Creating economic opportunities

The European Bank for Reconstruction and Development (EBRD) believes that economic inclusion – the opening-up of economic opportunities to previously underserved social groups – is integral to development. Based on the concept of equal opportunity, the Bank measures the extent to which economic institutions, markets and education systems extend opportunities to people regardless of their circumstances. These include gender, place of birth or, for young people in particular, social background.

Promoting economic inclusion has become essential for the EBRD in light of growing youth unemployment, the low participation of women in the workforce – especially in the southern and eastern Mediterranean (SEMED) region – and the stark differences in regional economic performance within countries, particularly in south-eastern Europe (SEE). Encouraging economic inclusion also addresses the business needs of many EBRD clients, who increasingly seek to reach underserved groups such as women entrepreneurs, recruit highly skilled young staff or tap underused human resources.
Building opportunities for young job seekers

Reducing youth unemployment is a priority for many countries where the Bank invests, in particular, Turkey and countries of the SEE and SEMED regions. There, the unemployment levels of 15 to 24-year-olds are among the highest in the world, exceeding 50 per cent in some countries. Up to a third of young people are not engaged in education, employment or training.

The EBRD designs projects that aim to remove some of the key hurdles young people face, such as poor progression routes from training into employment and a persistent mismatch between the skills learned at school or university and those needed for work. For example, the Bank invests in retail and tourism projects that provide work-based training to young people. These are developments that provide work-based opportunities for young job seekers, women or populations in less developed regions.

In the retail, tourism and agribusiness sectors, for example, the Bank helps employers establish strong links with schools and universities to strengthen the skills of their staff as well as building routes to employment for qualified young people. In the manufacturing and services sector, the EBRD helps clients diversify their workforce by promoting corporate standards for equal opportunities or enhancing professional development through work-based learning and apprenticeships. In the municipal infrastructure sector, using an innovative approach to public procurement, an ambitious road network upgrade project is set to boost the employment prospects of young job seekers by providing valuable on-the-job training in the construction sector.

Supporting regional inclusion

Residents of rural, underdeveloped regions tend to face higher barriers to finding a job than people living in more economically vigorous urban areas. They may also find it harder to secure a good education and other essential services.

Regional inclusion gaps exist in many countries where the EBRD works. To address these gaps, the Bank makes investments that create verifiable improvement in the economic opportunities of regional populations. Among such projects are credit lines targeting small and medium-sized firms in remote areas. Coupled with business and financial training, these credit lines allow firms to invest and expand. Other projects include investments that create better access to water and wastewater services.

Promoting gender equality

Women still face difficulties in accessing the same economic opportunities that men enjoy. From lower pay for women to legal and cultural barriers that restrict employment, finance or property ownership, there are many ways in which economic systems continue to favour men over women.

Within the framework of its Strategic Gender Initiative, the EBRD invests in projects and other activities that promote women’s access to jobs, skills, services and finance at a systemic level. Among the investments that address gender gaps are projects linking credit lines for women entrepreneurs with business advisory programmes to boost management skills. Other examples include loans that require companies to improve their HR practices, ensuring that equal opportunity policies are applied for all employees.

Inclusion means good business

The EBRD has successfully applied its inclusion approach across a range of sectors, such as manufacturing and services, agribusiness, retail, tourism and finance. The Bank aims to create value for its clients by opening up opportunities for young job seekers, women or populations in less developed regions.

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Adding value through inclusion

Business benefits to clients:
- The risk of recruiting people with inadequate skills is reduced.
- The talent pool in the sector increases.
- Staff turnover and related costs fall.
- Workforce diversity grows.
- Customer service improves and becomes more consistent in quality.
- Firms enjoy a stronger corporate image and better ratings for corporate social responsibility.

Wider inclusion effects:
- Young adults acquire skills that employers seek.
- Women gain better access to labour markets and business finance, especially in non-traditional sectors or occupations.
- New economic opportunities emerge for populations in less advanced regions.
- The workforce becomes more diverse.

By promoting economic inclusion, the EBRD creates value for its clients

Support — including technical assistance — is available from the EBRD to identify the relevant international best practice, undertake baseline assessments and develop inclusion measures that meet the specific needs of clients. These projects help clients to introduce effective measures, such as training, and to promote them within the sector and the country.

Employers help define training standards to recruit highly skilled young people