

Innovations in Public Employment Programmes
New opportunities as part of livelihoods

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PEPs 'necessarily short term'

- Ravi Kanbur: In 'A grand bargain to get South Africa working' (Mail and Guardian Oct 9-15):
 - *'Publically provided employment can at best be temporary'*
- Really?

Changes in the role and possibilities offered by public employment

- The 'public works' model of short-term temporary employment certainly still exists
- A model that can be used as an effective crisis response, but that has limitations when eg unemployment is structural and long-term
 - Short-term spike in income has limited impacts on poverty
 - When unemployment is structural, a short-term episode of work is less likely to create pathways into employment
 - People exiting back into poverty.
- But new design features in PEPs internationally open new development possibilities
- The use of PEPs not just as a crisis response, but as an instrument with which to respond to the social impacts of long-term, structural issues.
 - Contributing to pathways to employment where possible
 - But providing an ongoing contribution to sustainable livelihoods where not.

3 comparative country case studies...



The Community Work Programme, South Africa

The Productive Safety Nets Programme, Ethiopia

The Mahatma Gandhi National Rural Guarantee Act, India

Each one trying to address a different but consistent, predictable problem...

MGNREGA India

- Seasonal **under**-employment
- Poverty

PSNP

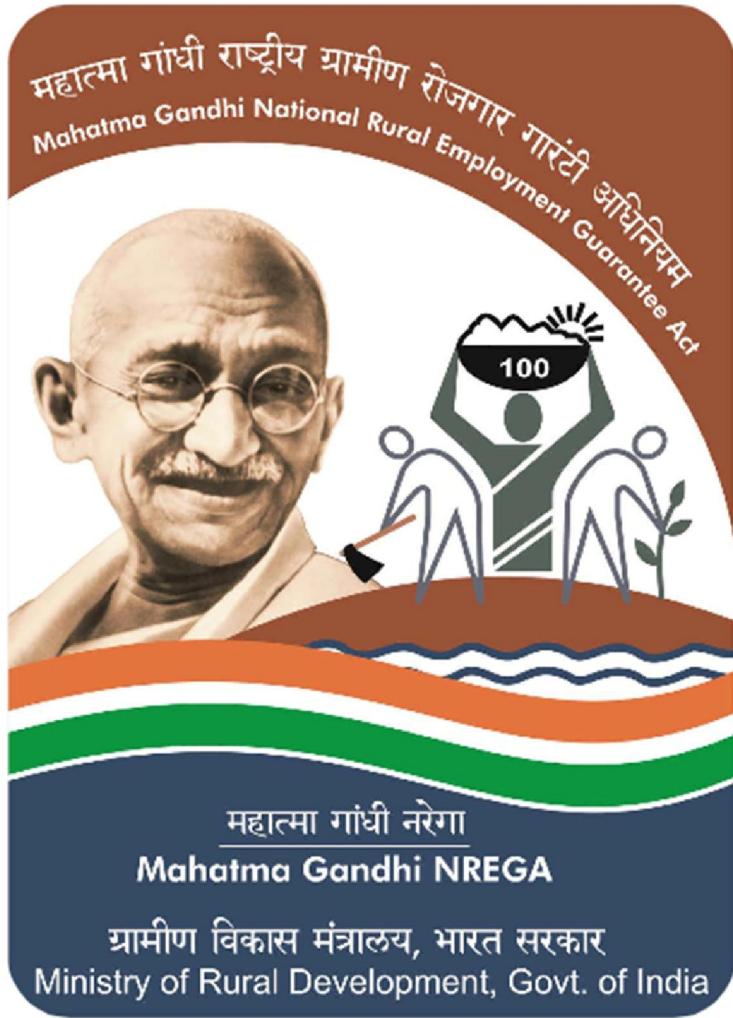
Ethiopia

- Seasonal famine and food crises
- Poverty

CWP

South Africa

- Structural unemployment: over 25% for over 20 years
- Poverty



MGNREGA: A major policy innovation:

giving new meaning to the
concept of a right to work:

- From a right to work when work is *available* to
- A right to work when work is *needed*.

Main features

- The Act **guarantees** 100 days of employment per year:
 - To every rural household whose adult members volunteer to do unskilled manual work at the programme's minimum wage,
 - set at the same level as the minimum wage in agriculture.
 - The *gram panchayat* (local government structure) **must** provide work within 15 days of receiving a request from registered households.
 - If work is not provided, households are entitled to receive a cash payment instead.
 - The work must have a 60% labour intensity: no machines and no contractors allowed.
 - 30% of participants must be women.
- A right to receive work within 15 days
- A right to work within 5kms of home or receive an extra 10% wages.
- A right to participate in a social audit of the project and to scrutinise how money was spent and who benefited.
- Currently at a scale of over 40 million participating households.

