



# **Social Protection and Public-Service Job Creation: contributing to a strategy of pro-poor inclusive growth**

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*Session II: The Role of social policies in realizing inclusive growth*

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**UNDP, International Policy Centre for Inclusive Growth, Brasilia, December 3-5, 2012**  
**Recent Developments in the Role and Design of Social Protection Programmes**

**“There is plenty of evidence that unemployment has many far-reaching effects other than loss of income, including psychological harm, loss of motivation, skill and self-confidence, increase in ailments and morbidity (and even mortality rates), disruption of family relations and social life, hardening of social exclusion and accentuation of racial tensions and gender asymmetries.”**

***Amartya Sen (2000)***

# Why an EGS,ELR,PWP?

The right to work promotes

- Dignity, social inclusion and expanded democracy
- Direct and indirect income creation
- Direct and indirect job creation
- Public and Private Asset creation
- Growth? *Pro-poor*
- Employment creation, economic inclusion and improvement in standard of living of people

# Typology of Direct Job Creation Government Programs

- **Emergency Programmes:** Korea in 1997, Argentina post 2001 financial crisis, USA (New Deal and ARRA), Greece (currently)
- **Social Funds:** Bolivia (1986), Chile (1975-1987), Peru (1991)
- **ILO Employment Intensive Infrastructure**(since 70's in many African countries)
- **The Right to Food, the Right to Work:**NREGA since 2006
- **Recognition of Unemployment during normal times:** South Africa since 2005, Sweden and Australia (1940's-70's)

# Employment Guarantee Programs

- Expanded Public Works Programmes  
[infrastructure, social sector, environment, economic]

SOUTH AFRICA

- National Rural Employment Guarantee Act  
[Right to Information Act- Ongoing Social Audits ]

INDIA

# MG-NREGA (India)

## Types of Community Projects

Rural roads and access roads

Rural land development

Flood control works

Water conservation and water harvesting

Irrigation facilities to land owned by poor people and to beneficiaries of land reforms

