

Employment outcomes through graduation programmes

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ENDING
EXTREME POVERTY
WHATEVER
IT TAKES

Introduction

719 million people in the world live on less than \$2.15 a day. This equates to approximately 9% of the world's population living below the global poverty line (World Bank). Secure livelihoods offer people living in extreme poverty a pathway to forge their way out of it; one of the approaches Concern Worldwide uses to facilitate this pathway is the **Graduation Approach**. The Graduation Approach is an example of a 'big push' intervention designed to move people out of conditions of extreme poverty by simultaneously boosting livelihoods and income, providing access to financial services and improving social wellbeing. The approach provides an integrated and sequenced package of support to targeted households over a period between 18 to 36 months. Collectively, this package helps people to address the root causes of, and barriers they face to moving out of poverty – from situations often defined by food insecurity and high levels of vulnerability – towards sustainable livelihoods.

Concern has been implementing Graduation programmes since 2007 and, as of 2024, has implemented programmes in 11 countries (Bangladesh, Burundi, Chad, the Democratic Republic of Congo, Ethiopia, Haiti, Malawi, Pakistan, Rwanda, Somalia and Zambia) - reaching 172,846 people directly and many more indirectly. Alongside programme implementation, Concern has engaged in several high profile pieces of research with the aim of producing learning on what works and where. Between 2012 and 2016, Concern partnered with the Centre for Social Protection at the UK's Institute for Development Studies (IDS) to assess changes in key indicators over time and the sustainability of these changes (**Rwanda**) and the contribution of the coaching component (**Burundi**). Continued collaboration with IDS between 2017 and 2019 further explored graduation trajectories and Graduation programmes' effect on intra-household dynamics and inter-generational transmission of poverty (**Burundi** and **Rwanda**). Then between 2017 and 2021, Concern partnered with TIME (Trinity IMPact Evaluation unit) at Trinity College Dublin in **Malawi** to test an innovative approach to engaging male and female spouses in gender transformative dialogue to improve gender equality and poverty-related outcomes amongst programme participants.

In addition to these pieces of operational research, Concern has also undertaken impact evaluations and smaller studies in **Bangladesh**, the **Democratic Republic of Congo**, **Ethiopia**, **Haiti**, **Somalia** and **Zambia**.

Background on employment opportunities

Being able to earn a living and generate income, either through self- or waged- employment, is generally perceived as being a necessity for survival. Graduation programmes are designed to improve people's access to, and return on, employment activities. They provide people the space, skills and resources, to invest in their livelihood – whether this be through expanding an existing employment activity or starting something new (or a mix of both).

Despite an increasing focus on urban contexts, Concern's livelihood programmes continue to be mostly implemented in rural contexts¹ where traditional livelihood strategies are predominately agricultural-based and include casual labour on the fields of other smallholder farmers. Casual daily labour, whilst an important safety net for households during the lean season, is a critical issue as the need to undertake

¹ Concern Worldwide (2024) Annual Report 2023

casual labour to meet immediate food needs often conflicts with the need to work in the households' own field for its own production, and therefore locks households into a viscous cycle of food insecurity. It is also more precarious – poorly paid, unprotected and insecure. Graduation programmes are designed to support a shift towards more self-employment and away from casual labour, ensuring households have greater autonomy over their livelihood activities. They also focus on supporting households to move away from other vulnerable forms of employment and spread risk by diversifying the ways in which they generate income – particularly important where employment is highly seasonal.

This brief is one of a series of briefs synthesizing the learning from Concern's experience adopting the Graduation Approach and looks specifically at how programmes have led to a change in the employment status of individuals. It shares specific examples from **Burundi, Rwanda, the Democratic Republic of Congo and Malawi.**

Measuring improvements in employment

By improving people's access to, and return on, employment activities and diversifying the ways in which they generate income, the hypothesis is that people have higher incomes, higher expenditure (potential) and more diversified livelihoods. Accurately measuring income and expenditure however, can be challenging. Concern's Graduation Programmes have used several different standard indicators to monitor changes in employment outcomes including (but not limited to):

