INSIGHTS
An annual publication from The Rockefeller Foundation exploring emerging issues of consequence

2014 ISSUE NO. 1
Dear Friends,

It’s my pleasure to introduce the first edition of a new publication, Insights, a product of the ongoing work of The Rockefeller Foundation’s strategic research team, identifying compelling and emerging problem trends and areas of dynamism where there might be opportunities for intervention.

Over the course of the last year, our team, alongside our grant partners, have deeply explored 11 of these emerging trends to learn more about their root causes, the opportunities for riding the waves of dynamism or catalyzing promising new solutions, and the potential for impact. What we’ve learned through this process has oftentimes surprised us, challenging our prior assumptions, making fresh connections, and broadening our understanding of what it will take to solve these problems once and for all. This rigorous research not only informs what problems The Rockefeller Foundation might explore further or adds to our current portfolio of work, but we hope it can also yield intelligence that is valuable for a range of other actors, from other foundations, governments, NGOs, corporations, and impact investors, who are working to make the world a more equitable and resilient place.

In 2013, we funded hundreds of hours of research on 11 specific problem spaces, but we’ve chosen to highlight only five in this publication. We encourage you to use Insights as a jumping-off point for the larger set of research and resources available at www.rockefellerfoundation.org.

Our goal for Insights is to not just inform, but also to engage and serve as a conversation piece. So whether you read from cover to cover, or flip through for the sections that most catch your eye, it’s our hope that you’ll put it down with a better sense of some of the challenges that are shaping our world, and the collective opportunities to solve them. And then, of course, we hope you will take action.

In the meantime, we’ll keep scanning the horizon and searching for new emerging trends in real time, and we look forward to sharing those learnings in subsequent publications. We hope you’ll keep reading.

Sincerely,

DR. JUDITH RODIN, PRESIDENT

Q&A with Claudia Juech
Since 2007, Managing Director Claudia Juech has overseen the Foundation’s transformation to the new search model. In 2012, her team led 11 topic searches, which involved coordinating internal staff and consultations with nearly 200 outside experts.

A century of search
While some problems, such as yellow fever and malaria, captured international attention, other challenges were scoped and reported on by Rockefeller Foundation officers on the ground.

Help wanted for a generation on the brink
Driven by long-term shifts in the labor market and ongoing poverty and inequality, youth unemployment has reached its highest level since World War II.

For coastal cities at risk of rising tides, ecosystems offer shelter
As precious ecosystems along the coasts of developing world cities are degraded, the urban poor are increasingly in harm’s way.

In the world’s invisible economies, a very public health crisis
Hundreds of millions of workers in the world’s informal economy are denied basic social protections, especially in access to affordable health care, which puts their livelihoods in jeopardy.

For smallholder farmers, food loss hits twice as hard
Waste and spoilage in developing countries’ food production is an intractable problem of global dimensions, but it has hit those at the lower rungs of the economic ladder particularly hard.

Luxury SUVs and food stamps: a new landscape for the American suburb
Suburban poverty affects millions of Americans and is growing rapidly, significantly outpacing the growth rate of urban poverty over the last decade.

Insecure property rights for women are about more than just housing
Insecure property rights make them less economically, politically, and socially empowered, and inhibit them from improving their families’ health and well-being.

For smallholder farmers, food loss hits twice as hard
Waste and spoilage in developing countries’ food production is an intractable problem of global dimensions, but it has hit those at the lower rungs of the economic ladder particularly hard.

In the developing world, property rights for women are about more than just housing
Insecure property rights make them less economically, politically, and socially empowered, and inhibit them from improving their families’ health and well-being.

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Q&A WITH CLAUDIA JUECH

When Judith Rodin took over as president of The Rockefeller Foundation in 2005, she had a vision to re-imagine how the Foundation understood and intervened in the pressing challenges that confronted a 21st-century world. This transformation would require the Foundation to re-think its entire strategy model, from the issues it focuses on, to the process of finding, testing, and funding solutions.

To do so, under the care of Managing Director Claudia Juech, who joined in 2007, the Foundation developed a highly strategic, analytical search process appropriately, and fondly, referred to as “Search.” In 2012–13, Juech’s strategic research team led 11 topic searches, which involved coordinating internal staff, consultants, and nearly 200 outside experts.

But the process is not as important as its outputs, and whether or not the Foundation decided to deploy funding into a particular space, the research yielded insights that could benefit the entire social impact field. And that’s exactly what you’ll find in the pages to follow and the additional resources offered online at www.rockefellerfoundation.org/insights.

In a conversation with Insights, Juech talks of how searches are framed, why the process is unique, and the team’s guiding motto.

Every search is framed around an identified set of “problem spaces.” How does The Rockefeller Foundation define a problem space?

CJ: Albert Einstein, a Rockefeller Foundation grantee, said “given one hour to save the world, I would spend 55 minutes defining the problem and 5 minutes finding the solution.”

This approach is deeply embedded into our process: Before we can solve a problem, we need to know exactly what the problem is, and we should put a good amount of thinking and resources into understanding it. And because today’s problems are so complex, we know they can’t be solved by being broken down into specific components.

And so, “problem space” is just a fancy phrase for the framework through which we study a particular challenge, which includes a number of interlinking and underlying issues that must be addressed in order to find a solution. For example, if our central problem is food waste and spoilage, we must also think about farmers’ limited access to finance and reliable buyers for their crops—those are part of the problem space.

We identify problem spaces based on a wide range of inputs, using broad, sweeping horizon-scanning activities, alongside secondary research, expert interviews, and the work Rockefeller has done to date. Through this process, we often find connections and inter-relations among several trends that surface across problem spaces.