Reactivation of traditional water harvesting and distribution systems

# EPWP

## Types of Community Projects

Road construction and maintenance

Water delivery

Ecological latrines

**Early childhood development**

**Home and community based care**

Environmental water conservation

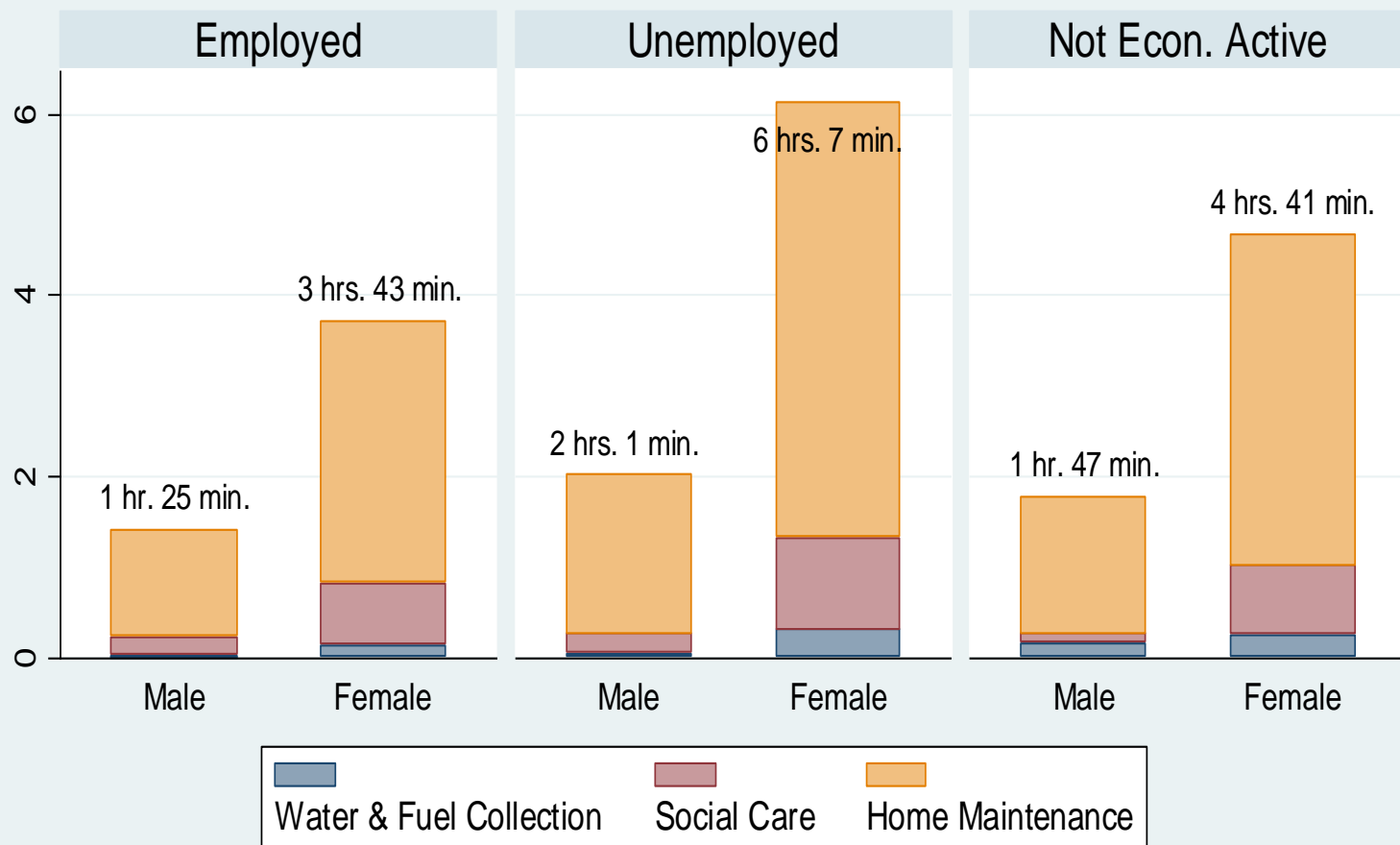