Indicator	Definition
Household Income	Average monthly income from a specific Income Generating Activity/employment opportunity. This indicator is measured using a diary method for specific Concern-supported IGAs, not all household income.
Household Income Sources	This is further broken down to look at: <ul style="list-style-type: none"> • Average number of sources of household income • Percentage of households earning income from waged labour • Percentage of households earning income from self-employment • Percentage of households with [inset income source] as primary, secondary or third source of household income • Average duration of out-migration from income generation purposes within the last year.
Household Asset Index	Average score on a Household Asset Index (contextualise). The score is on a scale of 0-10, where 0 is extremely low level of assets and 10 is a high level of assets.
Material Deprivation Index	Average score on the Material Deprivation Index (MDI). The higher the score, the less deprived the household. Material Deprivation Index is a proxy for household income and consumption (which are too complex and costly to measure reliably). It includes questions that are correlated with well-being and allow to distinguish between people who are poorer and better-off. It complements Household Asset Index, which includes various categories of household assets.

Evidence of impact

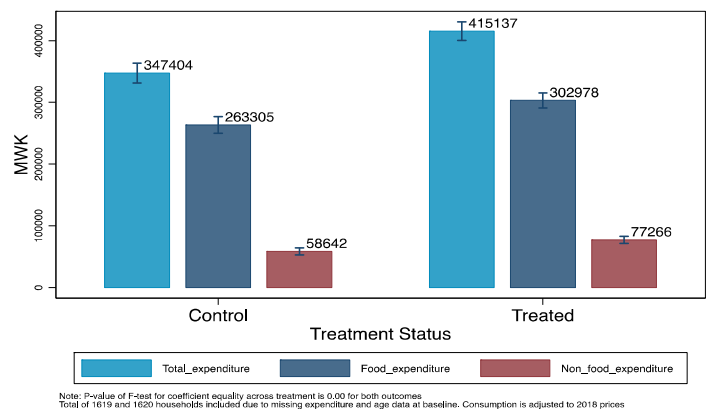
Household Income

Although measuring income is challenging, several programmes have sought to do so by focusing on the employment or income generating activities being supported through the programme itself and monitoring the return on investment in those. In Rwanda under Phase One of the programme (2012-2016), research found that participating households had an ability to earn considerably higher incomes than before the programme. For cohort two households, after 12 months of the programme (during consumption support phase), household income had doubled and whilst this fell back by 15% two years later (after 36 months), it remained 62% higher than at the start of the programme. A similar situation was found in the **Democratic**

Republic of Congo, where participating households earned higher incomes after they had received technical, vocational and business skills trainings and felt more confident about their income earning potential moving forward.

In **Malawi**, consumption (the sum of all yearly expenditures on education, illness, food, non-food and festivals) was used as a proxy for income. The 2020 midline examined yearly consumption per household and found that 10 months after the end of consumption support phase), programme participants had consumed MWK 67,333 (around EUR 78²) more than those in the control group. Households reported annual consumption of MWK 415,137 (EUR 479) compared to the mean annual consumption for households in the control households of MWK 347,404 (EUR 401). (Figure 1, shows this for total, food and non-food expenditure).

Figure 1: Annual Consumption (Real), 2019-2020) – 95% confidence level



Participating households consumed MWK 18,624 (EUR 21.50) more in terms of non-food items, meaning they were able to spend MWK 77,266 (EUR 89) on items such as cleaning, grooming, clothing, fuel and transport, compared to control households yearly spend of MWK 58,642 (EUR 67.50). This is an expenditure 32% higher for participating households than amongst control households.