How do you assess the potential for innovation in a particular problem space?

CJ: There is very little research that has focused on how to measure innovation potential in a sector with regard to a problem space, so we are really entering new territory here. We have adopted approaches that assess innovation potential at a national level or at an organizational level, but will support further research in the future to refine our frameworks. For now, we are looking at the enabling environment—is there evidence of cross-pollination, e.g., are ideas being shared or replicated across actors, sectors, or geographies? What’s the innovation capacity? Are there active change-makers around or organizations that are capable of testing or scaling innovations? And what’s the institutional environment? Are there legal, policy, or business structures in place that promote or hinder innovation in this area?

How does this process differ from or improve upon what was done before?

CJ: For years, philanthropy has dedicated an enormous amount of resources to evaluating the impact of specific grants after the fact. What we’re trying to do with Search is to make sure the same rigor and critical thought is applied to our strategies from the outset. We also need to be innovative in where we go for information so that we are getting the freshest information—to make sure we are getting the thing that is emerging in the moment and that may lead to significant progress.

What are some other ways in which the Foundation’s process is unique?

CJ: From my experience, one of the most important distinctions is that we don’t start out with a pre-determined point of view or a dominant idea of an answer to a problem. In our process, we investigate an issue and truly test it. Then we come back, and more times than not, we find there’s not the opportunity for us there to achieve impact as major as there may be with another issue that is being reviewed at the same time.
We have a robust body of research that we can share widely to help other foundations or other actors who care about social impact to make decisions about their own strategies.

Obviously, the Foundation cannot commit funding to every problem area you research. What kind of criteria does The Rockefeller Foundation consider when you choose where to focus your interventions?

CJ: Ultimately, the Foundation tries to determine whether there is potential for us to have significant impact at scale on a problem that is critical for poor or vulnerable populations. We want to make sure that we work on problems integral to the lives of poor populations; we want to understand how the specific engagement and investment by The Rockefeller Foundation would make a significant difference, and we are trying to get a sense of whether the context is conducive to transformative change, i.e., is there innovative activity or momentum in regulation or private sector activity that could be catalyzed in order to achieve significant impact.

So while some options don’t move forward, it doesn’t mean they aren’t worthwhile or pressing—it simply means it isn’t the right area in which the Foundation should intervene at this time. But the process is valuable in other ways—in many instances, the findings have contributed to ongoing work or even informed future searches. And we have a robust body of research that we can share widely to help other foundations or other actors who care about social impact to make decisions about their own strategies, or perhaps to illuminate an area they hadn’t considered funding before.

What insight or insights surprised you most from the first rounds of searches?

CJ: The future trajectory of many of the problem spaces that we investigated truly requires a call to action, especially as some of these don’t yet receive the level of attention they deserve. For example, unhealthy food markets and the health implications of different diets will be severe, particularly in Africa.

Many professions have aspirational mottos that are supposed to guide them in their work. The famous one for physicians, for example, is “First do no harm.” What would be the motto you would hang over your office door?

CJ: Well, the physician motto would be a good one, but I think that for the work we are engaged in it would be “Give a clear-eyed view.” We want to provide decision-making intelligence that is as informed and as objective as possible so that the most good can come from a range of funding sources. 

A LOOK BACK AT A CENTURY OF SEARCH

1914—A precursor to the Rockefeller Foundation was an early funder of the emerging field of computer science.

1925—The Rockefeller Foundation decides to review and re-imagine how the Foundation might be getting “too diffuse, and that we shouldn’t forget our traditional strength of focusing, over long periods of time, on a few leading problems with well-defined goals.”

1973—President Knowles convenes a section outlining a comprehensive review of work already in progress and in the consideration of new opportunities, whether these are closely related to present activities or extend into new fields.

2005—Dr. Judith Rodin takes over as president and sets in motion an inquiry process that would re-imagine how the Rockefeller Foundation finds emerging challenges and funds their solutions, giving rise to the “scan and search” function that operates today.
It is midday in Houston, Texas. Lani (not her real name), a woman in her late teens who has been unemployed for several months, is trying to stay productive. She has earned some extra cash by styling a friend’s hair, planned a week’s worth of dinners for her family, volunteered to donate blood, and spent hours on the computer searching for employment leads.

But when, during a job interview later that week, a manager of a local café asks what she does during a typical day, Lani falters, unable to fully convey her entrepreneurial spirit and the responsibilities that come with supporting her family.

This story from the daily struggle of a young job seeker begins to sketch out the realities millions face during an unemployment crisis that continues to plague our country’s youth.

Three years after the start of the Great Recession, the number of unemployed young Americans hit its highest level in more than 50 years—at the beginning of 2014, the unemployment rate for 16- to 24-year-olds exceeded 14 percent in 2013, more than 5.5 million young people were neither in school or work, and millions more were unable to find full-time positions or opportunities for earning money that drew on their formal training.

Those numbers translate to significant setbacks for this generation of young people. Studies show that youth who don’t transition to stable jobs by their early 20s are at higher risk of more frequent and prolonged spells of joblessness, permanently lower earnings over a lifetime, and greater difficulty building a secure financial future for themselves and their families.

While the stories of college-educated youth struggling to find a job are notable for their recent increase, it remains a fact that youth with the least education have the most difficulty securing employment. Youth from the lowest income-quartile are more than five times as likely to drop out of school as youth from the highest income quartile. Youth who have dropped out of high school are four times more likely to be unemployed than youth with a college degree.