Prevention of fires

# Employment Guarantee Programs

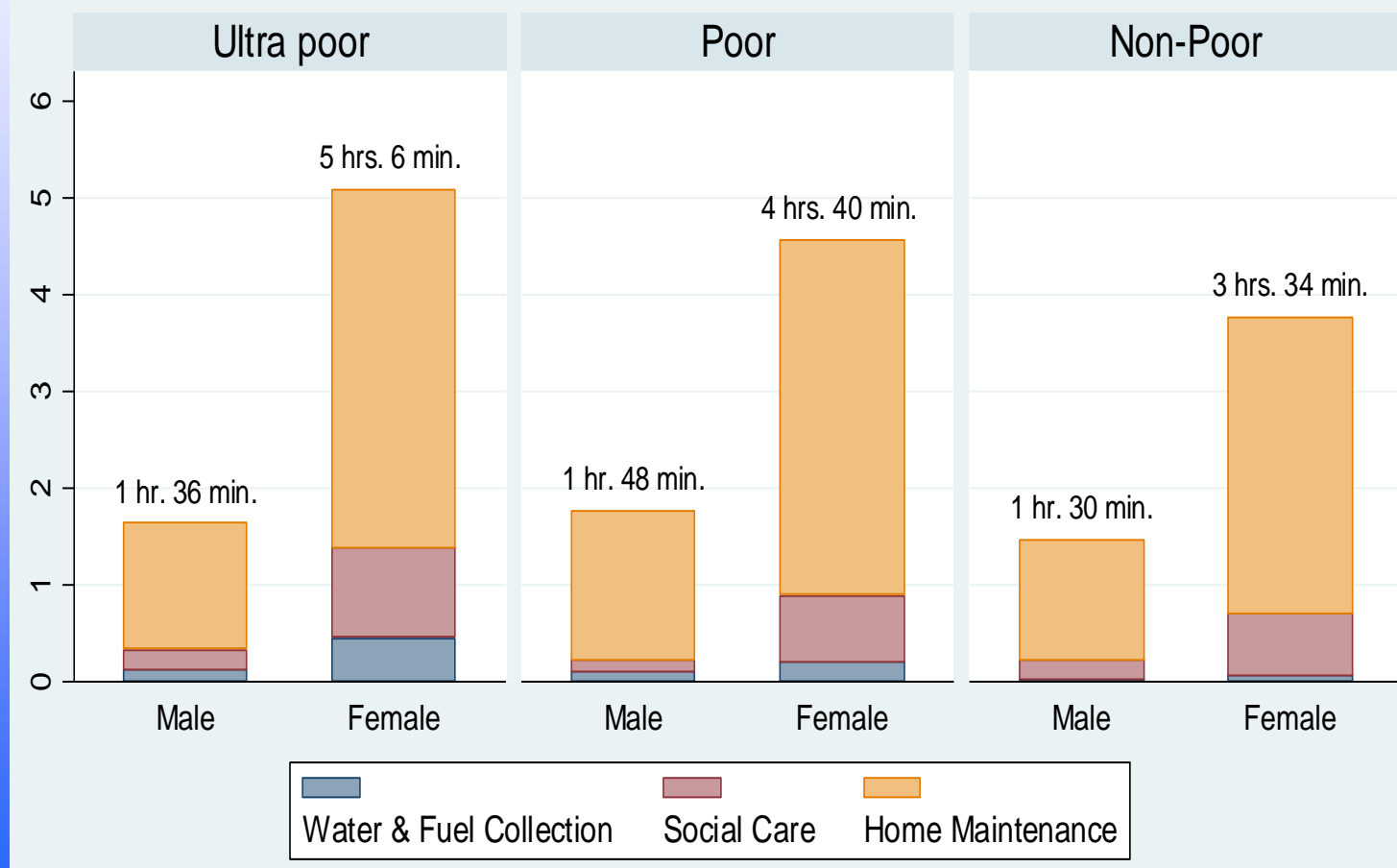
- **What kinds of jobs? What types of “projects”?**  
Who is eligible? For how long? Level of wages?
- What is the “cost” of such projects? Sources of Financing? Are they inflationary?
- Institutional arrangements? Technical expertise?



