



# LOCAL ECONOMIC DEVELOPMENT SERIES

## Inclusive and Sustainable Recovery

**LED Session # 1: How can we support community/women groups for longer-term local economic recovery and resilience?**

### Key Takeaways

#### Opening remarks:

**Louise Cord:** COVID-19 is having severe economic impacts on local economies and communities, particularly on those most vulnerable. Recovery needs to be both resilient and inclusive. In this regard, Women's economic empowerment is critical.

**Martien Van Nieuwkoop:** The economic vulnerability exposed by COVID-19 calls for a more resilient economy and the local economic development would be a critical cornerstone of this. Local economic development is the most critical determinant to improve the quality of economic growth both in terms of offering inclusion as well as resilience and sustainability.

**Parmesh Shah:** Globally, women's groups have functioned for the last 2 decades. We want to see how these groups can be better utilized for economic recovery. Panelists include:

- **Alka Upadhyaya:** Additional Secretary, Ministry of Rural Development, Government of India: heads NRLM that supports 68 million Self Help Groups (SHGs) members in India
- **Sybil Chidiac:** Senior Program Officer, Gender Equality, Bill and Melinda Gates Foundation: promotes Women's Empowerment Collectives (WECs) in Africa
- **Thomas de Hoop:** Principal Economist at American Institutes for Research, Evidence Consortium on Women's Groups: is looking at evidence of women's SHGs
- **Vinay Kumar Vutukuru:** Senior Agriculture Specialist, World Bank: was involved in design of SHG based livelihoods in India and is working in Kenya now

## **Fireside Chat**

### **Question 1: what is your organization doing regarding women's economic empowerment?**

**Alka:** National Rural Livelihoods Mission builds institutions for poor women for self-sufficiency

- 6.4 million SHGs formed with 70% of women involved in agricultural activities.
- USD 40 billion of bank credit accessed by SHGs
- USD 1.5 billion of capitalization support extended by the Mission
- Focus is now to help women enter high-return activities.

**Sybil:** Over 15 years Gates has invested over USD 330 million in Women's Empowerment Collectives (WECs) to help women gain access to income and control of assets.

- WECs are comprised of five critical aspects: 1) Pooling savings and sharing risks 2) Group solidarity and networks 3) Participatory learning and life skills 4) Critical consciousness of gender 5) Access to markets and services
- WEC platform already exists across Africa and can be built upon.
- Investments have focused on financial services for the poor and agricultural development
- Gates is supporting the Evidence Consortium for Women's Groups.

**Thomas:** Women's groups are very different between Sub-Saharan Africa and India.

- In Uganda, savings groups have had a positive impact on financial inclusion with mixed evidence for positive impacts on economic outcomes. Livelihoods groups have a positive impact on economic outcomes, though evidence base is small. Very limited evidence on cost-effectiveness
- In Bihar, India, Jeevika has had nonsignificant impacts on productive assets and income. In Jeevika villages, there have been large reductions in informal interest rates. For landless households there have been larger, positive impacts on consumption and productive assets

**Vinay:** In India, the key is early access to financial services while in Kenya, the starting point is value chains and investment in the local government, infrastructure, and digital technology.

- All 45 rural counties of Kenya are being covered. The program builds on VSLA's to create common interest groups around specific value chains. These are connected to producer organizations and cover 1 million farmers, 65% of which are women.
- An innovation challenge was held with 15 startups. They're working with county governments and producer organizations to digitize last-mile service delivery.
- The project is investing in physical infrastructure: county markets, processing infrastructure, and equipment for producer organizations. Overall, focus on comprehensive LED ecosystem.

**Question 2: What has been the role of community/women groups during COVID crisis and what role are they playing in COVID 19 recovery?**

**Alka:** Within a span of 20 days, 51 million SHG members were trained on public health information to begin spreading to families and communities.

- SHGs independently created 230 million masks and 57.2 million people were served through community kitchens.
- While banks were closed, trained women distributed USD 2.7 billion to 206 million women.
- Financial inclusion has helped women smooth consumption and diversify income during COVID

**Sybil:** Across Africa, groups are using pooled savings, phone trees, making PPE, handwashing stations and supporting social distancing and feeding programs.

- It's important to provide women with health information (services, breast feeding, nutrition). We can't let these slip during the pandemic.
- GBV is increasing under COVID and women need access to supporting services
- SHGs are a powerful delivery platform. We must increase women's income and decision-making power over assets in order to weather shocks and contribute to economic recovery.

**Thomas:** Impact of COVID on Women's groups has been challenging to assess due to limited data.

- SHGs are challenged to meet due to social distancing and limited phone and digital tech access
- In long term, we want to see how resilient groups are. Could they make use of their savings?
- Past evidence shows that SHG members are more resilient after shocks than non-members.

**Vinay:** Various Pre-COVID investments were helpful. Digitization helped improve communication. The innovation challenge had improved last mile services via digital technology. Kenya Ministry of Agriculture had digitized subsidies for fertilizer via e-vouchers.

- Startups helped farmers with technology: PAD enabled mobile extension messages for farmers. DigiCow provided dairy extension mobile services. Potato farmers accessed markets via mobile companies. Avocado farmers could export via TrueTrade. Drones enabled monitoring of productive infrastructure projects. Digital technology improved resilience during COVID.

## **Closing Remarks**

**Susan Wong:** Ensure that digital divide doesn't create more inequality and use digital platforms to link up markets and create ecosystem that can help these community/women groups. It is important to crowdsource and harness the tremendous knowledge and experience that is out there and try to learn together through this series.

**Parmesh:** Invest in an LED ecosystem instead of only projects. Local government plays vital role.

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