Youth unemployment doesn’t only impact the individual worker—it can take a high toll on society as well. Indeed, the total costs associated with the current levels of young people not in school or working will amount to $1.56 trillion—including lost taxes, health care costs, criminal justice system expenditures, and welfare and social service payments. Some estimates aggregate the social costs, which include lost gross earnings and productivity, to be as high as $4.75 trillion.
Four years after the Great Recession, one-third of all the 16- to 24-year-olds in the country still face challenges related to lack of job opportunities.

The youth unemployment crisis results from embedded, systemic challenges — slow job growth, a general trend of disinvestment in workers, weak education and training systems, biased hiring and recruiting practices, increasing competition for entry-level jobs, and Baby Boomers’ remaining in the labor market longer than previous generations, just to name a few of the largest drivers. The changing models of business have also contributed, such as the move toward automation and outsourcing, in addition to other means of minimizing labor costs.

“There’s a real sense of urgency: Anyone working in this area now understands that we are in danger of losing an entire generation — it’s that bad,” says John Irons, The Rockefeller Foundation’s managing director working on U.S. employment. “People are now open to systemic changes and entirely new approaches that they might not have been a few years ago.”

The Obama administration has given new attention to the issue of youth employment as a key to the nation’s economic competitiveness. In his 2014 State of the Union Address, President Barack Obama called on Vice President Joe Biden “to lead an across-the-board reform of America’s training programs to make sure they have one mission: Train Americans on today through the Aspen Forum for Community Solutions. (The Rockefeller Foundation’s president, Judith Rodin, was a member) to recommend a plan that provides job-readiness training and paid internships for underserved youth. The reasons? GAP cited “contributions to the health of the community and protecting the long-term health of our business.”

The California-based utility, Pacific Gas & Electric Co. (PG&E), has put into place several youth-oriented training programs, recognizing a generational transition in its workforce, as aging technicians retire. One such program offers young adults free apprentice technician training to move into jobs that don’t require college degrees.

But to be sustainable, these programs must be expanded on a national scale. The Rockefeller Foundation is in early stages of exploring where it can be effective at supporting and scaling employer-focused interventions and raise the profile of the issue among other employers.

“This public-private collaboration is critical — and the clock is ticking,” says Irons. “The U.S. must integrate and leverage the talent of its young workers now to ensure the long-term success of America’s economy and promote secure livelihoods for the next generation.”

To date, some bellwether private sector programs have emerged based on employers’ recognition that it is in their businesses’ best interests to invest in youth talent pipelines.

For example, in 2011, national clothing retailer GAP Inc. began “This Way Ahead,” a program that provides job-readiness training and paid internships for underserved youth. The reasons? GAP cited “contributions to the health of the community and protecting the long-term health of our business.”

Youth Unemployment

<table>
<thead>
<tr>
<th>State</th>
<th>Percent</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partially</td>
<td>8.7%</td>
<td>Chronically disconnected, have neither studied nor worked after the age of 16</td>
</tr>
<tr>
<td>Mal-employed</td>
<td>8.5%</td>
<td>Partially disconnected, have some schooling or work experience beyond the age of 16, but have not progressed through college or secured stable employment</td>
</tr>
<tr>
<td>Loosely connected</td>
<td>13.1%</td>
<td>Working or studying only part time</td>
</tr>
<tr>
<td>Mal-employed</td>
<td>4.5%</td>
<td>College graduates who are in full-time jobs that do not draw on much of their formal college education</td>
</tr>
<tr>
<td>Unemployed college grads</td>
<td>12.2%</td>
<td>Have neither studied nor worked after the age of 16, but have not progressed through college or secured stable employment</td>
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Indeed, the private sector has the opportunity — and responsibility — to be the engine driving innovative programs and solutions that lead to jobs. But to create sustainable change at scale, there will need to be compelling business reasons for adopting new programs or practices that will open more doors for young workers. Says Irons, “The evidence has to illustrate the case and make sense to the employer.”

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They lose twice,” says Edward Barbier, a professor of economics at Wyoming University and editor of a book on Asia’s disappearing mangrove ecosystems, in the Wall Street Journal in 2004, just days after a tsunami devastated the coastal communities and cities in Southeast Asia. Barbier was referring to the urban poor who are often pushed out of areas desirable for tourism or commerce development and, as a result, are forced to live in areas that offer less natural protection from storms and flooding.

Today, some 125 million of the world’s poor live in urban coastal zones, and that number is increasing at twice the global population growth rate. The World Bank projects that by 2025 at least 65 percent of the urban population on each continent will reside in low-elevation coastal zones. Urban poor living in large coastal cities with a population over 2 million people are especially vulnerable, as they have minimal, if any, natural or other protections against hazards.

These protections are only one of the many benefits coastal ecosystems provide. Especially in medium-size and emerging coastal cities, natural infrastructure, including wetlands, estuaries, and coral reefs, provides coastal populations with a wide range of services such as food production, livelihood sources, and water treatment and sanitation services.

In the area of the Coral Triangle, which includes Indonesia, Malaysia and the Philippines, some 340 million people depend on natural coastal ecosystems for their livelihoods. Globally, 90 percent of the world’s 1.1 billion poor depend on some type of forest—for example, mangroves—for at least a part of their income. More than 50 million employed globally through small-scale fisheries in developing countries are in coastal or marine areas and are thus heavily reliant on coastal and marine natural infrastructures to sustain their livelihoods.

Yet, due to trends like migration, changing settlement patterns, tourism, and industrial development—in addition to climate change impacts—ecosystems are changing and disappearing at an alarming rate. Around the world, 50 percent of wetlands have been lost since 1900. Offshore, coral reefs are expected to shrink 60 percent over the next 30 years.