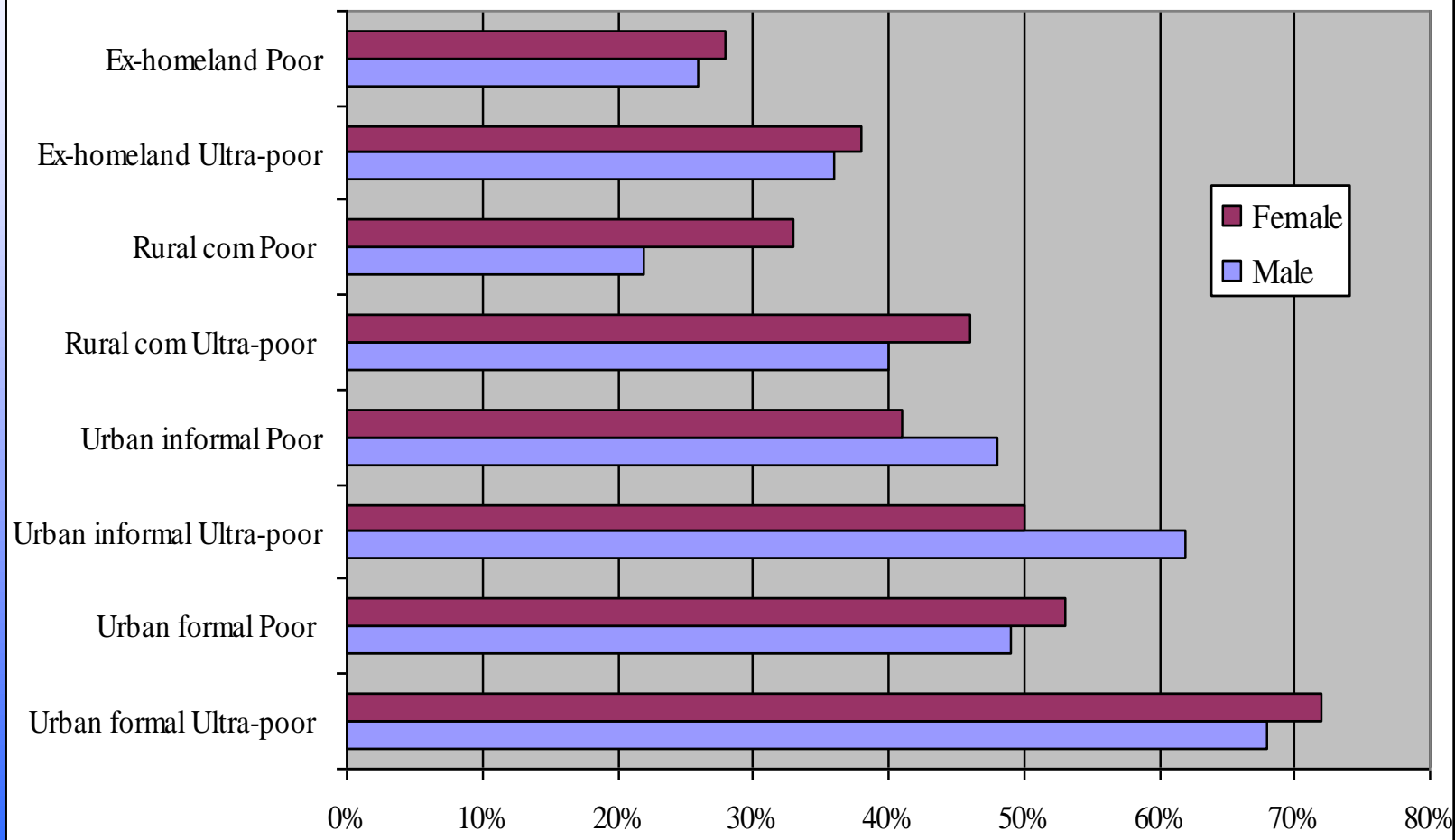
# Time spent on unpaid work SA by status of Employment