Sources of Income

In **Malawi** (2017-2022), research found that the main sources of income for participating households at the start of the programme were small scale trading/ business, farming and *ganyu* (casual daily labour). There were no significant differences in these sources of employment between implementation areas but they were gendered - small scale trade and sale of farming produce dominated by women and cultivation dominated by men. Both men and women reported undertaking *ganyu* but men tended to be involved in more manual activities (e.g. moulding bricks) with women providing a support function (e.g. fetching water to mould the bricks). Research found that whilst the types of activities people were involved in over the programme life cycle had not changed drastically, an increasing proportion of women were able to invest in productive assets and start a business giving them more choice in how they make a living and reducing their need to undertake *ganyu*. The 2020 midline found that 58% of female spouses in participating households were engaged in *ganyu*, considerably lower than the 70% of female spouses in control households, though this does not look at how much *ganyu* was done. Qualitative research (2020) found that regular and predictable income support provided each month for the first 12 months of the programme, alongside access to capital, were the most cited drivers for enabling households to stop or reduce casual labour and invest in a business³. Engagement in community-based savings groups were also cited as helping participants overcome the constraints to business development. Women reported that when they have managed to stop or reduce their reliance on casual labour they felt uplifted – moving from casual labour to self-employment made them self-reliant and had improved overall household wellbeing (feeling less pressure/stress). In **Burundi and Rwanda** (2012-2016), research found that programmes had a significant impact on the types of occupation that participants were engaged in and also significantly reduced the proportion of participants who engaged in agricultural daily labour as their primary occupation.



Landen and Eliza Manjolo started a motorcycle taxi business as a part of the Graduation programme in Malawi © Chris Gagnon, Concern Worldwide (2021)

² based on exchange rate of 0.00115414 from the 1st of August 2020 (www.xe.com)

³ It is also important to note that at this stage in the programme cycle, programme participants were still receiving monthly income transfers and had not yet received the capital transfer.

Livelihood diversification

In **Malawi** (2017-2022), livelihood diversification appeared to vary depending on when participating households started the programme. During data collection in 2019, 30% of households in cohort 1 (who had just come to the end of the period of programme support) reported having a business compared to 24% of households in the control group. Whereas between 46- 53% of households in cohort 2 (who commenced the programme in 2019) reported having a business. It is not known why there was a difference between cohort 1 and 2 but it is likely due to a difference in where households were in the cycle of programme support at the time of survey and/or the seasonality of activities. Amongst all the households with a business, the majority (87%) had one business, 11.8% had two and 1% had three. Research also found that those who had just come to the end of the period of programme support were more likely to have two or three (17.2% had two and 1.5% had three) when compared to the control group (here 12.4% had two and 0.6% had three).

In **Rwanda** (2012-2016), almost all cohort two participants reported earning income primarily through casual daily labour in agriculture 93% at the start of the programme. After 12 months (at the end of the consumption support), many had diversified their livelihoods into selling agricultural produce (15%), selling homemade beer (13%), receiving assistance from NGOs (10%) and trading horticultural products (9%). This was in contrast with only 1-2% of control group households engaged in each of these activities at the same point in time. After four years (36 months after the end of the consumption support), the income diversification was sustained. 64% of participants earned income as casual labourers in agriculture whilst 40% worked as other daily labourers, 16% received assistance from NGOs and between 1-10% were engaged in agricultural trading, crafts and selling harvested produce, livestock, animal products, homemade beer, other homemade drinks and firewood. Apart from agricultural labour, which was a source of income for 75% of control group households, more programme participants had significantly diversified livelihoods and earned income from other livelihood activities even after support from the programme had finished. However, diversified income doesn't not necessarily lead to higher incomes, and might even be counterproductive. In **Rwanda** (2012-2016), most activities were seen to be small scale and generated low and erratic returns rather than regular income.

Summary

Evidence has shown how the Graduation programme has successfully managed to improve people's access to, and return on, employment activities. Helping people to move away from, or reduce their reliance on, more precarious forms of employment (casual labour) and increase self-employment - where households have greater autonomy over their employment and confidence in their income earning potential. However, whilst there is a need to help participants diversify their livelihoods and spread risk, research from Rwanda found that diversification had led to small scale activities that generated low and erratic returns rather than regular income therefore, a balance should be sought. Research also showed that despite programmes enabling a large number of households starting or investing in new business activities, many remained engaged in some form of casual daily labour which remains an important safety net. It could also be a community development strategy in some settings but this would require further investigation.

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This report is one of a series of briefs produced in October 2024, synthesising Concern's experience in designing and implementing Graduation programmes.

For more information on Concern's Graduation portfolio please visit:
<https://www.concern.net/knowledge-hub/graduation-programming>