The problem is most acute in Asia due to high numbers of coastal poor, rapidly degrading ecosystems and resulting natural infrastructure loss, and projected climate change impacts in the region. Asian countries account for 80 percent of the world’s coastal poor and 70 percent of the world’s population living in high-risk flood zones. In Africa, the risks to the environment and people come from seasonal flooding, made worse by rapid population growth.
Most of the people living in the coastal areas of the world’s largest cities are poor, not rich. And 90 percent of the world’s coastal poor are located in Asia.

In the top 17 U.S. coastal cities, currently more than 8 million people live in flood zones, and 6.5 million people face significant risk from storm surges and flooding. Along with sea levels, that number will rise to 12.5 million by 2070.

Government policies and regulations to deter degradation of natural infrastructure have failed to sufficiently address the problem. There are several reasons for this: legal and regulatory systems in which the poor in coastal communities have few property rights and low engagement in land-use decisions; business and economic structures that undervalue natural ecosystem benefits; and a political tendency to embrace grey infrastructure—man-made structures such as seawalls, which have been shown to lose their effectiveness over time—as opposed to natural infrastructure enhancements, which actually appreciate in value.

One solution has been to blend grey and green infrastructure. In the Netherlands, after the damaging 1993 flood in which the dikes nearly failed, the government began planning to build higher dikes, but a coalition of nonprofit organizations convinced them to try grey-green solutions. Environmental experts worked with engineers to plant sea grasses and other vegetation in front of the dikes, which reduced wave heights by 80 percent. The grey-green approach has led many stakeholders to shift their thinking to work with nature.

Some examples of successful interventions include:

- **Coral reefs** are made from calcium carbonate secreted by corals. They provide coastal protection via wave attenuation and erosion protection. Examples: Singapore, Jakarta, Ho Chi Minh City, and Manila.

- **Seagrasses** are a specialized group of flowering plants that grow in marine environments, often forming large "meadow"-like environments. They occur in shallow coastal waters in sand and mud substrates, and are often found adjacent to coral reefs and mangroves. Examples: Dukar, Conkary, Lagos, and Manila.

- **Sand beaches** and dunes form at low-lying coastal margins where sand transported by oceanic waves and wind combine with vegetation to produce dynamic geomorphic structures. Examples can be found at all latitudes and cover approximately 34 percent of ice-free coastlines.

- **Coral reefs** are made from calcium carbonate secreted by corals. They provide coastal protection via wave attenuation during storm events, and can reduce wave energy by up to 97 percent. Examples: Singapore, Jakarta, Ho Chi Minh City, and Manila.

- **Coastal salt marshes** provide coastal protection by attenuating waves and stabilizing shorelines. The former is accomplished by reducing wave heights as a function of per-unit distance across marsh vegetation, the latter via soil accretion, reducing erosion, and increases in marsh elevation. Examples: New Orleans, Virginia Beach, and New York.

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rather than build defenses against it. And it’s timely as more and more climate change-related impacts can’t be averted and will require a mix of coastal protection measures. There are times when a natural infrastructure-only model can work effectively. In rural areas throughout Asia, for example, there are large-scale mangrove restoration projects supported by governments. And in Chile, Nepal, China, Burkina Faso, Senegal, and Thailand, the International Union for Conservation of Nature is in the second year of a five-year program to teach communities how to protect their natural infrastructure and how to be more resilient in response to extreme weather events.

In either case, policymakers and the public are increasingly accepting of new ways of assessing and valuing coastal ecosystems. For many cities, it’s no longer a question of whether natural infrastructure should be part of the solution—it’s now more a question of how to do it.

In this dynamic landscape, three opportunities have emerged.

The first is to capitalize on the growing demand and support for climate change adaptation efforts. Disasters and other crises—and their increased frequency—have enabled more governments to build the political will to take action. For example, Superstorm Sandy moved New York Governor Andrew Cuomo to appoint, a commission, co-chaired by Rockefeller Foundation President Judith Rodin, to rethink the state’s resilience planning and infrastructure investments. At the same time, then-New York City Mayor Michael Bloomberg promoted an ambitious multi-point program to strengthen the city’s ability to withstand extreme weather events, including reducing greenhouse gas emissions and increasing natural infrastructure protection along city waterfronts.

But more can be done to help make the connections between governments, conservation organizations, public interest groups, and the private sector to design natural infrastructure projects. One innovative approach, led by U.S. Secretary of Housing and Urban Development Shaun Donovan and funded by The Rockefeller Foundation, is Rebuild by Design, a competition launched after Superstorm Sandy, which has brought together leading architects, engineers, and urban planners to propose designs that can reduce communities’ vulnerability to climate change and extreme weather.

A second opportunity is to expand our portfolio of tools, including both natural and green infrastructure solutions, and instruments for vulnerability assessment, ecosystems valuation, and trade-off analysis. The Natural Capital Project, a collaboration among Stanford University’s Woods Institute for the Environment, The Nature Conservancy, World Wildlife Fund, and the University of Minnesota’s Institute on the Environment, has used InVEST, a suite of software models, that helps decision-makers visualize the impacts of decisions and identify trade-offs and compatibilities among environmental, economic, and social benefits. Still in beta, the model could be used to assess the environmental and social impacts by quantifying the expected gains and loss of ecosystems services, or to develop practical strategies to mitigate or minimize negative impacts. Food manufacturers could use it to assess the environmental and social sustainability of their agricultural supply chains, for example, by investigating water usage. Energy companies in the United States could assess the impacts of shale gas production on local biodiversity or carbon sequestration.