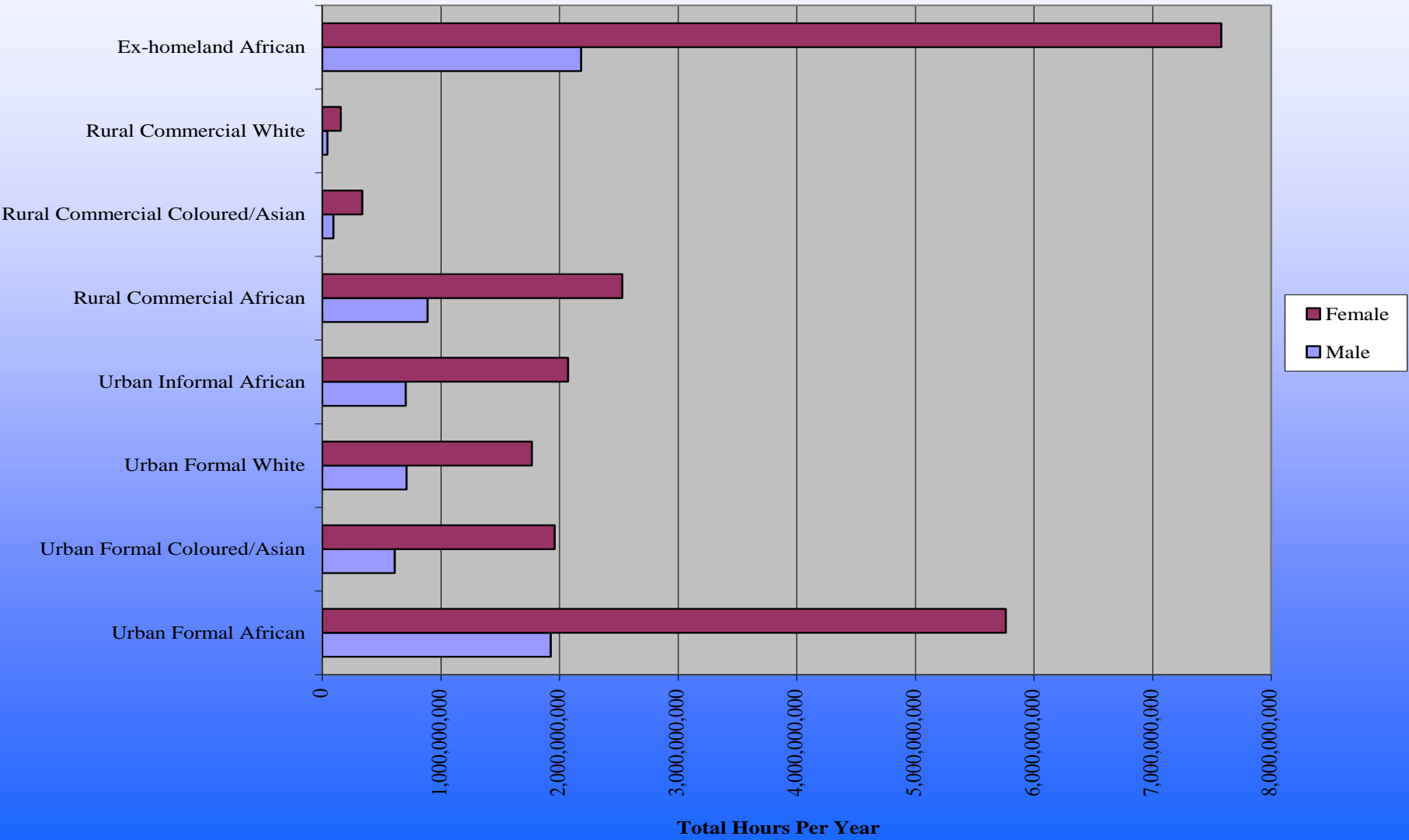
# Unpaid work in South Africa by Poverty Status



## Unemployment Rate - African, poor/ultra-poor (strict definition)



# Total Hours Spent on Unpaid Work per Year by **Household Type** and Gender



# Background on the Study

- **Research project** on micro-macro impact of scaling up public job creation (UNDP-Levy)
- **This presentation:** Kijong Kim (Levy Institute), EPWP, Irwin Friedman (Health Systems Trust) and PROVIDE team (Dept. of Agriculture)
- **Type of Intervention** : scaling up Early Childhood Development and Home/Community Based Care
- **The right to work , the right types of projects?**  
unpaid work and gender issues

# Policy Simulations

- **All Existing Types of Projects** have the potential to reduce unpaid work and facilitate creation and access to basic services
  - EPWP Working for Water; environment sector (*Tsitsikamma 2004/05*)
  - EPWP Social Sector** (*Health Systems Trust* )
  - EPWP Infrastructure; Access roads and Water Reticulation (*SCIP Engineering Group*)
- **Options for Job allocation scheme**
  - Jefes variation by population weights (part time year around)
  - NREGA scheme (100 days)
  - Poverty weights-normalized by population
  - Unemployment weights normalized by poverty incidence
- **Target population**
  - Poor and ultra poor households comprising (50% of the unemployed); “unskilled” wages according to programme stipulations and skilled according to SAM

# Impact of EPWP Injection

## **ex-ante evaluation of policy scenarios**

- Direct and indirect job creation (skill level/gender/sector)
- Direct and indirect income received by type of hh
- Depth of poverty reduction
- GDP growth? Pro-poor growth?
- Tax-revenue expansion?
- *Expansion of service delivery for participants and community*

# The SAM for South Africa

- Based on PROVIDE, Dept. of Agriculture
- Factors disaggregated by skill and gender
  - 1 FGOS
  - 2 FMaleUS
  - 3 FMaleSk
  - 4 FFemUS
  - 5 FFemSk
- 26 sectors
  -
- 20 types of hhs
  -
- 7 exogenous sectors
  - ↓