Every household that needs work registers to get a job card.
With a job card, they can demand the number of days of work they need.



Not without implementation challenges

- But important poverty impacts...

The minimum wage in MGNREGA has raised the wage floor

Desperation migration has declined

Increased expenditure by participants on child nutrition, education, dwellings, savings, health and assets.

Significant impacts in closing the gender wage gap – with impacts beyond MGNREGA

Many of the assets created DO enhance the livelihoods of poor people

Strengthened political capacity and economic agency amongst the poor.

Contributing to sustainable rural livelihoods

- Work episodes may be short-term – but the programme is ongoing, and participants can align their access to paid work to address times of greatest need
- Not a ‘pathway to employment’ so much as a permanent contribution to sustainable livelihoods, in a context of fairly secure access to seasonal agricultural employment.
- Now an institutionalised, predictable, secure feature of the opportunity set available to people
 - Contributing to – or at least reducing the need for – other social protection measures.
 - A debate over whether PEPs are part of social protection
- A recognition that seasonal underemployment not just a temporary market failure; requires not just market-based solutions.

Who is 'employed' here?



An employment guarantee: An instrument of social protection for the South?

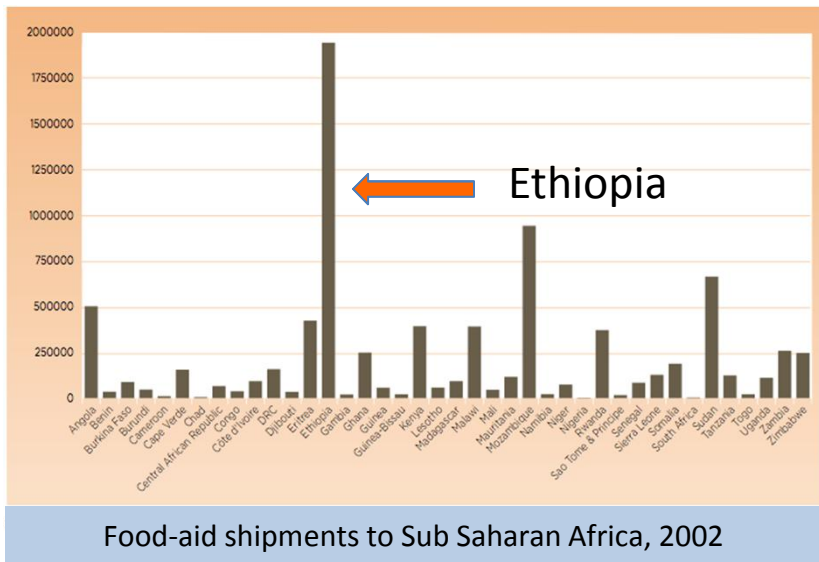
- In the developed world, unemployment insurance is an important part of social protection
- In the developing world: how to measure 'unemployment'?
 - People are under-employed, self-employed, informally employed, engaged in subsistence activity...
 - In India, the informal economy is huge
 - An unemployment allowance has risks of massive errors of inclusion – people claiming an allowance but working in the informal sector.
- An employment guarantee: allows self-selection through participation in work.
 - If participants are actually working informally, or can earn better incomes from self-employment - they won't participate.
 - A mechanism responsive to real conditions.

Photo: Oxfam

The Productive Safety Nets Programme (PSNP) Ethiopia



The Productive Safety Nets Programme (PSNP)



- Implemented by Ethiopian government
- Mostly funded by a multi-donor partnership
- To provide predictable, multi-year funding for a development alternative to food-aid
- Now at a scale of 7 million participants per annum.

*There is a chronic, **predictable**, underlying structural problem that needs to be addressed, not after the emergency has passed, but in conjunction with addressing the emergency.*

We need to develop strategies to fight poverty, which is at the root of the problem.

Prime Minister Meles Zenawi, 2002

Objectives



- To provide social transfers to the food-insecure population in chronically food insecure districts
 - In a way that sustains adequate nutrition levels
 - Prevents asset depletion at the household level
 - Creates assets at the community level that can contribute to enhancing livelihoods

From 2010: Household Asset Building Programme

- Provides credit and technical support to help households build their asset base, diversify livelihoods and achieve food security
- With the aim of ‘graduating’ from PSNP.