A third opportunity is to increase experimentation with community-led and market-based approaches, such as payments for ecosystem services, among other innovative solutions to incentivize ecosystem-friendly urban growth strategies. Partners from different sectors, including insurance companies, infrastructure firms, and local and national governments, can create innovative financing mechanisms for natural infrastructure investment and maintenance. For example, RE.invest is a new form of public-private partnerships that will help cities package portfolios of investments aimed at building more resilient infrastructure. With the help of leading engineering, law, and finance firms, the cities will be able to use public resources more efficiently to leverage private investments in, for example, better storm water infrastructure. In another example, Conservation International and the World Bank have been involved in the Payments for Ecosystems program, which assigns a monetary value to the services that ecosystems provide, and sets up a system of compensation for communities, cities, and countries that care for them. In the case of urban coastal ecosystems, the payments center on the poor in communities along coastlines.

On the whole, coastal communities offer an extraordinary range of benefits to the people who live there. A shift to a broader view on productive ecosystems, the services they provide to cities, and the role they play in resilience can provide for effective and economically sustainable investment where appropriate, and ensure that poor communities who disproportionately rely on the ecosystem for livelihood benefits are getting them.

For many cities, it’s no longer a question of whether natural infrastructure should be part of the solution—it’s now more a question of how to do it.
Alma Rosa was born into a hard working life in Santo Tomás, a small municipality in San Salvador, El Salvador. At 17, she started work as a seamstress. Now, at age 35, she earns the equivalent of about USD 60 cents an hour. She could have earned much more working in a factory job, but she needs to stay at home to care for her mother, who is seriously ill.

Rosa often wonders who will take care of her when she can no longer work. After decades of 12-hour work days, at home, hunched over a small circular frame where she churns out piece after piece of embroidered children’s clothing headed for North American retailers, she has limited use of one arm and her hands ache constantly. But as an informal contractor, she doesn't receive health benefits or sick days and can’t afford to take a day off or visit a doctor if not absolutely necessary. What’s more, home-based workers such as Rosa can’t easily connect with others who do similar work and are therefore less likely than factory employees, who are concentrated in one space and more readily organized, to receive paid sick days, health care, or a retirement account.

Albertina Mundlovo, of Maputo, Mozambique, was also a home-based worker until the physical toll of her corn-grinding business proved too much. The work required her to use a mortar and pestle to pound the corn into meal, which she then sold to neighbors in the evening. But a serious hemorrhage requiring surgery upended her business, and her sister convinced her to take a less strenuous job as a domestic worker for a local family. Instead, Mundlovo has discovered that her daily tasks are often more grueling and health-depleting than grinding corn. Like many domestic workers, her wages are low; there are no medical benefits, she is exposed to toxic cleaning agents, and her situation makes her an easy mark for abuse.

Rosa (whose story was featured in an interview published by the Central America Women’s Network) and Mundlovo (who was a case study published by the international advocacy group Women in Informal Employment: Globalizing and Organizing) are considered to be “informal workers,” the official designation covering 1.8 billion workers globally whose economic activities are not regulated or protected by government, and who do not receive the health care benefits and safety provisions available to the formal workforce.

Informality is no longer a fixture only in developing countries, but rather the global financial crisis has pushed more traditionally corporate settings and larger employers to FOR WORKERS OUTSIDE THE FORMAL ECONOMY, HEALTH IS THE FIRST CASUALTY

Accessing health care requires leaving work, which reduces income and adds health care expenses. However, most informal workers have few resources—more than one-third receive less than $1.25 per day for their labor.
Dr. Jeanette Vega, the former managing director for The Rockefeller Foundation’s health work and now a senior health official in Chile, finds this astounding. “It’s amazing because the trend is that the numbers of informal workers are increasing. They are becoming the norm rather than the exception.”

As such, Rockefeller Foundation Managing Director Michael Myers said that the question is not how to make informal workers more visible in the traditional labor sense, but that “instead, we should be reframing to think about who these populations are visible to — for example, to their suppliers, clients, and customers, as customers and contributors to GDP, as users of mobile technology and financial services, and to each other — and use those channels as entry points for solutions that are consistent with the lifestyles of these workers.”

As an example, Myers cited the national efforts in India to bring HIV/AIDS education and testing services to truck stops throughout the country. A 2013 study showed that more than three-fourths of the truckers who were targeted with these services were likely to wear condoms when engaging in commercial sex, versus only 65 percent who were not targeted — an important step in curbing the spread of HIV in South Asia.

Another opportunity may lie in new partnerships and agreements with the businesses that depend on informal worker productivity for their profits. The goal is to have more companies recognize that their fiscal health is directly tied to worker health and well-being. “The main benefit to them should be that this is a social investment,” says Myers. “but there also is a simple business case to be made: If you invest to provide more favorable working conditions, you will have a much healthier workforce, which means a much more productive workforce for a longer period of time.”

As one example, in 2012, The Hershey Company debuted CocoaLink, a mobile phone and SMS program connecting cocoa farmers in Ghana with information on improved growing practices, child labor, and health. The increased access to information has allowed farmers to cut their use of agro-chemicals that not only destroyed their crops, but posed significant health risks, including impotence, when applied without proper protective gear.

Other partnerships of government officials, private funders, worker-led organizations, and NGOs have been making progress along two strategy tracks: innovative population-level programs such as universal health coverage and worker training; and worker-level programs that are smaller and tailored to specific categories of workers and the regions in which they are based. Among some of the leaders, WIEGO, the Self-Employed Women’s Association, and HomeNet Thailand have been effective in organizing women to press policymakers for financial protection programs that meet their needs.

