

Rethinking Public Employment Programmes: Moving beyond Safety Nets?

by Radhika Lal,
International Policy Centre for Inclusive Growth

Public works and public employment programmes (PEPs) have long been considered a staple of social assistance. For the most part, though, they have been designed as 'safety nets' in the context of counter-cyclical programme interventions and responses to shocks where the objective has been to provide income support for the unemployed in the form of cash or food in exchange for work effort (See del Ninno et al., 2009). While, in some cases, there has also been a focus on reducing poverty or long-term unemployment, until recently, neither the design of the programmes nor the scale of implementation has been such as to make a significant dent in poverty reduction.

A recent study (IPC Working Paper No. 66 by Lal and Miller et. al.) draws on new conceptual approaches and innovations in designing and implementing such programmes to argue that when PEPs are framed within a long term development approach they have the potential to mitigate the impact of crises on employment – which as recent crises have shown can take between 5-7 years to recover - as well as ensure more inclusive growth. The fact that a rights-based approach to PEPs, such as India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), that was initiated prior to the crisis could be effective in mitigating the effects of the crisis on the poor and in reviving demand has elicited interest in policies that have the potential to contribute to the social and economic resilience of local and national economies. Interest in 'affordable' and scalable programmes to strengthen domestic-demand is only likely to increase in global fora given the emerging focus on realizing a more balanced pattern of global growth in the post-crisis period.

In the context of a long-term development framework for PEP, the paper assesses the desirability and feasibility of adopting a universal or a partial Employment Guarantee (EG) to make PEPs a more stable complement to market-driven employment creation particularly in situations where levels of working poverty and under-employment are significant. It points out that this involves a shift to a demand-driven approach, where the objective is to respond to unmet demand for employment opportunities while addressing 'deficits' in infrastructure and service provision. The paper argues that framing PEPs in the context of an EG allows for integrating planning and accountability mechanisms critical for results in direct job creation as well as useful asset creation and service provision.

It indicates that when there is an understanding that PEPs will continue as needed, synergies and 'convergence' opportunities with other programmes can be identified more readily than if they were designed as a short term safety net. In exploring complementarities and interactions with various social assistance programmes and active labour market policy interventions, the paper finds that PEPs can contribute to directly and indirectly realizing social protection and job creation for the poor across their life-course. For example, infrastructure and productivity improvements facilitated through PEPs can contribute to the sustainability of community based development initiatives and livelihood opportunities; PEP-based child services can facilitate women's participation in the labour force

and enhance the impact of conditional cash transfer programmes which seek to promote a social investment in the next generation. The paper also highlights the innovative design objective of newer PEPs (e.g MGNREGA) to explicitly 'crowd-in' financial and digital inclusion in the under-served areas where they are implemented through the financial and information delivery platforms that are put in place for the programmes but which also have wider impacts. (Also see ILO course on innovations and design options for PEPs)

Although paper makes a case for framing PEPs within the framework of an employment guarantee, it does not put forward a 'model' EG framework or programme. It suggests that the scope of PEPs will vary according to the nature of the unemployment problem, the amount of fiscal space available, and the types of 'deficits' that exist with regard to infrastructure and service provision that can be addressed by the programme. Programme priorities and trade-offs will likely also vary across countries and over time. While a strong case for supporting direct employment creation can be made even without a formal reference to a rights-based framework, the paper points out that a rights-based approach has powerful ramifications for financing and planning frameworks, for transparency, accountability and redressal mechanisms, for participatory engagement and a results orientation. (See Sharma, 2010). These contribute to ensuring that programme priorities are demand-driven and that planning and capacity development necessary for the implementation of scalable employment programmes can be undertaken.

Given that there are few full-fledged employment guarantees in place, the paper draws on the experience of significant forward-looking and/or innovative approaches to designing PEPs. This includes: India's 100-day guarantee for rural households under MGNREGA; Argentina's *Plan Jefes y Jefas de Hogar Deocupados*, initially formulated with a right to social inclusion rationale and central to mitigating impact of and contributing to recovery from the economic crisis of 2001; Ethiopia's *Productive Safety Net Programme (PSNP)*, which demonstrates the benefits of promoting a productive safety net system resourced over a multi-year framework and points to how a programme can be designed to cater to the needs of 'labour surplus' households as well facilitate transfers to those that are labour constrained; and South Africa's Expanded Public Works Program (EPWP) which highlights the potential to go beyond traditional areas of focus for public works to address, for example, social and environment services. South Africa's *Community Work Program* which shows how regular and predictable work income can be provided based on prioritisation and organisation by local communities themselves may also be of interest.

References:

- del Ninno, Carlo and Kalanidhi Subbarao and Annamaria Milazzo (2009) 'How to Make Public Works Work: A Review of the Experiences' World Bank Social Protection Discussion Paper 48567
- ILO International Training Centre in Turin Course 'Mitigating a Jobs Crisis: Innovations in Public Employment Programmes' (forthcoming).
- Lal, Radhika, Steve Miller, Maikel Lieuw-Kie-Song and Daniel Kostzer (2010). 'Public Works and Employment Programmes: Towards a Long-Term Development Approach', *IPC-IG Working Paper 66*. Brasilia, International Policy Centre for Inclusive Growth.
- Sharma, A. (2010) 'Mahatma Gandhi National Rural Employment Guarantee Act, 2005: A Rights-based Law for Inclusive Growth'