Photo: Reta Assegrid USAID Ethiopia

Critical area of innovation:



- PSNP combines a PEP for those who *can* work with cash transfers for those who *can't*.
 - With the transfer **in both cases** equivalent to 3kgs of cereal per household member per month for 6 months per year
 - Transferred as cash or as food
 - The level of the transfer is based on **household need**.
- The Direct Support component targets labour-constrained households
- Households can move between the two as their conditions change
 - Maternity, injury, illness
- Some households combine the two.
- 85% participate in the public works component

Predictable contribution to livelihoods

- Again – PSNP an ongoing programme.
- For as long as that is the case, participants can rely on its contribution to household income.
- But in PSNP – strong emphasis from donors on graduating and exiting, asset-building.
- Important: but in context of current massive drought about to hit Ethiopia – the need for an ongoing ‘counter-cyclical’ instrument.

South Africa's Community Work Programme



- A component of EPWP
- Current scale: about 200,000
 - *Spot the difference.*
- participants at 148 sites.

Design Features of CWP

- CWP offers regular part-time work - on an ongoing basis
2 days a week = 100 days a year
- It is an area-based programme, with a target of 1,000 people per 'site'
- The CWP uses community participation to identify 'useful work;'
- Conditions of work are covered by the Ministerial Determination of Working Conditions in EPWP;
- CWP is implemented by non-profit Implementing Agencies
- Each site establishes an advisory Reference Group
Including ward councilors, local government, and civil society organisations and key community actors (clinic sisters, school principals).
- Target: to operate in every municipality.

Why Part-Time Work?

- A response to the structural nature of unemployment: to provide ongoing access to a minimum level of employment
- Regular part-time work – and hence income - provides an earnings ‘floor’;
 - A small but sustained increase in incomes is more likely to contribute to a sustainable improvement in nutrition, health – lessons from cash transfers.
- Enables financial planning, mitigating risks of enterprise activity;
- Regular participation in work provides structure, social inclusion
- Part-time work enables the economic participation of women.
- Income from CWP supplements rather than displacing other livelihood activity
 - This increases the net contribution in the hands of participants
 - Optimises the impact of resources from a macro perspective.
- Regular income to participants creates a sustained rise in consumption spending – a more sustainable input into the local economy.
- Part-time work is unlikely to displace full-time work, regardless of the wage rate, reducing concerns about labour market displacement

Innovations in the type of work undertaken

- Infrastructure matters: but many opportunities beyond infrastructure.
- SA: a pioneer in terms of environmental EPWP
- And in terms of social sector forms of public employment
 - Care work
 - Early Childhood Development
 - Youth development through football



Schools Support

- Scholar patrols
- Repair of fences
- Vegetable gardens for school feeding
- Security patrols at break to make schools safer places
- Cleaning the grounds
- Overseeing homework classes after school
- Organising sports activity
- Teachers aides
- Cleaning the toilets daily
- Planting trees, landscaping
- Building play equipment, jungle gyms
- Creating, maintaining sports facilities
- Maintenance and repair of buildings





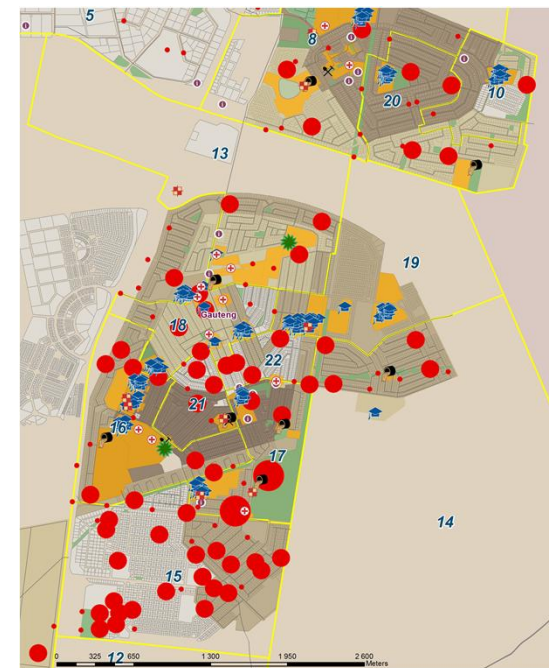
- Public art: a public good.....
- Creating local parks, green spaces
- Social theatre – awareness raising on public good issues.



Working with the police to map crime hotspots To inform a community safety strategy



Crime hotspots in
Randfontein, South
Africa



New policy opportunities from care work

- For vulnerable households, care = human contact, support, access to networks = social inclusion.
- Care of orphans – scope to transition into PEPs at working age
- People with disabilities: a virtuous caring cycle.