Despite the challenges, there is a great opportunity to help informal workers improve their own resilience. “The informal sector is a great driver of innovation, as workers by nature must take risks and think creatively for their economic survival,” says Myers. “If we can harness that power — and help more start-ups and small- and medium-sized enterprises think about the safety and health of their workers from their earliest stages — we can begin to dissociate informality and vulnerability once and for all.”

In Latin America, only about one-third of domestic workers have health insurance, compared with three-fourths of salaried employees in private organizations with six or more employees, and 90 percent of public sector employees.

In Africa, 64 percent of domestic workers have health insurance, compared with 65 percent in Asia. In Latin America, 60 percent of domestic workers have health insurance, compared with three-fourths of salaried employees in private organizations with six or more employees, and 90 percent of public sector employees.
In Irvine, a popular suburb south of Los Angeles, a working mother and her four children are forced out of their family home and into a subsidized apartment after a divorce collapses the family’s finances. In Naperville, a well-to-do suburb west of Chicago, local clergy meet to discuss the alarming increase in members of their congregations who are facing financial crisis. In burgeoning Cobb County, a suburban enclave northwest of Atlanta, a single mother loses her catering business and becomes a client of the local human services agency.

To see the face of suburban poverty, you needn’t look further than the human interest stories of every major newspaper in America. But while coverage has been plentiful, solutions remain in short supply, partly because the issue is still not well understood, partly because many would prefer to pretend it isn’t happening. A media audit shows that suburban poverty has largely been invisible as a specific topic in reporting. The problem is also absent on most philanthropic agendas: In 2011, barely 8 percent anti-poverty funding from top foundations went to suburban-based organizations.

Suburban poverty is a trend that has been decades in the making. Fifty years since President Lyndon B. Johnson declared a war on poverty, 16.4 million suburbanites have fallen under the federal poverty line, and their numbers continue to climb. The ongoing tally reflects a seismic shift that has taken place over the past decade: The suburbs are outpacing the growth rate of urban poverty—64 percent to 29 percent. If trends persist, the suburban poor could number 24.5 million people by 2020, exceeding the number of urban poor by more than a million. Already, there are more poor women, single mothers, immigrants, children, and elderly in the suburbs than in urban areas. More than 4 million of the suburban poor live in towns where more than 20 percent of the population is poor. This is known as concentrated poverty, and it is associated with a number of knock-on effects, including substantially increased crime rates, unemployment levels, and rates of teen pregnancy and high-school dropouts. What’s more, it exacerbates already existing racial inequality—non-whites make up 76 percent of those living in high concentrations of poverty.

And while poverty is affecting suburbs across the United States, major metro regions in the South and West have been hit hardest. In fact, nearly one-third of the suburban poor live in only five metropolitan areas—Southern California, the New York City region, Southern Florida, central Georgia, and Chicagoland.
Suburban poverty does not look the same in every region—making the problem all that much harder to solve. For example, in the Houston suburbs, poverty has increased by 4 percent between 2000 and 2011, driven in large part by the arrival of low-income immigrants. In Washington, D.C., gentrification and rising costs of living in the city have pushed more people out to the suburbs. In the Seattle metro area, poverty is on the rise due to a combination of factors, including immigration, the economic recession, and growing income disparities.

But while the drivers vary by geography, the overall trend is driven by both poor people moving to the suburbs and people in the suburbs getting poorer. And system failures—from often-fragmented government jurisdictions, to limited public transportation options, to structural discrimination—only exacerbate the problem.

For many suburban service providers, the initial shock of the increased caseloads and the demand for services has evolved into recognition of the situation as the “new normal.” But research indicates that poverty does not have to become a permanent, debilitating feature of the suburbs. In contrast to poverty within American cities, the problem has yet to become entrenched.

But keeping it from becoming so will require quick action. Fortunately, there is a coalescence of forces that indicate dynamism: an increasing interest in suburban poverty among media, government agencies, and NGOs; the emergence of local interventions for suburban poverty; and the changing nature of political power in the suburbs, particularly driven by politicians’ pursuit of the Hispanic vote.

Catalyzing awareness and understanding of the new and changing spatial distribution of poverty is important, in parallel with engaging key players at the metro-regional level to demonstrate success stories that can be scaled across regions. For example, in Baltimore, a specialized metro-regional voucher program works across sectors to help low-income families access private-market housing in low-poverty neighborhoods through streamlined administration of rent vouchers paired with pre-move and two years of post-move counseling. It includes access to employment and transportation assistance, along with landlord education and other features. In Connecticut, the Hartford Region Open Choice Program is a cross-district school integration model that allows suburban students to attend public schools in urban areas, and vice versa, and supports inter-district magnet schools. In Minnesota, a property tax pooling policy in the Twin Cities metro area promotes structured metro-regional level development; it is the only policy to do this across counties.

With more philanthropic funding and attention, these programs could be scaled and tested to other communities. A metro-regional framework allows solutions to address regional trends, including labor market developments. But, most important, it helps to mitigate the criticism that a focus on suburban poverty may distract from work being done to end urban poverty—for in fact the two are closely connected.

By establishing a single table for the different, and often disparate, players in a region, from multiple governments, to citizens, to nonprofits, businesses, and foundations—needed dialogue and coordination can begin. What they’ll find is that cities and suburbs have more in common than they might have thought—but by collaborating on shared problems, both will be better, more inclusive places to live, no matter the ZIP code.
When her younger brother desired more land to breed his cows, per Cameroon customs, Elizabeth Maimo had no choice but to hand over her piece of property to him, reducing her yields and income by more than 50 percent. According to Maimo, in an article published by the Thomson Reuters Foundation, the culture dictates that a woman who will ultimately marry into another family has “no right to own a piece of her father’s land.”

