth entrepreneurship in Ethiopia and Pakistan. The results from the Punjab Province in Pakistan indicate that higher general education and computer literacy encourage youth entrepreneurship. In Chad, educational language seems to be a factor, with young people who choose Arabic instead of French more likely to be self-employed, but mostly in modest, informal micro-enterprises.

In the DRC, there is a significant relationship between internal migration and youth entrepreneurship. While migration usually correlates to increased youth entrepreneurship in the informal sector, higher-educated migrants are more likely to create businesses in the formal sector. External migration of family members is shown to affect youth entrepreneurship in Macedonia, with youth living in households that receive remittances considerably (up to 33%) more likely to establish their own business than youth and adults from non-recipient households.
Microfinancing of SMEs as a poverty reduction strategy

A number of PAGE projects found that microfinance for small and medium enterprises (SMEs) reduces poverty. In the cases of Bolivia, Ethiopia, and Nigeria there were also significant positive implications for women’s empowerment. However, this was not found to be the case in Bangladesh.

In Bolivia, municipalities with access to microfinance were found to have a significant reduction in poverty in terms of unsatisfied basic needs, compared to municipalities without access. Additionally, women in municipalities with access were found to have a greater influence in household decision-making, indicating greater empowerment. These findings are similar to those for Nigeria, where microcredit beneficiaries were found to be significantly less vulnerable than non-beneficiaries, reporting reductions in the frequency of both child labor and household food shortages. Female microcredit beneficiaries were also found to be significantly more empowered.

The results of the study in Ethiopia indicate that the micro and small enterprise (MSE) sector has the potential to support the Ethiopian economy in achieving its development goals and that focusing on female-oriented MSEs is a key strategy for reducing poverty nationally. However, efforts to support female-oriented MSEs through microcredit have not been successful in Bangladesh as the female beneficiaries allow male members of their households to use the loans for entrepreneurial activities while they allocate their own time to household responsibilities.

Providing social protection to the informal sector

PAGE projects involving community-based monitoring systems (CBMS) in Togo, Burkina Faso and Bolivia investigated different aspects of how the informal sector populations in each country protect themselves against shocks such as accidents and illness, as well as planning for old age. In each of these countries, the majority of the labor force work in the informal sector and do not receive social protection via their employer nor the state.

The evidence from Togo indicates that almost all (94.5%) informal sector workers are willing to pay for access to social insurance programs. Similar results were found in the areas of Burkina Faso where there is little social assistance for informal sector workers. In Togo, this willingness to pay for social protection is found to be affected by the monthly cost of social protection contributions and the type of social protection offered, with around 20% of informal sector workers being interested in health insurance and old age pensions. Men are found to be willing to pay more for access to social protection benefits than women. However, this may be because the proportion of women working in the informal sector with a monthly income below the minimum wage is higher than that of men.

In Bolivia, the PEP researchers found that although shocks to the household income – such as accidents, illness and death – can be mitigated or prevented through the implementation of social insurance programs for vulnerable households, the most common coping strategy is currently for household members to work multiple jobs.

Impact of PAGE

A reliable evidence base on key development policy challenges

New research-policy linkages and consultation practices

Evidence-based policy decisions and interventions in favor of more inclusive and sustainable development

Supporting policy engagement to maximize impact

To produce useful, policy-relevant evidence that will help inform local policy decisions, PEP project teams are required to make meaningful efforts to consult and engage with key policy stakeholders and researchers. For project selection and all subsequent grant payments, teams must provide evidence of these consultations.

Each team’s efforts are monitored through PEP’s sophisticated monitoring and evaluation (M&E) system. PEP collects quantitative and qualitative information to produce detailed accounts of every project’s impacts and outcomes in three key areas: research quality, capacity building, and policy outreach. Projects supported under the PAGE initiative were the first to be monitored this way.

In 2013, PEP introduced the Best Practice Awards to annually recognize and reward the teams most actively engaged in linking their PEP research with policy at home.

The results from 51 PAGE projects surveyed between 2013 and 2016 show the impact of PEP activities and support went much further than expected.

By the end of 2016, the findings from 21 PAGE projects were taken up by local or national authorities as a direct source of evidence to inform policy decisions. In 13 additional cases, the findings were referred to by policy actors, in official or public statements, as evidence that would inform future policy decisions.

As well as encouraging policymaker engagement, PEP’s capacity building develops and promotes the expertise of local researchers so they may become national experts. This, in turn, ensures the long-term impact of PEP support.

Three quarters of PEP teams receive new funding to pursue related research and over 50 percent of PEP researchers experience career advancement thanks to their PEP experience.
From evaluation of a state cash transfer program to creation of a new national social security scheme

In January 2017, the Nigerian government began a new national social security program providing a monthly cash transfer to one million of the country’s poorest citizens. The program design follows recommendations based on findings from a local PEP team’s evaluation of the impact of an unconditional cash-transfer scheme for the elderly in Ekiti State, Nigeria.