Access to community-based care can create an added dimension of social protection:

Providing predictable access to community-level care when needed:

New policy opportunities from care work

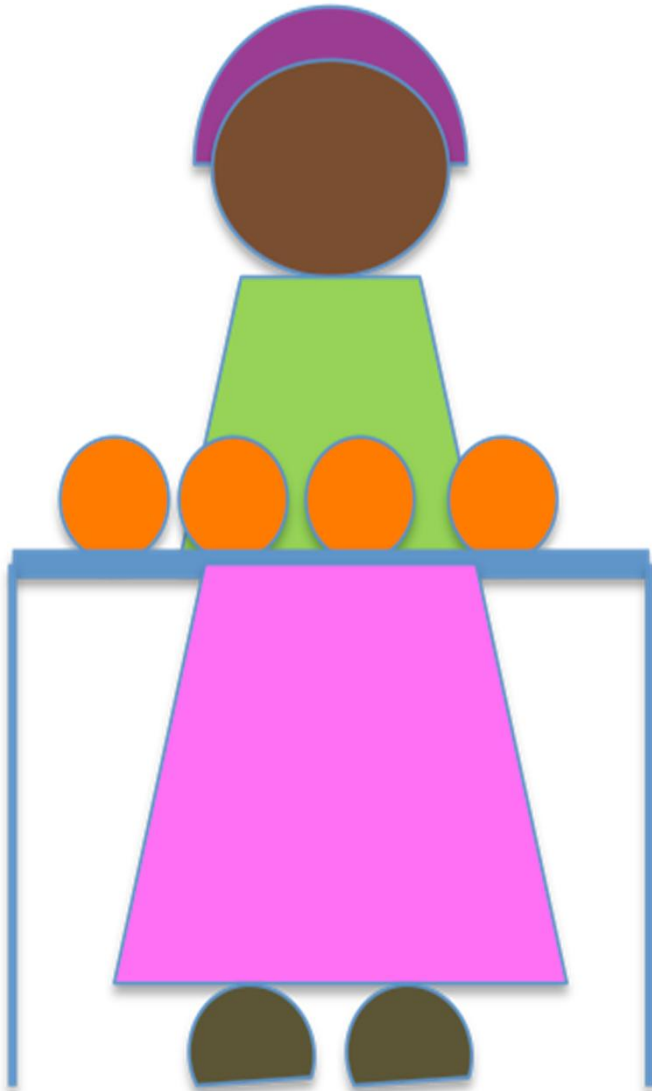
- **PEPs provide an instrument to tackle the uneven burden of unpaid care work:**
 - Unpaid care work is largely undertaken by women.
 - Paying for such work in PEPs gives it social recognition – and an economic value.
 - Providing care to vulnerable households through PEPs releases productive labour – usually of women – which enhances their chances of exiting from poverty.
 - Finally – an instrument that can actually assist in addressing this gender issue?



Scope for more skilled work

- No reason PEPs have to focus on unskilled work only....
- For example, why not:
 - Participation in research surveys
 - Collation of social histories
 - Development of content for community radio, community newspapers
 - Literacy training: requires literate trainers.
 - Outreach 'blitzes' to register citizens for social services
 - Design of public interest websites
 - Pathways in IT.....public interest websites