Maimo’s story is not unique in the developing world, where millions of women—including poor and vulnerable migrants, widows, victims of domestic abuse, and single heads-of-household—often lack property because of their gender. In cities, limited property rights affect more than 80 percent—about 1 billion—of urban women. There are three primary reasons that women cannot fully exercise property rights. The first is that about 350 million of these women live in countries where there are unequal formal property rights, most prevalent in South Asia and the Middle East/North Africa region. In other words, the laws and policies either do not exist, discriminate against women, or are not inclusive of women. Another 300 million live in countries—primarily in sub-Saharan Africa and East Asia—where cultural norms prevent equal property rights, meaning that even when there are laws on the books, other forces keep women from their rights in practice, whether it’s social pressure, threats, or legal systems that allow customary law to trump statutory law in court. The final third live in countries where rights may be equal, but women lack access to the tools and means to exercise them, from formal land registration and official land titles to saving accounts and collateral backed loans.

Yet, as women begin to make up a greater proportion of urban residents in developing countries, there is additional urgency to improve women’s property rights in order to safeguard city resilience. However, little funding and few programs exist to address urban women’s property issues. Research and interviews with funders, practitioners, and experts revealed several key observations, which can help guide future efforts.

One study in India found that 7 percent of women who owned land and housing experienced domestic abuse, compared to nearly 50 percent of women who did not.

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For one, property rights are not just about access to housing—they’re also about empowering the social and economic position of vulnerable women through less expected, but equally important, channels. Property rights are typically associated with access to housing, a critical need for urban women. Secure housing provides safe shelter and protection from homelessness after divorce, widowhood, job loss, or other emergencies. But it
A young woman runs a restaurant in Juba, the capital of South Sudan. The income from this restaurant helps her to support her family and send her children to school.

In Kibera, a slum outside of Nairobi, Kenya, social enterprises train inhabitants to use hand-held GPS devices to create maps of homes and landmarks, which gives them informal claim to their land and acts as "evidence" in negotiations with municipal governments.

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Technology is revolutionizing the ability to access and claim property, but these solutions may still leave out poor women. New, more accessible technologies, including affordable GPS devices and open-source mapping platforms, are allowing anyone with a mobile phone or internet connection to input occupancy and ownership information into a community map. One standout example of community mapping exists in Kibera, a slum outside of Nairobi, Kenya, where community non-governmental organizations and social enterprises such as Map Kibera and Spatial Collective work. These organizations organize and train slum dwellers to use hand-held GPS devices to create maps of homes and landmarks, which gives them informal claim to their land and acts as "evidence" in negotiations with municipal governments. Further, technology-enabled savings accounts, such as mobile banking and smart cards, are creating more convenient, confidential, and effective ways to save. But there is evidence that urban women are less likely to use technology-enabled solutions than men. Therefore, the potential of these solutions will be best realized with program design features that specifically incorporate women users.

While property rights for women are often framed as a legal issue, funders, governments, and the private sector all have a role to play. Funders are in a position to pilot and evaluate interventions to identify cost-effective solutions. As solutions become ready to scale, municipal governments will need to adopt policies that are supportive of women. The private sector is also key, both in its role as an employer of women and as a provider of services, including financial products.

Additional resources and collaboration among stakeholders have the potential to identify effective, scalable programs that could positively impact the over 1 billion urban women who are unable to realize their full potential because of insecure property rights.
It’s a fact that’s hard to stomach: One-third of the food produced globally for human consumption is either lost or wasted from farm to fork. Not only is this adding to the food insecurity of 1.2 billion people, it’s devastating for the 470 million smallholder farmers and 290 million people whose livelihoods rely on the agricultural value chain, where post-harvest food loss reduces their incomes by at least 15 percent. Often, these groups overlap in significant ways: Most vulnerable producers are also part of the 25 percent of households in the developing world that are food insecure.

Post-harvest loss and waste are two different problems. In the developing world, nutritious food most often is lost to poor harvesting and storage practices. On-the-ground studies have found the chief culprits to be lack of training and availability of local services to build skills in handling, packaging, and storage; insufficient post-harvest storage facilities or basic on-farm storage technologies; and unreliable access to markets.

In industrialized nations, the operative term is consumption waste. Shoppers are attracted to that unblemished apple, which prompts store managers to put their purchase decisions through a cosmetic filter. Of course, working to change the behaviors of well-off consumers is not typically a priority area for philanthropies. Of the $260 million directed by U.S. foundations to improve agricultural productivity, only $14 million—about 5 percent—goes toward reducing food wastage.

International donor agencies, national governments, international trade organizations, for-profit food companies, and research institutions are developing practical and relatively low-cost solutions to both food waste and food loss. These range from technological fixes that would allow for more effective preservation and processing to expansion of emerging markets under the expert management of commercial food companies to adaptation of agro-processing techniques that create off-farm jobs, in addition to reducing loss.

Yet, even as innovations and technologies advance, the problem has been getting worse over time. For example, loss of rice in Southeast Asia increased from about 14 percent in 1994 to an average ranging from 37 percent to 40 percent, according to a 2013 report from the Institution of Mechanical Engineers. Meanwhile, food wastage in the United States has increased from 30 percent in 1974 to almost 40 percent in recent years.

Across geographies, fruits and vegetables suffer the largest losses, accounting for 42 percent of loss and waste worldwide. In sub-Saharan Africa, roots and tubers are also...
a significant source of loss. This removes the dietary diversity critical for human health. Greater food diversity could decrease the incidence of stunting, which already affects 180 million children worldwide and can lower lifetime earnings by 22 percent.