The PEP study (2013-2016) was undertaken in collaboration with the Ekiti State Ministry of Labor, Productivity and Human Development – the government body responsible for implementing the state-level cash transfer program. This collaboration meant the team’s findings were used to directly inform state government decisions relating to the program’s implementation and expansion.

Throughout the course of their project, the research team was diligent in consulting with and informing key stakeholders, at both the local and national levels, as the government developed the National Priority Agenda for the Vulnerable. Following a consultation meeting with the federal Ministry of Labor and Employment to discuss how the findings can relate to other vulnerable populations, the Nigerian government announced their plan to provide the national social security program providing a monthly cash transfer to one million of the country’s poorest citizens.

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In September 2015, the Serbian Ministry for Labor and Social Affairs adopted a new policy of in-work benefit programs as part of the 2016 National Action Employment Plan (NAEP). This new policy was based on the recommendations proposed by a team of PEP researchers in their 2015 PAGE study looking at whether improved cash-transfers or promoting parental employment would be most effective in reducing child poverty.

Defining a new strategy to reduce child poverty

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Based on the findings of a team of local PEP researchers – that government-sponsored vocational training programs (VTPs) in Mongolia increase youth employment and monthly earnings among those who participate – the Mongolian Ministry of Labor and Social Protection (MLSP) has committed to the VTP policy. During the team’s national policy conference in 2016, the Deputy Minister of the MLSP stated that the government is revising the VTP design, with support from the World Bank, and that the PEP team’s findings would inform this work.

Mongolia

Strengthening national strategy to tackle youth unemployment

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Senegal

Informing design of new national migration policy of Senegal

PEP findings are being used to establish a national migration policy in Senegal – the first for the country. The PEP study (2014-2016), carried out by local researchers, investigated how migration and remittances affect labor market participation and human capital development in Senegal. Key recommendations from the study are to adopt a national migration policy and foster official channels for remittance inflows, as this was found to support human capital development through increased household spending on education and health.

Consultations with key national and international stakeholders and policymakers ensured their interest from the beginning of the project. In October 2016, the research team organized a national policy conference in collaboration with the DDCH (Direction du Développement du Capital Humain) - a government organization overseen by the Economic Planning and Policy Department of Senegal’s Ministry of Economy, Finance and Planning. During the conference, representatives of the DDCH stated that the results and recommendations of the PEP study would be used to feed their current work, in collaboration with policymakers and the International Organization for Migration (IOM), to establish Senegal’s first national migration policy.

In March 2017, the DDCH and IOM publicly announced that they are working together to develop a migration policy for Senegal.
Uganda

Building and promoting new expertise in experimental methods

A team of local PEP researchers used experimental methods to investigate how entrepreneurial risk tolerance determines credit demand among young entrepreneurs in Uganda.

As well as attending technical training sessions in randomized control trial methods during the 2013 PEP Annual Conference, the team also received training and support from their PEP mentor, developing their expertise in experimental methodologies throughout the project. The team members then shared their experience with colleagues in their respective institutions, contributing to the long-term capacity-building impact of this project.

Through the team’s consultation and collaboration with policy stakeholders, they were able to achieve a high level of exposure for their findings and specialized expertise. As well as a national policy conference organized by the team, they were invited to share their work at several international policy research events.

The high-quality and success of their project led to the findings informing the government’s Youth Unemployment Strategy and UNICEF-Uganda’s Country Programme Strategic Plan for its youth partnerships portfolio.

All five members greatly benefited in terms of their career with promotions and appointments to influential roles, such as senior government economists. The team received further research funding for a collaborative study evaluating the Innovation Systems Clusters Program. Several members were also selected to conduct new research using the methodologies they had developed during the PEP project.

Cambodia

Promoting new CGE modeling and policy simulation expertise

Local researchers received PEP support to analyze Cambodia’s planned trade liberalization and economic integration policies using CGE modeling and macro-micro simulation techniques.

As a result of the team’s consultations with policy stakeholders during their PEP study, they produced policy-relevant evidence and established themselves as national experts. The team generated keen interest in their new expertise and in the analytical tools they developed, such as the first Social Accounting Matrix of Cambodia, among relevant government agencies. Sponsored by UNICEF, the team held a workshop in CGE modeling and related techniques for Ministry of Economy and Finance and Supreme National Economic Council economists.

Institutions including the Ministry of Labor and Vocational Training have asked members of the research team to lead new research projects using the same tools and methods as the PEP project. In 2014, the project team leader was appointed President of the Cambodian Economic Association and he became the first Cambodian economist to be invited to join the IMF Economist Program in Washington DC. Other team members have been offered important positions at the Ministry of Economy and Finance, as well as in major banks and think tanks.