PEPs: contribution to livelihoods not just about the incomes



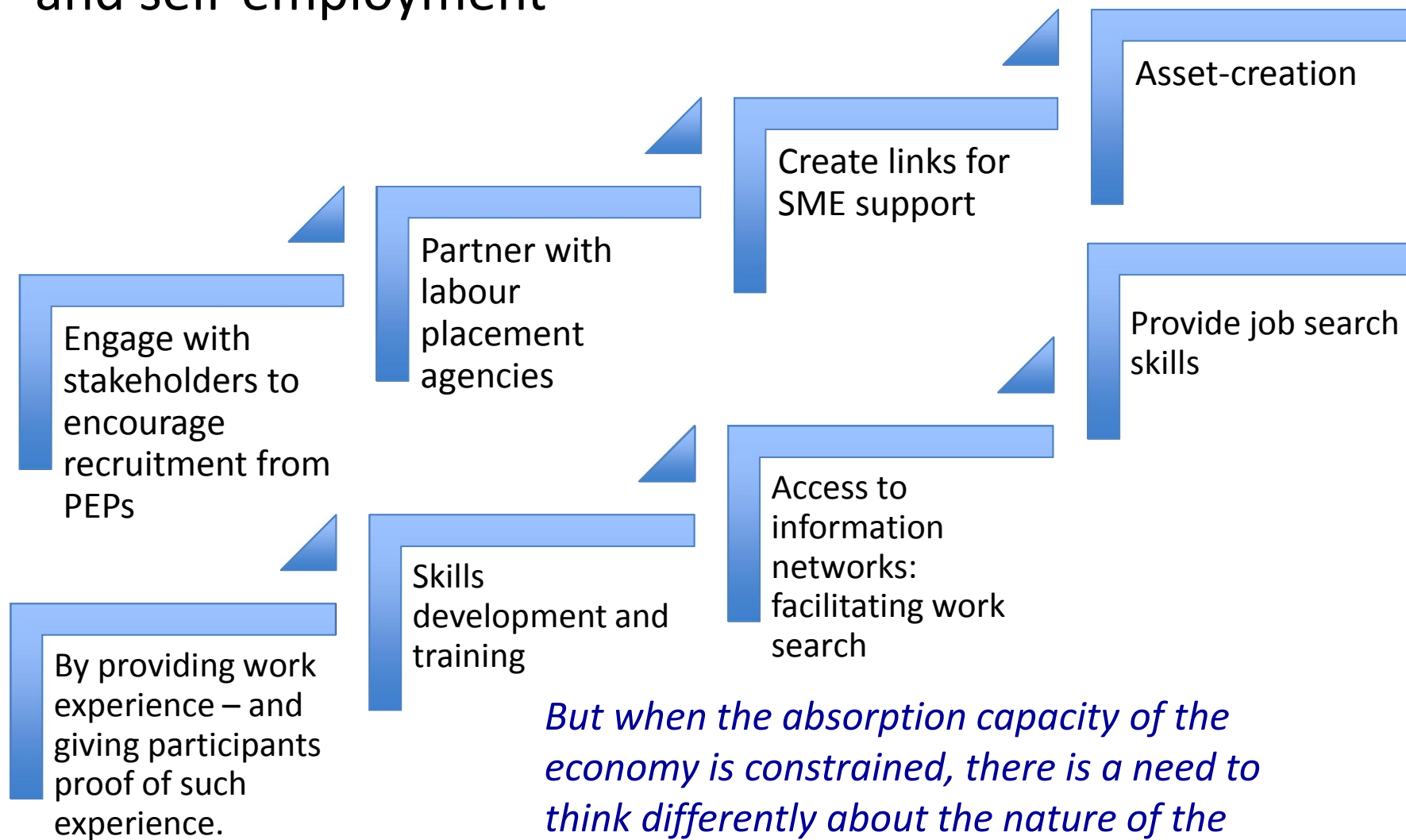
Participation in work:

- Provides work experience and training relevant to livelihood strategies
- Access to networks
- Lifeskills

Assets and services created can also contribute to sustainable livelihoods at local level:

- Land rehabilitation
- Earth dams and irrigation
- Construction of market spaces
- Fencing of grazing areas
- etc

In all cases, 'graduation' considered desirable.
And PEPs *can* strengthen pathways to employment
and self-employment



But when the absorption capacity of the economy is constrained, there is a need to think differently about the nature of the contribution they make.

New development opportunities

- When PEPs become a feature of the local institutional landscape, a range of **new and different** opportunities arise for them to play a developmental role
 - In relation to community participation and development
 - Building institutional and local capacities to deliver development outcomes
 - Addressing the maintenance challenge
 - Responsive to local priorities
 - As an instrument to address social challenges
 - With opportunities for new forms of work
 - Creating new opportunities into employment, also.

Back to the big picture

- In many parts of the world, markets are not creating as much employment as people need, and that has a negative impact on society as a whole.
 - There is nothing intrinsic in markets that means they have any natural tendency to balance the demand and supply of labour.
 - *It's just not what they do.*
- The need for full employment is a social need, not an economic imperative
 - Barring social unrest, the private sector can be perfectly profitable even in a sea of poverty – as long it has export markets.
- This reality is getting worse: technological change is progressively eroding the need for labour.
- What does the likely future trajectory of demand for labour mean for societies?

Back to the big picture

- Societies need a strategy to respond: because work matters too much to leave to markets alone:
 - In all cultures, contributing productively to your family and community is critical to self-worth and social inclusion.
 - Unemployment has a wide range of negative social and economic impacts that have high costs.
 - Work (or labour) has a social value, even when it does not have an economic value.
- Public employment provides an instrument to bridge the gap between the declining market-based need for labour – and people's need to work.
- Given the prognosis for the future of work, there is a need for serious consideration of new ways in which society can respond to the demand for labour – and the scope to create social value in the process.