E	53	1 SALTAX
X	54	2 IND TAX
O	55	3 DIRTAX
G	56	4 GOVT
	57	5 KAP
	58	6 DSTOC
	59	7 ROW

1	HUF_Af1_3
2	HUF_Af4
3	HUF_Af5
4	HUF_Co1_3
5	HUF_Co4
6	HUF_Co5
7	HUF_Wh
8	HUI_Af1_3
9	HUI_Af4
10	HUI_Af5
11	HRF_Af1_3
12	HRF_Af4
13	HRF_Af5
14	HRF_Co1_3
15	HRF_Co4
16	HRF_Co5
17	HRF_Wh
18	HRI_Af1_3
19	HRI_Af4
20	HRI_Af5

A	27	1 Cagric
C	28	2 Cmining
T	29	3 Cfood
I	30	4 Ctext
V	31	5 Cpaper
I	32	6 Cpetro
T	33	7 Cnonmet
I	34	8 Cmetals
E	35	9 Cmachin
S	36	10 Ccomeq
	37	11 Ctrnseq
	38	12 Comanuf
	39	13 Celec
	40	14 Cwater
	41	15 Cbuild
	42	16 Cconstr
	43	17 Ctradacc
	44	18 Ctrnscom
	45	19 Cfinsevr
	46	20 Cbusserv
	47	21 Ceduc
	48	22 Cogovserv
	49	23 Chealth
	50	24 Csocial
	51	25 Coserv
	52	26 Cdomserv



# Types of Households

1 HUF_Af1_3	Urban Formal African Non-Poor
2 HUF_Af4	Urban Formal African Poor
3 HUF_Af5	Urban Formal African Ultra Poor
4 HUF_Co1_3	Urban Formal Colored Non-Poor
5 HUF_Co4	Urban Formal Colored Poor
6 HUF_Co5	Urban Formal Colored Ultra Poor
7 HUF_Wh	Urban Formal White Non-Poor
8 HUI_Af1_3	Urban Informal African Non-Poor
9 HUI_Af4	Urban Informal African Poor
10 HUI_Af5	Urban Informal African Ultra Poor
11 HRF_Af1_3	Rural Commercial African Non-Poor
12 HRF_Af4	Rural Commercial African Poor
13 HRF_Af5	Rural Commercial African Ultra Poor
14 HRF_Co1_3	Rural Commercial Colored Non-Poor
15 HRF_Co4	Rural Commercial Colored Poor
16 HRF_Co5	Rural Commercial Colored Ultra Poor
17 HRF_Wh	Rural Commercial White Non-Poor
18 HRI_Af1_3	Ex-homeland African Non-Poor
19 HRI_Af4	Ex-homeland African Poor
20 HRI_Af5	Ex-homeland African Ultra Poor

# EPWP: Social Sector

- Social Sector consists of ECD/Education and HCBC/Health
- High female intensity (60 and 69% respectively)
  - addresses female unemployment in the short run and builds skills in the long-term
- *Data source:* Friedman, Irwin, Bhengu, L., Mothibe, N., Reynolds, N., and Mafuleka, A., (2007) *Scaling up the EPWP*, Health Systems Trust, November, Volume 1-4. Study commissioned by Development Bank of South Africa and EPWP.

# Simulation Results

9 billion Rand, full time-year around jobs

- Direct job creation (600,000 to 1,2million)
- Indirect job creation: for every 3 EPWP, another one in the economy is created
- GDP (+1.7%), tax-revenue expansion (1/3 recovered)
- Poverty reduction: pro-poor growth!

# Costs and Benefits

- Social inclusion
- Income-Poverty reduction? This depends on the length and duration of jobs, wages and targeting method
- Asset poverty reduction!!!
- Service delivery!!!
- Gender equality in unpaid and paid work
- Pro-poor development
- Monetary cost: 1% of GDP ....?3% of GDP?
- Opportunity cost of not mobilizing domestic resources?

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Thank you



[www.levyinstitute.org](http://www.levyinstitute.org)

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