Population forecasts paint what will be an increasingly dire picture without long-term interventions. By 2050, there will be 2 billion more people to feed in the world. If current rates of food loss persist, food production will need to increase by an estimated 70 percent and require an $83 billion investment each year to meet that new demand. Yet reducing wastage by half would yield enough food to feed 1 billion people, half of the additional mouths expected by 2050. And while some wastage is inevitable, a 50 percent reduction is achievable.

The root causes vary by degree across regions and crops but fall into three categories: a lack of training and local services to build skills; poor postharvest techniques, tools, and facilities; and inadequate market access. Research and interventions in developing countries have largely focused on technology-based approaches, but donors have more recently taken a wider market-based approach, which recognizes the importance of having sufficient capability, capacity, and incentives along the entire value chain in order to reduce losses.

“The biggest problems the producer groups face are after the harvesting process, especially transportation and storage,” says Mamadou Biteye, managing director of The Rockefeller Foundation’s Africa Regional Office. For example, it might take days for the goods to make it from the farm to a processing facility, and improper packaging may result in damage. And then there’s the matter of storage—critical during periods when transport may be impossible, like during the rainy season in Cameroon. Improperly stored, roots and tubers perish quickly, and grain can create aflatoxin and other mycotoxins, which, while avoidable, can cause liver cancer and a range of other health issues.

“The sad result is that growers are forced to sell their produce at very low prices. And even in that situation, they can’t sell most of what they’ve grown, so most of it will rot, and that is very hard on these people—very tough for the families to make any progress.”

The Foundation is exploring the opportunity to capitalize on market-based models for low-cost, distributed storage, preservation, and processing technologies, and the expansion of large commercial food companies’ operations in emerging markets.

One important aspect of the work, Biteye says, is to make policies already in place more effective by learning from scaled programs in other countries that have been successful. “We are testing the willingness factor on the part of government officials, businesses and small-scale farmers to adopt these policies and practices and apply them to make them work.”

Another critically important piece, Biteye says, is to develop more partnerships among stakeholders in the food production pipeline to invest in practices that minimize food loss. For example, fruits grown in Kenya, Tanzania, and Uganda were rotting because of the inability of the growers to get the fruit to markets before spoilage. Government officials convinced the Coca-Cola Company and TechnoServe executives to build a plant near the orchards. “The company now has a fresher fruit source and a profit center, and growers are able to sell most of what they grow at higher prices in a guaranteed market,” he says. “We look forward to seeing this kind of approach replicated wherever possible.”

During the search process, The Rockefeller Foundation conducted a media audit to better understand coverage of each issue. The Waste and Spoilage search resulted in only 506 relevant articles from the last 10 years. Other issues yielded closer to 1,000 each.
Over the course of the last year, The Rockefeller Foundation embarked on research into the following 11 topics, five of which are represented in this report. For a larger set of research and resources, go to www.rockefellerfoundation.org/insights.

**Suburban Poverty in the U.S.** Suburban poverty affects millions of Americans and is growing rapidly, significantly outpacing the growth rate of urban poverty over the last decade.

**Mobility Systems and the Urban Poor** Rapid urbanization and weak transport systems mean that millions of urban poor in Asia and Africa cannot afford or access safe options.

**Long-Term Unemployment** Long-term unemployment in the United States reached historic highs, and the crisis parallels what has occurred in other parts of the economy have increased.

**Waste and Spoilage in the Food Chain** Waste and spoilage in developing countries, food production is an intractable problem of global dimensions, but it has hit those at the lower rungs of the economic ladder particularly hard.

**Unhealthy Developing World Food Markets** Farmers working mightily to reduce high rates of hunger and malnutrition now must contend with mounting diseases that have historically been tied to convenience-food dependency in wealthier countries.

**Vulnerable Natural Infrastructure in Urban Coastal Zones** As precious ecosystems along the coasts of developing world cities are degraded, the urban poor are increasingly in harm’s way.

**Constrained Opportunities in Slum Economies** Slum dwellers face significant barriers that restrict their incomes generation and economic mobility, and limit their access to affordable goods and services.

**Youth and Skills** Driven by long-term shifts in the labor market and ongoing poverty and inequality, youth unemployment has reached its highest level since World War II.

**Women’s Insecure Property Rights** Insecure property rights make women less economically, politically, and socially empowered, and inhibit them from improving their families’ health and well-being.

**Degradation and Loss of Peri-Urban Ecosystems** Rapid degradation of peri-urban ecosystems is resulting in a loss of associated services like water provision, storm- and waste-water regulation, and protection from natural disasters or erosion.

**Health Vulnerabilities of Informal Workers** Hundreds of millions of workers in the world’s informal economy are denied basic social protections, especially in access to affordable health care, which puts their livelihoods in jeopardy.

2013 SEARCH TOPICS: WWW.ROCKEFELLERFOUNDATION.ORG/INSIGHTS
For more than 100 years, The Rockefeller Foundation's mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities and institutions prepare for, withstand, and emerge stronger from acute shocks and chronic stresses. To achieve these goals, The Rockefeller Foundation works at the intersection of four focus areas—advance health, revalue ecosystems, secure livelihoods, and transform cities—to address the root causes of emerging challenges and create systemic change. Together with partners and grantees, The Rockefeller Foundation strives to catalyze and scale transformative innovations, create unlikely partnerships that span sectors, and take risks others cannot—or will not. To learn more, please visit www.rockefellerfoundation.org/insights.